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The Impact of the Corporate Merger on Financial Efficiency and Governance in PT Perkebunan Nusantara I Regional 4

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ABSTRACT

The decline in financial performance and operational inefficiency within state-owned plantation enterprises in recent years has prompted the Indonesian government, through the Holding Perkebunan Nusantara, to implement a restructuring policy by merging several plantation companies. One of the key structural reforms was the merger of PTPN X and PTPN XI into the SupportingCo sub-holding, which significantly affected organizational arrangements and financial operations in PTPN I Regional 4 as an implementing entity. This study aims to examine the impact of the merger on financial efficiency and financial governance within PTPN I Regional 4. A qualitative descriptive approach was applied, using primary data obtained through in-depth interviews with the Assistant Manager of Finance, selected purposely based on expertise and direct involvement in the post-merger transition. The results reveal that the merger contributed to improvements in financial efficiency, particularly through the harmonization of financial systems into a single integrated platform, SAP HANA, which reduced work duplication, accelerated authorization processes, and enhanced accuracy in financial recording. In the aspect of financial governance, the merger supported the development of a more standardized organizational structure aligned with Good Corporate Governance principles through clearer distribution of responsibilities and strengthened independent oversight. Nevertheless, challenges emerged related to cultural integration and employee adaptation, requiring continuous communication, structured training, and phased implementation strategies. These findings indicate that merger success depends not only on system integration but also on human resource readiness, leadership alignment, and cultural consolidation over time.

Keywords: Merger Integration; Financial Efficiency; Financial Governance; Organizational Adaptation; PTPN I Regional 4

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INTRODUCTION

In the era of globalization characterized by increasingly intense business competition, organizations are required to continuously strengthen operational efficiency and financial governance. One strategic approach widely adopted to improve corporate performance is mergers, including among state-owned enterprises. In Indonesia, restructuring through mergers has become a major governmental policy to enhance competitiveness and improve financial sustainability. Within the plantation sector, this initiative was implemented through the merger of PT Perkebunan Nusantara (PTPN) X and PTPN XI under the SupportingCo sub-holding structure, transforming their organizational, financial, and operational frameworks.

Conceptually, mergers are expected to generate benefits such as cost efficiency, accelerated growth, and strengthened financial structures. Prior studies, such as Fahlevi, (2022), demonstrate that mergers in the Indonesian banking sector can improve financial efficiency, indicated by increases in Return on Assets (ROA), Return on Equity (ROE), and reductions in cost ratios. However, the effectiveness of mergers cannot be assessed solely from financial metrics. The success of post-merger integration also depends on system harmonization, readiness of human resources, and the consolidation of organizational culture and corporate governance practices.

The financial division is typically the most affected area during merger integration. Practical challenges arise when previously independent entities carry different Enterprise Resource Planning (ERP) systems, financial policies, cash disbursement procedures, and authorization structures. For instance, PTPN X previously utilized Systems Applications and Products in Data Processing (SAP) ABYOR, whereas PTPN XI implemented SAP HANA, requiring complex adaptation processes including system consolidation, retraining, and development of new internal control mechanisms aligned with Good Corporate Governance (GCG) principles. Although prior studies predominantly evaluate merger effectiveness using quantitative indicators such as ROA, ROE, cost efficiency, or capital structure improvements, these approaches largely emphasize post-merger outcomes and overlook the internal integration processes that shape those results. Existing scholarship rarely examines how system harmonization, alignment of standard operating procedures, consolidation of organizational culture, and transformations in governance structures particularly related to internal controls and authorization mechanisms actually unfold during merger implementation. This gap is even more pronounced in state-owned plantation enterprises, which operate under unique structural complexities, regulatory constraints, and operational characteristics that differ significantly from sectors such as banking. Therefore, this study contributes by employing a qualitative approach to uncover the internal dynamics and governance transformations following the merger of PTPN X and PTPN XI into PTPN I Regional, offering a more comprehensive understanding of merger effectiveness that cannot be captured through quantitative financial analyses alone.

Recent research emphasizes the critical role of governance structures in securing post-merger stability Halasanni Agustina Pardede & Dea Annisa, (2023) highlight that active audit committees and independent supervisory boards reinforce financial reporting integrity and internal control effectiveness. Similarly, Novtaviani, (2021) finds that improved board independence correlates positively with post-merger financial performance, although impacts vary depending on governance implementation. These findings suggest that governance transformation may be as influential as financial restructuring itself.

Despite the strategic relevance of mergers in Indonesia's plantation sector, research exploring post-merger financial efficiency and governance transformation

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remains limited. This gap underscores the need to examine how internal integration processes, policy harmonization, and cultural alignment shape merger outcomes beyond numerical performance indicators. To provide empirical context, recent financial information from several PTPN entities illustrates variations in performance that further reinforce the importance of investigating merger impacts more comprehensively, serving not as definitive evidence but as preliminary indications of ongoing structural change. In 2022, PTPN X reported revenue of approximately IDR 4.1 trillion, an 87% increase from the previous year, which management attributed to strengthened operational efficiency (Antara News, 2023). Meanwhile, PTPN XI recorded a 105.82% increase in total assets in 2021, reflecting substantial capital restructuring (Antara News, 2022)

At the group level, Holding Perkebunan Nusantara (PTPN Group) achieved a consolidated net profit of IDR 4.64 trillion in 2021 after previously experiencing losses, a turnaround associated with ongoing transformation initiatives and the reinforcement of governance practices (Antara News, 2022). These variations in performance and structural developments indicate that the merger process influences more than financial outcomes; it also entails system harmonization, policy alignment, and the strengthening of governance mechanisms. Therefore, this study aims to investigate the impact of the merger between PTPN X and PTPN XI on financial efficiency and financial governance within PTPN I Regional Four, emphasizing system adaptation, structural challenges, and policy restructuring from the perspective of internal practitioners. The findings are expected to offer empirical insights to support the effectiveness of future merger strategies in state-owned enterprises and enhance governance frameworks within the plantation industry.

LITERATURE REVIEW

Merger

In the academic context, mergers can be examined from two primary perspectives: corporate finance and strategic management. These perspectives reflect different underlying motives that drive companies to undertake mergers. From the corporate finance viewpoint, mergers are typically motivated by economic objectives, such as increasing firm value or maximizing shareholder wealth. Conversely, from the strategic management perspective, mergers may also be driven by non-economic motives, including personal ambitions or preferences of company owners, making the rationale subjective in some cases (Priadi *et al.*, 2024)

Generally, mergers occur between companies with different business scales, where the larger entity often retains its legal identity. However, in certain cases, when merging with a smaller entity, the latter may be dissolved as a legal entity. In essence, a merger is a business strategy in which two or more companies integrate their operational activities, leveraging shared resources to achieve stronger organizational capabilities, enhanced performance quality, and improved operational efficiency (Kholifah, 2025). Mergers are considered a relatively more straightforward and cost-efficient form of corporate restructuring compared to other acquisition methods. Nevertheless, they involve limitations, such as the requirement to obtain approval from all shareholders of the companies involved, which often demands significant time and coordination (Priadi *et al.*, 2024).

The primary motivation behind mergers is the expectation that the combined entity will yield greater benefits compared to operating separately. Although these assumptions do not always materialize, several commonly cited advantages of mergers include (Moin, 2003 as cited in Nisafitri, (2020):

1. Faster access to cash flows, as the acquired company already possesses established products and markets.
2. Greater ease in securing financing, since creditors tend to trust well-established entities.
3. Access to skilled labor and an existing customer base without the need to build from the ground up.
4. Acquisition of operational and administrative systems that are already functioning, enabling more rapid market entry.
5. Reduced business risk, since the merged company does not start from zero.
6. Utilization of pre-existing infrastructure, which supports accelerated and more efficient business growth.

On the other hand, mergers also present inherent weaknesses. One of the most significant challenges is the integration process, which is often complex and can negatively affect employee morale. Difficulties in accurately valuing the target company, high consulting fees, and increased bureaucratic complexity after consolidation are additional constraints. Furthermore, mergers do not automatically guarantee increases in firm value or shareholder welfare, as success is highly dependent on post-merger integration strategies and the effectiveness of cultural and operational adaptation between merged entities.

Change Management Theory

Change management is widely defined in Indonesian management research as a systematic process for planning, implementing, and evaluating transitions in organizational structure, processes, policies, and culture to enhance competitiveness and organizational resilience (Helmi, 2023). In the context of merger, readiness for organizational change becomes critical; empirical evidence in Indonesian state-owned enterprises shows that employee readiness significantly influences the success of post-merger integration (Sembiring *et al.*, 2024). Therefore, change management theory is highly relevant to understanding how adaptation processes can be effectively managed to achieve the intended merger objectives. Lestari, (2024) emphasizes that organizational change requires strong leadership and must be initiated internally within the company. Change leaders should have not only significant involvement in operational activities but also adequate competencies and authority to drive organizational restructuring, policy reformation, and cultural realignment.

To analyze the adaptation process during large-scale organizational transitions such as mergers, Kurt Lewin's Change Management Model offers a useful conceptual framework (Prastiyani, 2020). The model explains that organizational change begins with an *unfreezing* stage, where the organization cultivates employee awareness regarding the necessity of change through intensive communication, open discussion, and clear justification about why existing systems or policies are no longer effective. Once readiness is established, the process moves into the *changing* stage, which focuses on the actual implementation of change, including the adoption of new systems, restructuring, employee reskilling, and the development of new cultural norms. Managerial support and employee participation are crucial in ensuring that these changes are carried out successfully. The final *refreezing* stage aims to stabilize and institutionalize the newly implemented systems and behaviors so they become part of routine organizational practice. This stability is reinforced through ongoing evaluation, policy adjustments, and the strengthening of new behavioral standards to prevent regression into old habits.

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Post-Merger Cultural Clash

Merging organizations with significantly different cultural identities often triggers organizational friction. Empirical evidence suggests that greater organizational cultural distance between merging firms is associated with lower likelihood of achieving long-term synergy and higher risk of performance decline (Brede *et al.*, 2025). Furthermore, post-merger integration research indicates that without effective integration controls and structured change management, cultural differences can lead to employee resistance and undermine merger outcomes, in cases where a new, unified organizational culture was successfully constructed, studies show improvements in work motivation and employee performance after merge (Kurniawati, 2023). Systematic reviews of merger-induced cultural change highlight risks such as loss of corporate identity and uncertainty among employees, underscoring the necessity of carefully managing cultural integration as part of the merger process (Foelyati & Dudija, 2023).

According to Hofstede's organizational culture theory, differences in cultural dimensions influence internal control, decision-making styles, and responses to change. For instance, a clash may emerge when one company adopts a hierarchical and bureaucratic structure, while the other practices a more flexible and informal work style. For financial divisions, such differences may lead to confusion over procedural standards, resistance to new accounting systems, and conflicts during financial reporting integration. Failure to manage cultural integration can hinder synergy creation, decrease employee morale, and ultimately reduce post-merger financial performance.

RESEARCH METHOD

This study employs a qualitative research approach with a descriptive method, aimed at obtaining an in-depth understanding of the impact of the merger between PTPN X and PTPN XI on financial efficiency and financial governance at PTPN I Regional 4. The research utilizes qualitative primary data obtained through direct interviews with a key informant, namely the Assistant Manager of Finance at PTPN I Regional 4. The informant was selected using a purposive sampling technique based on their knowledge and direct experience with post-merger organizational dynamics.

Data were collected through in-depth interviews using a semi-structured interview guide, enabling flexible exploration of information related to changes in financial systems, cash disbursement procedures, work distribution, as well as internal control mechanisms. The key variables examined in this study are post-merger financial efficiency and financial governance, which are assessed through indicators such as changes in Enterprise Resource Planning (ERP) systems, organizational work allocation, financial authorization procedures, and structures of internal monitoring and control.

The data were analyzed using thematic analysis, involving the process of identifying patterns, categories, and emerging themes from interview transcripts, followed by interpretation to address the research focus comprehensively. The analysis process was conducted inductively to preserve the narrative context and the validity of meaning from the informant's real experiences. No computer code, proprietary datasets, or laboratory materials were used in this study. All collected qualitative data are available upon request, subject to confidentiality and organizational access policies.

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RESEARCH RESULTS

Overview of the Merger Context

The research findings were obtained through an in-depth interview with the Assistant Finance Manager of PTPN I Regional 4, providing direct insights into the process and effects of the merger between PTPN X and PTPN XI on financial efficiency and financial governance. The merger was part of the restructuring program of Holding Perkebunan Nusantara, which formed three main sub-holdings: PalmCo, SugarCo, and SupportingCo. In this restructuring, PTPN X and PTPN XI were consolidated into SupportingCo on December 1, 2023, and subsequently established PTPN I Regional 4 with a focus on managing assets and land formerly belonging to sugar mills from both entities.

Impact of the Merger on Financial Efficiency

Based on interview findings, the financial division structure prior to the merger indicated task duplication, different accounting systems, and non-standardized cash authorization procedures between PTPN X and PTPN XI. Before the merger, payment requests at PTPN XI originated from each user unit and were processed directly by the finance division through verification, payment execution, and recording in SAP HANA. Meanwhile, at PTPN X, every cash disbursement required approval from the Region Head before being executed by the finance staff, beginning with cash advance creation and recording through SAP ABYOR. Following the merger, a technical evaluation of both systems was conducted to determine the more efficient model. The results revealed that the system used by PTPN XI was faster and lighter in terms of workload and therefore selected for full implementation across the regional structure.

Prior to integration, PTPN X and PTPN XI utilized different financial information systems for transaction recording and cash management: PTPN XI operated with SAP HANA, whereas PTPN X used SAP ABYOR, which offered more limited capabilities compared to HANA. SAP HANA provides a faster and more integrated platform, particularly in real-time financial data processing and internal reporting. Its advantages include increased efficiency in transaction tracking and synchronization across organizational units. The integration of PTPN X (SAP ABYOR) with PTPN XI (SAP HANA) generated significant efficiency improvements within the finance division of PTPN I Regional 4. The adoption of SAP HANA accelerated recording and authorization processes through real-time processing and consolidated digital authorization features.

One of the strategic steps taken post-merger was the transition of the entire regional system to SAP HANA, considering its effectiveness and functional completeness in supporting regional operations. The use of a single platform simplified consolidated financial reporting across work units and reduced the risk of input errors and duplicated transactions, which were prone under the prior dual-system configuration. Furthermore, digital authorization accelerated cash processing time relative to the more manual or semi-digital procedures utilized in the SAP ABYOR environment.

This process reflects efforts toward system harmonization to support financial efficiency, consistent with findings by Sipangkar & Sihaloho (2020) who argue that post-merger system integration is a critical factor in improving corporate efficiency. However, it must be emphasized that financial efficiency improvements are not achieved instantly after integration. Supporting research evaluating bank efficiency within the first three years post–merger and acquisition indicates that governance and credit risk initially show no significant influence on efficiency; instead, factors such as capital adequacy and lending intensity contribute positively during the second and third years. These findings imply that financial efficiency requires consolidation time and internal restructuring,

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including system readiness and human resource adaptation. Thus, although SAP HANA serves as the technological foundation for efficiency, tangible performance improvements will emerge progressively alongside organizational adaptation.

Changes were also implemented in the payment system. Previously, PTPN X utilized Mobile Cash Management (MCM) or mobile banking, enabling direct transfers by financial staff but posing greater risks. In contrast, PTPN XI used a bank-executed payment method through checks and written instructions, which was considered more secure. After evaluation, PTPN XI's method was retained to reduce risk exposure. This demonstrates a selective adaptation approach, whereby components from both entities were assessed and the most relevant and efficient practices adopted. The merger also eliminated work redundancy, such as duplicate processes in cash advance preparation, memo circulation, and reporting. Although most financial system procedures adopted originated from PTPN XI, certain technical aspects from PTPN such as the memo format for cash advances were retained. This decision was reached deliberatively and gradually to avoid conflict between entities with differing organizational cultures.

Impact of the Merger on Financial Governance

The merger prompted a restructuring of oversight and internal control mechanisms within PTPN I Regional 4. The Holding Office implemented a new governance structure consisting of a steering committee and a regional audit committee composed of representatives from PTPN X, PTPN XI, and independent members. Prior to the merger, each company maintained its own Head of Finance Division. Following the integration, the Head of Finance from PTPN XI was reassigned, while the Head of Finance from PTPN X was appointed to lead the new regional structure. Adjustments also occurred at the sub-division level, where previously two separate managerial positions existed for accounting and finance functions. Over time, and through the adaptation of the new system, these positions were consolidated into a unified structure through a reassignment mechanism. The new organizational structure was established by the Holding Office (HO), which realigned responsibilities to prevent overlapping roles.

This restructuring reflects an effort to strengthen transparency and accountability—two fundamental elements of Good Corporate Governance (GCG). One positive outcome of the merger was the standardization of financial procedures and the implementation of more systematic oversight mechanisms. However, the implementation of GCG also requires leadership that is neutral and adaptive to avoid the dominance of one former entity over the other. Consistent application of Good Corporate Governance following the merger plays a critical role in preventing conflict and enhancing financial efficiency and integrity. These findings align with Pardede & Annisa (2023), who concluded that audit committees and independent commissioners enhance the credibility of financial reporting among manufacturing firms in Indonesia.

The role of governance is crucial in supporting performance improvement, particularly in the post-merger integration stage. This is consistent with research by Azzahra *et al.* (2024), which found that the proportion of independent commissioners does not automatically exert a significant direct effect on financial performance after a merger if not accompanied by effective supervisory mechanisms and strategic policy implementation. Their study indicated that financial ratios such as Return on Assets (ROA), Current Ratio, and Earnings Per Share (EPS) did not exhibit significant changes following mergers. However, the proportion of independent commissioners was shown to moderate the effect of financial ratios such as Debt-to-Equity Ratio (DER) and Total Asset Turnover (TATO) on performance, emphasizing that independent supervisory components remain an essential catalyst for sound governance and long-term efficiency.

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In the context of PTPN I Regional 4, although quantitative measurements of financial ratio indicators such as ROA or TATO have not yet been explicitly evaluated, the implementation of a more consolidated structure combined with strengthened supervision by independent elements demonstrates progress toward more established financial governance. This is particularly important to mitigate potential conflict, inefficiency, and internal dysfunction commonly encountered in post-merger environments. Referring to the insights of previous research, periodic evaluation of implemented strategies and organizational structure is necessary to ensure that governance improvements do not remain merely formal structural adjustments but truly support continuous improvement in financial performance and integrity

Post-Merger Adaptation Dynamics

Integrating two previously competing companies into a single unified entity is an inherently complex process. The early transition period was characterized by a form of *cultural rivalry*, which affected the work atmosphere and acceptance of the newly implemented organizational systems. Consequently, the adaptation process required time and intensive communication. Even one year after the merger, the adjustment process remained ongoing, particularly in terms of team collaboration and the alignment of organizational vision.

The primary challenges faced by the finance division post-merger involved adapting to new policies and systems, and fostering a sense of unity among employees originating from distinct corporate cultures. Differences in technical procedures and managerial policies such as reporting structures, cash authorization mechanisms, and remuneration systems posed significant obstacles. Nevertheless, through collective evaluation and intensive communication efforts, these differences gradually began to resolve. The implementation of new working procedures, which combined best practices from both organizations, demonstrated positive outcomes in terms of efficiency and overall work effectiveness.

Based on interviews conducted, it was found that the post-merger adaptation process at PTPN I Regional 4 centered primarily on updating system usage policies and providing technical training to employees. One strategic initiative was the establishment of joint training forums, serving both as a learning platform and an interactive discussion space between resource persons and participants. These forums were considered highly beneficial in communicating technical procedures required for the new system and offering opportunities for direct inquiry to enhance understanding.

Alongside system updates, responsibility for preparing cash advance requests (*kasbon*) was transferred to each respective user division in order to reduce administrative workload for the finance staff and expedite cash disbursement processes. As a consequence, ushers or administrative officers from each division involved in the process required adequate training. The training was conducted continuously rather than as a one-time session, given that adaptation to the new system required gradual comprehension—particularly for employees who had not previously used such systems. This aligns with findings by Harahap *et al.*, (2024), which emphasize that Lewin's change management strategy—open communication, training, and continuous evaluation—significantly contributes to improved organizational culture integration following structural changes.

Viewed through the lens of Kurt Lewin's Change Management Theory, the adaptation process reflects the three key phases: *unfreezing, movement*, and *refreezing*. The *unfreezing* stage is demonstrated through efforts to build awareness that system changes were necessary post-merger, supported by policy discussions and socialization forums. The *movement* stage is reflected by technical training, redistribution of

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responsibilities, and the adoption of the integrated SAP system. Finally, the *refreezing* stage is represented by the institutionalization of new work habits, collective commitment building, and ongoing evaluation of system implementation.

At the onset, the principal obstacle encountered was the divergence in mindsets and perceptions regarding the system transition. Some parties expressed uncertainty toward the new policies, particularly due to contrasting legacy systems and organizational cultures. However, this challenge was progressively mitigated through communicative approaches and reinforcement that both entities had now been unified under one strategic objective. Building synergy and collective motivation became essential drivers in fostering acceptance of change.

Age differences also emerged as a key factor influencing adaptation speed. Younger employees tended to adapt more rapidly, being more familiar with digital systems and flexible toward change, whereas senior employees required longer adjustment periods. Nonetheless, such barriers proved manageable, as the adaptation process was inherently progressive and required reasonable time for all organizational elements to align. This is consistent with the essence of Lewin's framework, which underscores that successful organizational change necessitates psychological readiness, supportive environments, and the reinforcement of new norms until they become stable and institutionalized.

DISCUSSION

The findings of this study provide an in-depth understanding of how the merger of PTPN X and PTPN XI influences the efficiency and financial governance of PTPN I Regional 4. The results indicate that the merger has contributed positively to operational streamlining, particularly in the financial division, although the improvement process remains ongoing and requires organizational adaptation over time. The use of a unified system and the restructuring of financial governance demonstrate that integration plays a crucial role in achieving efficiency in post-merger operations.

The adoption of SAP HANA as a central financial system significantly reduced duplication of tasks and minimized procedural inconsistencies that previously existed between PTPN X and PTPN XI. This supports the view of Sipangkar & Sihaloho (2020), which states that system integration is a key determinant in achieving financial efficiency after mergers. In addition, the selective evaluation process in choosing the most effective operational procedures reflects the benefits of mergers in accessing more advanced administrative and operational systems, as suggested by Moin (2013). However, the improvement in efficiency is not immediate, aligning with empirical studies that show efficiency gains typically emerge in the second or third year after consolidation efforts are fully implemented.

In terms of governance, the merger initiated structural reforms that strengthened internal control mechanisms and enhanced adherence to Good Corporate Governance (GCG) principles. The establishment of independent oversight and standardized financial procedures indicates an improvement in transparency and accountability. This reinforces the findings of Halasanni Agustina Pardede & Dea Annisa, (2023) who emphasize the significant role of audit committees and independent commissioners in enhancing the reliability of financial reporting. Nevertheless, the effectiveness of governance structures depends not only on formal institutional arrangements but also on leadership neutrality and organizational cohesion. This is in line with Sabrina Salsabila Azzahra *et al.*, (2024) who argue that the composition of governance bodies alone does not automatically

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improve post-merger performance unless supported by effective monitoring and strategic decision-making.

The study also highlights that cultural integration and adaptation are critical challenges after the merger. Differences in work culture, technical procedures, and levels of technological familiarity led to internal resistance in the early stages. The progressive adaptation process, including continuous training and communication forums, illustrates Lewin's Change Management theory, which emphasizes the necessity of unfreezing, moving, and refreezing phases to achieve stable organizational transformation. The generational gap identified in the adaptation process further indicates that human resources are a decisive factor in determining the success of technological and procedural integration.

Overall, the discussion suggests that although the merger between PTPN X and PTPN XI has brought substantial improvements in efficiency and corporate governance, the full benefits will only be realized through sustained adaptation, internal alignment, and leadership commitment. The merger provides a strategic foundation for long-term financial and operational improvement, but measurable outcomes and structural stability require time to mature. Future evaluations are recommended to incorporate quantitative performance indicators such as ROA, DER, EPS, and TATO to capture the financial impact more comprehensively.

CONCLUSIONS

This study successfully addresses its primary objective of analyzing the impact of the merger between PTPN X and PTPN XI on financial efficiency and governance within PTPN I Regional 4. The findings demonstrate that the merger has contributed positively to improving the operational efficiency of the financial division, particularly through the unification of financial systems into SAP HANA, which provides faster, more integrated, and more effective processing than previous systems. This integration has minimized duplication of tasks, simplified cash authorization procedures, and enhanced the accuracy and timeliness of financial reporting. In terms of financial governance, the merger encouraged the establishment of a more standardized organizational structure grounded in the principles of Good Corporate Governance, supported by the inclusion of independent oversight and clearer role allocation to strengthen transparency, accountability, and neutrality in financial decision-making processes.

The study also reveals that the post-merger adaptation process presents significant challenges related to cultural integration and human resource readiness. These challenges have been addressed gradually through continuous training, open communication, and the reinforcement of new standardized work procedures. The results underline that organizational change following a merger requires progressive adjustment and a long-term commitment to internal alignment.The findings hold practical implications for State-Owned Enterprises undergoing or planning similar mergers, emphasizing the need to prioritize system integration, governance restructuring, and cultural harmonization to achieve successful transformation outcomes. Future research is recommended to incorporate quantitative performance measurements to evaluate financial indicators after the merger and provide a more comprehensive assessment of long-term impacts.

However, this study is not without limitations. The use of a qualitative approach, relying primarily on an in-depth interview with the Assistant Finance Manager, means that the findings are shaped by a relatively narrow scope of experience. As a result, the analysis may not fully capture the broader dynamics experienced by other units that were also directly affected by the post-merger integration process. Furthermore, the reliance

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on narrative data introduces the possibility of perceptual bias from both the informant and the researcher, which may influence the objectivity of the interpretation. This study also does not incorporate quantitative financial indicators, such as measurable post-merger performance metrics, limiting the extent to which the results can present a comprehensive picture of the merger's long-term financial impact.

Given these limitations, future researchers are encouraged to expand the range and diversity of informants, including multiple divisions and job levels, to obtain a more holistic understanding of financial system integration and governance restructuring after the merger. Subsequent studies would also benefit from adopting a mixed-methods approach, allowing qualitative insights to be deepened and validated using quantitative data such as cost-efficiency trends, reporting accuracy levels, or changes in internal control structures during the post-merger period. Additionally, longitudinal studies that monitor organizational adaptation over a longer timeframe would provide a more robust understanding of cultural integration, human resource readiness, and the sustained effectiveness of financial governance following the merger.

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