

**REFORM OF PUBLIC SERVICE BUREAUCRACY LICENSING IN THE
ADMINISTRATION OF LOCAL GOVERNMENTS IN REALIZING
GOOD GOVERNANCE**

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ABSTRACT

This study aims to describe and analyze: (1) Bureaucratic reform of investment licensing services in Sidoarjo (2) Quality of investment licensing in Sidoarjo (3) Increasing the value of investment realization in Sidoarjo (4) Supporting and inhibiting factors in carrying out investment licensing reform in Sidoarjo. The research uses a qualitative descriptive method with sources derived from informants and documents. Data collection techniques were carried out through interviews, observation, and documentation. Data analysis used interactive model data analysis by collecting, reducing, presenting, and drawing conclusions. The results of the study show that: (1) Bureaucratic Reform of Licensing Services at DPMPTSP Sidoarjo is carried out by making improvements to the institutional and human resource aspects. (2) By reforming the bureaucracy for licensing services at DPMPTSP Sidoarjo, the quality of investment licensing services provided will increase (3) By reforming the bureaucracy for investment licensing services at DPMPTSP Sidoarjo it will also have an impact on increasing the amount of realized investment value. (4) While the supporting factors include the delegation of authority from the central government and the commitment and political will of the regional leadership of the Sidoarjo district, while the inhibiting factor in implementing this bureaucratic reform is the lack of overall delegation. The authority to issue SKPD sector permits is related to DPMPTSP and there is still a lack of cooperation between district and city regional governments and provincial governments. This study also provides recommendations regarding the need for increased authority in providing services and harmonious cooperation between district and city and provincial governments in creating a conducive investment climate.

Keywords: *Bureaucratic Reform, Public Service, Investment Licensing.*

A. PRELIMINARY

Basically every human being needs service even extreme can be said, that service cannot be separated from human life. Every time the community will always demand quality public services from the bureaucrats, although the demands are often not in accordance with what is expected, because empirically the public services that occur so far still display the characteristics of complicated, slow, expensive, bureaucratic and tiring.

This still often happens because it is still positioned as a party that is "serving" and not what is "served". Therefore, it is very necessary fundamental changes in the field of public services by returning and positioning the "service" and are served on the actual proportion. Services that should be aimed at the general public sometimes be reversed to become community services to the state, despite the interests of the people who discussed it. In the sense that the bureaucrats should ideally provide the best service to the community.

In the era of reform, communication and globalization there were competition in various fields to become increasingly fierce and one of the efforts to win the competition was to further improve the quality of services to the community.

The provision of public services to the community is a manifestation of the function of the state apparatus as a servant of the community and state servants so that the implementation continues to be improved in accordance with the desired development goals. Decentralization and regional autonomy are intended so that the function of the state can be carried out more effectively and more efficiently. This is in line with the view of Suryono (2006: 104) which says that bureaucratic organizations that are able to provide public services effectively and efficiently to the community and one of them if the organizational structure is more decentralized and not centralized. Because decentralization is expected to be more easily anticipated the needs and interests needed by the community, so that the bureaucracy can quickly provide services as expected by the community.

With regional autonomy the role of bureaucracy as a state government official is expected to work professionally and public service management (public service) can be implemented effectively, efficiently and accountably. The local government is expected to be able to build, improve and utilize conducive institutions (bureaucracy), so that they can design standard public services that are easy, cheap and fast (Djamaludin Widodo, 2006: 92).

The condition of the bureaucracy can be seen from the service performance provided to the community, because the quality of service is a benchmark in concluding whether the performance of the bureaucracy is good or bad. Because talking about the quality of service is inseparable from three things, namely how the procedures and conditions are, secondly about how much it costs and the third is how long the arrangement is. This is a service concept that is effective, efficiency and accountability of public services.

Based on the results of a survey from the University of Gajah Mada Yogyakarta, that the reality public service is not as desired by the community even very far from expectations. In general, the quality of public services (public

services) in our country still does not provide satisfaction for the community as users of physical and non-physical services (in the form of services). Lutfi's view (2008) that the survey conducted by UGM in 2002, that public services still have weaknesses in terms of efficiency, effectiveness, responsiveness, equality of treatment and bureaucracy are still far from the expectations of the community. Muhammad (2004) states that public services have weaknesses, among others, lack of responsive, less informative, less accessible, lack of coordination, bureaucratic and lack of listening to complaints/ suggestions/aspirations of the community and inefficient.

The context of bureaucratic relations with the community in the implementation of public services has been heard for a long time, but until now there has not been many significant changes. In fact, the hope of the public that the change of regime will bring improvement to the implementation of public services has never been realized. The government has experienced a change for several times, but the behavior of bureaucracy, especially in public services, has not yet changed much.

Paradigm from time to time continues to experience evolutionary development ranging from the classical theory of Weberian to the New Public Service theory which was presented by Denhart and Denhart. The birth of New Public Management (NPM) is a desire to eliminate inefficient service monopoly, carried out by government agencies and officials (Thoha: 2008), in addition to the conditions of bureaucratic structure that is too large, ineffective and declining service performance and lack of attention Against the development of employees and lack of community satisfaction with the performance of traditional bureaucratic-bureaucratic government employees ignoring citizens, keeping innovation and serving themselves (Dunn, 2000: 33)

Old Public Administration (OPA) is seen as ineffective to improve the performance of bureaucracy in providing services to the community, so that with a variety of reasons are very oxeye, rigid and highly relying on the process than the results, besides that the traditional model (parabaian) which views that, the performance of traditional media bureaucracy is reduced and replaced by the New Public Management (NPM) model with varied Lebal, starting from Managerlakesin, New Public Management, Market Based Public Administration, Entrepreneurial, Government and Governance - with the birth of the New Public Management It is expected to be able to improve service bureaucratic performance.

Facing the complexity of service performance, so the differences from the three models (paradigm), above do not need to be intensified, but to be completed with one another, complementing each other to synergize in order to achieve the performance of a better and quality licensing public service organization.

In public services, Lutfi (2008) gave a comment in his book entitled "Paradigm of Public Service Policy" that the case in Bulukumba about health services, then in Bojong Bogor about waste management. Both cases reflect a form of poor service (Lutfi, 2008: 16).

Our bureaucracy is still impressed very procedural, slow, less productive, high costs and neglecting public interests, even government interference

(bureaucracy) is too broad in the sector of public life and will result that bureaucratic services are increasingly complex (over administration) and the possibility of public activities will also high cost mainly in the economic activity sector.

Some of the above phenomena give the impression that shows that bureaucratic orientation in the sense that many tables that are passed for services are efficiency in public activities. Conditions like this are still symptomatic in many government bureaucratic service sectors (Sinambela: 2008). This is what should not be left because it will increase the distrust of the community to the government and will impact the reduction in investment.

As a consequence, local governments are required to be better able to provide more quality, efficient, effective and responsible services. Building a "trust" (trust) of the community for public services carried out by the government is a continuous activity with the hope and demands of the whole community and residents regarding improving public services.

Quality public services can only be achieved if there is a serious business from the service component by providing effective and efficient services, namely services that are right on target in accordance with the needs of the community. For this reason, speaking in the context of modern countries, public services (public services) have become increasingly important institutions and professions and are no longer a part - time activity, without legal umbrellas, adequate salaries and social security, as happened in many developing countries in the past (LPPM. Unmuh Ponorogo: 2010). As a public service institution guarantees the sustainability of state administration (public) involving the development of service policies and management of resources originating from and for the public interest. Certainly as a profession, that public services are based on the principles of professionalism and ethics, such as, accountability, effectiveness, efficiency, integrity, neutrality and justice for all service recipients, so strong gusts of globalization, democratization and decentralization brings opportunities as well as challenges for public services.

Actually efforts to improve public services (public services) have long been implemented by the government, with the *Instruksi Presiden Republik Indonesia Nomor 5 Tahun 1984*, concerning Guidelines for Simplifying and Control of Licensing in the Business Sector then continued with the *Surat Keputusan Menteri Negara Reformasi Administrasi Nomor 81 Tahun 1993* concerning Management of Public Services Guidance. Then the *Instruksi Presiden Republik Indonesia Nomor 1 Tahun 1995*, concerning Improvement and Improving the Quality of Pemerintah Apparatus Services to the Community.

Various policies have been adopted as an effort to improve the quality of public services, but the performance of public services mandated by the government bureaucracy until now has not been able to achieve a ranking of "Excellent Service". This can be seen from the many complaints (complaints) of service users, both directly and through the media to processes, products, systems, costs, time and quality standards and service performance that are still far from the wishes and expectations of the community (customers). The reality in the field efforts to improve public services carried out by the government bureaucracy are

still limited to the level of policy and have not been able to touch aspects of implementation and implementation in the field. Likewise, what happened to the Madiun Regency Government still seems to be many obstacles and obstacles, among others: (1) Management of licensing still seems expensive. (2) Very slow in service. (3) Sometimes in less sympathetic service. (4) Over lapping is still in service. (5) There are still obstacles and obstacles in service because the customer (customer/community) does not understand the procedures in the bureaucracy. (6) There has been no systematic and planned effort from the government to improve the quality of public services. (7) The preparation of minimum service standard is considered to have direct benefits to efforts to improve the quality of public services. (8) Still not maximum integrated service, one-stop service and one-door service. (9) There is no clear track record of the quality of public services that have been carried out to provide evidence as well as a source of initial data and as a reference to see the level of success and failure of public services. (10) There is no identification of the causes of success and failure to improve the quality of public services. (11) Professional personnel (staff/employees) have not been fulfilled. (12) Lack of professional staff (staff) in the IT field.

For this reason, if the Sidoarjo Regency Government wants to improve the quality of public services in the sense of "Bureaucratic Reform Paradigm of New Public Service Management", the government must take several steps systematically and continuously and sustainably continuously, so that the quality of public services will be born as it coveted by the community.

In the Baseline Survey Research in Public Services: 2007 and Muhammad: 2003, (in the LPPM Unmuh Ponorogo: 2010 study) said that efforts to improve public services at the level of implementation in the field still have many weaknesses including: (1) less responsive, (2) lacking Informative, (3) less accessible, (4) lack of coordination, (5) bureaucrats do not want to hear complaints/ suggestions/ aspirations of the community.

Based on the background of the problems that have been raised above, the formulation of the research problem can be stated as follows: what is the Bureaucratic Reform Process of Public Licensing Services from institutional aspects and aspects of human resources? What supporting factors and obstacles are faced in the reform of the Public Service Bureaucracy for Licensing? What is the description of the implementation of bureaucratic reform and the quality of licensing public service performance after carrying out bureaucracy reforms?

B. LITERATURE REVIEW

Public services in the study of state administration are important studies. In addition to the study of policies (policy), in this case the experts (experts) group the shift in the orientation of the study of public administration to 3 (three) parts, among others: (a) Classical Public Administration or Old Public Administration (B) New Public Management (NPM) and (c) Governance.

In the study group, this public administration theory, each has implications for the development of public services. Changes in orientation that color the emergence of thoughts that produce new theories are as a synthesis, because this is no longer relevant to answer the challenges of environmental development. The

birth of a new theory begins with criticism and lawsuit against public services to be adjusted to new values. As the reform agenda, namely the demands of change and renewal in the governance sector includes the arrangement of the structure of the state government, the decentralization of government and the field of state finance management (Suryadi, 2009).

The theory of governance is the latest study in the literature of public administration and public management, along with the rise of the government system renewal movement as an effort to solve various public problems that have not been able to resolve New Public Management (NPM). In other words, that governance complements the lack of the new public management paradigm which is considered less effective and no longer has the support of various parties, as a paradigm of government management, so that its birth is a new offer in the framework of building civil society (developed society/ city/ civil society) . In addition, changes in organizational culture must get serious attention so that the state government can be developed towards "good governance".

According to Escap documents (in Suryadi, 2009) it is said that "good governance" has 8 characteristics, among others: (1) Special-sipative (2) Rule of Law (3) Transparent (4) Responsive (5) Consensus oriented (6) equality in defending weak effective and efficient (8) accounts. Accountability is a central focus accompanied by transparency and implementing a rule of law.

The theory of governance has been a concern among administrative experts since the 1970s, and this is in response to the occurrence of the "Governability Crisis". In the governance theory that explains the macro processes of change in government, that the crisis is caused by the strong "state hegemony", which is marked by the dominance of the country's influence on all aspects of life, including public services that are increasingly complex. Finally the country is trapped in a dilemma situation, becoming too big for small matters, and becomes too small for big matters. It turns out that the root of the problem is still following the government model with its trademark characteristics, among others: (1) vertical structure (2) thick bureaucracy and intervention. The traditional model government, like this, was unable to adapt itself to the economic, social, and cultural/ cultural environment that was experiencing rapid changes (Kazanaigil, 1998, as quoted by Abdul Wahab, 1996: 1).

Governance is a terminology used to replace the term "government", showing the use of political authority, economy in administration in managing state problems. This illustrates the changes in the government service provider to the facilities, and changes in ownership of the state belonging to the people (Sedarmayanti, 2002). Governance can be used in several contexts, such as "Corporate Governance, Local Governance, National Governance, International Governance, Global Governance, Shared Governance, Participatory Governance (Sedarmayanti, 2003).

Institutions from governance include three domains, namely state (state or government), private sector (private sector or business world), and society (society), which interact with each other and carry out their respective functions. Government institutions function to create a conducive political and legal environment, as well as the implementation of policy, then the private sector

(private) creates jobs and income, while the community plays a positive role in socioeconomic and political interactions including inviting groups in society to participate in economic, social activities and politics (Sedarmayanti, 2003).

The Concept of Bureaucratic Reform

Basically "reform" is a process of systematic, integrated and concentrated efforts aimed at realizing good governance, a system that allows the mechanism for the administration of effective and efficient state governance by maintaining constructive synergy between the government, the private sector and the community (Sudarmayanti, 2002).

According to Adi Purwanto (2020) Bureaucratic reform, there are 8 (eight) areas of change including: 1. Human Resources; 2. Mental Apparatus; 3. Supervision; 4. Accountability; 5. Institutional; 6. Management; 7. Statutory regulations; 8. Public Services.

According to Gerald Caiden the understanding of "reform" in Sumartono (2009) is an effort to reform or bureaucratic reform to be a very important discourse since the 1998 reform was rolled out. This is very natural for the demand for realizing "good governance". Throughout the previous government the bureaucracy was political and was not based on "the spirit of serving" but asked to be served. That is why bureaucratic reform must be realized in the framework of the government to serve the community as a realization of community service and the nation.

As stated by Sedarmayanti (2009) that the concept of reform is a systematic, integrated and comprehensive process aimed at realizing good governance. Good Governance (good governance), a system that enables an effective and efficient administration mechanism of governance by maintaining constructive synergy between the government, the private sector and the community.

Then Ambar Wedaningrum (in Widodo, 2009) argues that basically the reason for reforming is in the framework of (1) realizing a new approach to carrying out a better public service function towards managerial rather than just administrative (2) in response to the scale of handling and Coverage of Government Duties (3) Changes in theory and economic problems and (4) Changes in the role of the private sector in the implementation of public services (Hughes in Dunn, 2000).

These four reasons are actually very consistent with two important issues in governance -oriented public administration, namely the linkages of bureaucratic and democratic issues. Government bureaucracy can be considered an efficient organization without leaving public life. In addition, the relationship between the existence of bureaucracy and the emergence of democratization which has implications for the following things:

First, hold a partnership between the government, the private sector and the community, second, the public administration system can be designed more flexible, by practicing organization's innovations. Third, the role of political actors and community control is greater and opens strict supervisory opportunities. Fourth, the public administration system can be more participatory. Fifth, the competency of the authorities must be longer for the public interest.

According to (Rhoards, 1995) in Agus et al (2009) said that there were 3 (three) government functions namely, allocation, distribution and stabilization.

The allocation function is to have a very close relationship with the provision and service of public goods whose designation is communal and cannot be owned individually. Then the distribution function is the meaning of proportional remains a concern in order to encourage the achievement of optimal growth. The function of stability has a close relationship with the function of regulating macroeconomic variables with the target to achieve the economy rationally.

According to Ambar Dalam (Agus, 2009) also said that the role of the country there are 3 (three) namely (1) Minimum role, the government is tasked with providing pure public goods, for example, defense, security, law and legislation, Macroeconomic management, improvement of welfare, equity and public health system. In the middle role, the government is tasked with overcoming market failures, ensuring the implementation of basic education, basic health and social security. While the maximum role or as the perpetrators of activities, the government is tasked with directly managing public service institutions (Ambar in Mahmudi, 2007).

In connection with this, Sedarmayati (2009) in his book entitled "Reform of Public Administration, Bureaucratic Reform and Future Leadership" Give comments that "Reform" means "a change" without damaging or changing by maintaining. So the reform process is the process of adjusting to the demands of change and the development of the times. Reformation in the field of public administration, especially in the field of institutional administration of government in Indonesia, is expected to be a restructuring, revitalization and re-functionalization.

With the reform of the administration of state government is expected to change which leads to these three dimensions. Institutional Reformation Government administration is carried out to form a government organization that can truly meet the demands of the needs of the community, among others (1) faster service (2) cheaper (cheaper) (3) better (better) (4) newer (newer) (5) simpler (more simple) (6) higher quality (more qualities).

Changes or institutional arrangement which is often called "Reinvention", namely the basic transformation of government systems and government organizations to improve effectiveness, efficiency, ability to adapt and innovate. Reinventions can be achieved by changing goals, incentives, accountability, structure of power and accountability. So reinvention to replace the bureaucratic system with the "entrepreneurial" system, creating organizations and systems for governance both central and regional which always conducts innovations and improve/improve their quality. As a result "Reinvention" is not only to improve existing effectiveness, but also creates institutions that can improve effectiveness when the environment changes.

Some of the definitions and definitions of bureaucratic reform put forward by the experts above, it can be concluded that bureaucratic reform is a change towards a better planned manner with certain methods and approaches to create an organization that is able to achieve the goals of its organizations more

effectively and efficiently. Meanwhile, the aspects of bureaucratic reform used in this study are the reform aspects put forward by Zauhar (in Widodo) namely, institutional aspects and aspects of human resources.

The Concept of Licensing Public Services

Licensing services in the era of contents are not only a necessity, expectation and demands of the public, but also a promise, commitment and mission of the current government, so that it must be held successfully and quality. To clarify this, several concepts about "licensing services" need to be stated, among others:

1. Sjachran is wet saying that it seems to be the same as what applies in the Netherlands, as stated by Van Der Pot "*Hef is Uiterst Moelijk Voor Beggif Vergunning Een Definite Te Vinden*" (very difficult to make a definition to declare "licensing").
2. Utrecht says *verguning* (licensing) as follows: When the rules maker does not generally prohibit an act, but it still allows it as long as it is held in a specified basis for each concrete thing, then the state administrative acts that allow the act to be a permit (licensing/*vergunning*). So "*Vergunning*" is an agreement of the satisfaction based on a law or government regulation for certain circumstances to deviate from the provisions of the prohibition of legislation, can also be interpreted as a dispensation or release / release of a prohibition.
3. Prof. Dr. Bagir Manan said that licensing is an agreement from the authorities based on laws and regulations to allow certain actions or actions that are generally prohibited (in Sutedi: 2011).

Licensing services in the perspective of welfare state (Welfare State) is an ideal licensing service (public) basically must be able to provide services that are fast, cheap, fair, legal, open and can be accounted for in accordance with the development of community dynamics (Sutedi in Mahmudi, 2007)

The Concept of Public Service Reform

The poor perception of the public about the services of government agencies is a challenge that must be faced and at the same time searched for "way out" in the process of government bureaucratic reform. Some impressions (images) that have been successfully found have given a general picture that public services to the community are still included in the "low" category (not yet fulfilling expectations), so gradually but must be reformed (improved/ repaired).

The services provided by the government are still impressed by bureaucratic, less transparent, too long (long, even complicated because the mechanism of work is too hierarchical with the central role of the leadership. Besides that, it is not efficient and effective in the service and is often confused by several conditions that are so diverse or less relevant by providing services to be obtained. The services provided are less supported by competent and professional officials, so that it greatly affects the performance of services to the public as a whole. Because of this, various concrete steps have been implemented by several government agencies to link the performance of the service, competence of the authorities, responsibility, is a positive step to improve services to the community. Even in some types of public services, there are still practices of corruption, collusion and nepotism. Then on the other hand the service user community also

does not have *SP* Efficient to prioritize the more entitled and not fully want to carry out all their obligations correctly, but some people are taking shortcuts to obtain service facilities that only benefit themselves and harm others. For this reason, efforts to eradicate corruption, collusion and nepotism (*KKN*) indiscriminately (without guesses) are being carried out by the government in the hope of the realization of a commitment to jointly eliminate bad habits that result in people's misery.

Various criticisms and public complaints need to get serious attention and handling, so that constructive criticism has a positive impact and improvement of public services to the community as a whole.

In connection with this, the concept of good governance has a very broad meaning and is often understood differently depending on the context. As in the context of eradicating *KKN*, Good Governance is often interpreted as a government that is clean of *KKN* practices. Some good governance circles are interpreted as a concrete translation of democracy by releasing the existence of "civic culture" as a support for the continuity of democracy itself. But in general Good Governance is defined as good government management, Koirudin (2005: 160) in coal (Journal of Administrative and Policy Analysis).

In essence, good governance has long been a dream of many people, although their understanding of good governance is different and in essence that with good governance will have a quality and better government. Automatic public servants will be better and acts of corruption will be lower, then the government's concern for the community is hope. This is in accordance with the definition of public services put forward by Subarsono (2005) in the Journal of Analysis, said that public services are a series of activities carried out by public bureaucracy to meet the needs of the user.

Coal in the journal analysis said that there is no comprehensive and systematic national strategy, how to realize good governance in Indonesia. That is, phenomena like this show that there is no comprehensive strategy in developing good governance in Indonesia, both at the center and in the regions.

Ulbert Silalahi research results (in Widodo, 2006) "Public Services" Conditions Before the Reformation was obtained data, that the level of satisfaction of the state apparatus services provided to the public showed an average percentage of 33.7% including the low category. The form of public service is a "sense of service" of the attitudes of state apparatus services in various forms, among others, apathetic, being cold, too tight in procedures, and often the people. Then in 2002 the results of research from Agus Dwiyanto and his friends in his book entitled "Reform of Public Bureaucracy in Indonesia, that the performance of government bureaucratic services during the reform period, although it has been running for several years not experienced many significant changes. Even empirically in the current reform era, it appears that the rampant *KKN* (Corruption, Collusion and Nepotism) is among the bureaucrats. This shows us that the "focus of interest" of the apparatus has not been oriented towards its main task, namely "public service". The state apparatus is still influenced by a system of government that is oriented towards power/ authority or can be called prioritizing "political authority" rather than "political committee", one of which is

"customers oriented" or "customer perspective" or service oriented towards the interests and needs of the community.

Therefore, changes must be made from a "government" government that focuses on "authority" towards governance that focuses on collaboration or compatibility among the public (government/ bureaucracy), private (private) and community (community), Utomo (2003) in the Journal of Coal Analysis.

From here was born a fundamental question that is "Why Reform Public Services" which is a strategic point to develop a better bureaucratic government (good governance)? Why not/ not other aspects of government activities? Isn't there still many other problems faced by the government which is also very urgent to be handled? These questions are very important to be answered so that the choice of building service delivery practices through "Reform of Public Services" is truly believed to be able to bring the Indonesian government to the practice of "good governance".

C. METHODS

Research Design

The research design is a framework that in depth performs the procedures needed to obtain/ obtain information to answer the problems formulated by the researcher and provide information needed for decision making (Malhotra, 1996). In this study using a qualitative research approach, this approach is considered relevant and able to express and describe and understand the meaning (meaning) which is the formulation of the problem and research objectives.

With qualitative research researchers want to describe a data or symptoms that are natural or naturalistic. Strauss and Corbin (1997) argue that qualitative research is more appropriate to be used to reveal something that is behind the phenomenon. Qualitative research as a research method is able to encourage the perspective researchers he used to chronologically reveal social processes, assess and provide in -depth explanation of the causality relationship between these events through intense self -involvement in a culture or situation and interact directly with the object under study (Weinreich, 1999: 24).

Qualitative Framework, so this research has an analytical descriptive approach, aims to describe the activities of a group of people, an object, a set of conditions, a system of thought or an event. The descriptive approach aims to make description, picture or painting systematically, factual and accurately regarding the facts, traits, and relationships between phenomena that are investigated (Nazir, 1988: 63), relating to the reform of public service bureaucracy in public management paradigm.

Research Sites

In opinion (Noor, 1994: 44) that the location of the study is the area or place where the researcher conducts research activities. Furthermore Sugiono (2007: 257), that the place where the researcher determines the location to conduct research where objects and subjects who have certain quality and characters determined by the researcher to be studied are then drawn conclusions.

Based on this, the researcher chose the research location at the Office of Investment and One Stop Integrated Services Office at the Sidoarjo Regency

DPMPTSP Office.

Data Collection Technique

The data collection method is very closely related to the research problem to be solved, so one way to collect data is to use the observation method. In the Chinese proverb says "I see I know" by seeing we can know clearly, can describe a picture and can capture a scene that is difficult to understand if you only hear information. To find out a lot about field information, researchers make observations. Observation or observation is one of the main methods in collecting data that can be done by researchers.

From the statement above, the instrument in this study was the researcher himself. The techniques that must be used for data collection are:

1. Participant observation: Observation is the basis of all science, scientists can only work based on data, namely the facts about the world of reality obtained through observation (Nasution, 1988) in Sugiono (2005: 64). Furthermore Marshall (1995) in Sugiono (2005: 64) states that "Through observation, researchers study the behavior and meaning contained in the behavior".
2. In -depth interview (in depth interview): data collection through interviews. Esterberg (2002) defines that interviews are conducted with officials, entrepreneurs and people (someone) who can add data to complete research, especially those who are the behavior of public service assignments.
3. Documentation (documentation): documentation is very important in qualitative research, as said Bogdan in Sugiono (2005: 82) that in most qualitative research a collection of documents a person is generally used for the narrative of the first person produced by someone who explains his personal activities, experience and belief. Data collection techniques using documents as data sources can be divided into personal documents and official documents. In this case the researcher only uses official documents in the form of official records sourced from the Sidoarjo Regency Government.

Data Analysis Technique

Data analysis techniques in qualitative research or often called "naturalistic" according to Bogdan and Biklen (1982: 29) in Moleong (1988: 7) are seeking and systematic regulating interview transcripts, field notes and other materials found in government territory Sidoarjo Regency.

In addition to the data analysis, researchers use qualitative analysis as stated by Miles and Huberman (1992: 19-20), namely through the process of data collection stages, data presentation (data display), data reduction (data reduction), and then withdrawing data/ verification. Data that has been collected in various ways (observation, interviews, and the essence of documents and which are usually "processed" roughly before being ready to use (through recording, typing, editing, or writing), but qualitative analysis still uses words that are used usually arranged into expanded text.

Qualitative analysis in this study is describing the structure of authority, procedures used as well as the attitudes and behaviors of birorkasi used in providing services. The purpose of this qualitative analysis is to describe the existing situation and to solve the problem then draw a conclusion to the Sidoarjo

Regency Government.

Data Source

The data sources in this study are:

1. People (key informants), namely the bureaucratic apparatus contained in the Regional Government of East Java Province. Both the officials and to the staff, who are used to provide information about the situation and conditions of the research background. Information is determined "purposive" in the initial stages and in its development "Snow Ball Sampling" until complete data and information are obtained and show the levels of boredom. While the number of informs also cannot be determined.
2. Events or situations that occur, appropriate and relevant to the focus of research, namely "Bureaucratic Reform of Public Services with Newpublic Service Management".
3. Documents, namely various documents that have relevance to the focus of research (notes and mechanisms of the IT system).

Source Person

The resource persons in this qualitative research are speakers, namely people who can provide information in the form of problems, events, people and situations that have correlations with research on "Bureaucratic Reform of Public Services Paradigm in New Public Service Management" in the Regional Government "Because of limited time, funds and energy.

Data Validity

The validity of qualitative research data includes credibility testing (internal validity), transferability (external validity), dependability (reliability), and confirm ability.

D. EXPLANATION

Provision of Services Using Standard Operating Procedures

Licensing is one important aspect in public services as well as licensing related to business activities. The licensing process, especially business licensing, will directly affect the wishes and decisions of prospective entrepreneurs and investors to invest their capital. And vice versa, if the licensing process is inefficient, convoluted, and not transparent both in terms of time, cost, and procedure will have an impact on the decline in people's desire to take care of business licensing, and they are looking for other investment places whose processes are clearer and transparent. This, of course, will have an impact on the availability of employment and other employment problems.

By implementing a public service scheme through this one-door service, the service problems that have been a scourge of a service performance provided by the government can be overcome. The problems that always arise include: transparency problems both transparency related to costs, time, and procedures based on the results of research in the field it can be concluded that investment licensing services through *PTSP* mechanisms in Sidoarjo *DPMPSTSP* have implemented services in accordance with the standard of quality service. This is proven that in carrying out the service mechanism related to the investment licensing, *PTSP* has made a standard operating procedure or SOP that has been

approved by the Governor and the Head of the Sidoarjo *DPMPTSP*. This means that related to procedures, time, costs, requirements for each type of licensing have been arranged in the SOP in detail. Related to improving the quality of public services, especially in investment services (in the financial economic review report, the Ministry of Economic Affairs Coordinator. Vol 1 No. 3. March 2011) explained that the improvement of investment services in Indonesia has been relatively showing progress compared to neighboring countries. In the Doing Business Report in Indonesia in 2010 from the World Bank, it was explained that several cities in Indonesia had excelled in terms of the low number of procedures needed to obtain a building permit. The average city in Indonesia only requires 12 procedures, which means 6 procedures are less than the regional average in East ASI and Pacific. Likewise, the transfer of HA Katas Property is also relatively fast throughout Indonesia compared to many other countries. But for the process of establishing an Indonesian business is still longer, which is 60 days than ASEAN countries which are 50 days, except Cambodia, the Philippines, and Laos. Indonesia is also higher in terms of several costs, namely for business establishment, building permits, and property registration.

Based on the results of the research researchers conducted at the Sidoarjo *DPMPTSP* Office that in order to realize quality services in the field of investment, in 2011 and *DPMPTSP* had established an integrated one-door service or *PTSP* in the field of investment based on legal provisions governing it. In a narrow sense, integrated services can be interpreted as a government agency that has all the authority needed to provide various permits, especially related to investment. Meanwhile, the main objective of the implementation of this one-door integrated service is to improve the quality of public services and provide broader access to the public to obtain public services. The target to be achieved from this one-door service is the realization of public services that are fast, cheap, easy, transparent, certain and affordable which in turn will improve public rights to public services, especially investment licensing services.

An overview of increasing investment realization

Licensing is an important aspect in public services as well as licensing related to business activities. The licensing process, especially business licensing, will directly affect the wishes and decisions of prospective entrepreneurs and investors to invest their capital. And vice versa, if the licensing process is inefficient, convoluted, and not transparent both in terms of time, cost and procedure will have an impact on the decline. Of course the next will have an impact on the availability of employment and other employment problems.

The phenomenon in various regions shows that licensing affects the creation of investment climate in a region, both national and regional scope. In Indonesia, before the implementation of the principle of decentralization which is realized through the provision of autonomy to the region, all matters related to licensing policies are centralistic where the central government is an absolute decision maker. Likewise in terms of determining the permit, all must go through the approval of the central government. With the deregulation of business licensing from the central government to regional government, it will be able to foster an investment climate in the region, both in terms of time, cost transparency, to legal

certainty in investing. Investment will also be a catalyst in optimizing local resources in order to have a higher added value.

At present the application of licensing has been through one stop service. In general, the application of one stop service has been proven to have had a positive impact on the development of investment in the region. Easier, cheaper and faster licensing fostering courage to entrepreneurship, as evidenced by the prominent increase in non-facilities investment. The increase in investment as a result of the application of *OSS* in the end brought a multiplier effect to increase employment opportunities and increased regional income. Qualitatively, the application of *OSS* by investors has been considered to be able to provide better licensing services, namely transparent, fast and inexpensive. The next impact is the reduced illegal levies, the creation of a better order, increasing the spirit of entrepreneurship, increasing investor confidence and increasing the image of the local government in the eyes of the community. However investor response to the application of *OSS* is very positive for licensing reform as part of bureaucratic reform has a strategic role in order to create a healthy business climate for regional economic growth. Certain regional economic levels are correlated with regional competitiveness, both at the regional and national levels.

With the implementation of this *OSS* service mechanism in the Sidoarjo Sidoarjo *DPMPTSP* organization or not has a positive impact on increasing investment in Sidoarjo *DPMPTSP*. This can be seen from the data that the researcher has presented that in 2011 the performance of the Sidoarjo *DPMPTSP* organization exceeds the planned target. In the study group, this public administration theory, each has implications for the development of public services. Changes in orientation that color the emergence of thoughts that produce new theories are as/ a synthesis, because thesis is no longer relevant to answer the challenges of environmental development. The birth of a new theory begins with criticism and lawsuit against public services to be adjusted to new values. As the reform agenda, namely the demands of change and renewal in the governance sector includes the arrangement of the structure of the state government, the decentralization of government and the field of state finance management (Suryadi, 2009).

The theory of governance is the latest study in the literature of public administration and public management, along with the rise of the government system renewal movement as an effort to solve various public problems that have not been able to resolve New Public Management (NPM). In other words, that governance complements the lack of the new public management paradigm which is considered less effective and no longer has the support of various parties, as a paradigm of government management, so that its birth is a new offer in the framework of building civil society (developed society/ city/ civil society) . In addition, changes in organizational culture must get serious attention so that the state government can be developed towards "good governance".

Implication of Theory

The theory of governance has been a concern among administrative experts since the 1970s, and this is in response to the occurrence of the "Governability Crisis". In the governance theory that explains the macro processes of change in

government, that the crisis is caused by the strong "state hegemony", which is parked by the dominance of the country's influence on all aspects of life, including public services that are increasingly complex. Finally the country is trapped in a dilemma situation, becoming too big for small matters, and becomes too small for big matters. It turns out that the root of the problem is still following the government model with its trademark characteristics, among others: (1) vertical structure (2) thick bureaucracy and intervention. The traditional model government, like this, was unable to adapt itself to the economic, social, and cultural/ cultural environment that was experiencing rapid changes (Kazanaigil, 1998, as quoted by Abdul Wahab, 1996: 1).

E. CLOSING

Conclusion

Based on the results of the above issuance related to the Bureaucratic Reform of Investment Licensing Services in Sidoarjo *DPMPTSP*, there are several things that can be concluded, including:

1. Related to bureaucratic reform in the institutional aspect

Based on the results of research and discussion it can be concluded that the Sidoarjo *DPMPTSP* organization has reformed the structure and authority of the organization. From the results of the analysis it can be seen that *DPMPTSP* is streamlining and simplifying the structure becomes slimmer and effective. With a more simple structure this is where the level of complexity, formalization, and centralization that exist is sufficient to support the implementation of management functions such as planning, organizing, coordinating, and evaluating. Organizations that are not too large are also very effective in carrying out activities in accordance with their main tasks and functions in order to achieve the goals of this Sidoarjo *DPMPTSP* organization.

Meanwhile related to the reform of systems and procedures for investment and investment licensing services where since a few years ago the Sidoarjo *DPMPTSP* has implemented a service mechanism using the mechanism of one door integrated service or PYSP. Although it is still in the process of improving the system, but in its development it is quite a positive response from related parties including other investors. Changes to the investment licensing service system can also provide quality services because the system, procedures, and other requirements have been regulated in the standard operating procedures or SOPs that have applicable.

2. Related to bureaucratic reform in aspects of human resources

Meanwhile related to aspects of human resources, the Sidoarjo *DPMPTSP* organization is better. This can be seen from the management mechanism and human resource development of the apparatus that have been based on the merit system. But this has only been applied to new employees who have been appointed in the past 3 years such as the recruitment mechanism of placement employees, and development that has been based on competencies and their fields of assignment. Meanwhile, to be related to employees who have long been assigned to this *DPMPTSP* or more than the last 3 years the placement of positions and positions is more likely to be based on work experience in equal

educational background.

Meanwhile, related to the attitudes and behavior of employees in working and providing services at the Sidoarjo *DPMPTSP*, it can also be concluded quite well. This can be seen from the hospitality and politeness of every employee in welcoming the arrival of guests who deal to this office. Meanwhile the attitudes and behavior of employees at work are also very conducive where the interaction between employees and between employees and their superiors has been very harmonious and professional. This condition is certainly inseparable from the role of the leadership and the entire organization in creating a working climate in a conducive organization so that it is possible for every employee to work in accordance with their main tasks and functions.

3. Related to service quality

As for the quality of services carried out by the Sidoarjo *DPMPTSP* where to improve the quality of services, especially investment licensing services which are the authority of *DPMPTSP* have been carried out by implementing the One Door Integrated Service System also already has standard operating procedures that have been set. With the implementation of this one-door integrated service system, anything related to services, especially investment license services, has been arranged in detail both related to the problem of procedures, time, costs, requirements, and others related to services. Although not yet optimal in the authority in providing technical licensing where the authority in granting this technical permit is still in each related *SKPD*, *DPMPTSP* is still trying to present a quality service related to the services that are the authority. Aspects of human resources that have been prepared with the competencies and required skills as well as systems and procedures and facilities for suggestions and roles such as the use of IT in the service process are also gradually fulfilled.

4. Related to an increase in investment value

From the Bureaucratic Reform of Licensing Services carried out by the Sidoarjo *DPMPTSP* since 2015. Where related to structure. And reform of investment licensing services and using *PTSP* and *Spipise* since 2011 have indirectly have a positive effect on increasing the value and realization of investment in Sidoarjo Regency. With the efforts of the local government to always rise and then reorganize facilities and infrastructure and take strategic steps through policies that facilitate investors in investing in Sidoarjo which includes one of the policies to establish this one-door investment service. From the existing data, it can be seen that there is a significant increase in the value of investment realization in Sidoarjo proves that indirectly and the positive impact of one of the service system improvement efforts through the reform of licensing service and investment bureaucracy on the investment climate in Sidoarjo.

5. Related to supporting factors

Related to the factors that support the Bureaucracy of Investment Licensing Services in which there is a delegation of authority by the central government to the Regional Government of the provision to carry out one-door integrated

services. Then the second is the commitment and political will of the leader of the provincial head to advance the investment climate in Sidoarjo Regency.

6. Related to inhibiting factors

Meanwhile, related to the factors that are inhibiting in carrying out the reform of the licensing service bureaucracy, there is still the absence of authority of authority from the *SKPD*/Technical Office related to sector licensing or advanced investment. Then the second factor is the lack of cooperation. Coordination and synergy between district and city government and provinces

Sugession

Theoretical Recommendations from the results of research that has been presented based on data and analysis using theory and concept, according to the opinion of the researcher, several recommendations can be picked as follows:

The context of bureaucratic information, based on the theory put forward by Zauhar (2007), that the institutional aspects and aspects of human resources are very important to pay attention. The changes made in the institutional context, namely related to the structure and authority must be adjusted to the goals and organizations. This is important related to the choice of organizational form and organizational size to be applied, approaches, and motives in making changes. Furthermore, related to changes in the system and service procedures must pay attention to service principles and standards so as to be able to create a quality service system and procedure.

Then it is related to the second aspect in the bureaucratic reform, aspects of human resources must also strive in terms of human resource management who consider professional aspects and make merit systems so as to create competent employees in understanding and carrying out their service tasks. While related to changes in attitudes and behaviors in appropriate services must be supported by conducive organizational climate conditions between members of the organization.

Practical Recommendations (Practical Implications), recommendations related to bureaucratic reform in the institutional aspect Meanwhile, related to bureaucratic reform in Sidoarjo *DPMPTSP*, there are still things that need to be refined such as the issue of delegation of authority in the management of sector or technical licenses that are still in each *SKPD* related to investment: such as the industrial, trade, tourism, tourism, plantation and others sectors. This is certainly still an obstacle in the management of investment licensing. Therefore what can be suggested is that in the future it is expected that the seriousness and good intentions of the good leadership are the governor. The Head of *DPMPTSP* and also *SKPD-SKPD* related to investment licensing to then delegate the authority to arrange their respective sector licensing to the Sidoarjo *DPMPTSP*. This time this must be outlined in the form of regulations that have been mutually agreed upon through the Governor.

Recommendations related to bureaucratic reform in human resources, from the data and research results that have been carried out mainly related to aspects of human resources still need to be optimized. Although in the management of human resource development in the Sidoarjo *DPMPTSP* has made changes, the

changes are still not evenly distributed such as: related to the education and training mechanism of employees who are still prioritized to new employees, while old employees still have not received appropriate opportunities. Development in terms of education and training for old employees is also an important thing to improve skills, enthusiasm for working in achieving overall organizational goals so that there is no implementation of competence, enthusiasm, and loyalty between new employees and old employees.

Recommendations related to service quality, related to the services provided mainly to improve the quality of investment licensing services, it is hoped that in the future there will be plans to implement online service mechanisms using the internet network. This mechanism is very important to consider because it will be very helpful and facilitate the mechanism of service where prospective investors no longer need to come to the *DPMPSTP* office to register directly. Even if needed, it is only clarification or to follow up on registration. Then there is also a need for additions to the facilities and infrastructure of servants such as the number of computer facilities whose numbers are still inadequate when compared to the busy service, and also the absence of computers prepared to be accessed and used by investors equipped with internet networks. This is very important considering that in this licensing service process sometimes investors need other information related to investment that feels not provided at this *PTSP*, then also related to the problem of warehouse facilities which until now is still not permanent placement. During this time *DPMPSTP* often experiences moving buildings for various reasons so that this is very disturbing the mechanism of work of the organization both in terms of archiving, time and energy.

Recommendations related to increasing investment value, while related to increasing the value of investment that it is realized that the reform of the Bureaucracy of Investment Licensing Services is not the only factor that affects the merits of investment. Many factors such as natural resources, the availability of facilities and infrastructure and infrastructure of the region, and also include regional regulations that tend to rarely support the investment climate in the regions. Therefore, this investment licensing bureaucracy reform is a small part of the effort to increase the regional investment climate. The most important thing is the issue of political will from leaders in the regions such as governors and regents/mayors at the district and city level. Synchronization, coordination, and cooperation between cities and provincial districts are what need to be carried out and followed up through a joint agreement to advance the investment climate in Sidoarjo Regency.

Recommendations related to supporting factors, the factors that have been supporting in carrying out the reform of the investment licensing service bureaucracy are the delegation factor of the authority and leadership of the provincial regional head as far as possible must be increased. The authority given by the central government is still not intact as the authority for *PMAMASH* is in the central government. Meanwhile, the commitment and political will of the provincial head leaders will be crucial to develop and the advancement of *PTSP* in this *DPMPSTP* therefore in the future.

Recommendations related to inhibiting factors, while related to the factors that are still an obstacle in carrying out the reform of the investment licensing service bureaucracy must be immediately coordinated and sought a solution. As the issue of sector licensing authority that has not been delegated to *DPMPTSP* then the problem of coordinating the synergy of programs and investment activities between the district and city government and the province, this is important to create an integrated one -door integrated service and support the investment climate in Sidoarjo as a whole.

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