

# Quality of Service Issuance of Trading Business License at the One Door Integrated Service and Investment Department of Medan City

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## Abstract

*Quality is the difference between the expectations and the reality of customers for the service they receive. One of the main tasks of the government is to provide services to fulfill the wants and needs of the community. This research describes the quality of service for obtaining issuance of Trading Business License (SIUP) in the Department of Investment and Integrated Services One Door City of Medan. This study is motivated by the impression that the government bureaucracy in providing services is slow. To assist the community in the service process, the Minister of Home Affairs issued Regulation of the Minister of Home Affairs issued a Regulation of the Mayor of Medan No. 69 of 2017 concerning Guidelines for One Door Services so that services can run effectively and prime. The method used in this study is descriptive qualitative, using indicators presented by Zeithaml, et al such as Tangible, Reliability, Responsiveness, Assurance, and Empathy as an indicator to measure how far the results of quality of public service has been done. Quality of public services in the issuance of SIUP in the Department of Investment and Integrated Services One Door city of Medan, can be said to have met the dimensions or any benchmark on the theory that the author uses. Although the implementation has not been maximal, as in the performance of public services in the issuance of SIUP which sometimes the time of issuance is not in accordance with the SOPs that has been set, and slow staff response.*

## Keywords

public service;  
quality of service;  
issuance of trading  
business license



## I. Introduction

Napitupulu (2007) public services are all forms of service activities carried out by government agencies at the center, in the regions and within the BUMN/D environment in the form of goods and services both in the context of meeting the needs of the community and in the context of implementing legislation. According to Sinambela (2011) public service is the fulfillment of the wishes and needs of the community by state administrators. The needs in this case are not individual needs but various needs that are actually expected by the community. In line with that, Thoha (in Sabaruddin, 2015) says that public service is an effort carried out by a person and or group of people or certain agencies to provide assistance and convenience to the community in order to achieve certain goals. Thus, public services are products of a particular organization or institution to meet the needs of the community for both services and goods. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019). These services and goods must provide benefits and satisfaction to the community,

by adjusting to the needs and desires of the community. The service delivery system is implemented in an open, efficient, effective and non-discriminatory manner.

Basically, public service is the provision of services to the community for the needs of the community in quality and quantity in the life of the state or government system. Local governments must be able to innovate in improving the quality of public services so that the impression of a slow, convoluted and unfriendly government bureaucracy can be eliminated. Zeithaml, et al (in Lupiyoadi, 2013) service quality is how far the difference between the expectations and reality of customers for the services they receive. According to Zeithaml, et al (in Hardiansyah, 2018), Service Quality can be measured from 5 dimensions, namely: Tangible, Reliability, Responsiveness, Assurance, and Empathy. Public service procedures must be simple, uncomplicated, easy to understand and easy to implement and manifest in a flow chart displayed in the service room in improving its role and function in providing a good service to the community.

Based on the idea of the problems faced by the community as service users, and one form of improving various weaknesses and anticipating deficiencies in the quality of public services, especially in the licensing sector. So that the government formed the One Stop Integrated Service institution, which aims to improve the investment climate to encourage economic growth and pay attention to micro, small and medium enterprises.

The Medan City One Stop Integrated Service and Investment Service (DPMPTSP) as one of the Medan City government institutions that implements a one-stop integrated service model has begun to improve the quality of licensing services, especially in the issuance of Trading Business License (SIUP). This can be seen from the implementation of the simplification of licensing policies at the Medan City DPMPTSP both in terms of time, process, procedures that must be completed, and also minimizing the cost of licensing as stipulated in the Standard Operating Procedures (SOPs) of Medan City DPMPTSP. On the certainty of fees / levies, waivers have been implemented in the issuance of SIUP. The validity period of the SIUP which was previously only valid for three years, and the entrepreneur must re-register. Currently, SIUP can be valid for as long as the company operates and does not need to be re-registered. Meanwhile, in terms of time certainty, it is also very clear and definite. In the management of SIUP, the processing/issuance time for the permit is no later than 7 working days from the date the application is received.

**Table 1.** Number of SIUP Issued by DPMPTSP Medan City

Permission Type	Month					
	May, 2020	June, 2020	July, 2020	August, 2020	September, 2020	October, 2020
Trading Business License (SIUP)	11	15	0	25	19	16

Source: <http://dpmptsp.pemkomedan.go.id>

Based on the table above, it can be seen that the SIUP issuance data at the DPMTSP consists of May 2020 - October 2020. The issuance only lasted for six months, it was caused by the current Covid-19 outbreak so that the implementation of office activities and community activities become constrained and limited. Based on observations in the field, it is known that the services provided by the DPMTSP regarding the quality of service in the issuance of SIUP at the DPMPTSP Medan City did not run-on time and the slow

response of officers to public complaints, this was caused by the limited human resources in the DPMTSP concerned in completing the issuance of SIUP.

The data entered in the DPMTSP for the application for the issuance of SIUP is not comparable to that which can be issued by the officer. There are hundreds of documents that come in but cannot be processed due to internal constraints. Coordination that is not in line with the large number of received permit issuance application data, namely communication between officers in completing the process does not run effectively. Standard Operating Procedures (SOPs) that have been set do not run effectively and efficiently, affecting the timeliness, resulting in delays in the next process. Therefore, service products cannot be produced and affect the quality of SIUP public services by DPMTSP. This hampers the performance of DPMTSP in improving service quality, where one of the objectives to be achieved is the completion of the issuance of permits in a timely manner.

## **II. Research Method**

The method used in this study is a descriptive method with a qualitative research approach. According to Bodgan and Taylor (in Moleong, 2006) qualitative research methods are research procedures that produce descriptive data in the form of written or spoken words from people and observable behavior. To obtain clear information about the problem being discussed, this research uses purposive sampling technique in determining the research informants so that then clear and reliable information can be obtained in the form of statements, information or data that can assist in overcoming these problems. Bagong (2005), the informants of this research include three kinds, namely; key informants, main informants, additional informants. The key informant in this study was the Head of the Service and Disturbance Section of the DPMTSP. The main informants in this study were the Head of the Business Licensing Service Section, the Head of the Business Empowerment Section, the Head of the Service and Registration Section and the DPMTSP staff. Meanwhile, additional informants in this study were the small business community and the medium business community who had taken care of SIUP at DPMTSP Medan City. Data collection techniques used in this study include; interviews, observations, participatory and documentation for the same data source (Sugiyono, 2012).

## **III. Results and Discussion**

Theoretically, the basic purpose of public service is to satisfy the public. To achieve satisfaction, service quality is required. Building a quality service is indeed not easy, because there will be several challenges and obstacles that must be addressed positively for further service development. To find out customer satisfaction, it can be done through customer surveys based on the dimensions of service quality that are closely related to customer needs. To be able to assess the extent to which the quality of public services provided by government officials, it is unavoidable, even as a benchmark for the quality of these services, it can be examined from the criteria for the dimensions of the quality of public services.

Zeithaml, et al (in Hardiansyah, 2018), Service Quality can be measured from 5 dimensions, namely; Tangible, Reliability, Responsiveness, Assurance, and Empathy. For this reason, in this study the authors use the indicators proposed by Zeithaml, et al which are usually used to assess the quality of public bureaucratic services. This theory was chosen by the researchers because the indicators proposed by Zeithaml et al. are expected

to be able to comprehensively explain the quality of public services in the issuance of SIUP at the Medan City Investment and One Stop Integrated Service Office.

### **3.1 Tangibles**

The tangibles aspect is one of the important dimensions in measuring service quality because services cannot be seen, smelled, or touched so that people will use their sense of sight to assess the quality of services provided. Tangibles are physical features of office buildings, equipment, employees, and other facilities owned by service providers. The facilities available at the DPMPTSP Medan City are complete because the service only requires an internet network. Compared to previous years when it was still done manually, the officers at the DPMPTSP Medan City had a bit of trouble managing the files that piled up every day. Now, applicants can apply for permits more easily and officers also find this to make their job easier. The DPMPTSP Medan City has completed the facilities and infrastructure that support the SIUP service process for the community in Medan City.

The appearance of the DPMPTSP Medan City officers looks neat with the clothes or uniforms they wear while on duty. Discipline is not only seen in terms of the uniforms they wear, but also when they are focused on working and serving applicants who come to take care of business permits at the DPMPTSP Medan City. The waiting room designated for SIUP applicants at DPMPTSP looks clean and comfortable. The convenience of the place to provide services can be related to the complete facilities and infrastructure available at the DPMPTSP Medan City. Completeness of complete facilities and infrastructure affects the quality of comfort in service places such as the availability of chairs, tables, air conditioners, and waiting rooms for people who are applying for SIUP at DPMPTSP Medan City.

The tools used by the DPMPTSP Medan City at least include a touchscreen computer in the waiting room, information presented in the form of posters placed in the room so that people who are applying for SIUP can read, to the DPMPTSP Medan City website which is provided for access. information needed for SIUP applicants. These tools have supported the quality of SIUP services at DPMPTSP Medan City to facilitate the SIUP service process for the community. In short, the quality of service at the DPMPTSP Medan City is very good because it has complete service tools. The DPMPTSP Medan City has been responsible for the fulfillment of facilities and infrastructure, the appearance and discipline of service officers, as well as the comfort of the place where applicants perform SIUP services.

### **3.2 Reliability**

The reliability indicator assesses the quality of a service based on the ability to provide the right and correct service that has been promised to the community. In this case, it can be seen from the alertness or speed of employees in serving the community and mastery of the material in providing information to the community in accordance with what is expected by the community.

The SOP for the DPMPTSP Medan City was prepared with the aim of being a guide and reference in carrying out the duties and functions of the DPMPTSP Medan City in order to achieve a good system so as to improve the quality of performance in the DPMPTSP Medan City. The principles adopted by the DPMPTSP Medan City in carrying out its duties and functions are the principles of consistency, commitment, continuous improvement, binding, the important role of all elements, and well documented. In addition to containing a description of services at the DPMPTSP Medan City, the SOP

which was ratified in 2019 by the Head of the Medan City One Stop Investment Service also explained in detail the SOPs in each different field in the DPMPTSP Medan City. The complete and detailed SOP for the DPMPTSP Medan City is a good form of standardization related to SIUP application services that meet the indicators of public service standards in the dimension of reliability.

In indicators related to the accuracy of officers when performing services, the DPMPTSP Medan City has actually tried to be careful in carrying out their duties. Although sometimes there are some employees who make mistakes, these mistakes can be corrected with suggestions and corrections given by other employees. Thus, the indicators of the accuracy of officers in carrying out SIUP application services at the DPMPTSP Medan City have not gone well but are supported by a good coordination system between divisions or employees in charge of providing services. DPMPTSP Medan City has quality educated human resources. Thus, this affects the indicators of the ability and expertise of employees in understanding tasks and using available tools or facilities in order to provide the best SIUP services to the people of Medan city.

DPMPTSP Medan City has clear service standards, capabilities and expertise in using tools in carrying out SIUP services. In short, it can be understood that good reliability indicators make the SIUP service quality at the DPMPTSP Medan City also good.

### **3.3 Responsiveness**

The responsiveness dimension talks about how a good service quality is influenced by how to respond or respond to each applicant who wants information related to a service or complaints, criticisms and suggestions for an institution that provides these services. In the dimension of responsiveness, indicators that can support service quality at the Medan City DPMPTSP include indicators of how officers/employees respond to each applicant who wants to get SIUP application services quickly, and on time. In addition, the response of service officers to all complaints submitted by the community is no less important in improving service quality when viewed from the responsiveness dimension.

Broadly speaking, the DPMPTSP Medan City has paid attention to the aspect of responsiveness to complaints given by the community. However, the delay in the response given to the community by the DPMPTSP Medan City has lowered the standard of service quality itself. With this, interactive communication between the DPMPTSP Medan City and the community should be able to increase comfort and optimize the performance of DPMPTSP Medan City to always provide the best service. With a high level of responsiveness, the quality of service provided is even better.

Responsiveness related to indicators of how officers/employees respond to each applicant who wants to receive SIUP application services quickly, but not on time. Related to the delay or the time of issuance of the SIUP file, the Medan City DPMPTSP continues to try to improve itself and strive to issue the SIUP according to the specified schedule and tries to explain to the public the obstacles faced in order to improve the quality of service.

### **3.4 Assurance**

According to the Ministry of Trade of the Republic of Indonesia, Directorate General of Domestic Trade for Certainty, SIUP is a business legality that provides guarantees for business actors. In the Regulation of the Minister of Trade of the Republic of Indonesia No.09/M-DAG/PER/3/2006, the guarantee of provisions for the issuance of SIUP which includes, among others, the requirements for the issuance of SIUP, the authority of the minister of trade, issuance procedures to attachments in the form of SIUP model forms and other matters. In addition to the Regulation of the Minister of Trade, the latest regulations

related to SIUP services are contained in the Regulation of the Minister of Trade Number 77 of 2018 concerning Electronically Integrated Business Licensing Services in the Trade Sector and other regulations such as Law Number 25 of 2007 concerning Investment, Presidential Regulation Number 97 2014 concerning the Implementation of One Stop Services. Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services and others. All of these regulations guarantee certainty of time, legality, and guarantees for costs related to SIUP services at DPMPTSP Medan City. So, the assurance dimension (assurance/guarantee dimension) related to SIUP services at the Medan City One Stop Integrated Service Investment Service has actually been stated in government regulations. In order to support the quality of services provided to the community, the DPMPTSP Medan City also provides information services related to checking the legality status of business licenses that have previously been submitted through the website [dpmptsp.pemko.go.id](http://dpmptsp.pemko.go.id).

The availability of information related to SIUP services is a form of guarantee provided by DPMPTSP to the public so that they can access and know the status of their permits anywhere and anytime. The guarantee is related to the guarantee of information related to the completion time of SIUP by the DPMPTSP Medan City. The DPMPTSP Medan City website displays various information regarding standard time, costs, requirements, and licensing procedures. Permit applicants can find out to what extent the files are being processed, and how much fees must be paid and can check the validity of a permit, besides that the applicant can also find out information about denied permits. Applicants can monitor online and real time anywhere and anytime.

### 3.5 Empathy

The empathy indicator in determining the quality of a service is assessed on the basis of the attitude of the apparatus providing services. The attitude referred to in this case is the willingness of the service provider apparatus to approach, pay attention, provide protection, and try to find out the wants and needs of consumers. The public service apparatus must be able to clearly know what the needs and desires of the people it will serve are. This is done so that the services provided by the apparatus are in accordance with what is expected by the people who receive the service.

The form of empathy/attention of the DPMPTSP Medan City is also addressed to direct applicants. As is well known, applicants in obtaining permits at the DPMPTSP Medan City are divided into two types, namely direct applicants and indirect applicants (intermediaries). There are several advantages if the permit processing is carried out directly by the owner of the company/business entity, including the DPMPTSP Medan City separating queues for direct applicants and indirect applicants (intermediaries), 4 counters for direct applicants and 2 counters for indirect applicants. Then for direct applicants the permit is accelerated by 1-2 days from the SOP that has been set. In addition, the opening of counters during break hours is also applied for direct applicants. Then specifically for the indirect route, the applicants are narrowed by limiting them to 30 applicants per day. The DPMPTSP Medan City cannot refuse an application through an intermediary channel, because according to the rules, it is permissible for a company representative to administer a permit using a power of attorney.

The indicators contained in the empathy dimension can be seen that the DPMPTSP Medan City in carrying out its licensing service activities has given empathy/attention by trying to find out the needs and desires of the community. This can be seen from the attitude of the DPMPTSP Medan City employees who have the will to serve permit applicants who come from various elements of society

## IV. Conclusion

The quality of public services in the process of issuing a Trading Business License (SIUP) at the Medan City Investment and One Stop Integrated Service (DPMPTSP) as a whole is sufficient to meet three of the five indicators of the dimensions of public service. The tangible dimension, the DPMPTSP Medan City, especially services in the issuance of SIUP, can be said to be of high quality. This is known from the fulfillment of facilities and infrastructure, appearance and discipline of service officers, as well as the convenience of the place where applicants perform SIUP services. Dimensions of reliability, DPMPTSP Medan City can already be said to have the quality of educated human resources. In addition, the DPMPTSP Medan City has clear service standards, capabilities and expertise in using tools in carrying out SIUP services. However, the officers are still not very careful in the process of issuing SIUP which has an impact on the issuance of SIUP that is not timely. Dimensions of responsiveness, DPMPTSP Medan City to the needs and complaints of the applicant can still be said to be not good. For indicators in responding to customers or applicants who want to get service quickly, the right has been met, but there are still obstacles related to the issuance time of the file this is caused by several factors such as an unstable network, limited staff, coupled with the implementation of meetings that will disrupt the time of issuance of the SIUP file. Assurance dimension, DPMPTSP Medan City can already be said to be good, this is evidenced by DPMPTSP Medan City is very open in providing guarantees needed by the community, especially in terms of cost, time, and licensing service procedures. Dimensions of empathy, DPMPTSP Medan City in carrying out its licensing service activities can already be said to be good, by providing empathy/attention by trying to find out the needs and desires of the community. This can be seen from the attitude of the DPMPTSP Medan City employees who put the interests of the applicant/customer first, serve with a friendly, non-discriminatory attitude and respect every customer and have the willingness to serve permit applicants who come from various elements of society.

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