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Analysis of the Impact of Online Licensing Management on the Community in Kampar Regency

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Abstract: Online licensing management at the Kampar Regency Investment and One-Stop Integrated Services Office (DPMPTSP) to speed up and simplify the licensing process for the community. The purpose of the research was to determine the impact of online licensing management on the community. The research method is qualitative and descriptive. Data collection techniques through observation and interviews. The research source uses primary data. The results of the study show that the community faces a number of technical and non-technical obstacles and problems that cause the system to not be fully effective, such as limited internet access, low digital literacy, lack of understanding of the system, and dependence on third-party services. This study recommends an increase in technical assistance and the provision of a more equitable digital infrastructure. DPMPTSP Kampar Regency always strives to provide the best service for the community and continues to try to socialize the online system so that the public can easily understand the mechanism of managing permits through the online system.

Keywords: E-Government, One-Stop Integrated Services (DPMPTSP), Licensing Services.

INTRODUCTION

In the current era of digitalization, the government continues to encourage the application of information technology in various aspects of public services through the Online system. The quality of public services is the main factor in achieving an excellent service. Based on the Decree of the Minister of State Apparatus Empowerment Number 63 of 2003 concerning general guidelines for the implementation of quality, efficient, effective, transparent and accountable public services. To support the government's efforts to provide legality to business owners effectively and efficiently and make it easier for the community, the government has made regulations regarding the service of making technologically integrated business licenses (online) which aims to accelerate the business licensing process (Hansdayani et al., 2022; Setyaningsih et al., 2021). The online system is a form of innovation applied to public services in the field of licensing which aims to ensure that the licensing mechanism can be implemented

effectively and efficiently so that it can prevent corrupt practices in the environment (Wismayanti & Purnamaningsih, 2022). It is not uncommon for people who want to get services quickly give slippery money to the service provider, so incidents like this are very influential in the quality of service in an agency (Dayantri, 2022).

The online system is an electronically integrated business license application launched by the government on Monday, July 9, 2018 in Jakarta. which are used in the management of business licenses by individual business actors, small, medium and large businesses, both new and previously established. Using an online system can facilitate business actors to obtain permits safely, quickly and in real time.

Figure 1 : (Online system registration application)



Based on figure 1, it can be seen that to register online , you must open the link (<http://oss.go.id>) by filling in the email and password so that you can proceed to the data filling stage in the system. Online single submission is a website with a process mechanism that requires the public to fill in data as a condition for the issuance of a permit online .

Online-based licensing services at DPMPSTSP Kampar Regency with the aim of making it easier to manage business licenses and operational permits that can be accessed more easily independently at home or while doing activities anytime and anywhere, business actors do not have to come to DPMPSTSP. The implementation of online licensing management implemented by the Kampar Regency Investment and One-Stop Integrated Services Office (DPMPSTSP) faces various technical and non-technical problems. This has a direct impact on the general public.

Table 1. Comparison of licensing data per sector at the Kampar Regency DPMPSTSP in 2020, 2021, 2022, and 2023:

NO	SECTOR NAME	YEAR			
		2020	2021	2022	2023
1	2	3	4	5	6
1	Local Government Sector	1.257	1.077	993	1.098
2	Health Sector	724	907	1.655	1.576
3	Agriculture & Plantation Sector	10	5	5	-
4	Communication & Informatics Sector	-	-	4	20
5	Education Sector	20	59	29	46
6	Industrial & Trade Sector	20	11	3	23
7	Public Works / Spatial Planning Sector and Housing/Settlement Sector	355	422	83	-
8	Transportation Sector	2	-	-	-
9	Livestock Sector	1	1	2	4
10	Social Sector	11	8	7	4
11	Youth and Sports Sector	10	-	-	-

12	Labor Sector	-	-	35	79
13	Land Sector	32	69	-	-
14	Energy Sector Human Resources	7	-	47	38
15	Cooperatives and Small and Medium Enterprises Sector	-	-	5	1
16	Fisheries Sector	-	1	-	-
17	Environmental Sector	102	99	-	-
TOTAL		2.551	2.659	2.868	2.889

Ket: The "-" sign indicates data is not available or zero

From table 1, it can be seen that out of 18 sectors, the health sector is ranked the 2nd most in the number of licensing procedures at the Kampar Regency DPMPTSP, because medical personnel and medical professionals are a must to have a Practice License (SIP) in serving as health functional personnel. From the above phenomenon, the author is interested in conducting research on "Analysis of the Impact of Online Licensing Management for the Community in Kampar Regency" so that in the future solutions and improvements can be found that help promote inclusive and equitable public services and provide recommendations that can be considered in improving the digital-based public service system, so that licensing management will be more effective and efficient in the future.

The formulation of the problem in this study departs from the problems felt by the community in the process of managing online licensing that has been applied at the Office of the Office of the Investment and One-Stop Integrated Services Office (DPMPTSP) of Kampar Regency, namely what impact is felt by the community in managing online licensing and what factors cause the emergence of negative impacts felt by the community in managing online licensing. The purpose of this research is to find solutions and improvements that can help improve inclusive and equitable public services. In addition, it provides recommendations that can be considered in improving the digital-based public service system so that licensing management becomes more effective and efficient in the future.

The benefits of this research are to add insight in the study of public administration and digital-based public service management which is a theoretical benefit, while the practical benefits can provide input in improving the quality of online licensing services and helping the public to access services more effectively.

The main theoretical foundations relevant to the topic:

Table 2. Theoretical Foundations

Theory Level	Theory	Relevance
<i>Grand Theory</i>	System Theories (Parsons)	Viewing public services as part of an interconnected social system.
<i>Middle Theory</i>	Digital Divide Theory	Explaining that not all people have the same access, ability, or understanding of digital technology.
<i>Applied Theory</i>	Public Service Theory	Emphasizing that public services must be responsive, transparent, accessible, and oriented to the needs of the community.

Based on table 2 The theoretical foundations applied in this study are: *Grand Theory* (System Theory) using the concept of AGIL (*Adaptation, Goal Attainment, Integration, Latency*), which can thoroughly evaluate how the online licensing system works within a social framework. The following is the description of each element of AGIL (*Adaptation, Goal Attainment, Integration, Latency*), in the context of the research:

1. Adaptation (A) – Adaptasi

DPMPTSP and the community must be able to adapt to system changes from manual to online. The problem: many people are not ready in terms of infrastructure (internet access)

or digital skills. This unpreparedness has negative impacts such as difficulty accessing services so that they have to use the services of other people (brokers).

2. Goal Attainment (G) – Goal Attainment

The main goal of the online licensing system is efficiency, transparency, and ease of service. The problem: people experience obstacles in accessing online applications, so the goal has not been achieved. An evaluation is needed to gauge whether online services are actually simplifying the process or actually adding to the burden.

3. Integration (I) – Integrasi

There must be integration between the government (DPMPTSP), IT systems, and the community. Problem: the lack of socialization leads to a gap in understanding, cooperation between the government and the community. This can lead to distrust or frustration among service users.

4. Latency (L) – Pattern/Value Maintenance

The system must be able to maintain the basic values of public services such as justice, inclusivity, and accountability. The problem: services are only effective for certain groups (e.g. digitally literate society), so the values of justice and equality are not met. This can reinforce social inequality.

Every failure in the AGIL element explains the emergence of negative impacts on society, and is the basis for compiling recommendations for improving the public service system in the digital era.

METHOD

The types of research methods used are: Qualitative Method with a descriptive approach that describes and analyzes phenomena based on the research subject. The qualitative method is used to collect in-depth and comprehensive information to informants through randomly selected interviews (random sampling) based on facts in the field.

The population and sample, namely the community using online licensing services, amounted to 35 people in Bangkinang District, Kampar Regency. Data collection techniques: Observation and direct interviews. Research Schedule: Proposal in May 2025. Data collection July 2025. Data analysis and preparation of the August 2025 report, and the revision and completion of the September 2025 report."

Table 3. Research Schedule

NO	Activities	Implementation Time
1.	Proposal Preparation	May 2025
2.	Data Collection/Research	July 2025
3.	Data analysis and report preparation	August 2025
4.	Revisions and completions	September 2025

RESULTS AND DISCUSSION

This research involved 35 informants who had conducted licensing arrangements to the Kampar Regency DPMPTSP office with different backgrounds. Based on observations and interviews with informants in the field who were randomly selected (random sampling), the researchers grouped the interview results into several main themes to illustrate the impact of online licensing on the community:

1. Ease of Access and Time Efficiency As many as 27 informants (77%) use the online system to make it easier to manage permits without the need to come to the office. However, 13 informants complained of technical glitches such as slow systems during peak hours
2. Digital Literacy: 18 informants (51%) have difficulty understanding the system, especially in the elderly and rural areas. They rely on the help of their families or other people.10

- informants from among business actors under the age of 50 are able to carry out the process independently.
3. Availability of Technology Infrastructure: 19 informants (54%) stated that the internet network in their area was unstable. This is an obstacle in accessing the OSS system or licensing service application. Some informants don't even have adequate devices like smartphones or computers.
 4. Officer Responsiveness: 23 informants (66%) complained about the lack of response of officers when problems occurred.
 5. Cost Efficiency: 20 informants stated that transportation costs are reduced. However, 8 people admitted that they had to pay for the services of a third party (broker).
 6. Trust and Transparency: 15 informants felt the process was more transparent. However, 9 informants still have doubts about the validity and clarity of the status of the files they submitted online.
 7. Social and Economic Impact: 11 informants felt helped in business development. 8 informants felt that the online system actually added to the difficulties due to technical limitations.

From the results of the research conducted on informants, online licensing has a positive impact on people who understand how to use digital technology such as: Ease of access, time and cost efficiency, and can cut bureaucracy, so that people feel very helped in the licensing process that they do. However, there is also a negative impact felt by the public because they do not understand the use of digital technology where there are several problems and obstacles that occur both technically and non-technically which result in licensing services that are not fully effective and efficient.

Table 4. Problems and Obstacles in the Online Licensing Process

No	Problems / obstacles
1	System Outages
2	Difficulties in the use of digital technology
3	Infrastructure Limitations (internet connection)
4	Lack of assistance from officers to the community

Source: informant

Based on table 4 above, it explains some of the negative impacts that are problems and obstacles felt by informants during the online licensing process. The following is the discussion:

1. System Disruption.
System disruptions cause the system to not run effectively which can affect the licensing process. The online system still needs to be updated and improved so that the online service mechanism runs as expected. If the internet network is disrupted, the data input process is hampered until the network returns to normal, this causes the permit to be completed not on time as specified. Network interruption error or server down when the applicant is entering data causes the applicant to have to re-input data if the system has returned to normal.
2. Difficulties in the use of digital technology.
The new online system is applied in the licensing process, making some people still unable to fully understand the data importation process. People still come to the Kampar Regency DPMPSTSP office with files, because they think they can still do it manually. However, service officers at DPMPSTSP always help applicants in filling in data online properly. Socialization to the public is very necessary, which is one way for the public to understand the procedures for the process of managing business licenses on the online system.

3. Limited infrastructure (internet connection).

The online system is a system that uses electronics and the process of using it must have an internet connection. Several areas in Kampar Regency still have limited and unstable internet access, making it difficult for people to access online services independently.

4. Lack of assistance from officers to the community.

The community felt confused in the management of permits which eventually returned to relying on the services of other people (intermediaries), the result was not the acceleration felt by the community, but confusion and dependence on other parties, and even the re-emergence of the practice of brokerage that the government actually wanted to abolish. The lack of public knowledge of the online system makes some people prefer to register for licensing manually by delivering files to the DPMPTSP office, then filled in by licensing service officers.

This study shows that the implementation of the online licensing system in Kampar district still needs to be supported by a social and educational approach to the community so that it can be evenly accessed to remote areas in Kampar district.

CONCLUSION

Online licensing management has a positive impact on people who are literate in digital technology such as: Ease of access and efficiency. However, technical and non-technical obstacles still hinder the effectiveness of the service, which is a negative impact. In the process, sometimes unexpected obstacles occur that make the system not run optimally. Such as system disruptions that suddenly error when entering data so that people have to repeat their data imports, difficulties in the use of digital technology make some people unable to understand the data importation process, the limitations of unstable internet infrastructure in rural areas, and the lack of assistance from officers so that people feel confused and eventually return to relying on the services of others.

Based on findings in the field, the author provides the following suggestions:

1. The government needs to evaluate and update the system periodically so that the online system service mechanism runs as expected.
2. Socialization and digital literacy training must be improved, especially for MSME actors and communities in remote areas.
3. Internet infrastructure must be strengthened, especially in remote areas.
4. Direct technical assistance by officers needs to be added.

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