# Barriers in the Implementation of Public Service Innovations Online Licensing Package Program

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***Abstract***
*The use of technology today is something that cannot be avoided, because the need for very fast and precise information is a major need in all aspects. One of the most developed technologies is web-based technology which is often referred to as the internet. This technology has been used in various fields, including business, government, health, education and so on. Internet technology which is now ingrained must be utilized optimally. The existence of technology is also expected to be the answer to equalizing the speed of service, a progress if the government starts to adopt this technology as the main infrastructure for public services. Sidoarjo Regency is the first district in Indonesia to implement One Stop Services. Where the community is only served and also only deals with customer service, and is not directly related to those who process licensing (back office).*
*The research method uses qualitative research with interview data collection techniques to analyze the obstacles in the application of the Public Service Innovation Online Licensing Package Program. Data analysis used an interactive model from Miles, Huberman, and Saldana (2014).*
*The results of this study reveal that the obstacles in the application of the Public Service Innovation Online Licensing Package Program in Sidoarjo Regency include: 1). Human Resources Barriers, 2). Facility and infrastructure obstacles, 3). System barriers, 4) Obstacles to community supervision.*
***Keywords:*** *barriers, implementation, innovation, licensing packages, online*

## INTRODUCTION

Society is becoming more and more diverse, and individuals are demanding more of their public services. new information and communication technologies, new work practices, new forms of social and family organization. Ultimately the goal is to increasingly adapt services to citizens, not the other way around. The term 'innovation', like the terms 'movement' and 'change', describes both the process and when expressed in terms of a single component, result or product of this process of innovation and change. (Osborne, 1998). Innovation is non-linear (Mulgan and Albury 2003); rarely has a defined starting point, a clear sequence of steps, and a clear peak (product).

Seeing the fact above, of course, it is necessary to change the paradigm of services, especially licensing services, in order to create licensing procedures that can be categorized as cheap, fast and clear in accordance with the established public service standards. In other words, Licensing services, especially Licensing services in the regions, must be in accordance with the procedures, terms and conditions established for that in order to create the same perception in providing services both on the legal basis of service provision, types, requirements, costs to be incurred and the length of service provided.

The Office of Investment Services and One Stop Integrated Licensing Service (DPMPTSP) has implemented an Integrated Licensing Service Information System (SIPPADU) application according to Public Service Standards (SPP) and Standard Operating Procedures (SOP). However, with so many permits that must be handled, DPMPTSP still faces various obstacles, including:

(a) regular process (a process that is carried out in stages, i.e. after the first permit is completed, the applicant may apply for the next stage of the permit, and so thereafter in stages);
(b) review that is carried out many times (there are several permits that must be carried out for field review), the service space at DPMPTSP is not too large, operational vehicle facilities and civil servants who are tasked with carrying out a limited field review. This requires a breakthrough (innovation) so that the goal of fast, easy, simple and accountable service can be achieved in an effort to meet community expectations.

Based on what was stated above, in 2011 a new innovation in public administration services was developed, namely the online package model licensing process, in which the applicant only needs to submit 1 (one) application file and the result is the issuance of several permits at once according to the type of package requested with alternatives done through internet media. The existence of input, suggestions and complaints from the public and business actors about improving licensing services at DPMPTSP has triggered the birth of an online licensing package service, namely DPMPTSP internal stakeholders, initially holding an internal meeting to discuss the package innovation development plan and conduct an inventory of duplicate requirements for the licenses to be packaged then determine the package model and its requirements in a Management Review Meeting (MRM).

At the Normative level, this innovation was built based on Sidoarjo Regent regulation number 39 of 2010 concerning the Issuance of one (1) package licensing then continued when in 2013 with the Circular of the Minister of Administrative Reform and Bureaucratic Reform No. 15 of 2013 concerning the One Agency One

Innovation Public Service Competition, which is one of the 2014 agendas as the Year of Public Service Innovation. Even though it is believed that this online licensing package innovation has made it easier for the user community and increased the existing investment in Sidoarjo Regency, since the end of 2018 the Online Licensing Package program has just disappeared and been replaced by OSS (Online Single Submisson) through Sidoarjo Regent Regulation Number 62 of 2018 concerning the Integrated Electronic Business Licensing System (Online Single Submission) in Sidoarjo Regency.

Table 1.
Investment Development Data in Sidoarjo Regency
2014 to 2016

| No | Jenis | Tahun | | |
|---|---|---|---|---|
| | | 2014 | 2015 | 2016 |
| 1. | Non Fasilitas | 11.563.388.898.345 | 13.527.830.909.823 | 12.483.514.610.989 |
| 2. | PMDN | 1.804.621.728.411 | 2.480.950.645.485 | 2.348.823.118.596 |
| 3. | PMA | 707.576.344.654 | 624.915.738.700 | 2.07.761.957.500 |
| | **Total** | **14.075.586.971.410** | **16.633.697.294.008** | **16.908.099.687.085** |

Source: DPMPTSP Sidoarjo Regency 2017

From the data above, it can be seen that there is a significant increase in the achievement of the investment value due to several things, including:

1. A conducive investment climate
2. Promotion of potential and sustainable investment opportunities, both domistically and internationally
3. Simplifying licensing requirements and procedures with IT-based services to accelerate the investment service process
4. Ease of licensing services by implementing online licensing packages, online licensing and electronic signatures so as to simplify and speed up the licensing completion process

## LITERATURE REVIEW

### *1. Dynamic governance (dynamic governance) and agile governance (agile governance)*

The current concept of dynamic governance is the government's ability to continually adjust public policies and programs, as well as patterns of changing the way public policies are formulated and implemented, so that long-term interests are achieved. Dynamic conditions in government are very important for sustainable economic and social development, especially in an environment that is experiencing uncertainty and rapid change where society is increasingly demanding for sophistication, is more educated, and is more affected by globalization and the birth of various new concepts in governance and global competition. about dynamic governance can be seen through the image below:

Figure 1. Dynamic governance framework
Source: from Neo and Chen 2007: 13

The concept of dynamic governance is the government's ability to continually adjust policies and programs to society, so that long-term interests match demands and needs (Porter, 2007: 8). There are two aspects of Dynamic Governance according to Boon and Geraldine, namely: First, the culture of government organizations includes; 1) integrity (integrity), 2) incorruptibility (no corruption), 3) meritocracy (based on ability), 4) market (market orientation), 5) pragmatism (pragmatic), 6) multi-racialism (multi ethnic), 7) long term (long term), 8) relevance (relevant), 9) growth, 10) stability, 11) prudence (wise), 12) self-reliance (independent). Second, dynamic abilities include: 1) thinking ahead, 2) thinking again (reviewing), and 3) thinking across (learning from the experiences of other countries / organizations). The capability component reflects how the mindset is based on three things, namely thinking ahead, thinking again and thinking across. Thinking ahead shows the capacity to think in formulating future conditions that may have an impact on domestic conditions. On the other

hand, thinking again will reflect the ability and openness to look at previous policies, then evaluate and refine them to maximize the achievement of goals. Meanwhile, thinking across is the ability and openness of insight to learn about the experiences of other actors' ideas and concepts.

Dynamic governance requires a continuous learning process, to gain a deep understanding of the future that may affect the country, the willingness to review various policies that are out of date due to changing circumstances, and the openness to adapt to global knowledge that is adapted to the unique context of the country. Therefore, dynamic governance can be interpreted as "the ability of government to continually adjust its public policies and programs, as well as change the way they are formulated and implemented, so that the long-term interests of the nations are achieved." (the ability of the government to continue to adapt its public policies and programs and change the way they are formulated and implemented, so that the long-term interests of the nation can be achieved).

Another challenge facing the world today is that technological innovation, which runs so fast, has resulted in many policies becoming obsolete (obsolescence) and opening up new opportunities. Likewise with the changing conditions in society itself, where more and more of them are getting better education (well-educated) and interacting intensively with global developments, which ultimately demands to be involved in the process of formulating and implementing various State policies. . No less important are various problems in society that are increasingly complex, with increasingly unpredictable impacts and increasingly complex causal relationships, requiring multi-perspective solutions and multi-agency coordination (Neo, 2019; Neo & Chen, 2007)

Competitiveness is the key to carrying out sustainable development. Competitiveness-oriented organizations will produce more, faster, and better but with less use of resources (Janssen & Estevez, 2013). Governance (governance) plays an important role in enhancing and maintaining competitiveness. Governance is closely related to the ability to direct (to steer) the elements in the country (Bloom, 1991). In a dynamic environment, governance still plays an important role, especially in responding, managing and making decisions related to environmental changes that occur. The response given by the organization must be fast and precise because the longer the organization acts, it will experience other environmental change challenges (Lusch, Vargo, and Tanniru, 2009; Kozlowski et. Al, 2009). Therefore, agile governance (agile governance) is a must for the state in facing the existence crisis in this era of disruption.

In various studies, agile governance appears in the organizational area and encourages people to implement agile organizational governance in order to improve organizational performance and productivity processes (Luna et al., 2014). Agile governance is defined as the ability of an organization to respond quickly to unexpected changes in meeting the demands and needs of the increasingly changing society (Holmqvist and Pessi, 2006; Ngai et al., 2011; Bradley et al., 2012). In addition, Agile Governance is also defined as the ability of an organization to be able to carry out cost efficiency, as well as increase the speed and accuracy in exploiting opportunities to make innovative and competitive actions (Huang et al., 2014; Liang et al., 2017; Queiroz et al. ., 2018). Furthermore, Luna, Kruchten, and Moura (2015) describe agile governance into six principles, namely: 1. Good enough governance: the level of governance must always be adjusted to the organizational context 2. Business-driven: business must be the reason for every decision and action. 3. Human focused: the community must be respected and given space to participate in governance. 4. Based on quick wins: successes that are achieved quickly should be celebrated and used as motivation to get more stimulation and results. 5. Systematic and Adaptive approach: the team must be able to develop the intrinsic ability to be able to respond to changes quickly and systematically. 6. Simple design and continuous refinement: the team must be able to provide fast and increasing results.

### *2. Factors that influence innovation*

Strategy in the innovation process is very important to ensure the success of an innovation carried out in public organizations. For this reason, this section describes several views of the strategy and the factors that hinder the innovation process. In relation to this innovation process, Behn (2008: 142) states that there are four different types of processes in implementing innovation that are often developed, including:

1). Diffusion, namely the process of innovation that is unintentional, takes place spontaneously, the hidden-hand process is carried out by someone when they hear about innovation and conclude that it is useful to try.

2). Transfer, namely the exchange of ideas informally and practiced by a network between individuals, usually a network of friends and colleagues in the same profession (job) or policy area, even though they are different organizations or work areas.

3). Propagation, which is an effort in the form of thought or planning that has been prepared in advance (perhaps by innovators, individuals outside the organization, or a higher level of government) to create a dialogue strategy for education and assistance to transfer innovation from people (parties). other.

4). Replication, which is a conscious effort made by an organization (individuals in the organization) who work hard to improve, by actively seeking ideas, policies, programs and practices that have been successful and can be adopted.

### *3. Process and Characteristics of Innovation*

The innovation process is a series of activities carried out by individuals or organizations, starting from being aware or aware of an innovation to implementing (implementing) innovation. Innovation as a process is

described as a cyclical and continuous process, including the phases of awareness, appreciation, adoption, diffusion and implementation of De Jong & Den Hartog (2003).

The innovation process, consisting of:

a. Issue ideas that include the formation of technical and design designs.

b. Problem resolution, which includes making decisions and breaking down ideas into smaller components, determining priorities for each component or element, dividing alternative problems, and assessing alternative designs using the criteria described in the first phase of the phase that creates inventions in the innovation process. adoption and implementation.

What strategies need to be considered in generating innovation? First, it is necessary to consider the additional benefits that will be achieved. This can be done by measuring the extent to which competitors will find it difficult to follow the steps taken. Second, is there a possibility to expand the benefits that will be obtained (Hussey, 2003). Thus, the final part of an innovation is the extent to which the steps taken can be profitable and not be taken advantage by competitors and get an advantage.

## RESEARCH METHOD

This study uses a qualitative research approach. According to Moh. Nazir, "Researchers can choose various methods of carrying out their research. The method chosen is closely related to the procedures, tools and research design used. The research design must be in accordance with the chosen research method. The procedures and tools used ”(Moh. Nazir, 2005: 48). The stages in achieving the above goals include: type of research, research focus, research location, types and sources of data, data collection techniques, data analysis and data validity.

In this study, an interactive model of data analysis was used which was developed by Miles, Huberman and Saldana (2014: 30-33). They argue that analysis is three streams of activity that run simultaneously: 1) Data Condensation, 2) Data Display and 3) Drawing and Verifying Conclusions.

## RESULTS AND DISCUSSION

### The factors inhibiting the implementation of the innovative online licensing package program

The contribution of the manufacturing sector is quite large in the PDRB of Sidoarjo Regency, amounting to 44.16% in 2013. In the manufacturing sector, the biggest potential is in the Micro, Small and Medium Enterprises sector. This sector has proven to be resilient from the crisis. In the manufacturing sector, the potential advantages of this sector are supported by the large presence of Home Industries (IRT) and Micro, Small and Medium Enterprises (MSMEs). As for the number of businesses in Sidoarjo Regency in 2013, namely 154,892 Micro Enterprises, 14,863 Small Businesses and 1,536 Medium Enterprises. From a total of 171,291 UMKM business units that have legality of permits up to 2013 as many as 96,429 (56.3%), so there are still many who do not have legality permits. And of course this can be detrimental to MSMEs themselves, because without the legality of permits, MSMEs cannot apply for credit at banks, export or cooperate with Government Agencies or other Informal Institutions. Therefore, the Sidoarjo Regency Government always strives to spur economic growth, one of which is by providing one-stop integrated licensing service acceleration so that it can provide legality for MSME business actors in Sidoarjo, then fix the infrastructure.

It is hoped that the improvement of alternative roads can facilitate transportation, which in turn can increase Sidoarjo's attractiveness in the eyes of investors. The Office of Investment and One Stop Services, Sidoarjo Regency has implemented the ISO 9001: 2008 Quality Management System since 2003 until now and in accordance with the Quality Policy and Targets, it is necessary to commit to continuous improvement or continuous improvement and innovation to improve performance in provide excellent service to the community and the business world.

**Table 5.6**
**Simplified One-Pack Licensing Requirements**
**Compared to Regular Licensing**

| **Regular** | | | **Package** | |
|---|---|---|---|---|
| Type of Licensing | | Number of Requirements | Type of Package | Number of Requirements |
| IMB | New | 11 | Package 1 (PSTS, SIUP, IMB, HO, TDI, TDP | 16 |
| | Transfer of title | 10 | | |
| HO | New | 13 | | |
| | Re-registration | 9 | | |
| PSTS | New | 8 | | |
| SIUP | New | 10 | | |
| | Branch | 12 | | |
| | Change | 9 | Package 2 (PSTS, IMB, HO) | 11 |
| | Replacement | 9 | | |
| TDP | New | 7 | | |
| | Extension | 8 | | |
| TDI | New | 7 | | |
| | Extension | 7 | | |

*Source: Investment Service Development and Policy Section DPMPTSP Sidoarjo Regency 2018*

However, regarding the political constraints due to the complicated bureaucracy, the author has not yet encountered it, because of the bureaucratic constraints in the licensing policy in DPMPTSP Sidoarjo Regency is part of the human resource constraints of the implementing apparatus. So that here the authors conclude that in the process of implementing and evaluating the one-package licensing policy at DPMPTSP Sidoarjo Regency, there are several obstacles, namely from the obstacles that come from human resources, constraints from the facilities and infrastructure, the constraints of the system used, and the constraints from external supervision from the community (social control).

***1. Human Resource Barriers***

It is undeniable, in the evaluation process, of course, the things that greatly affect the results of the assessment are the human resources themselves. The human resources referred to here are government officials, in this case the employees of the Sidoarjo Regency DPMPTSP as implementing the one-package licensing policy, as well as the ability and workload in carrying out the task of evaluating the licensing policy whether they have achieved the previously set goals.

In this case the obstacles faced are the lack of coordination between the personnel on duty, which is caused by psychological factors of each individual, as well as the lack of ability of the staff concerned in understanding new things and the lack of ability to explain the licensing package services. In addition, human resource constraints are also caused by heavy workloads and excessive work pressure, so that the performance of the apparatus is not optimal.

***2. Barriers to Facilities and Infrastructure***

In fact, a policy can run optimally if the supporting tools that support the sustainability of the policy are said to be qualified. One of the supporting tools for the sustainability of a policy is the existing facilities and infrastructure. So related to the process of implementing the one-package licensing policy evaluation at DPMPTSP, the authors also conducted interviews about the facilities and infrastructure there which functioned as supporting the sustainability of the one-package licensing policy in DPMPTSP Sidoarjo Regency itself.

In the process of licensing one package at DPMPTSP Sidoarjo Regency, there are also obstacles in terms of existing facilities and infrastructure. These problems start from the lack of sufficient budget availability to provide more adequate facilities, resulting in frequent errors due to overloading of existing facilities. In addition, obstacles are also found in the lack of infrastructure, in which the authors find that in Sidoarjo Regency DPMPTSP, there are separate locations for each sector. For example, some staff in the field of control are in the same room as the planning area, even though ideally employees of one field are in the same room in order to facilitate communication and information dissemination. However, due to the limited space, the differences in the room have not been fulfilled, causing information difficulties due to several members of the field being in other fields. Later, of course, it will also affect the evaluation itself, because of the lack of existing communication.

***3. System Constraints***

Regarding policy implementation, of course it cannot be separated from the existing system. Because seeing from today's technological developments, a system is certainly very necessary to support all activities carried out, especially if it is directly related to employee performance in carrying out their duties. So that this system is needed to improve the quality of employee performance in carrying out their duties. that the existing system in DPMPTSP Sidoarjo Regency can also be a problem if the system experiences an error. Then in relation to the one-package licensing evaluation activity at DPMPTSP Sidoarjo Regency, constraints from the system itself can cause delays in processing the one-package permit which later will cause the evaluation results of the one-package licensing policy to be less effective in its implementation.

***4. Barriers to lack of External Control***

As a democratic country, of course, the position of society is as the beneficiary, so it requires a critical community in expressing their opinion on the implementation of a policy. Social control from the community itself is very necessary in order to provide social pressure that forces policy implementers to improve their performance. In this case, people who are apathetic and don't know about existing policies can cause the results of existing policies to be less than optimal and the performance of the implementers themselves to be less than satisfactory. This also applies to the one package licensing policy, because the lack of awareness and supervision from the community can become an obstacle in the process of evaluating the one package licensing policy in DPMPTSP Sidoarjo Regency itself.

## CONCLUSION

Barriers or problems in implementing the Online Licensing Package service, namely:1). Human resource constraints, online Licensing Package services have not been fully utilized by the applicants due to lack of information. Apart from that, the lack of capacity of the applicant in utilizing internet / online-based licensing services; 2). Barriers to facilities and infrastructure, namely the limited facilities (scanners, photos) and media access (internet network) owned by the permit applicant to enter internet-based / online licensing services; 3). System Constraints, often the data filled in in the online permit application process, some are not in accordance with the recommended rules of entry controlled by the Investment Agency and PTSP, so the system cannot read

them; 4). Barriers to Community Monitoring (Social Control) caused by the lack of socialization delivered by DPMPTSP Sidoarjo Regency.

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