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## Innovation in Licensing Services at the One-Stop Licensing Service Office (Serve) Dili-East Timor

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### ABSTRACT

Innovation in licensing services is key to creating a more effective and efficient system, particularly in the context of one-stop licensing in Dili, Timor Leste. This research aims to describe the innovation of SERVE licensing services and identify new concepts that can improve the effectiveness and efficiency of one-stop licensing services. The method used is a qualitative method with a descriptive approach, which allows in-depth analysis of the constraints and opportunities for innovation in the licensing system. The results showed that the one-stop licensing system in Dili has not run optimally, with overlapping division of authority between institutions, as well as challenges in terms of policy, budget support, human resources, infrastructure, and service systems that have not been integrated. This research recommends the implementation of the Integrated Digital Service System (IDSS), which is a digitally integrated licensing service system through one national portal, to provide convenience, speed, and accuracy in applying for licenses. The implications of this research show that the use of more advanced and integrated technology can improve the quality of public services, provide the value of justice, and create a system that is more responsive to the needs of the community.

**Keywords:** Innovation, Service, Licensing.

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### INTRODUCTION

Licensing services are an important process that must be provided by the Government of Timor Leste to its citizens (Cruz, 2022). Licensing services aim to provide accuracy, convenience, effective speed and efficiency. The Timor Leste government needs a change in the licensing service system that can make it easier for the community to take care of business licenses. This change in the system must be supported by laws that can provide a clear explanation of authority in the implementation of licensing services so that it can facilitate the service process, in Timor Leste consisting of 12 districts and 1 special region (RAEOA) Oecussi. Which can make it difficult

for the community because all business service application processes must be carried out at the ministry that is authorized to provide licensing services and the SERVE Dili-Timor Leste Office.

The state of licensing services at the Serviço de Registo e Verificação Empresarial (SERVE) Office of Balçao Unico as One Stop Services is still not optimal, because the issuance of business license certificates still depends on the Ministerio Comercio, Industria e Ambiente (MCIA) or DNCI both for new companies, changes and extensions as well as high-risk business licenses (high risk). So this creates bureaucracy and a long time.

In addition, the licensing services that are now provided to the community have not provided satisfaction from the community. Especially people whose places of business and domicile are far from Dili City, licensing administration services are still cut off throughout the district. The Ministry or related institutions and agencies related to licensing services are located in Dili City, and the SERVE branch office has not been opened in the Regency so that it affects the efficiency of time and costs that must be incurred by the community so that it can affect licensing services at the SERVE Office.

Budget limitations are also an obstacle to licensing services, the availability of the budget can improve licensing services to the community. With a budget that can meet the main elements and support licensing services, where the main element is employee salaries and support, the provision of technological equipment that is good to support the equipment in the service process. However, with budget limitations that hinder the opening of SERVE branch offices in the Region, this budget limitation has an effect that results in delays in the service process. From all the service conditions above, it is a complaint of the community in getting satisfaction with easy, fast and cheap business services.

SERVE functions as a one-stop licensing service institution that registers all types of permits related to businesses and companies, performs all verifications for all data, issues certificates for commercial licenses, facilitates the issuance of commercial permits to DNCI offices and legalizes other commercial documents.

However, the implementation of the one-stop service system has not been in line with the concept and expectations of the community. This is because the service flow of a licensing is still not fully integrated somewhere, be it online or offline services. One of the factors that affect the one-stop service system is the ethics or service culture that must be developed in the implementation of SERVE itself. Because one of the principles of the service system such as one stop service is the integration of services as part of the licensing service innovation carried out by the Dili City SERVE Office.

Public services today have developed, and there is a need in every country, this is related to the right of citizens to get good service from the government, especially in terms of licensing services. The paradigm of public services is developing, namely New Public Services (NPS). The New public service paradigm is based on concepts that are essentially in accordance with the

values that exist in society. The role of the government is to collaborate between existing values so that it is congruent, according to the needs of the community. The value system in society is dynamic so it requires excellent service from the government (Denhardt & Denhardt, 2015:30).

The provision of public services where the conditions for the development of science and technology are increasingly advanced and the global competition is increasingly fierce requires effective services as a process of meeting needs through the activities of others directly. not only in business organizations, but has developed more widely in the order of government organizations (Saggaf et al., 2018).

(Utaminingsih et al., 2022) in his case stated that regions that have succeeded in innovating can improve the quality of service and community satisfaction so as to encourage an increase in regional revenue every year. Other forms of innovation carried out are: innovation in licensing services, health services, innovations in economic empowerment of coastal communities.

In an effort to implement policies regarding licensing services in conjunction with licensing service innovations, there are still many problems faced in the context of effectiveness and providing convenience to the community to process these licensing services. Problems are often found, among others, The employees in the SERVE Office, have not fully accepted the new policy or adopted new methods, new changes and new strategies, so a new thinking is needed carried out internally by Kantro SERVE in accordance with its vision and mission, which is to simplify the service process between the recipient (Reciver/User) and the giver (Given) with the aim that all services are obtained at a low cost and appropriately time and cutting bureaucracy so that it can improve the quality of service towards effectiveness and efficiency. The flow of licensing services is still centralized in Dili City so that it is not effective and efficient because the service process is still separate between the relevant ministries for each application for various types of business licenses.

The provision of licensing has not fully used technology that is in accordance with the simplification of the licensing process as an indicator of innovation in licensing services, so that it is still difficult for the public to obtain information and ease of applying for permits in obtaining business license certificates.

It is necessary to make meaningful changes as a new way or solution to service problems by utilizing informatics technology (IT) as an integral part if all licensing service processes can be carried out not only face to face but also online.

The quality and quantity of SERVE employees in providing licensing services to the community are not in accordance with what is made in the SERVE licensing service policy. The SERVE office does not have a permanent office, but still uses containers and even rents, this also affects the efficiency and effectiveness of services to the community.

Previous research with the same and relevant theme has been widely carried out and published in national and international journals. Firman (2004:67) in his dissertation entitled

"Analysis of the Quality of Public Services and Licensing in South Solok Regency" showed that the overall licensing service has not been able to satisfy customers in South Solok Regency. The most urgent dimensions to improve are the tangible dimension, then empathy, responsiveness and assurance. Regardless of the research objectives and research results, it is recommended to immediately improve the cleanliness and comfort of the office and waiting room, make service announcements, and hold trainings for employees who are in charge of serving customers/the community.

Likewise, research conducted by (Nila, 2016) regarding the performance of service apparatus applied to the One-Stop Integrated Service Agency and Investment of East Lampung Regency. Research Results of (Alfiya, 2020) Regarding the performance of the service apparatus applied to the One-Stop Integrated Service and Investment Agency of East Lampung Regency, it shows that the performance of the service apparatus is not good, namely the internal factor on the ethical indicators, the incentive system and the spirit of cooperation, the external factor on the indicators of service procedures and the provision of facilities and infrastructure.

The research conducted by (Saekoo & Ussahawanitchakit, 2010) on Innovation strategy or process and firm performance an empirical study of computer spare parts business in Thailand using the analysis of the ordinary least square regression shows that the strategy or process of organizational innovation has an impact on company performance.

Referring to the Zen research above, there are similarities with the authors of this compilation who both raised the problem of strategy or the process of organizational innovation with the same research approach, namely qualitative descriptive. However, the difference is that the research conducted by the author is very different from the sub-eye and locus of the problems that are highlighted, previously located in the theme and object of the research, based on the variables that are chosen to focus more on internal and external innovations of the organization, which analyzes in terms of factors that affect the performance of the apparatus. Meanwhile, the research itself is more oriented towards conceptual innovation, delivery innovation and system interaction or new ways of providing services and cooperative relationships between related agencies in order to improve the quality of services to provide effective and efficient licensing services.

Likewise, the research conducted by Phapruek above, there is a difference in using a qualitative research approach while the research to be carried out uses a qualitative approach and the subjects and loci are different in the Madya City of Dili – Timor Leste. Based on the above background, the objective of this study is to analyze the effectiveness of licensing service innovation at the Dili-Timor Leste One Stop Integrated Licensing Service Office (SERVE) in providing convenience, speed, and efficiency for the community. This research also aims to identify the constraints faced in implementing the licensing service innovation, including limited human resources, infrastructure, budget, and technology adoption in the licensing process. The

benefit of this research is to contribute to the development of public services, especially in terms of licensing service innovation in Timor Leste. The results of this research can be used as a reference for the government and related institutions in designing policies that are more responsive to the needs of the community, both in terms of technological infrastructure and increasing the competence of human resources.

## **RESEARCH METHODS**

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In this research, qualitative research techniques were used to gain a comprehensive understanding of the licensing service system at the SERVICE Office. Data was collected through in-depth interviews, direct observation, and document analysis. In-depth interviews with key stakeholders, including government officials, SERVE staff, and business owners, provided more detailed insights into the challenges and expectations associated with licensing services. Direct observation of daily operations at SERVE enabled researchers to identify bottlenecks in the process, particularly in terms of service efficiency and technology use. In addition, document analysis, which included reviewing service records, policy frameworks and budget reports, helped cross-verify data and shed light on structural issues such as resource constraints and procedural inefficiencies. Overall, these methods provided a holistic view of the current state of licensing services and opportunities for innovation and improvement.

## **RESULTS AND DISCUSSION**

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### **Conceptual Innovation**

Conceptual innovation is the introduction of new missions, views, goals, and strategies. This research focuses on the concept of innovation seen in a service system. In other words, the formulation of a concept, idea, and idea is a basis in the implementation of the bureaucratic system in SERVE Dili-Timor Leste City. Therefore, conceptual innovation in public services is a very important part to be considered in developing an effective and efficient service concept.

Conceptual innovations include the birth of new strategies wrapped in several new studies in public services. The conceptual innovation referred to in this case is a form of policy regarding licensing services based on the use of information technology and the addition of physical buildings that can facilitate and satisfy the community in taking care of business or commercial licensing. So that it is hoped that with the birth of a new concept in licensing services, it will make it easier for clients.

Institutional innovation has attracted a lot of attention to induce changes in resources and institutional elements such as organizational culture, resources, management, development, politics, and technology. For innovation in government institutions can be fulfilled by considering the development of new forms, more efficient ways of working, or changes come directly from

various interest groups, and those changes can also come from the elaboration of pre-existing policies, ideas, and ideas.

Regarding conceptual innovation, it is based on the history of the creation of SERVE and strengthened by a policy to form a one-stop licensing service at one institution in each region. The government's policy before 2012, with the issuance of Decret Law 35/2012 that public services were not good, in the service sector of the domestic economy, because at that time customers or contractors or businessmen who wanted to take care of business licenses or others had to deal with four related institutions; 1) The office of the Ministry of Finance, to take care of the TIN (Tax Identification Number) with the required time of three or four weeks 2) after the Ministry of Finance (Ministério das Finanças) must go to the Office of the Ministry of Trade (Ministério Comercio e Industria) it takes several weeks to obtain an operational license; 3) after the Ministry of Trade to the office of the Ministry of Justice (Ministerio da Justiça).

The government sees that the services provided are not good for building the economy of Timor Leste, therefore the government makes a breakthrough or policy to provide better services, so that the government cooperates with the World Bank (World Bank) to see the weaknesses and obstacles faced by the government and the community itself. Because according to research conducted by the World Bank that it takes at least 6 months (178 days) for people to open a business license in Timor Leste, therefore the World Bank and the Government of Timor Leste made a new policy, namely the establishment of Bacao Unico/SERVE one Stop Shop with the issuance of Decret Law 35/2012.

It is very clear from the results of the study that the Government of Timor Leste issued a policy by forming SERVE, the licensing services provided by the government are not good, it is too complicated and requires a lot of time in the process of making business licenses. This can result in slow economic growth in the investment sector. Therefore, there must be changes or improvements from the policy order first to shorten the process and time in providing satisfactory services.

Policies and improvement of service quality to the community, SERVE made policy changes in Decret Law No. 35/2012 with the enactment of three new Decret Laws, namely 1) Decret Law No.7/2017 gives authority to SERVE as a Public Institution, this Decret Law also gives authority to SERVE to establish Branch Offices in 12 Municipalities and RAEOA Oecussi. Where in January 2018 will start to form SERVE branches in Baucau, Oecussi and Bobonaro Municipality.

Likewise, it also issued a policy with Decret Law 16/2017 replacing Decret Law No. 7/2006 concerning regulating the mechanism for registering all business or business licenses. And also formed Decret Law No. 3/2017 on Commercial Sociedade. The purpose of this change is to improve the obstacles faced by clients and the government so far in order to improve better, faster and free services.

The policy is in order to improve the quality of one-stop licensing services with the aim of integrating all service units in one institution with the aim of facilitating services to the community in one place or one stop shop and simplifying the service process. Because so far the bureaucracy has been very long where it has to deal with the Office of the National Directorate of Trade of the Ministry of Trade and Industry (MCIA), because Decret Law No. 4/2004 gives authority to MCIA. Usually SERVE collaborates with IADE to provide opportunities for the community to register their business licenses through IADE and then go down to the SERVE office for further processing, this effort is made to provide services to the community. Although this facility is provided, it has not been able to answer the wishes of the community who crave efficient and effective services.

One-stop licensing services were carried out in early August 2012, the one-stop service provided by SERVE has been running for several years, but the running of licensing services there are obstacles in public licensing services, the biggest obstacle is the lack of budget allocation. In accordance with the statement of the SERVE Supervisor that related to the lack of budget is an important factor hindering online registration and the plan to open SERVE office branches in the region. In addition, there is a lack of human resources, both quality and quantity.

The lack of budget and readiness of government officials as well as infrastructure and facilities are not enough to accept and implement new innovations such as the integration of the one-stop licensing service system because there are several inhibiting factors as a big task of the local government in carrying out this program, namely the financial condition and human resources who are not able to implement the system online. Therefore, a solution strategy is needed that can overcome the inhibiting factors in one-stop licensing services.

Furthermore, the SERVE Supervisor said that SERVE should need to make changes to Law Number 22/2011 where SERVE has become a public institution providing one-stop licensing services, thus it is necessary to process an integrated service in one place, because currently the registration service process at SERVE with the authority to issue low risk licensing but still requires institutional cooperation with the relevant ministries and especially DNCI as a unit. It has the authority to issue commercial license certification for the type of business activity that is categorized as high risk.

It is necessary to make a concept innovation so that data is easily and accurately stored both manually and online. The payment mechanism is done manually or through an ATM, but the hassle after making a payment must be under the receipt of payment to the SERVE officer, payment should be made through e-banking, but facilities like this have not been done because they are hampered by the internet which is still very slow.

The lack of effectiveness of the licensing service mechanism and the payment of license permits, this is due to the long queue in payment transactions and to certify payment receipts that have been made at Bank BNU's partners, they must be delivered again to the DNCI office.

Conceptual innovation, which is a new idea and idea regarding changes in one-stop licensing services desired by the government and the community, aims to improve a more effective and efficient service process so that it can provide conveniences in obtaining a commercial license certificate or licensing certification in increasing the participation of the private sector in the process of economic development of Timor Leste which incidentally still depends on investment public sector through the State Budget or Orçamento Geral do Estado (OGE) every year.

The government must find a better solution to encourage the improvement of public services, especially regarding licensing which is held in one place with the aim of simplifying the process so that the competitiveness of the community can be motivated. As Trochidis said, (2008: 109) an integrated public service system promises seamless service delivery from various government organizations, creating efficiency, a better service experience for service providers and the use of the service itself.

Good governance is a concept that is currently applied and fought for regularly in public administration and political science. Concepts and terminology of democracy, civil society, people's participation, human rights, and sustainable community development.

According to (Zamroni, 2019) in the administration of government, a number of important principles are needed, such as the principle of legal certainty, the principle of order of state administrators, the principle of accountability and the principle of proportionality. The role of the government is to serve the State in obtaining its interests in Timor Leste has been mandated in the RDTL constitution, where the State is obliged to serve every citizen and resident to fulfill their basic rights and needs within the framework of public services.

Concept is the main framework in carrying out a program and activity in the concept of organization management. The birth of a new concept as a form of innovation in public services, in this case licensing services are needed to introduce a form of service in an agency or institution so that the concept can be known by the public.

From the results of the research, the conceptual innovation dimension at the SERVE Office, the birth of the one-stop licensing policy is due to the implementation of Decret Law 35/2012 in public services has not been running in line with the government's goals. Therefore, the policy must be improved, the Timorese government made a policy innovation in licensing services that is centered on one door called SERVE (Balcao Unico). The new policy with Decret Law 7/2017 gives SERVE the authority to open branches in the regions and Dcret Law no. 16/2017 conducts a mechanism for registration of all business licenses.

Therefore, it is in line with the opinion of Rothwell & Zegveld (Paraskevopoulou, 2015) that building a conducive environment to stimulate innovation in government institutions in the form of policies. The policy functions as a paying law that forms a special entity to encourage innovation to develop further in various fields.



In conceptual innovation, there is value that can be useful for an agency or institution. Conceptual innovation is inseparable from the preservation of culture and belief. Where innovation is seen as natural, even ordinary, and personnel communicate freely in support of new ideas and new ways of doing things that are allowed. Likewise, align incentives, and benefits, fix disincentives, and introduce innovation in every part of the organization, for example through rewards, wage determination, and storytelling.

The placement of competent human resources as representatives of related agencies in the management process and are able to master the management registration process online and offline. Employees as a resource that must be provided by the government are the source or supply where an organization or institution to achieve public service goals.

The use of technology, in this case the internet, has benefits, namely, first, better access to quality information and services for citizens; second, simplicity, efficiency and accountability in government; and third, expansion of government reach.

Community participation is needed to oversee the implementation of innovation, not only the community as users but also contribute to providing various inputs through different channels such as through interest groups (journalists, non-governmental organizations) and academics to develop innovations and the increasing level of community participation indicates that innovation is starting to show its benefits.

Maintaining and improving human resources through policies that can produce conceptual innovators in public service, and exploit differences, involve passionate people who think creatively and see new patterns. Building a physical environment, both facilities and infrastructure, that makes the community trust and be satisfied in taking care of one-stop licensing. However, in the reality of SERVE human resources, there are no new patterns of increase in number and education and training to improve licensing services. Likewise, physical buildings that have not been evenly distributed and are still in the development plan are still concentrated in the city of Dili.

The conceptualization of service providers and active use poses new challenges to designing services and innovating as a new method of instructing. The Bebraa method teaches that designing innovative services can be done by involving community participation, experience providers and service users, and collaboration with various parties including the private sector. (Sinni, 2017), (Kelly et al., 2015), (Yu & Sangiorgi, 2018).

Based on the results of research and discussion on the SERVE licensing service in Dili city with the conceptual dimension above, the birth of the one-stop licensing policy as the implementation of the Decret Law: 35/2012 policy in public services has not been carried out in accordance with the government's goals. SERVE has not been biased to stand alone as expected by the community. Because in the other part SERVE has to deal with

### **Inovation Delivery**

Licensing services are one of the important parts of the public service sector at SERVE, and the need for company establishment permits, business licenses, and commercial business licenses has increased quite high. Therefore, the Government of Timor Leste through SERVE as a one-stop licensing service is required not only to be able to organize but also to make it easier for the community to carry out the licensing application process.

Simply put, an innovation concept born from new ideas must have a service media in introducing the products offered. As is the case in public services that are the focus of state administrators, service innovation is a tool/media in introducing various new strategies and policies. Different service policies are packaged in the service concept, in this case one stop shop service at the SERVE Dili Office.

The solution of licensing service problems so far has been carried out separately or scattered in each related ministry, causing the time required is very long, the cost is also expensive, and also biased to be subject to a lot of charges. Therefore, the new policy carried out by the Government of Timor Leste to establish a SERVE office aims to improve better or more effective and efficient services.

As said by the Director of SERVE, the one-in-one service carried out by SERVE is a strategic policy carried out by the government aimed at improving faster and easier services so as to improve the economy of Timor Leste, where the private sector needs to be given a larger portion so that business actors and business people can easily run their businesses.

From the above statement, it can be seen that SERVE service is a strategic policy that can provide changes in the field of public services. Speed, convenience and financing that is little or even free, will lead to an increase in the economy. Therefore, the private sector or businessmen are given opportunities, convenience, and a large portion so that by itself it will be an increase in service can increase.

The delivery of information in the form of socialization about the one-stop licensing service program can be done directly or indirectly through electronic and print media. These media can be in the form of e-mail, WhatsApp (WA) social media, Short Message System (SMS), television, radio, if done constantly.

Usually, the socialization of services is carried out gradually and continuously to the community through various socialization media, both online and offline, so that the public gains understanding and is able to apply online permit making. SERVE also plans to open branch offices in Baucau, Maliana and Oecussi. The opening of this branch office indicates that there is a desire for change in improving licensing services to the community in order to realize effective and efficient one-stop licensing services.

In the previous non-one-stop system, the community was required to obtain permits or recommendations from relevant agencies so that the requested permits could be processed, in fact the requirements from various agencies turned out to overlap so that it was felt by the

community as if it was burdensome. Through the previous one-stop service system, it has been overcome, although it has not fully satisfied all parties.

Efforts to improve the quality of licensing services at SERVE and DNC must certainly go straight with public participation in following the regulations that have been set by the government. The culture of tips and the habit of giving bribes that are still often carried out by the community will have a negative impact on the government's efforts to improve public services. Due to the phenomenon, there are still many people who pay to get special treatment and also tips to officers.

Based on the results of the above research, even the implementation of licensing services at SERVE is considered to have a positive impact on public awareness to have legality of the activities carried out, both business and non-business. On the other hand, of course, this will increase regional revenue through the cost of levies on the permits granted.

The results of the research based on delivery innovation indicators, the researcher provided analysis through discussion in accordance with the director, so as to provide a comprehensive explanation of the positive impacts on public awareness to have the legality of business and non-business activities in Dili and all of Timor Leste.

The government is required to be able to provide services to the community. The service is expected to provide convenience, speed and simplification of services, shorten the time to reduce the cost of services provided by agencies and cut bureaucracy. This requires a serious innovation from the government. In accordance with the dynamics of development and the demands of today's increasingly complex times. The community is no longer dependent on the old mechanisms of meanings in terms of public services.

The service process continues to undergo changes from manual to electronic, traditional to modern, from one service to several services integratively to provide good public services. In the new conception of public service, public works should not be accurately described only as a response to the demands of "violators" as a quick and efficient solution. The concept of service process in innovation refers to a new service product, although the service can have elements of technology, engineering or expertise. The development of new services is closely related to the design and development of services. This diversity means that generalizations about the nature of services and innovations in services must be qualified by many exceptions.

Service innovation provided by SERVE is an advanced stage in disseminating policies and programs that have been set in a public organization. The effectiveness and efficiency of licensing services are highly determined by the availability of facilities that support the implementation of work aimed at: a) simplifying and accelerating the process of completing permits and other routine tasks b) Conducive spatial layout equipped with computers, printers, and ATK will improve the quality of service.

However, the obstacle that can hinder the licensing service process is the availability of facilities in the form of SERVE branch offices in the region and should not only be concentrated in Dili City. This needs to be seriously addressed by the central government, for the immediate construction of offices in other districts. The construction of a new office also requires a large budget, if constrained by the budget, it can hinder the service process in the region so that the purpose of the one-stop licensing service process is hampered.

In addition, there are obstacles that can hinder the conduct of surveys by survey officers who are geographically and road infrastructure that has not yet increased. Therefore, the SERVE office must optimize all capabilities that can help in the socialization of licensing service policies not only in one media, it is necessary to use other media, both electronic media and print media.

And there is also an apathy towards new changes in business licensing services. This requires a strategy from leaders and officers who can provide awareness that the current service provides better benefits than before. Changing apathy is not easy, but here it is necessary to be informed that there are opportunities and challenges that can increase the economic activities of the community in each region, especially business activities, through easy, fast and cheap services and even free.

Every service user wants the service officer to behave and be sympathetic, pleasant, and friendly. Excellent service can only be realized if the service officer is responsive, empathetic, friendly, and polite to the user community. With the behavior and attitude of service officers who respond positively to each service user, the community as service users will be aware of taking care of and obtaining permits from SERVE according to the object of the permit.

To improve the quality of services that contribute to the increase in Timor Leste's economy which is sourced from licensing fees and business taxes, there are several electronic-based service innovation programs that will be carried out by SERVE Dili, including: 1) registration and filling out licensing documents online; 2) SMS Gate way (service via SMS); aims to provide accurate information related to the process of obtaining and completing permits; 3) mobile services; aims to get closer to the user community so that it creates savings in costs, energy and time in licensing management.

The problems that exist in licensing services at SERVE have at least been anticipated by SERVE, especially in providing ease of licensing and speed, by following in accordance with the Decret Law Number: 35/2012 which gives authority to SERVE to serve all business license applications. In addition, SERVE has created a channel for complaints and suggestions in licensing services and improvements to services. This has a positive impact on SERVE to serve business license applicants and others, to provide services in accordance with the standards that have been stipulated in the law.

The abilities and competencies of SERVE licensing service officers have been equipped through training and guidance. The officers are ready to provide explanations about the licensing

service procedures/mechanisms from the beginning of registration to licensing complaints that have experienced a simplification of the licensing process. The simplification of procedures and licensing mechanisms is intended to provide satisfaction to the public that with the one-stop licensing process, SERVE (balcao unico) has better service readiness in the future. In addition, this service also makes arrangements for business licenses and others legally and regularly, so that the main goal is that investment in Timor Leste can increase in accordance with the government's expectations.

The impact of the implementation of business licensing service policies and the improvement of transparent service quality, both in terms of costs, clear procedures, the existence of the principles of justice and transparency will receive a positive response from the community. Good communication from the officers to the permit applicant must continue to be maintained and improved to maintain the quality of service through the attitude and behavior of the officers who are friendly, the explanation of service procedures that are clear and understood by the community, the use of language that can be understood by the applicant so that the community can feel satisfaction.

Basically, the basic principles of the purpose of the one-stop licensing service (SERVE) office include:

- 1) Easy, namely the flow of the application completion process is simple and easy for investors to understand;
- 2) Fast, i.e. short application completion process time
- 3) Precise, namely the conformity of the product with the provisions of laws and regulations;
- 4) Accurate, namely the provision of facilities for importing machinery, goods and materials in accordance with production needs;
- 5) Transparent and accountable, that is, the flow of the application settlement process is clear and accountable (Husna, n.d.).

However, in its implementation, it has not achieved all of that, because there are still obstacles in the budget, the physical building of branch offices in each municipality does not yet exist, and the authority owned by SERVE is not yet extensive and is still related to other ministries.

Based on the explanation above as a whole, in accordance with the opinion of (Siddiquee, 2019), it is explained that to manage government public service innovation, there is a positive correlation between public services and policy implications. The role of public services and service reform has produced a positive impact. The limited positive impact means that every public service innovation policy that has been made, will have an impact in producing convenience, speed and transparency and resulting in a clear system of interaction between agencies in terms of the authority of licensing services owned by SERVE.

The results of the research and discussion can be concluded that the socialization and delivery of information on one-stop licensing services (SERVE) is carried out gradually and

continuously. Direct delivery in the form of socialization through electronic media (online) and print media (offline) such as newspapers, magazines, etc., as well as other media. The obstacle that hinders the licensing service process is the availability of facilities in the form of SERVE branch offices, there is only one SERVE Office in the center of Dili City. In addition, there are obstacles that can hinder conducting surveys by survey officers who are geographically and road infrastructure is not good. There is an apathy of leaders and officers towards new changes in business licensing services. The licensing service procedure that has not been directly carried out by SERVE, may result in delays in the service process.

The community is still required to apply for registration in the conventional form by submitting files. The budget is the main problem in the provision of physical facilities and supporting facilities and service support. SERVE has created a channel for complaints and suggestions in licensing services and improvements to services. Kanro SERVE also in carrying out the main tasks and functions in the service sector, will make a Standard Operating Procedure (SOP) Minimum Service Standards, simplification of licensing policies. service improvement, human resource development, information system and access to information as well as the development of monitoring and evaluation systems. The capabilities of SERVE service officers have been equipped through training and guidance.

### **System Interaction Innovation**

Online services in Timor Leste have obstacles that can hinder the running of licensing services. of human resources (HR) are still limited in their ability to use the online registration system. So this is a big challenge, considering the topography of Timor Leste and the absence of branch offices that have not been built by the government and the readiness of human resources to carry out services is still using a face to face system.

As mentioned earlier, conceptually what has been formulated by SERVE is the One Day Process and Free licensing service. Based on the results of the interview, several strategies were obtained in carrying out services that are oriented towards simplifying bureaucracy, time, and free baiaya even though the service is not yet online-based, but still uses a face-to-face system because it is not 100% SERVE as the only institution that fully issues permits, but for licensing that the risk category must be related to other agencies, namely DNCI Kemertian Pertradean Timor Leste (MCIA).

As stated by the Director of SERVE that the online registration system is good, but we must also know in detail the number of people who have the skill to use the internet for online registration is an effort to modernize the service technology system, we must also look at the infrastructure built by the government and the private sector. Such as Timor, Telkomcel and Telemor because there is no PIBRI optc facility that helps speed using the internet. So here it is not only the financial aspect and political will of the government but also the problem of human resources and the lack of other supporting facilities that are inadequate.

Regarding the service process of applying for a historical business license before SERVE was formed, as stated by the SERVE supervisor that before the existence of SERVE, the process of registering a business or business was not carried out in one place but had to go to several places that were related to each other. Initially, they went to the Office of the National Directorate of Civil Registration and Notary of the Ministry of Law to obtain the legality of the law for their own business entities, ADRT, business names and types of businesses must be registered first at the judicial office. After the Ministry of Justice is transferred to the Office of the Ministry of Finance to register a TIN (tax Identification Number) and after that must go to the Ministry of Trade (MCIA) to obtain a SIUP (Business License surat surat ) and SITU (Business Place Permit)

To facilitate one-stop licensing services, there is a division of duties into two, namely the Front office and also the back office. The task of the front office itself is as a place to register and submit files to process business licenses and hand over permits that have been issued to applicants. Meanwhile, the back office is tasked with processing the files that have been submitted by the applicant and providing consultation if there is confusion in the applicant.

The service process at the renovation counter/renewal of the business license of the front office is divided into 3 counters, namely counter 1 serves applications to open a new business; counter 2 serves the re-registration of an existing company or business and counter 3 serves the change of business license or the addition of a new type of business in the AD/ART or changes the office address or also changes the share holder.

Regarding the time required in the processing of high-risk permits related to related parties, it can take a long time to months. As revealed by the Head of the Licensing Department, if the type of business is high risk according to Law No. 35/2012, it is only 5 working days, but in practice it depends on the process of sending documents from the SERVE Office to the DNCI Office. The DNCI office through its staff has to conduct a survey or verification to the location also takes time, sometimes it is also constrained by the field such as an unclear address. Non-technical matters become an obstacle so that the process of issuing a business license is uncertain, the DNCI office must forward the documents back to the SERVE Office. The time of bias is fast and also the bias is months.

The main task of the survey instructor is to conduct a survey to the location and verify the applicant's file, verify with a team from the relevant ministry, if the verification at the location has met the requirements, the verification team will provide recommendations to DNCI to issue a license comericil.

Based on the results of the above research, the online system information system, especially online registration, needs to be supported by a budget and quality facilities and human resources. There must be systematic interaction efforts to simplify the process of interaction of licensing services in one stop in the implementation of the new policy on the ion of SERVE one-stop licensing services. There are still obstacles in implementing policies from the budget, quality

human resources, business licensing processes, agencies that issue licensing licenses based on risk categories, geographical and topographic conditions in conducting surveys and service facilities.

Based on the results of the research on the innovation dimension of system interaction, the researcher provides a discussion that can provide an overview and explanation of the interaction system, information and supports that provide solutions to the obstacles to the implementation of system interaction. Cooperation, participation, dialogue on government policies and technology requires an information and communication system. The goal is to facilitate and accelerate communication between institutions and the community, be it for activities, work programs and public services.

To answer the formulation of the research problem, in analyzing based on the theory of, first, Thomas (Halverson, 2019), that in innovating licensing services, a conceptual innovation is needed that is able to simplify a service process that is tailored to the mission, vision and service objectives. Second, (Vashakidze, 2014) who said that "an integrated public service system promises seamless service delivery from various government organizations, creating efficiency, and a better service experience for service providers and service users themselves." And the opinion of (Thenint, 2010) says that an innovation can be said to be successful if it can get effective and efficient quality of results.

Today's public services must be integrated with the development of information technology. Public services are carried out online where speed, convenience, transparency and low cost must have been implemented in the service.

In business licensing services (SERVE), in this study looking at the use of information technology, namely the internet, SERVE has not yet carried out licensing services online. This can hinder the rapid delivery of services.

There are several reasons why institutions utilize technology in their activities, First, directing institutions to more easily face the challenges and demands of an increasingly complex society. Second, as a liaison between the government and the community. Every new thing is adopted which is the most difficult to implement (Wiredu et al., 2021) but the use of technology in an organization is identified as a new way to develop, implement, maintain, and overall the use of technology will improve product quality and productivity. Good utilization of technology can be adopted from external sources or transferred from internal sources with lessons from past experience, or by diffusion practices to obtain the best practice (Damanpour et al., 2018).

At this time, innovation is more often associated with the use of technology, the reason is that this system model is believed to be more in the form of administrative and producible administration, in the end it will uphold the principles of good governance,

The government sees that the service system provided is a long bureaucracy and is not to build the economy of Timor Leste, therefore the government makes policies or breakthroughs to



improve better services, so that the government works with the World Bank to see the weaknesses and obstacles faced by the government and the community itself. Because according to research conducted by the World Bank, it takes at least 6 months (178 days) for people to open a business license in Timor Leste, therefore the World Bank helped the Timor Leste government to establish SERVE (one stop shop) by issuing Decret Law No. 35/2012. The goal is to integrate all service units in one agency with the aim of simplifying services to clients or the community in one place and simplifying the fast and free service process.

Based on the results of the research, the researcher provides a management concept as an innovation concept that can overcome existing and temporary problems, as shown in chart 4.4. Above. The regional division for 12 districts and RAEOA Oecussi consists of the Central SERVE office will handle Dili Regency, and Aileu and region I handle Oecussi Regency and the regional based in Baucau Municipality handles Baucau, Lautem, Viqueque and Manatuto. Region III is centered in Munucial Bobonaro-Maliana and handles Bobonaro, Liquica and Ermera while Region IV is based in Ainaro and deals with Municipal Ainaro, Covalima and Mnaufahi.

According to the researcher, the above option is temporary, but in the future it is hoped that the government has implemented an online service system or Integreted Digital Service System (IDSS) of Timor Leste that all forms of licensing services are carried out in every municipality online. The one-stop licensing service office (SERVE) can provide services within hours the applicants can print their business license certificates within a period of 120 minutes. If in the future the data government makes this policy, the service will be more effective.

Based on the results of research and discussion, a new concept of licensing services was produced by researchers, namely the Integreted Digital Service System (IDSS) Timor Leste. This concept contains an integrated digital service system about services that provide convenience, speed, and accuracy in applying for permits by the community. This concept can be applied in SERVE in creating a portal nationally and regionally/municipality regarding the identity of business licenses and the format of business licenses and investor data. This requires the existence of an office in each region integrated at the IDSS SERVE central office in Dili. So that all services to the community can be served for every type of business quickly and easily. IDSS is an innovation that can provide a change in the mindset, behavior and culture of SERVE employees and the community to change the implementation of the best business licensing services and bring satisfaction to the community.

The concept of the Integreted Digital Service System (IDSS-SERVE) is a local government information and data center in Timor Leste in the field of licensing. The use of websites, applications and communication technology must also present a user-friendly display with superior, easy, fast and stable information and communication technology. In addition, the development of the system in the concept of the Integreted Digital Service System must include system capacity, system features and facilities, a single e-payment digital map, supervision and

monitoring by special officers and risk management and profiling to provide easy access to the Integrated Digital Service System process.

## CONCLUSION

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Based on the results of the research and discussion, it can be concluded that licensing service innovation at the Dili-Timor Leste One Stop Integrated Licensing Service Office (SERVE) is not yet fully effective and efficient. Although the Integrated Digital Service System (IDSS) system has been implemented to simplify the licensing process digitally, this service still faces obstacles in terms of convenience, speed, transparency, and time and cost efficiency for applicants. The technology-based system, which is expected to speed up and simplify the licensing process, has not fully met expectations. In addition, there are still shortcomings in terms of policy socialization, officer training, and limited budget and human resources, both in terms of quantity and quality.

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