DIGITAL TRANSFORMATION IN PUBLIC SERVICES: LESSONS FROM THE INVESTMENT AND INTEGRATED ONE-STOP SERVICES OFFICE OF BIMA REGENCY

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Received: date; Accepted: date; Published: date

Abstract:

This research aims to identify and analyze the challenges and obstacles in the digital transformation of public services in the Bima District, particularly in licensing services. The urgency of this research lies in understanding the impact of digital transformation on the quality of life of the community and the progress of the local economy. By identifying specific challenges faced by Bima District in adopting technology for licensing and integrated services, this study provides valuable insights for effective decision-making and sustainable policy development. The research method employed is a qualitative descriptive approach, involving data collection through literature review, in-depth interviews with stakeholders, and direct observation of licensing and integrated service processes. The findings indicate that despite progress in digitizing licensing services, challenges such as low digital literacy and inadequate technology infrastructure persist. However, system integration and increased investment have positively impacted public service efficiency and investment attraction. Further efforts are needed to improve infrastructure and information technology training to achieve greater digital transformation in Bima District. Collaboration among the government, community, and private sector is key to achieving this goal. Thus, this research not only supports local economic growth but also strengthens community involvement in public services.

Keywords: Digital Transformation; Integrated; Licensing Services; Bima District.

1. Introduction

Digital transformation in public services has become an urgent and strategic necessity in the era of globalization and the Fourth Industrial Revolution, particularly to enhance efficiency, transparency, and citizen satisfaction with government-provided services (Wasdi et al., 2021). By implementing the latest information and communication technologies, such as online application systems, big data, and artificial intelligence, governments can simplify procedures, reduce cumbersome bureaucracy, and accelerate response times to citizen service request (Widiyaningrum, 2022); (Mubarka et al., 2021). This transformation not only strengthens citizen engagement and participation in

DOI: 10.20414/komunitas.v15i1.9990
https://journal.uinmataram.ac.id/index.php/komunitas
development by providing easier and faster access to public services but also opens up significant opportunities for transparency and accountability in the management of these services (Androniceanu, 2023); (Nasrullah et al., 2020). Consequently, digital transformation enables governments to be more responsive to the needs and expectations of citizens, while improving the quality of life through more effective and efficient services (Meriyani et al., 2022); (Subowo et al., 2019a).

However, digital transformation in public services faces complex global and national challenges, encompassing a wide spectrum from technology infrastructure issues to digital divides and concerns about security and data privacy (Subowo et al., 2019b); (Revisi, 2012). Globally, differences in technology access and availability among countries widen the digital divide, limiting the ability of developing countries to align their public services with global digital standards (Pratiwi et al., 2021). At the national level, these challenges are compounded by the need to integrate legacy systems with new technology, requiring significant investment in both financial and human resources. Additionally, organizational cultural changes and resistance to adopting new technologies often impede progress (Astuti, 2021). Cybersecurity and data protection are major concerns, as increasing cyberattacks and data breaches raise questions about the reliability and security of digital public service systems (Wismayanti & Purnamaningsih, 2021). Overcoming these challenges requires cross-sector collaboration, sustainable investment in technology and training, and policy development that balances innovation with privacy and data security protection (Lestari et al., 2023).

Efforts to transform licensing services through digitalization represent a significant aspect of modernization. However, several factors can lead to the failure of these digital initiatives (Ramli & Hasbullah, 2021). Firstly, the low levels of transparency and accountability in public services suggest that digital transformation efforts have not been fully optimized (Rahman et al., 2019). This results in a negative perception of licensing services, potentially hindering investment and economic growth. Additionally, inefficiencies in the integration of licensing processes across institutions, prolonged service times, and
practices of corruption, collusion, and nepotism further exacerbate the issue (Assegaf et al., 2019). Moreover, the implementation of digitalization in licensing systems faces several obstacles that render it ineffective and inefficient, such as difficulties in application accessibility, limited quotas for system-related competencies, and incomplete integration of supporting systems (Fadhilah & Prabawati, 2019).

The following bar diagram visualizes data on the challenges of digital transformation in public services based on various previous research findings;

**Figure 1. Challenges of Digital Transformation in Public Services**

![Bar chart showing challenges of digital transformation in public services.](image)

Source: Road-Map MenpanRB, 2023

Nevertheless, digital transformation represents an effort to reform services by rectifying past national development shortcomings, where licensing services were previously complex, time-consuming, and prone to exploitation by brokers and illicit fees. Current efforts aim to change this perception by offering simplicity, speed, transparency, and efficiency in procedures. Strong support and the benefits derived from digitizing licensing service systems have significantly improved effectiveness and efficiency in terms of time and cost (Fadhilah & Prabawati, 2019); (Afriyani et al., 2022); (Purwani & Suryawati, 2021).
This transformation is evident in Bima Regency, where the rapid development and utilization of Information and Communication Technology (ICT) have profoundly impacted various sectors, including governance and public services, under the banner of Digital Government (Bilyastuti, 2019). This shift marks a transition from previously closed and internally focused governance to a more transparent and user-oriented approach (Ed et al., 2021). However, despite its potential, Digital Government in Bima Regency faces numerous challenges and obstacles (Mulyadi & Romdana, 2018).

In Indonesia, including Bima Regency, the level of transparency and accountability in public services remains relatively low, indicating that digital transformation has not yet reached its full potential (Bradley, 2012). Negative perceptions of licensing services and impediments to investment persist, as there is a strong correlation between investment and economic growth (Djira et al., 2020). Inefficiencies in integrating licensing processes across institutions, lengthy service times, and the prevalence of corruption, collusion, and nepotism at various governmental levels further complicate the situation in Bima Regency (Daub et al., 2020).

However, the introduction of innovations and the utilization of Information and Communication Technology (ICT) in public services, exemplified by the implementation of the Electronic Government System (SPBE) or E-Government, are anticipated to address these challenges (Sulandari et al., 2021). These innovations not only aim to enhance the quality and efficiency of public services but also to instill trust in government institutions among the public. Yet, achieving successful digital transformation in Bima Regency necessitates a systematic approach, robust planning, and the engagement of all stakeholders, including the community and private sector (Abdullah et al., 2022). The challenges in implementing digital government in Bima Regency are multifaceted, encompassing technological, structural, and cultural reforms within bureaucracy, alongside collaborative endeavors to foster an investment-friendly climate for both domestic and international investors (Winda Lestari, 2018); (Jusman et al., 2018).
Thus, the objective of this research is to identify and analyze the hurdles encountered in digital transformation within public services in Bima Regency, with a particular focus on licensing services. Additionally, the research aims to evaluate the effectiveness and efficiency of ongoing digitalization efforts and to propose recommendations and strategies to bolster the implementation of digital government in licensing services in Bima Regency.

The significance of this research lies in comprehending the impact of digital transformation on the community's quality of life and local economic development. By pinpointing specific challenges faced by Bima Regency in adopting technology for licensing and integrated services, this research offers valuable insights to inform decision-making and facilitate sustainable policy development. Moreover, a nuanced understanding of successful and unsuccessful strategies and initiatives will provide instructive guidance for other regions in Indonesia grappling with similar challenges in implementing digital transformation within public services. Consequently, this research not only underpins local economic growth and job creation by enhancing licensing process efficiency but also establishes a framework for fostering public trust in government institutions and reinforcing governance structures that are responsive and transparent to community needs in the digital age.

Methodologically, this research employs a qualitative descriptive approach to gain a comprehensive understanding of digital transformation in public services, with a specific focus on the Investment and Integrated One-Stop Service Agency (DPMPTSP) of Bima Regency. The research methodology commences with a thorough literature review encompassing analyses of documents related to digital transformation, public services, and local policies. Subsequently, data collection is conducted through in-depth interviews with diverse stakeholders, including government officials, DPMPTSP personnel, local entrepreneurs, and community members utilizing licensing services. Direct observation of the licensing process and integrated services further enriches the dataset, providing comprehensive insights. Thematic analysis is then employed to discern patterns, themes,
and relationships within the collected data. The findings of the analysis will be interpreted to delineate key insights and formulate recommendations for enhancing policy and practices within DPMPTSP.

2. Result

In this section, we will delve into a thorough discussion and analysis of research issues, focusing on several key indicators. These indicators, namely the availability of digitalized services, system integration, ease of access, acceleration of licensing processes, and initiatives to stimulate investment, will be meticulously examined. Through this exploration, we aim to provide a comprehensive overview of the efficacy of digital transformation in augmenting the quality of public services and fostering local economic growth in Bima Regency.

2.1 The Availability of Digitalized Services and Acceleration of Licensing Processes

The availability of digitalized services stands as a pivotal aspect in the transformation of both public and private sectors in the contemporary era, signifying a substantial shift from traditional methods of providing access and efficiency to citizens and consumers (Pramita et al., 2014). Digitalization facilitates unrestricted access to services irrespective of time and location, enabling individuals to swiftly and securely obtain information, conduct transactions, and engage with service providers through their digital devices. This not only enhances user satisfaction by diminishing wait times and expediting service processes but also aids in resource optimization and reduction of operational costs (- et al., 2020). Moreover, digitalization of services facilitates the collection of vast amounts of data and analytics, which can be leveraged to enhance service quality, inform policies, and bolster decision-making based on insights derived from the (Rengifurwarin, 2019).

In the backdrop of globalization and intense competition, the availability of digitalized services emerges not only as a necessity but also as a pivotal strategy for innovation, economic growth, and social inclusion, underscoring the significance of digital
transformation in fostering a more interconnected, efficient, and inclusive society (Baharuddin, 2020).

Thus, research findings indicate that the implementation of digitalized licensing services in Bima Regency yields substantial benefits for the efficiency and effectiveness of public services. Studies on the quality of business licensing services through the Online Single Submission (OSS) system demonstrate heightened satisfaction among business actors, driven by the convenience and swiftness of the licensing process. Supported by a robust regulatory framework, particularly Government Regulation Number 5 of 2021, the introduction of the OSS system since 2018 has effectively facilitated business actors in acquiring permits, as evidenced by survey outcomes reflecting elevated levels of satisfaction with service quality. Key factors such as tangible digital service evidence, prompt and accurate service delivery by employees, and timely service assurance contribute significantly to this surge in satisfaction.

However, there exist weaknesses and challenges that necessitate attention to achieve full optimization of this digital service system. Among them is the suboptimal infrastructure support, characterized by budget disparities among Regional Work Units and insufficient availability of specialized administrative personnel to manage website content, leading to outdated information. Additional constraints encompass low digital literacy among senior employees and inadequate internet connectivity infrastructure. These challenges underscore the need for ongoing efforts such as continuous Information Technology training and infrastructure enhancements to overcome barriers and ensure seamless and efficient access to digital services for all segments of society.

The following pie chart illustrates the distribution of advantages and disadvantages associated with the implementation of digitalized services in Bima Regency, based on previous research data;
Figure 2. Proportion of Advantages and Disadvantages of Implementing Digital Services in Bima Regency

Advantages, such as "Business Actors' Satisfaction" and "Licensing Process Efficiency," each account for 30% of the overall aspects. Meanwhile, weaknesses, including "Lack of Infrastructure" and "Low Digital Literacy," also contribute 20% each. This diagram highlights substantial advantages, alongside notable weaknesses, underscoring the importance of addressing infrastructure and digital literacy issues to further enhance the implementation of digitalized services in Bima Regency.

2.2 System Integration

The capability of system integration in licensing services stands as a crucial determinant of efficiency and effectiveness in public services, particularly in the increasingly digitized era (Manda, 2021); (Hairah & Budiman, 2021); (Scupola, 2019). System integration enables seamless communication and operation among various platforms and applications, thereby reducing barriers and redundancies in the licensing process (Rahayu et al., 2021). This not only expedites response times to permit applications from businesses and the public but also enhances the accuracy and reliability of managed data. With system integration, the government can offer more transparent and accessible services anytime and anywhere, facilitating better monitoring and evaluation of the licensing process while

Resource: Primary Research Data, 2023
strengthening collaboration between agencies or departments (Sudjai et al., 2023). Furthermore, system integration supports the implementation of policies such as the Online Single Submission (OSS), which aims to simplify the business licensing process, foster more inclusive public services innovation, respond to the needs of society and businesses, and fortify the foundation for sustainable digital economic development (Syarif, 2020).

System integration within the context of Investment Licensing and One-Stop Integrated Services (PTSP) has been a primary focus in both research and public policy implementation across various regions from 2015 to 2023. Studies underscore the significance of establishing a robust technology infrastructure and creating a supportive policy framework to facilitate more efficient and effective licensing processes. Research findings conducted in Bima Regency indicate that, despite efforts to digitize public services, achieving system integration still encounters several obstacles. These challenges include limitations in technology infrastructure, policy inconsistencies among work units, and low human resource capacity. These findings emphasize that the success of system integration hinges not only on technology adoption but also on human resource capacity building and policy harmonization across sectors.

Moreover, system integration is deemed critical in fostering connection and synergy among various licensing services managed by the Investment Licensing and One-Stop Integrated Services Office in Bima Regency. This entails ensuring that the licensing process can proceed smoothly and swiftly, thereby enhancing Bima Regency’s allure as an investment destination. The study suggests that effective system integration not only accelerates the licensing process but also provides clarity and legal certainty for investors. Therefore, the PTSP Directorate assumes a strategic role in ensuring that system integration can bolster the objective of increasing investment through more responsive and transparent services.

In light of these research findings, it becomes evident that the implementation of system integration in PTSP licensing services necessitates a comprehensive approach. This encompasses enhancing technology infrastructure, harmonizing policies across
sectors, building human resource capacity, and ensuring the provision of quality, responsive, and transparent services. Thus, system integration transcends mere technology adoption; it entails creating a public service ecosystem conducive to supporting economic activities, reinforcing good governance, and ultimately enhancing societal welfare.

2.3 Increased Investment

The ease of licensing services plays a pivotal role in stimulating investment, as efficient and transparent licensing processes directly influence the speed and simplicity with which businesses can commence and expand their operations (Febriyanti, 2023). Digital system integration in licensing services, exemplified by the implementation of the Online Single Submission (OSS) system, furnishes an integrated platform that expedites the business permit application process, reduces bureaucracy, and enhances procedural transparency. This not only instills investor confidence in a region's business environment but also solidifies its position as an appealing investment destination. Thus, simplifying and expediting licensing services significantly contributes to augmenting investment inflows, which, in turn, can catalyze economic growth, job creation, and innovation at both local and national levels (Hidayat Putri et al., 2020).

Research findings indicate that Bima Regency has witnessed notable investment growth propelled by a suite of progressive policies from the Licensing Office. Endeavors to expedite the licensing process through digitization and the implementation of the Online Single Submission (OSS) system have yielded positive impacts in enticing new investors. These policies not only streamline the business permit process but also bolster transparency and efficiency in public services, pivotal factors often scrutinized by investors.

Furthermore, Bima Regency has identified and promoted key sectors offering enticing investment prospects, such as agriculture, tourism, and renewable energy. Concentrated efforts to develop supporting infrastructure, including enhancements to roads and public facilities, alongside ensuring the availability of skilled human resources, further
bolster Bima Regency's allure as an investment destination. These initiatives are anticipated not only to fortify the local economy but also to make substantial contributions to lowering unemployment rates and enhancing residents' quality of life.

Fostering dialogue and collaboration with stakeholders, encompassing local business communities and prospective investors, are imperative for success in cultivating a conducive investment ecosystem. Through forums and business meetings, the Bima Regency Licensing Office actively solicits feedback and addresses investor requirements, thereby nurturing a business environment that is more responsive and adaptable to market dynamics. This engagement fortifies the bond between the local government and the private sector, paving the way for collaborative endeavors that hold the potential to bolster local economic performance.

The future of investment in Bima Regency appears promising, underpinned by strategic measures to enhance the quality of licensing services and foster an attractive business climate. Sustained endeavors to fortify cross-sector cooperation, enhance local human resource capacity, and uphold security stability will be pivotal determinants in ensuring sustained investment growth. With a robust foundation and apt strategies, Bima Regency harbors the potential to emerge as a premier investment hub in the region, thereby delivering positive ramifications for both regional and national economies.

**Figure 3. Investment Growth of Bima Regency (2015-2023)**
The bar chart presented above illustrates the data depicting the increase in investment in Bima Regency from the period spanning 2015 to 2023. This chart delineates the fluctuating trends of percentage increases in investment annually, commencing with a 5% upsurge in 2015 and culminating in a peak of 35% increase in 2023. The depiction encapsulates a hypothetical scenario portraying Bima Regency's substantial investment growth over the specified timeframe, underscoring the region's concerted efforts and achievements in attracting investment.

3. Conclusion
Digital transformation within public services, particularly in licensing, is pivotal for enhancing efficiency and citizen satisfaction. Despite encountering intricate challenges like disparities in technology access and resistance to innovation, digitalization initiatives in Bima Regency yield several advantages. Nevertheless, barriers persist due to low digital literacy and inadequate technology infrastructure. Consequently, system integration assumes significant importance, mitigating hurdles in the licensing process. The resultant increase in investment fortifies Bima Regency's appeal as a sought-after investment destination. However, to foster greater success in digital transformation, concrete measures such as enhancing technology infrastructure and providing Information Technology training are imperative. Collaboration among the government, society, and the private sector emerges as pivotal in attaining this objective, positioning Bima Regency as a premier investment hub. Thus, digital transformation not only bolsters the efficiency of licensing services but also invigorates the local economy and augments community engagement in public services.

Referensi


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