



## Study on the Effectiveness of One Stop Integrated Services (PTSP) in Business Licensing in Bandung City

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### Abstract

*This paper focuses on assessing the efficiency of PTSP in enabling business permit in Bandung City of Indonesia. PTSP is the government's program that it has launched to simplify various bureaucratic procedures and increase the transparency of governance to unleash the economic potential of a country. Employing a survey questionnaire, quantitative data was obtained from 200 business owners and government officials who deal with PTSP concerning factors such as time taken to process licenses, the level of transparency and user satisfaction. The findings have revealed that PTSP has led to the cutting down of processing time, enhance the level of opacity and has received accolades by the business fraternity. However, there are also problems to face such as inadequate organizational infrastructure and reluctance for change. Consequently, the study enhances the existing literature by presenting a quantitative analysis on PTSP impact assessment in an urban context as well as presenting guidelines on how to address the emerging challenges that continue to emanate on the efficiency of the system.*

## Introduction

The monetary growth and improvement of urban regions are notably motivated by way of the performance and effectiveness of commercial enterprise licensing strategies. In this context, the concept of One Stop Integrated Services (Pelayanan Terpadu Satu Pintu, PTSP) has emerged as a pivotal mechanism geared toward streamlining enterprise licensing strategies. PTSP is designed to combine numerous administrative processes, lessen bureaucratic pink tape, and beautify service shipping to corporations, thereby fostering a conducive environment for economic activities. This observe explores the effectiveness of PTSP in Bandung City, a main city middle in Indonesia, in facilitating business licensing (Rahman & Mufti, 2021).

Bandung, acknowledged for its vibrant financial system and burgeoning entrepreneurial spirit, offers a unique case for reading the effect of PTSP on commercial enterprise operations (Goodman, 2015). The city's dynamic enterprise environment necessitates efficient administrative tactics to support its growth (Obrenovic et al., 2020). Prior to the implementation of PTSP, enterprise licensing in Bandung turned into regularly criticized for being bulky and time-eating, deterring potential investors and stifling entrepreneurial projects (Croce et al., 2021). The creation of PTSP became a strategic response to these challenges, aiming to simplify tactics, enhance transparency, and enhance carrier transport (Lyu et al., 2023; Tseng et al., 2021).

The PTSP version integrates multiple licensing services below one roof, lowering the want for organizations to navigate thru numerous authorities' departments (Heriyanto, 2023). This integration is anticipated to no longer handiest expedite the licensing manner however additionally decrease the capability for corrupt practices by way of reducing direct interactions

among applicants and officials (Kalesnikaite et al., 2023; Terrani et al., 2020). By centralizing offerings, PTSP pursues to create a greater commercial enterprise-pleasant environment, thereby attracting more investments and fostering economic improvement (Guo, 2023).

Empirical research at the effectiveness of PTSP in diverse regions have shown mixed effects. While some studies spotlight giant upgrades in provider transport and user pleasure (Yearsley, 2022), others factor to continual demanding situations consisting of insufficient infrastructure, lack of skilled employees, and resistance to change inside administrative bodies (Maheshkar & Soni, 2021; Nick et al., 2023). Understanding these nuances is important for assessing the actual effect of PTSP on enterprise licensing in Bandung.

In Bandung, the PTSP initiative has been lauded for its potential to streamline commercial enterprise licensing (Heriyanto, 2023). However, comparing its effectiveness requires a comprehensive analysis of different factors, together with the time taken to method licenses, the transparency of the tactics, and the overall pleasure of the enterprise network (Shaturaev, 2021). According to Sadik et al. (2022), the effectiveness of PTSP can be gauged by using inspecting enhancements in those areas, as well as the reduction in informal bills and bureaucratic hurdles.

One of the primary targets of PTSP is to lessen the time required for business licensing. Delays in obtaining licenses can significantly affect enterprise operations, main to extended prices and misplaced possibilities (Verrier et al., 2022). The integration of services underneath PTSP is meant to deal with this problem with the aid of supplying a more streamlined and efficient technique. Studies have shown that during areas wherein PTSP has been correctly applied, there was a substantial discount in processing instances. However, the extent of this development in Bandung remains to be thoroughly investigated (Permana, et al., 2020).

Transparency is every other vital factor of powerful business licensing (McGrath et al., 2021). The centralized nature of PTSP is designed to enhance transparency via supplying clean and regular records about the licensing procedure and necessities (Brahmasari & Sukristyanto, 2023). This transparency is expected to reduce possibilities for corruption and growth the self-belief of organizations inside the licensing machine. According to Dutta et al. (2020), increased transparency can lead to better tiers of compliance and delight amongst organizations. Assessing the level of transparency in Bandung's PTSP system will offer valuable insights into its effectiveness.

User pride is a critical indicator of the success of any public carrier initiative. The effectiveness of PTSP in Bandung can be measured by way of the pleasure stages of businesses using the provider. Factors influencing pleasure include the ease of having access to services, the professionalism of workforce, and the overall performance of the procedure (Mustafa et al., 2020). Surveys and interviews with commercial enterprise owners in Bandung can provide a complete knowledge in their stories with PTSP and spotlight regions for development.

Despite the potential benefits, the implementation of PTSP is not without demanding situations. Resistance to exchange, each from in the administrative bodies and the business community, can prevent the effectiveness of the gadget. Additionally, the achievement of PTSP relies upon at the availability of ok infrastructure and skilled personnel to manipulate the included offerings. Addressing these challenges is crucial for understanding the whole capability of PTSP in Bandung.

## **Method**

This research thus adopted a quantitative research approach in order to evaluate the efficiency of One Stop Integrated Services (PTSP) in the issuance of business licenses in Bandung City.

A quantitative descriptive survey design was used to gather numerical data based on the efficiency, accountability, and user satisfaction with the PTSP system. The target population was made up of business owners or managers in Bandung using the PTSP services for business licenses within the last year.

Based on this population, an ordinary random sampling was used to get 250 respondents so that the findings could generalize to the population in the current study. The data were collected through a self-administered structured questionnaire that included twenty-five close-ended questions the majority of which were ordinal variables measured on a 5-point Likert scale as follows: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. Reflections Response The questionnaire was segregated into sections on participants' demographic details, impression on the efficiency of PTSP process, Licensing procedures, and the general satisfaction regarding the services offered.

Data gathering exercise took one month to complete, and the use of both web and paper-based questionnaires were used to enhance response rate. Preliminary field testing of the survey questionnaire was also done on 30 respondents whereby some parts of the questionnaire were further refined as needed following the test results. The data accumulated therefore received descriptive plus inferential statistical examination. A quantitative approach was used with basic indices like mean values, frequencies, and percentages calculated and used to describe the demographic profile of the respondents together with their general impressions of the PTSP system.

Hypothesis testing, whereby Pearson correlation analysis and multiple regression analysis were employed, was used to relate the efficiency and transparency of the systems with user satisfaction. Statistical data analysis was done using the SPSS software version 26 in order to minimize error. The validity of the research instrument was done by subjecting it to face validation by three experts in the field while the reliability of the instrument was done by splitting the instrument into two and administering it to 30 respondents and performing a reliability analysis to get a Cronbach's alpha value of 0.82 none of the items that were deleted affected the.

## Result and Discussion

The study aimed to assess key factors such as the reduction in processing time, the level of transparency, and the overall satisfaction of business owners with the PTSP system. By analyzing survey data from local business owners and government officials, the study seeks to provide a comprehensive understanding of how PTSP has impacted the efficiency and accessibility of business licensing services in the city. The following results offer insights into the successes and challenges of PTSP in Bandung, contributing to a broader understanding of its role in promoting a more conducive business environment.

Table 1. Demographic Information of Respondents

Category	Variables/Indicators	Results
Business Type	- Retail	35%
	- Services	40%
	- Manufacturing	15%
	- Others	10%
Business Size	- 1-10 Employees	50%
	- 11-50 Employees	30%
	- 51-100 Employees	15%
	- 100+ Employees	5%

Years in Operation	- Less than 1 year	20%
	- 1-5 years	40%
	- 6-10 years	25%
	- 10+ years	15%

Table 1 summarizes the demographic profile of the respondents. It includes business type, business size based on the number of employees, and years of operation. This demographic breakdown is essential for understanding the sample composition and providing context for interpreting the results of the study.

Table 2. Efficiency of PTSP Process

Indicator	Results
Time Taken for Licensing (Days)	Mean = 7.2 days SD = 1.8 days
Ease of Navigating PTSP System	Mean = 4.1 (out of 5) SD = 0.7
Reduction in Processing Time	- Pre-PTSP: 15 days (avg) - post-PTSP: 7 days (avg)

Table 2 presents results related to the efficiency of the PTSP process. The average time taken for licensing was significantly reduced post-PTSP implementation. Respondents found the PTSP system relatively easy to navigate, as indicated by the high mean score (4.1 out of 5). The reduction in processing time further emphasizes the improved efficiency of PTSP in Bandung.

Table 3. Transparency of Licensing Procedures

Indicator	Results
Clarity of Licensing Requirements	Mean = 4.3 (out of 5) SD = 0.6
Accessibility of Information (Guidance)	Mean = 4.0 (out of 5) SD = 0.8
Reduction in Informal Payments	70% of respondents reported a decrease

Table 3 outlines the respondents' perceptions of the transparency of the PTSP licensing procedures. The clarity of licensing requirements and accessibility of information were highly rated, with scores of 4.3 and 4.0, respectively. Additionally, 70% of respondents reported a reduction in informal payments, which indicates that PTSP has made strides in reducing corruption and increasing the transparency of the business licensing process.

Table 4. User Satisfaction with PTSP Services

Indicator	Results
Overall Satisfaction with PTSP Services	Mean = 4.2 (out of 5) SD = 0.5
Professionalism of PTSP Staff	Mean = 4.4 (out of 5) SD = 0.4
Willingness to Use PTSP Again	85% responded positively
Recommendations for Improvement	- 30% suggest better infrastructure - 20% suggest more staff training

Table 4 presents user satisfaction data for the PTSP system. Respondents generally expressed high satisfaction with the service, with scores of 4.2 for overall satisfaction and 4.4 for staff

professionalism. Additionally, 85% indicated they would use PTSP again. Suggestions for improvement focused on enhancing infrastructure (30%) and increasing staff training (20%).

Table 5. Challenges and Limitations of PTSP

Indicator	Results
Resistance to Change	Mean = 3.8 (out of 5) SD = 0.9
Availability of Skilled Personnel	60% indicated insufficient staffing
Adequacy of PTSP Infrastructure	55% rated infrastructure as moderate

Table 5 addresses challenges encountered during the implementation of PTSP. Resistance to change from both administrative bodies and businesses was moderately high, as reflected in the mean score of 3.8. Furthermore, 60% of respondents felt that there was an insufficient number of skilled personnel, and 55% rated the PTSP infrastructure as moderate, indicating room for improvement.

Table 6. Inferential Statistics: Correlation and Regression Analysis

Relationship	Results
Pearson Correlation (Efficiency vs. Satisfaction)	$r = 0.65, p < 0.01$
Pearson Correlation (Transparency vs. Satisfaction)	$r = 0.58, p < 0.05$
Multiple Regression Analysis	$R^2 = 0.45$ Significant Predictors: Efficiency ( $\beta = 0.35, p < 0.01$ ), Transparency ( $\beta = 0.28, p < 0.05$ )

Table 6 presents the results of the inferential statistics. The Pearson correlation coefficients suggest a moderate to strong positive relationship between both efficiency and transparency with user satisfaction. The regression analysis indicates that both efficiency and transparency significantly predict user satisfaction, with efficiency being the stronger predictor.

Table 7. Reliability Test for the Survey Instrument

Indicator	Results
Cronbach's Alpha	$\alpha = 0.82$ (High Reliability)

Table 7 shows the reliability of the survey instrument, with a **Cronbach's alpha** value of 0.82, indicating a high level of internal consistency. This suggests that the questionnaire used for data collection was reliable and yielded consistent responses across the sample.

One of the findings made in this study is to support the contention that PTSP can make the business licensing process more efficient. The decrease of processed time from averagely 15 days to 7 days can also evidence the previous studies that highlighted the advantages of centralizing government services. Reduced times this large have been documented in areas where PTSP has been implemented successfully (Lyu et al., 2023). This is in agreement with the situation observed in many developing cities where the concentration of service provides increase the rate at which approvals are given comparing to decentralized systems, thus making it easier for businessse to overcome the complexities that characterise the licensing procedures. Consequently, Tseng et al. (2021) pointed out that PTSP has several strengths, some of which include Providing one-stop services that help reduce redundancy and eliminate some steps for

registering businesses thus saving the latter time in visitations to different government offices. Overall, the proposed integration will enable businesses to make significant time savings, which translates well in the fast-paced business environment typical of modern entrepreneurship as well as that of Bandung.

But whether these improvements are sustainable in the future is yet to be answered for sure. Past research has pointed out that studies find, for example, Staffing deficiencies or political opposition, after emergence, pose speeds up initial but concerns like these slow the advancement in sustainable future (Croce et al., 2021). Therefore, although the various efficiencies in terms of time have been reduced drastically, more long-term studies can help evaluate the sustainability of these efficiencies and the conditions that might dent them. For instance, Nick et al. (2023) noted that if teams do not receive investments in training and infrastructure, what is attained in the short-run will be eroding, hence the quality-of-service delivery.

Transparency, for that matter, has always been a dream of PTSP systems because their core concept is to minimize the corruption risk by centralizing the services and enriching the information with consistent and transparent data. It is against this backdrop that this study finding of increased transparency in Bandung in the areas where PTSP has been implemented successfully corresponds with existing literature. The high ratings for the clarity of licencing requirements, access to information, and the decrease in informal payments support the conclusion of Dutta et al. (2020) & Brahmasari & Sukristyanto (2023) that enshrinement of services removes opportunities for corrupt exchanges between firm proprietors and public officials.

These are in line with Goodman (2015) where he also agrees that where services are centralized bribery or favoritism are likely to reduce since business owners will have a clear view on the needed information and there is likely to be standardization of the services being offered. Therefore, the case of Bandung does aid in contributing to the literature as the study provided evidence of this phenomenon, where business owners said that there were fewer cases of IPS after implementing PTSP. This finding is in accordance with the study done by Kalesnikaite et al. (2023) the study also seeks to find the effect of business licensing on transparency and accountability and the result shows that when business licensing is centralized, then everybody will be monitored hence reducing the discretion that various bureaucrats have.

However, challenges remain in achieving full transparency. While PTSP in Bandung has made strides, moderate ratings for infrastructure and concerns about staff adequacy (Table 5) suggest that further efforts are necessary to ensure that the system operates smoothly and is fully transparent. inefficiencies in the infrastructure and workforce may undermine the transparency benefits by delaying services or creating confusion among users. Therefore, ensuring that the infrastructure supports the goals of PTSP is critical to maintaining transparency and preventing any regressions into old practices of corruption.

User satisfaction is another crucial aspect of assessing the success of PTSP. This study found that businesses in Bandung are generally satisfied with the services offered, particularly in terms of service speed and staff professionalism. The results are in line with the findings of Yearsley (2022), who emphasized that user satisfaction is an important metric for evaluating public service initiatives like PTSP. Satisfaction is often influenced by factors such as ease of access, professionalism of staff, and the smoothness of the procedure all of which were highly rated in this study. The positive feedback on staff professionalism (average score of 4.4) suggests that PTSP has managed to train its personnel effectively, which is crucial in providing quality service (Mustafa et al., 2020).

However, it also provided areas that require attention and development with regard to satisfaction which includes infrastructure and change culture. mentioned that one of the challenges with systems like PTSP is the resistance to change, both government officials and business owners may be resistant to new change. The moderate scores given to the PTSP infrastructure and the staff availability in Bandung mean that there is still much work to be done to ensure that performance remains high and staff remain satisfied with the current levels of investment and training being put forward. In other places there are issues of inadequate resource, and/or infrastructural problems, similar interventions have struggled to sustain user satisfaction (Verrier et al., 2022). Hence, to maintain high level of satisfaction it is imperative that the PTSP in Bandung should continue to improve by confronting these issues and make sure that the system is properly resourced in order to cope with the increased demand for services.

However, there are still some drawbacks when applying PTSP in Bandung: the issues that mainly involve infrastructure and personnel. A total of 60% of respondents complained that there was a lack of enough manpower; 55% also considered the infrastructure to be moderate. These outcomes corroborate PTSP implementation research Maheshkar & Soni (2021) established that minimal resources and unskilled staff reduce the impact of such systems. These issues need to be resolved if PTSP is to fully realise its potential.

Similar to Tseng et al., (2021) & Croce et al., (2021), there is also the fact that although PTSP promises efficient completion of licensing services and eradication of corruption risks, there are no adequate infrastructures and qualified staff. It may be the reason why PTSP infrastructure in Bandung only has a moderate user rating on RAI. These issues will thus need to be tackled over time and in a systematic manner with a focus on information for ‘hard’ infrastructures such as information technology systems and more fundamentally ‘soft’ infrastructure such as staff recruitment and training. Indeed, when writing about PTSP, opine that to enhance the efficiency of the system, the PTSP system must be supported not only by the technological tools but also the trained human talent to meet the burgeoning demand.

This paper makes a remarkable scholarly contribution toward the development of PTSP literature because I establish several research questions that have been overlooked in the previous research. Unlike prior empirical studies, this study examines PTSP from Indonesia’s Bandung, a fast-developing city in a country with high potential for corruption. By identifying and measuring the level of quantitative data about the utility of PTSP in terms of result processing time, the level of transparency, and the level of satisfaction in the real world in the present study, this study responds to the mentioned literature gap, which lacks empirical evidence in practical settings (Brahmasari & Sukristyanto, 2023).

Moreover, the study also looks at the emerging research gap in examining the difficulties experienced while implementing PTSP. Whereas most previous investigations have provided fairly positive accounts of PTSP, this work will identify some of the main challenges, including problems with infrastructure and organizational resistance to change, as well as present strategies for reshaping PTMP to focus on integrated services. Such findings are particularly useful for policy-makers interested in enhancing PTSP and are a novel contribution to literature on public service reforms.

## **Conclusion**

The findings regarding One Stop Integrated Services (PTSP) application in the City of Bandung show that the business licensing services has greatly enhanced the efficiency and tackled corruption and users’ satisfaction despite certain difficulties that are present such as infrastructural constraints and staffing shortage. From this study it is clear that PTSP helps in

enhancing the business environment since it speeds up processes, increases the transparency and makes business environment more friendly. However, the authorities need to continued success of PTSP it is imperative to include the following steps to remove the gaps of infrastructure, resources and resistance to change. This study also contributes to the PTSP literature by providing also provides necessary considerations for consideration of future policies in order to yield the biggest possible impact on positive growth of the economies of cities.

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