

Public Service Quality in Good Governance Perspective: Study on Publishing Trade License in South Tangerang City

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Abstract The complexity of requirements, complicated procedures and the lack certainty of time and cost in trade license services indicate the low quality of public service. The situation is becoming one of the factors that contribute to thousands of businessmen in South Tangerang City has no trade license. Through public service based on *good governance*, service quality of trade license may increase, thus encouraging the businessmen to immediately purchase the trade license. The results showed that the quality of public services on trade license in South Tangerang City reviewed from the *good governance* perspective is still low. The condition occurs because the resistance of the aspects of the low human resources quality and lack of budgetary support. Existing model of public service on trade license in South Tangerang City is still based on the government paradigm, where the government as the service providers was dominant; without involving business actors and civil society. Therefore, the recommended model of public service is a model that is based on *good governance*, in the context of the *new public governance*.

Keywords Public services quality, Good governance

1. Introduction

Public service has a central role in many aspects of human life, also functions in maintaining the existence and growth of the community, the nation and the state [1]. Even the basic formation of the government itself is to bring prosperity and happiness for the community, through this public service. The services are in the form of protection and welfare for intellectual life as stated in the Constitution Preamble of the Republic of Indonesia 1945 [2]. Rasyid confirmed that the principal task of modern government is public services [3]. Public services are vital, thus often become stake for the sustainability of government regime [4]. If community were not satisfied with the provided public services, then the legitimacy of existed government power will fall, and vice versa.

The public service has a very wide coverage in various aspects of human life since birth to death, with the complexity of the type's diversity. Of course, it is not easy for the government to provide it with sufficient number and good quality. Moreover, government faces limited resources, while public demand increasing quantity and quality of

services along with the development of technology, globalization, and democracy. These circumstances push the transformation of public service, from classical model (*Old Public Administration/OPA*), turned into the *New Public Management* (NPM) and grown again to *New Public Service* (NPS) [5]. Each model has advantages and disadvantages, which are complementary. OPA deficiencies corrected by NPM, NPM deficiency corrected by the NPS, and NPS inadequacy is equipped by the OPA and NPM. Therefore, in overcoming the complexity of problems for recent public service, these three different models do not need to be contradicted, but it should be synergized. The synergy will enrich the treasures of the three options to provide policy alternatives in providing quality service to the community.

The integration of the values contained in the model of OPA, NPM, and NPS implied in the nine principles of *good governance* of the United Nations Development Program (UNDP). The nine principles are: participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision [6]. Principal amount of OPA model was represented by the *rule of law* and *effectiveness and efficiency*, while the NPM model is reflected in the *transparency, responsiveness, accountability*, and *strategic vision*. Meanwhile, NPS model are embodied in the principle of *participation, consensus orientation*, and *equity*. Thus, in an effort to improve the quality of public services in a comprehensive manner, it is

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very important to use the principles of *good governance* as a perspective. Thus the results will provide a comprehensive review and appropriate solutions towards various public service issues.

Good governance closely related with the public service, where *good governance* would be very responsive to community's demands for public services with sufficient quantity and good quality. Léautier stated that *poor governance leads to weak delivery of vital public services* [7]. Conversely, good government is able to provide good public service, including the poor. Thus, the quality of public service is the indicators of *good* or *bad* governance. Therefore, improving the quality of public services is the main agenda of the state government to give satisfaction to the public.

Similarly, Indonesian government in the current reform era is actively conducted various steps in creating a qualified public services, particularly in publishing trade license (SIUP). According to Effendi, provide easy SIUP service – even free for the beginning stages of opening a business – significantly affect the revenue increase of local and central government [8]. President of the Republic of Indonesia through Presidential Decree No. 6/2007 (on the policy of the development acceleration on real sector and the empowerment of micro, small and medium business) instructed local government to provide convenience and fast service of SIUP to create conducive business climate [9]. Thus the Minister of Trade through the regulation No. 36/2007 establishes SIUP service on a maximum process for 3 days, easy requirement, simple procedure, and free of charge for the early stages [10].

However, in South Tangerang City those policies are not properly implemented yet. Whereas in accordance with the Regulation of the Internal Affairs Ministry No. 24/2006, local governments are required to perform simplification of procedures, requirements, shorten the time and cheapen the cost of licensing services including SIUP [11]. But if we review the Standard Operating Procedure (SOP) of Integrated Licensing Service Agency (BP2T) in 2012 [12] and the practice of SIUP service in South Tangerang City does not make it easier. It even needs more difficult requirements, complex procedures, longer time and greater cost. These can be seen from following aspects:

- 1) Standard of SIUP service will be finished in 5 working days, which in practice extended to 15 working days. While the Regulation of Ministry Trade itself set maximum of 3 working days.
- 2) Publishing of SIUP required Domicile Certificate of Business (SKDU) which is arranged through the approval of five neighboring (right, left, front, back and middle) and signed by head of RT, RW, and sub-district. Whereas in the Regulation, business domicile is enough with statement plus stamp.
- 3) Procedure of SIUP made the applicant should come to BP2T to take the original form to be filled and fitted the requirements. After equipped with all the requirements,

the applicant returned to BP2T to verify the file and if it is declared complete, applicant formally register for publishing SIUP. To simplify procedures and facilitate the community, the form should be taken at the Village Office or downloaded from the internet.

- 4) Although the service fee is not stated in the SOP of BP2T and in the Regulation of Trade Ministry licensing was determined free of charge for the early stages, but in practice there is participation fee for each applicant.

The situation is an indication of poor quality of public service on publishing SIUP in South Tangerang City. These problems also affect thousands businesses trading in South Tangerang City, especially small and micro businesses that do not have SIUP. Without SIUP, businesses do not have the legality for conducting business, making it difficult to get capital support of the banking sector; weak business development; limited employment opportunities; lower state tax revenues and ultimately lead to lower social welfare. Therefore, this study aimed to describe and analyze:

1. Public service quality in *good governance* perspective towards SIUP service in South Tangerang City.
2. The factors that support and constraint SIUP services on *good governance* perspective in South Tangerang City.
3. Model of public service in *good governance* perspective towards SIUP service in South Tangerang City.

2. Theoretical Review

2.1. Public Service Quality

In the era of classical literature of public administration, public service was defined as whatever government does is public service. During this period, the government is very dominant service provider in various aspects of community life. However, with the public sector privatization movement propagated by NPM, its definition of public service is irrelevant. Because today, the public service is not monopoly of the government, but also organized by the private sector and non-governmental organizations [13]. The same thing also was expressed Spicker which states that many people misunderstand the public service, which is often the same with services in the public sector. Public services should be seen from some indicators, namely its existence as a matter of policy, service to the public interest, redistributive, and his activities as a mandate [14]. Similarly Dwiyanto argues that the definition of public service, it is not right when viewed from the side of its provider, but should be seen from the criteria, namely in the form of public goods which have high externalities, basic needs and rights of citizens, government obligations, as well as being a national commitment. Therefore, according Dwiyanto public service is service to meet the needs of public goods, basic needs and rights of citizens, governments and state obligations, as well as a national commitment [15].

In the context of public service quality, quality of service has various definitions. Lukman define the quality of service

as everything that is able to meet the desires or needs of customers [16]. Meanwhile Davis states that the quality of service is a dynamic condition related to service products, people, processes, and the environment in order to meet or exceed expectations [17]. According Cortado quality of service by experts often expressed in a brief statement: "continuous improvement" (Deming), "fit for use" (Juran), "the most economical products, useful and always satisfying customers" (Ishikawa), "conformance to requirements" (Crosby) and "the moment of the truth" (Cortado) [18].

To measure the quality of public services, it can be seen from the characteristics, indicators or dimensions of service quality. According Tjiptono, there are five dimensions of the most significant services to be implemented in government agencies, namely: function, confirmation, reliability, serviceability and assurance [19]. Meanwhile, in measuring service quality, Zeithaml *et al* identifies ten dimensions, namely: tangible, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding the customer. To further simplify, Zeithaml *et al* summarize the ten dimensions into five dimensions, namely tangible, reliability, responsiveness, assurance and empathy, which is famous with SERVQUAL method [20]. The five dimensions of service quality, also in line with Fitzsimmons that service quality is a complex so as to determine the extent to which the quality of service can be seen from the five dimensions: reliability, responsiveness, assurance, empathy and tangible [21].

2.2. Factors in Achieving Quality of Public Service

From some research results in international journals show some determinant factor in realizing the quality of public services:

1. Commitment management to do: training, empowerment, employee rewards, supportive management, servant leadership, and service technology, are a strong influence on the improvement of quality of public service [22]. Reward as one element of management commitment, specifically was researched by Azmi, *et al* which proved that the application of the system of competency-based pay has a positive effect on the quality of service [23]. Similarly, technology support in the form of e-government implementation was researched by Pinteric in Slovenia, and the result is the quality of public services have improved much [24]. In Indonesia, Kumorotomo also conducted research in Yogyakarta and Surabaya on the transparency of public services through e-government. The conclusion is that e-government implemented seriously and consistently able to support the transparency and quality of public services [25].

2. Leadership has a crucial role to improving the quality of public services [26]. The role of leadership in developing management system to improve public services studied Stancescu, *et al* [27]. Similarly, the role of management strategik, also have a significant impact on

improving the quality of public services, as well as research results Boyne, *et al* [28].

3. Partnership through network-based and quasi-market governance to investigate the health insurance policy of insurance organizations in Germany [29]. The policy reflects the new forms of hybrid coordination in public services, which will contribute to the achievement of the outcomes of health care services. While Mukhtar and Ali examines the role of governance quality is very important to the performance of public services [30]. Also Andrews, *et al* examined the partnership in the supervision of public service that is effective, efficient and equitable in the 46 local government in England. The result of public-public partnership is able to realize the effectiveness, efficiency and fairness. While public-private partnership is only able to achieve a high level of efficiency alone [31].

In the research of Hardiyansyah concluded that the factors that affect the quality of public service is such: (1) officials work motivation; (2) participation in supervision; (3) the behavior of the bureaucracy service; (4) implementation of the integrated services policy; (5) the competence of the apparatus; (6) the facility or service infrastructure; (7) technology utilization of information and (8) leadership [32].

2.3. Public Service Model

In Indonesian Dictionary, model is defined as a pattern, example, reference and variety of things that are made or produced. Thus, model is understood as a "pattern" or "example", refers to the subject matter or the dominant of a very complex reality, then abstracted into a miniature or sample (small copy). Its patterns reflect the real situation. To describe the patterns and characteristics of public services, the experts developed a model of public service [33]. According to Basuki, there are several models of public service that has been developed by experts, namely: Zeithaml's SERVQUAL Model, Grönroos' Perceived Service Quality Model, Heskett's Service Profit Chain Model, Normann's Service Management System Model and The European Foundation for Quality Management (EFQM) Model [34].

2.4. Good Governance Perspective

Brinkerhoff and Goldsmith state that governance can be defined as the processes through which individuals and state officials interact to express their interests, exercise their rights and obligations, work out their differences, and cooperate to produce public goods and services [35]. According to Rhodes, there are at least seven principal growing in understanding of the concept of governance, namely: governance as corporate governance, governance as the new public management, governance as good governance, governance as international interdependence, governance as a socio - cybernetic system, governance as the new political economy and governance as networks [36]. It is the same with the view Farazmand which states that the term of governance refers to the concept of governance and

administration are far more extensive and comprehensive than during the reign of this practice. Governance herein means the process of participation in the management of social affairs, economics and politics of a country, state or local community through the structure and value of which is a reflection of society [37]. In view of Bevir generally refers to the theory of governance and coordination issues associated with social coordination and power patterns that arise naturally. This phenomenon get attention from various disciplines such as development studies, economics, politics, sociology, international relations and public administration. Each of these disciplines, sometimes develop its own terms without trying to compile a comprehensive theory of governance. Thus came the terminology of governance: The World Bank and International Monetary Fund have always led to the term of "good governance", observers of climate change is more convenient to use the term "global governance", the EU wrote "a White Paper on Governance", and the US Department of Forestry called it "collaborative governance" [38].

In order all government action is really for the benefit of society (public), the theory of governance should be applied through the principles of good governance. The word 'good' in 'good governance', is sometimes interpreted as an adverb, to evaluate the process of governance. Also sometimes acts as an adjective, to evaluate the results of the process. For example, the United Nations Commission on Human Rights identify main attributes of good governance as: transparency, responsibility, accountability, participation, and responsiveness. In this context, the concept of normative evaluation of 'good' leads to the governance process, not the outcome. Orientation is the result of governance, such as the UN Resolution 2000/64 shows the link between good governance with 'growth and sustainable human development'. Former UN Secretary-General Kofi Annan argued that the good governance and sustainable development are two sides of a coin. Here, the evaluation of 'good' includes the process of governance (management) and results (outcomes) in the form of equitable and sustainable development. If not met the criteria of good governance may be said to be 'poor' or 'bad' governance, which can be described as management does not open, rules and procedures do not run, and not accountable. This bad process, of an impact on the outcome of governance that is not maximal [39].

To improve the quality of public services in order to realize the Millennium Development Goals (MDGs), United Nations declared that good governance is a condition that must be met, good governance is a necessary condition for the achievement of call now of the Millennium Development Goals (MDGs) - eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality [40]. According Dwiyanto, understanding the good governance can be seen: (1) in the context of combating corruption, good governance is often interpreted as a clean government that is free from corruption; (2) in the democratic process is often the activists pushing for the

government to provide space for the participation of the wider community; (3) in the context of donors and international finance, often grantees are encouraged to apply good governance, that happens participation, transparency, and accountability. However there are some inherent characteristics with good governance namely: (1) it must make room for non-governmental actors to play an optimal role in the government; (2) its practice there are values that should be realized as: efficiency, fairness, responsiveness, and others; (3) in the practice of good governance and corruption-free oriented public interest [41].

Most of the experts involved a lot of discussion on the analysis of indicators of good governance, to distinguish between the good application with bad / poor governance. Asian Development Bank to consider accountability, transparency, openness, predictability and participation as a main feature of good governance. While others are looking at a number of additional value as a main prerequisite, such as: political legitimacy, accountability, freedom of association, participation in the governance process, independent judiciary to safeguard freedom of information and expression, sound and competent administration, cooperation with civil society institutions, and respect for human rights. A broader view of the good governance is includes policies for economic liberalization and creating a market-friendly environment, transparency in political and economic decision-making, encourage the presence of civil society, and engage actively to solve global problems such as education, health and environment [42]. British writer Massey states that according to the European Governance: A White Paper of the European Commission, good governance dimension consists of: openness, participation, accountability, effectiveness and coherence [43]. Dragicevic *et al* stated that there is no definition and universally applicable of good governance principles, and may have different perceptions of a country with other countries at the level of its development. However, there are four important dimensions of good governance universally recognized, namely: accountability, participation, predictability, and transparency [44]. In the success of implementing development programs, the United Nations Development Programme considers that the good governance is a prerequisite that must be realized. For a government is said good when applying principles: participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability and strategic vision [45].

3. Research Method

3.1. Study Object

South Tangerang city has approximately 147.19 km² area which divided into 7 sub-district, i.e. Pamulang, Ciputat, East Ciputat, Serpong, North Serpong, Pondok Aren and Setu. According to the census in 2010, the population is consisted of 1,290,322 individual; 652,281 men and 638,041

women [46]. Meanwhile, public service license which conducted by BP2T with 20 other types of licenses including SIUP. BP2T has 152 personnel, consist of 83 civil servants and 69 voluntary labors (*TKS*). Human resources of BP2PT South Tangerang City have 13 master graduates, 73 persons undergraduate, 8 person D3 diplomas and 58 person high school graduates [47].

3.2. Research Approach and Data Analysis

This study used a qualitative approach which expected to uncover the holistic reality, both real and hidden events. Source of the data is informant, events and documentation. Data retrieval techniques used interviews, observation and documentation assessment. Interviews were conducted with key informants, practices in the field were observed and various documents were reviewed. Data analysis technique in this study use the interactive model of Miles and Huberman [48]; a method of analysis that continuously performed during the study, by combining interactive and circular stages: *data reduction*, *data display* and *conclusion drawing/verification*. If the data has been presented, verified and still concluded to have irregularities and duplication, and then restage the data reduction.

3.3. Research Focus

The quality of public services was assessed by good governance perspective, on the aspects of: effectiveness and efficiency, rule of law, transparency, responsiveness, accountability, participation, consensus, equity, and strategic vision. This research also focuses on the supporting and inhibiting factors. In the end, we analyzed the existing model of public services to create recommended model of public services (Appendix 1).

4. Results and Discussion

4.1. Quality of Public Service in the Perspective of Good Governance

4.1.1. Effectiveness and Efficiency

The principle of effectiveness in public service emphasis on the targets achievement in accordance with established standards. Otherwise, the principle of efficiency is to optimize resources for better results. Thus, the public service that has reached the standard of requirements, procedures, time and costs, in terms of the principle of effectiveness is considered to have been effective, but not necessarily efficient. The principle of efficiency will assess whether the requirements can still be made easier, more simplified procedures, shortened turnaround time and cheaper costs. Therefore, if the principle of effectiveness and efficiency were thoroughly and consistently applied in public service, it would be able to bring qualified and excellence public service and able to nationally and internationally compete.

However, based on interviews, observation and

documentation studies show that in terms of effectiveness, the standard of requirements and procedures has been implemented, but the standard of time and cost has not been achieved. While the criteria of efficiency, standard requirements are still too difficult to meet, complicated service procedures, standard of time has not achieved optimally and the free cost of SIUP service has not been implemented consistently. Thus, the principle of effectiveness has not been fully implemented, especially standard of time and costs, as well as efficiency of requirements, procedures, time and costs have not been implemented in the public service of SIUP in South Tangerang City.

4.1.2. Rule of Law

Legal certainty in SIUP service should be ensured for the sake of public service quality. The rule of law which has been prepared in a participatory manner has to be enforced and complied by the government, private, and also citizens indiscriminately. Thus, the existence of a legal basis in the public service is very important, in order to clear the rights and obligations of the community as users of services and service providers.

Results indicate that the application of the rule of law principle seems still in the low category. It is implied from the unavailability of a legal basis for publishing SIUP, where regional regulations which manage the SIUP services are still in the discussion stage in South Tangerang City Council. Similarly, service standard of SIUP will be prepared to wait the budget, because the SOP has been set without public participation. In addition, the quality of law enforcement is also low, because businesses who do not have SIUP until to date has not charged yet for legal action.

4.1.3. Transparency

All procedures, cycles and stages in the process of public service can be made transparent, thus if the services are delayed, public will know exactly where the problem lies. Application of the transparency principle in the public service of SIUP in South Tangerang City can be explored from the availability of a mechanism for the public to obtain information about the SIUP and information availability for society. We note that the availability of a mechanism for the public to access public information and availability of the information to be published is limited. Thus, it can be said that the application of the transparency principle in the public service of publishing SIUP in South Tangerang City is included in the low category.

4.1.4. Responsiveness

This principle require service provider to be sensitive and responsive to the demand, expectation, aspirations and complaints from the users. These things should be intentionally collected to be processed into positive energy to improve service quality continuously. We found that the mechanisms and procedures for user complaints are still

unclear and has not widely socialized yet to the public. Similarly, the punctuality and accuracy of the City Government in facing the complaints related to SIUP service is still deficient. Thus, the application of the responsiveness principle in the public service license issuance is included in the low category.

4.1.5. Accountability

The principle of accountability requires each activity to be fully accountable to the public and answer any question from the public (*answerable*). Law No. 25/2009 on Article 15 of Public Service, obligate public service providers to make accountability for management and implementation of service within the organizations. Public service should be accountable, both to the public and to the supervisor/head of service units on government agencies in accordance with the provisions of the legislation [49]. Minister of State Administrative Empowerment and Bureaucratic Reform Decree No. 26/2004 about technical guidance of transparency and accountability in the implementation of public service outlines that public service responsibilities include: (1) accountability of public service performance; (2) accountability of public service costs; (3) accountability of public services products [50]. The results indicate that the product of SIUP service has good accountability. On the cost accountability, costs of participation are not accountable and performance accountability still has not been achieved the standard of service time. Thus presumably considered the application of accountability principle in the public service of SIUP in South Tangerang City is in the medium category.

4.1.6. Participation

The principle of participation in public service emphasize the importance of community participation in all activities of services; start from the stage of policy formulation and determination of regulation, the implementation phase, and even up to the level of evaluation. It also affirmed by the Law No. 25/2009 on public service. It states that public service base on the participation principle, i.e. community participation in the provision of services by concerning the aspirations, needs, and expectations of the community (Article 4).

Results show that the intensity of public involvement in policy formulation of SIUP services in South Tangerang City is still not optimal. Similarly, public involvement in monitoring the implementation of service delivery is low. Thus the application of the participation principle in SIUP service in South Tangerang City was considered in the low category. However, in other areas such as sports, consensus building, and national program of community empowerment has generally well supported the community participation.

4.1.7. Consensus Orientation

Decision making and problem solving based on mutual agreement, followed by willingness to consistently implement the agreement. Article 20 of Law No. 25/2009 on

Public Service emphasized that the public should be involved in the preparation and establishment of service standards with the consultation principle to reach an agreement. Similarly, in the service of publishing SIUP, the Act confirms that the standard of SIUP service should be made as a discussion forum between providers and users of the service. However, our study showed that a forum that brings together governments, private sectors and public have not established, thus the consideration to obtain a consensus on various issues in the public service license has never been happened. Thus the principle of consensus orientation in publishing SIUP services in South Tangerang City has not been applied.

4.1.8. Equity

All citizens have equal opportunity to obtain public services, including the low income residents. Article 29 of Law No. 25/2009 on Public Service asserts that the members of a particular community must be given special treatment by service providers in accordance with the legislation. Infrastructure and public service facilities with special treatment are prohibited for unauthorized persons. Regulation of the Minister of Internal Affairs No. 24/2006 Article 4 confirms that Mayor shall make simplification procedure, service acceleration and free charge for micro, small and medium enterprises which want to start a new business. Even South Tangerang City Regional Regulation No. 12/2012 on Cooperatives, Micro, Small and Medium Enterprise Section 24 mandates to abolish the cost of licensing for micro and small businesses [18]. The result show that local government policies that favor to the micro, small and medium enterprises (SMEs) have been already existed. But in the practice especially in the provision of facilities for SMEs to obtain license, it has never been implemented. Thus the principle of equity in the public service has not been applied especially in publishing SIUP service.

4.1.9. Strategic Vision

The government emphasizes the existence of a shared vision, as a motivator and inspiration to encourage strategic steps to achieve excellent public service. The Vision of BP2T in South Tangerang City for the next five years is: *Realization of Service Excellence 2015*. The excellent service is the process of providing the best service to a person or institution using the applicable standards for giving satisfaction to the community [51]. The study note that the vision, mission and motto of the service has been made and generally has been able motivate employees, although not completely. However, consistency between vision, mission and motto of the publishing SIUP services practice is insufficient. Thus, presumably it can be stated that the application of strategic vision in the public services, particularly in SIUP services in South Tangerang City, is in the medium category.

4.2. Supporting and Inhibitor Factors

4.2.1. Supporting Factors

a. Policy

Public services including the SIUP services have got a very strong policy support, as a form of state's willingness to put the citizens as the real sovereign. Concrete manifestation of this commitment is to make the public service as a central policy, in order to give the best service to the community. The basic policy has been laid out in the 1945 Constitution; that the state is obliged to protect, educate and realize the welfare for all citizens. To ensure the rights of citizens to public service obligated and fulfilled, then the Law No. 25/2009 on Public Service is issued. Related to the public service of SIUP, the President has issued a Presidential Instruction No. 6/2007 on the Acceleration of Development Policy and the Empowerment of Micro, Small and Medium Enterprises. It is applied to all levels of government including local government, to provide easier handling business licenses including SIUP. To that end, the Minister of Trade issued the Regulation No. 36/2007 on Publishing SIUP, to set the easy procedures of publishing SIUP, a maximum of 3 days and free charge for the early stages.

b. Facilities and Infrastructure

Facilities and infrastructure in the public service is very crucial to realize a qualified service. Article 15 of Law No. 25/2009 mandates that service providers shall prepare infrastructure and public service facilities that support the creation of adequate services climate. Results indicate that facilities and infrastructure in the public service of SIUP in South Tangerang City is very adequate, with excellent computer equipment. Each employee has equipped the latest version computer. Since 2011, BP2T has been applied on-line system. To find information about the license, citizens can also access www.bp2t.tangerangselatankota.go.id. For the field survey to evaluate the data from the applicant, the office has prepared the motored vehicle and three operational cars and two pickups. Even now, roving licensing services has been launched using two cars.

4.2.2. Inhibitor Factors

a. Weakness of Human Resources Quality

Human resources in this case are employees, executive officers or personnel involved in the whole process of SIUP service; both in the process of fulfilling the requirements and the process in BP2T after the completion of all requirements. Considering the strategic human resources in realizing the public services quality, the Law No. 25/2009 on Public Service Article 11 requires providers to:

1. Select and promote personnel transparently, non discriminatory, fair and in accordance with laws and regulations
2. Give rewards to the employee who has good job performance
3. Provide penalties for violating regulations of the

organization

We found that the selection, promotion, rewards and punishment, has not been fully implemented yet by BP2T as providers of licensing service including SIUP. During this time, BP2T's employees are only dropped by Personnel Board of Education and Training (BKPP) and 69 volunteer workers (45%) is not the result of selection but recruited by individual BP2T officials.

b. Limited Budget

The financial resources are very important to support public services quality, thus Law No. 25/2004 Article 14 confirms that the organizers have the right to have the budget to finance the implementation of public services. It is emphasized again in Article 31, that the organizer is entitled to budgetary allocations in accordance with the level of service needs. In addition to the budget allocation, the operator can earn revenue budget of public service outcomes. This is stated in Law No. 28/2009 Article 171 that in doing tax and retribution, staff personnel can get incentives according to their performance [52]. Law No. 25/2009 Article 32 also mandates that for improving the quality of public services, the government through the state budget is required to allocate necessary and proportionate funds. Nevertheless, the results show that the budgetary support for the provision of special allowances and rewards for employees who excel and intensive employee training has no budget priority.

4.3. Model of Public Services in South Tangerang City

4.3.1. Existed Model

The quality of public services on publishing SIUP services in South Tangerang City was assessed from nine principles of *good governance* and generally considered into the low category. The low application of *good governance* principles shows that the model of existed public service is based on the paradigm of government (Appendix 2). It is implied from the low community involvement in formulating public policy of SIUP service and low society's role in monitoring the implementation of services in the field. In other words, services provider, in this case is the city government, is the single actor that set various provisions of SOP in the license issuance. While the public and businessmen are forced to follow the decision of the administrator. The various requirement was decided one side, thus it is very difficult for businessmen to obtain their business license. There is no cooperation between the city governments, businessmen and local society; each party has equivalent position to jointly solve problems of SIUP in South Tangerang City.

Along with the dominance of government paradigm in public service of SIUP, we also found the presence of inhibiting factors that lead to poor quality of service, i.e. low quality of human resources and lack of budgetary support. However, we also found the presence of supporting factors to encourage public service quality, i.e. infrastructure, facilities and national policies.

4.3.2. Recommendation Model

If only public service model of SIUP in South Tangerang City based on *good governance*, the issues of many businesses that do not have SIUP, can certainly be minimized. Limitation of funds and personnel can be overcome by encouraging community participation, especially for large businesses. The parties would be participated if requested, in order to facilitate the small traders to have SIUP, or even to use SIUP as requirement to vend in the managed sites. In addition, large businesses can be encouraged to allocate *Corporate Social Responsibility* (CSR) by giving discounts for small businesses. To get the special discount, micro and small traders must have SIUP first.

The difficulty in obtaining SIUP may self-disappear if it's properly applied the principles of transparency, supported by advanced information technology. Thus all stages in the license service transparent for public, specifically in the aspects of requirements, costs, time and process. Even if there are obstacles, the problem can be detected openly. Businesses that have no SIUP gathered in the session of consultation and consensus to find a way in accordance with applicable law. All regulations and agreements that have been made would have to be enforced in line with the principles of the *rule of law*; fair and indiscriminately. The key to the successful implementation of *good governance* will largely depend on the level of public trust to the government. For the future, South Tangerang City Government should implement the following principles of *good governance*, especially in the SIUP service, i.e. working effectively and efficiently with good accountability, and a clear strategic vision (Appendix 3).

The main factors that hinder the implementation of SIUP public service in South Tangerang City is the weakness of human resource and the limited budget. This shows the government's lack on political will of the South Tangerang City to improve the quality of SIUP public services. Thus the SIUP service has not been top priority in the development of South Tangerang City. The complexity of the problem and the growing demands of a service quality is absolutely need budget and high political commitment to achieve high quality of public service especially SIUP service in South Tangerang City.

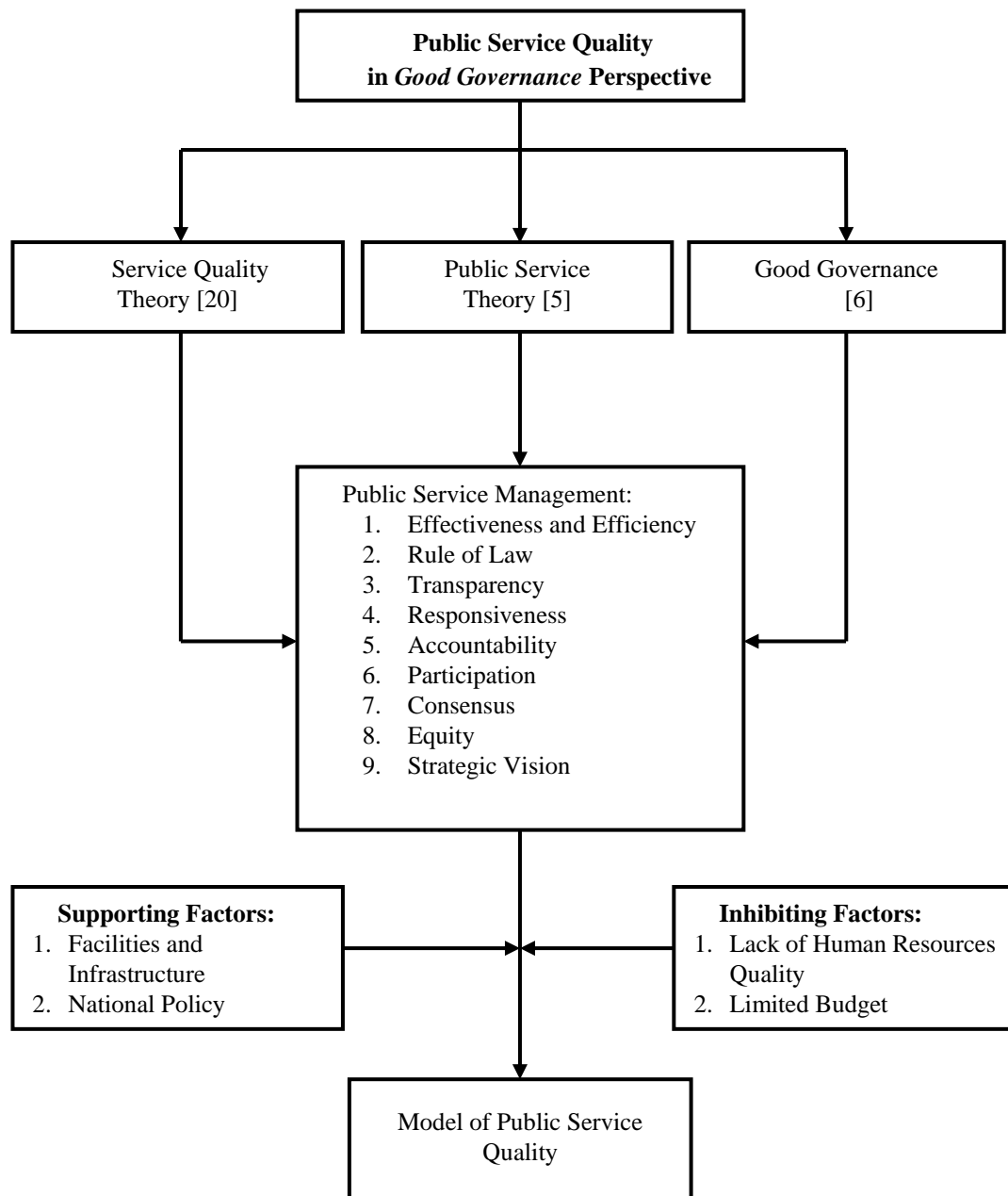
5. Conclusions

The quality of SIUP public service in South Tangerang City was assessed from the perspective of *good governance* and it is considered in the low category. This is evident from the low level of community participation, weak law enforcement, lack of transparency, slow responsiveness, the lack of consensus with the user community and other concerned parties. It also had fewer alignments to small businesses, has not achieved the achievement of effectiveness and efficiency, maximum public accountability and implementation of the strategic vision that has not been consistent. Supporting factors for the public service of SIUP in South Tangerang City are infrastructure and policy commitment. While the inhibiting factor is the lack of human resources quality, especially the service about 69 person (45%) staff of BP2T were still a voluntary labor without selection, with salary ±Rp. 900.000–1.100.000 which is below Minimum Wage of City Rp. 2,200,000. This problem occurs because of the lack of budget priorities. Appropriate model for public service in publishing SIUP in South Tangerang City is a model of public service based on *good governance*.

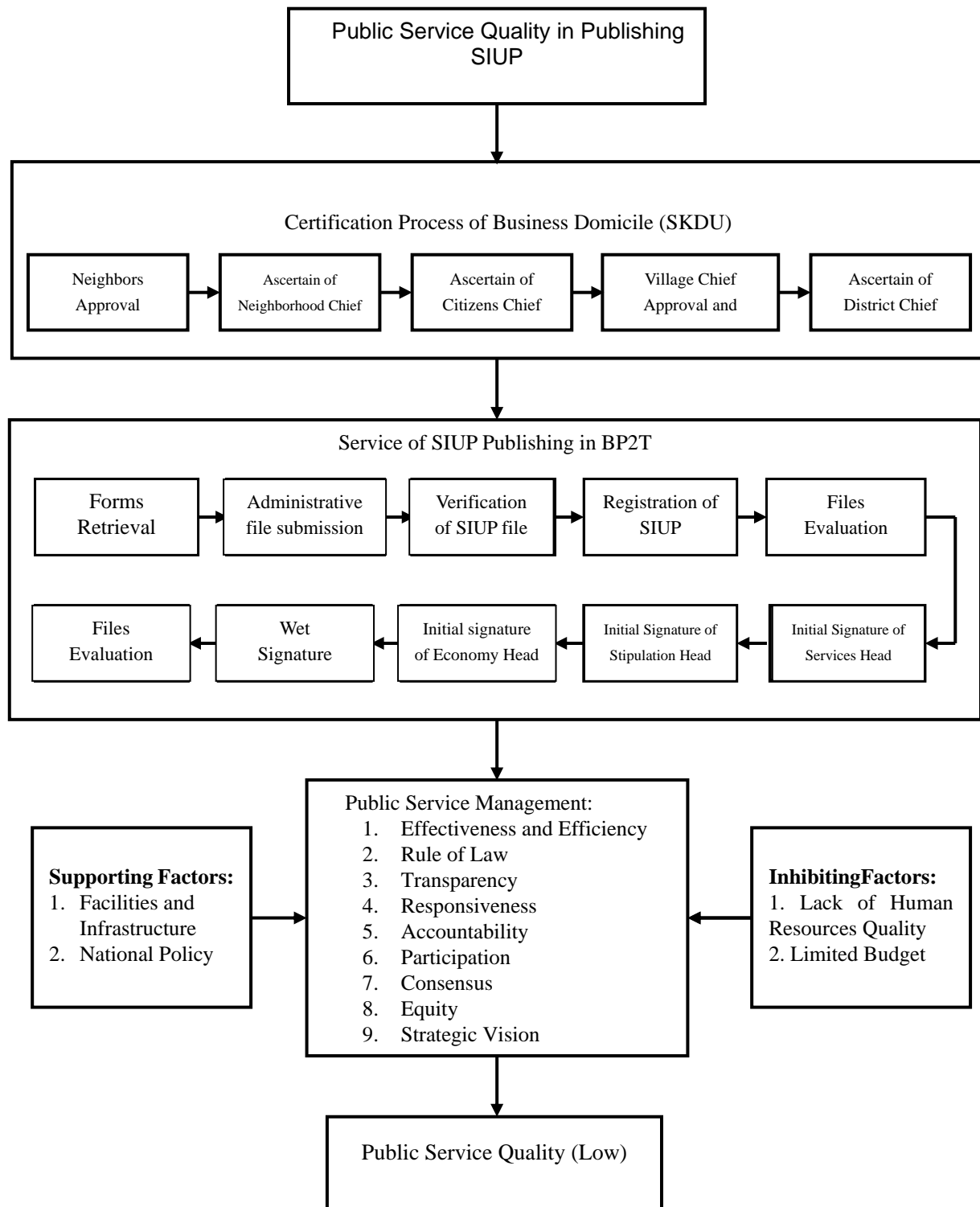
6. Recommendations

To overcome the weakness of the human resources, the government needs to hold open selection and promotion to fill the job formation in BP2T. It should be accompanied with intensive training and special allowance. It should be supported with adequate financial resources with budget priority for innovation in human resource management. Of course it requires a strong commitment from the Mayor, supported by the regional parliament. To reduce the cost of BP2T and optimize the role of village and sub-district office, the Mayor of South Tangerang needs to delegate authority to publishing Micro SIUP to the Village Office and small business SIUP to the Sub-district office for faster and more effective service. However, medium and large businesses SIUP are still in the authority of B2PT. Revenue from building permit and disturbance permit which are collected by BP2T is about 35 billion Rupiah per year, should be directed to support and strengthen BP2T budget in implementing the public service.

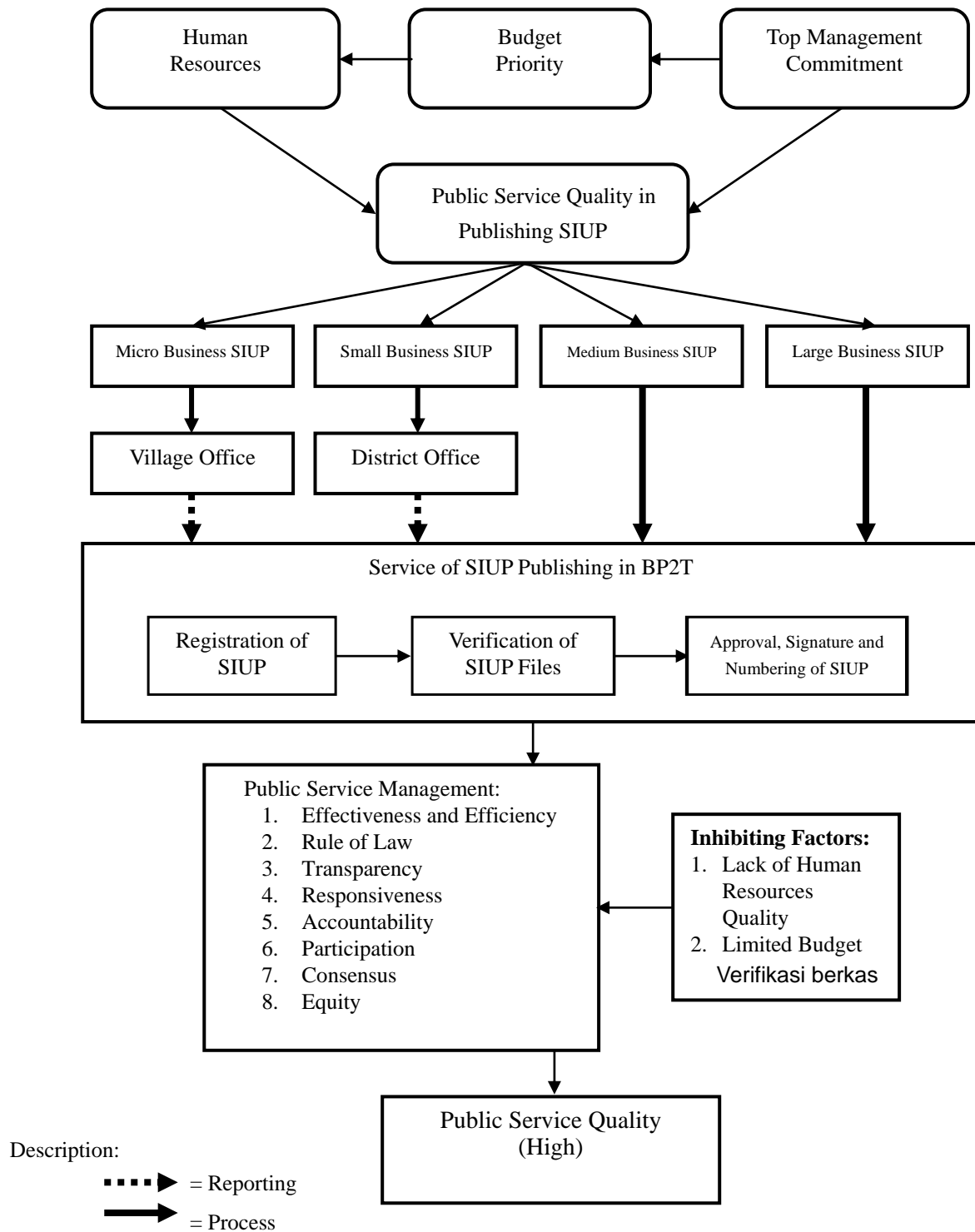
Appendix 1. Frame Work of Research



Appendix 2. Existed Model



Appendix 3. Recommended Model



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