

# Dynamic Capability in Licensing and Business Investment Services in the Jakarta's Hinterland Area (Case Study of Bekasi City Integrated Licensing and Business Investment Service Agency)

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## Dynamic Capability in Licensing and Business Investment Services in the Jakarta's Hinterland Area (Case Study of Bekasi City Integrated Licensing and Business Investment Service Agency)

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### Abstract

The metropolitan city of Bekasi is one of the Jakarta hinterland which it has been urban area developed as one of the Jakarta megapolitan subnetwork. The polarization effect of the megapolitan network of Jakarta which has an impact on the growth of Bekasi, requires facilities for licensing and business investment to support economic growth and regional development of Bekasi. For this reason, the Bekasi City Government launched the one-stop integrated licensing and business investment service i.e Bekasi One-Stop Integrated Licensing and Investment Service ([Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu/DPMPTSP](#)). The significance of the DPMPTSP is to accommodate the growth and development of Bekasi as a hinterland or a buffer zone of Jakarta. So far, the existence of DPMPTSP service in providing public services has been facing problems of integrity, accountability, accessibility, fairness and responsibility. Therefore, the purpose of the study was about how dynamic capabilities in licensing and business investment services are carried out by the Bekasi City Government. The research method used a qualitative method with a case study strategy. The study revealed that dynamic capabilities support the innovation of licensing business investment services in the city of Bekasi as a hinterland of Jakarta by accommodating integrated services from several technical bodies, so that they are more accessible, accountable, responsive, transparent, but there were several service brokers. So, the dynamic capability supports the innovation of e-adm-based services as a form of e-Gov and it has minimized red tape bureaucracy in the DPMPTSP services. Although it is still an incremental innovation than before and not fully interactive model yet. On the other hand, even though there is a complaint service link in the website of the DPMPTSP service, there is no space provided for public consultation and participation. Even though public participation is providing input for improving the service model process, collaborative governance underlined it. Recommendations of the research are (a) a need for strengthening internal capabilities to carry out service transformation, (b) information technology support needs to be developed into a fully interactive model to meet the industrial era 4.0, (c) high work commitment at the operational level, (d) supervision layered administrative work service operations, and (e) a need of government political will carrying out collaborative governance in the City of Bekasi licensing and investment services for the continuity of better service innovations and systematic networking with stakeholders.

**Keywords:** *dynamic capability, integrated licensing, hinterland, e-Gov, collaborative governance*

## INTRODUCTION

The hinterland zone has a strategic position in expanding urban growth and development. Regional expansion, borders and hinterland are trickle-down-areas in regional development. Investment policies and licensing services are a package that can accommodate economic growth in the context of regional development. Licensing services in regions that have economic potential and have strategical positions in economic, social and political are one of the significant aspects.

Integrated licensing services have been regulated in the Ministry of Homeland Regulation (Permendagri) No. 24/2006 which forms a one-stop integrated service in all regencies / cities and becomes a supporter of the Law No. 25/2007 concerning Investment and the Law No. 25 of 2009 concerning Public Services. To achieve the effectiveness and efficiency of public services, a tool for measuring public service performance has also been regulated in the Ministry of Utilization of State Apparatus and Bureaucracy Reform (Permenpan dan RB) No. 38/2012 concerning Guidelines for Evaluating the Performance of Integrated Service Units. In Indonesia, in general, integrated service units refer to PTSP or One-stop Integrated Services<sup>30</sup>.

According to the Law No. 25 of 2007 concerning Investment, one-stop integrated services were activities of administering a permit and non-licensing that have delegated authority from institutions / agencies that have licensing and non-licensing authority, where the management process started from the application to the issuance of documents stage carried out in one place (<http://www.sjih.depkeu.go.id/fulltext/2007/25TAHUN2007UU.htm>). From this understanding, it could be seen that one-stop integrated service is a series of processes of organizing and managing public investment services in an area from the beginning to the end in a series of service production. To strengthen the operationalization of the Law No. 25 of 2007, the Government of Republic of Indonesia has issued the Presidential Regulation No. 91 of 2017 concerning the Acceleration of Business Services. In the Article 1 point 15 of the regulation, it was stated that the Regency/City Integrated One-Stop Services and Investment Services (Regency/City DPMPSTSP) was the organizers of PTSP in districts/cities<sup>31</sup>.

In order to advance our understanding of dynamic capability of the local or regional new form of the online single submission (OSS) public service in hinterland (buffer zone) of the Jakarta

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<sup>30</sup> One-stop Integrated Services in Indonesia, is Pelayanan Terpadu Satu Pintu/PTSP; One-stop integrated services (PTSP) is an activity of licensing and non-licensing activities based on delegation or delegation of authority from institutions or agencies that have licensing and non-licensing authority whose management process starts from the application stage up to the issuance of documents carried out in one place

<sup>31</sup> Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu (DPMPSTSP) is Investment Services and

One-Stop Integrated Services. The Bekasi One-Stop Investment and Services Office (DPMPSTSP) is a combination of elements of the regional apparatus that have authority in licensing and investment services, as other organizations that are part of the regional apparatus. (downloaded from [http://silat.bekasikota.go.id/silat\\_v2/](http://silat.bekasikota.go.id/silat_v2/) July,30, 2019 at 10.52 pm)

Capital, this study observed and explored the dynamic capability of Bekasi One-Stop Integrated Licensing and Investment Service as a new form of Bekasi City OSS, for delivering its public service, whereas Bekasi City is one hinterland of the Jakarta Capital. Recent studies look for the relationship or impact of the bureaucratic reform to OSS's effectiveness in Indonesia (Akhmadian,2012; Haida,2013 and Wulandari,2014), but paid just a little attention to "the machine" that can be use moving to its performance and goals, in facing of the global (competitives and turbulent) environments. "The machine" is capability dynamic. (Teece,et.al, 1997; Neo and Chen,2007). So, this study was looking for the answer the research question, how was the dynamic capability of Bekasi One-Stop Integrated Licensing and Investment Service as a new form of Bekasi City OSS, for delivering its public service.

#### LITERATURE REVIEW AND RESEACH FOCUS

Capability dynamic for general concept was revealed Teece, et.al (1997:516) as firms' integrate, build, and reconfigure external, so does internal competencies to address changing environments rapidly; as elements to enhance competitive advantage amid highly uncertain situations ( Teece, 2007). Facing global competitive and changing environment rapidly, there is a need for the dynamic capability in governance, so Neo and Chen (2007) wrote, the dynamic governance was **about how government is able making good decisions, carry the (public) decisions out, and revise them without a crisis**. Even, Neo and Chen (2007:7) governance becomes dynamic when previous policy choices can be adapted to current developments in an uncertain and fast changing environment

for achieve the society goals and objectives.

#### RESEARCH METHOD

Qualitative research method was used to this study, with case study strategy at Bekasi One-Stop Integrated Licensing and Investment Service. The research focus was the dynamic capability of Bekasi One-Stop Integrated Licensing and Investment Service as a new form of Bekasi City OSS, for delivering its public service. The locus in Bekasi City. Primary data obtained from indepth interviews with key informen (related officers, service users and expertises). Secondary data obtained from the annual performance reports, Bekasi City Revenue and Expenditure Budget, and related others references. The data analysis used triangulation method for obtaining the data validation.

#### RESULT AND DISCUSSION

The existence of DPMPSTP was **part of the government's efforts to accelerate services** to increase investment power and regional development cohesively and comprehensively in a series of controlled processes. Therefore, the existence of DPMPSTP was an indicator of the performance and attractiveness of the region for regional investment. Likewise, for Jakarta metropolitan buffer zone. Some District/City areas as the Jakarta metropolitan buffer zone and had a strategic economic, social and political position for Jakarta, including the City of Bogor, Kota Tangerang, Kota Bekasi and Kota Depok. Among the four buffer cities, there were only 2 (two) buffer cities that achieved Star's qualifications or performance in their PTSP service performance, namely Bekasi City with 2 Star qualifications and Depok City with 1 Star qualification (<http://ptspsp->

nasional.blogspot.com/2010/11/ptspservice-integrated-oneservice). Therefore, the one-stop integrated service of the City of Bekasi made changes to the system and procedures as well as policies. ([http://e-sakip.bekasikota.go.id/sakip\\_publapKinerja.php](http://e-sakip.bekasikota.go.id/sakip_publapKinerja.php)).

Tabel 1. Interest in Investment and Labor from Foreign Investment and Domestic Investment Project

Source: DPMPTSP West Java Province in West Java BPS, 2018 (2018:496).

The city of Bekasi as one of the buffer zones as well as the periphery part of DKI Jakarta, provided licensing services, in order to implement the legislation on invitations and to capture the opportunity for investment to develop its territory. The ease of licensing and investment services was an attraction for investors (see Table 1). At Table 1, seen that Bekasi City obtained interest of foreign investment US\$ 3,657,349 millions, potentially absorb 2,460 labour dan US\$ 575,785 millions, and potentially absorb 1,334 labour.

Based on the latest data of Bekasi City's Human Development Index (HDI) reached 77.17 in 2012 (<http://bekasikota.go.id/> about "West Java Province Human Development Index (HDI) 2006-2011"). The data showed that the City of Bekasi was a city that had a literacy rate, life expectancy and standard of living in the second-best category in West Java after Depok<sup>32</sup>. The HDI number also showed that there was an influence of economic policy on improving the quality of life (population), both in Bekasi City and Depok City.

Although the City of Bekasi was ranked second in the HDI figures in West Java Province, the achievement of the performance of one-stop service in the City of Bekasi had received a 2-star rating category, in 2011 ([| Regency /City             | Foreign Investment\* |                                | Domestic Investment\* |                                |
|---------------------------|---------------------|--------------------------------|----------------------|--------------------------------|
|                           | Labour              | Investment/Million US \\$Dollar | Labour               | Investment/Million US \\$Dollar |
| 1 Bogor                   | 6,857               | 12,803,156                     | 28,531               | 32,767,002                     |
| 2 Sukabumi                | 6,734               | 1,177,629                      | 6,815                | 1,562,326                      |
| 3 Cianjur                 | 3,883               | 844,903                        | 1,707                | 1,319,947                      |
| 4 Bandung                 | 7,701               | 1,850,055                      | 9,090                | 1,973,263                      |
| 5 Garut                   | 4,085               | 214,188                        | 63                   | 250,986                        |
| 6 Tasikmalaya             | -                   | -                              | -                    | -                              |
| 7 Ciamis                  | -                   | -                              | 105                  | 59,500                         |
| 8 Kuningan                | 287                 | 243,763                        | 975                  | 323,932                        |
| 9 Cirebon                 | 1,306               | 38,679,037                     | 3,961                | 95,787,471                     |
| 10 Majalengka             | 2,640               | 1,467,852                      | 8,000                | 2,954,500                      |
| 11 Sumedang               | 3,864               | 571,045                        | 1,452                | 4,149,612                      |
| 12 Indramayu              | 270                 | 578,900                        | -                    | -                              |
| 13 Subang                 | 4,615               | 832,331                        | 2,083                | 1,031,200                      |
| 14 Purwakarta             | 4,113               | 6,751,321                      | 1,714                | 1,356,409                      |
| 15 Karawang               | 16,500              | 30,591,877                     | 8,094                | 15,558,805                     |
| 16 Bekasi                 | 27,897              | 40,651,899                     | 26,606               | 60,978,734                     |
| 17 Bandung Barat          | 2,421               | 4,374,856                      | 92                   | 244,157                        |
| 18 Pangandaran            | 202                 | 639,180                        | 86                   | 20,000                         |
| <b>City</b>               |                     |                                |                      |                                |
| 19 Bogor                  | 341                 | 387,839                        | 8,308                | 6,453,635                      |
| 20 Sukabumi               | -                   | -                              | 470                  | 337,724                        |
| 21 Bandung                | 1,501               | 901,933                        | 2,803                | 876,505                        |
| 22 Cirebon                | 279                 | 177,709                        | 288                  | 947,488                        |
| 23 Bekasi                 | 2,460               | 3,657,349                      | 1,334                | 575,785                        |
| 24 Depok                  | 1,924               | 4,287,072                      | 1,562                | 434,217                        |
| 25 Cimahi                 | 1,045               | 1,729,134                      | 643                  | 380,865                        |
| 26 Tasikmalaya            | 81                  | 31,630                         | 353                  | 110,644                        |
| 27 Banjar                 | 100                 | 46,373                         | -                    | -                              |
| <b>West Java Province</b> | <b>101,106</b>      | <b>153,491,035</b>             | <b>115,135</b>       | <b>230,454,707</b>             |](http://ptsp-</a></p>
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<sup>32</sup> Depok City is one of the buffer zones (hinterland) of the Capital City of the Special Capital Region of Jakarta, in addition to Bogor City, Bekasi City and Tangerang City.

[nasional.blogspot.com/2010/11/service-ptsp-service-integrated-satu.html](http://nasional.blogspot.com/2010/11/service-ptsp-service-integrated-satu.html)). The 2 Star Rating achieved by the City of Bekasi meant that the PTSP of City of Bekasi had served licensing and non-licensing according to its authority and received guidance on the implementation of service authority which was the authority of the Government from the Government and/or provincial government. The government stimulated the establishment of PTSP offices to facilitate investors in obtaining rapid service facilities (<http://ptsp-nasional.blogspot.com/2010/11/layanan-ptsp-pelayanan-terpadu-satu.html>).

The existence of the PTSP of the City of Bekasi changed in 2017 to be *Bekasi One-Stop Integrated Licensing and Investment Service* (The Bekasi City DPMPTSP). Based on data from the 2012 Head of Accountability Report, it is known that the realization of the promotion program and investment cooperation of the Bekasi City Government with the target of an investment improvement program showed an increase in the results of investment programs in Bekasi City from 2011 to 2012. This was marked by an improvement indicator 6,01% of the investment value of USD 1,094,581, with the achievement of US \$ 536,478,650.91 in 2011 to reach US \$ 546,478,650.91 in 2012 (<http://bekasikota.go.id/files/LKPJ%202012%20OK.pdf> about the 2012 Regional Head Accountability Statement). The success of Bekasi City can be an example of best practice for other metropolitan cities buffer zones.

Several previous studies related to integrated licensing services and enriching the literature insight of this article were first, the Akhmaddhian (2012) thesis research on "The Effect of Bureaucratic Reform on Regional Investment Licenses (Case Study in Bekasi City Government)". The results of his research found that the effect of licensing bureaucratic reform that had

begun since the issuance of Presidential Regulation No. 03 of 2006 concerning the Investment Climate Improvement Policy Package and followed up by Minister of Home Affairs Regulation No. 24 of 2006 concerning Guidelines for Implementing One-Stop Services for Integrated Licensing Services Agency services. The city of Bekasi is real effective and efficient. Based on Akhmaddhian (2012) studied, licensing bureaucratic reform has shortened the time because all investment licensing processes were carried out in one place, the Bekasi City Integrated Licensing Service Agency. This condition is different from before bureaucratic reform, where licensing must be done in many agencies. Current information disclosure such as requirements and procedures is easily accessed by publishing through brochures, announcement boards, information centers and agency websites. The difference in Akhmaddhian (2012) study compared to this study is the focus on Akhmaddhian (2012) study in the form of bureaucratic reform effect on licensing services, while in this article is an integrated licensing service strategy DKI Jakarta buffer zone as part of bureaucratic reform at the subnational or local government level.

Second, the Haida (2013) study of "One-Stop Integrated Services as an Effort to Improve Licensing Services". This research was conducted to explore the efforts, implementation and supporting and inhibiting factors of the implementation of the One Stop Integrated Service at the Kediri City Licensing Service Office. The study used descriptive methods with a qualitative approach. This research focuses on the problems of Tax Service Office or Kantor Pelayanan Pajak (KPP)'s efforts in improving licensing services, the implementation of licensing services in KPP and supporting and inhibiting factors in the implementation of licensing in KPP. The findings of this study are that the efforts

made by KPP to improve the quality of licensing services with PTSP have been quite good, although there are several inhibiting factors from the implementation, but these obstacles can still be minimized by KPP employees (<http://administrasipublik.studentjournal.ub.ac.id/index.php/jap/article/download/36/2>) The difference with the Haida research, et al (2013) lies in the focus of research on One-Stop Integrated Services as an Effort Improving Licensing Services, while the focus of this article is to explore integrated licensing service strategies in the Metropolitan city buffer zone. Public services are the result of the functioning of the government. In general, the term public refers to the general meaning of society, society. Understanding of public services, among others, stated by Farnham and Horton (1993) as services carried out by the public sector, given the financing of public services more funded by taxes paid by the community rather than financed from the sale of services. Here was the statement:

3 The public services are broadly defined as those major public sector organizations whose current and capital expenditures are funded primarily by taxation, rather than by raising revenue through the sale of their services to either individual or corporate consumers. The public services so defined, include the civil service, local government, the National Health Service (NHS), and the educational and police services (Farnham dan Horton, 1993).

From the definition above, there are basic consequences of the implementation of public services, namely most of the funding for their implementation from taxes so that accountability and responsibility for public services are needed, and there are demands to provide public services in a transparent and publicly accessible manner. Thus, the role of citizens in public

services is the main priority of service providers.

All this can be done if supported by political leadership that articulates and encourages strengthening public integrity and citizen responsibility in the form of community. The community cannot be created by the government, but the government, especially political leadership, can put standards of ethics and integrity in government. The statement of Farazmand (2004: 109) was:

2 The first effort, then, is making sure that government acts with integrity, is open and accessible, is responsive, and operates in the public interest. At the same time, government must do everything possible to support and encourage the development of responsible citizens and responsible citizenship, by establishing what is called a New Public Service (Denhardt and Denhardt, 2000).

Those statement emphasized that citizens play an important role in supporting the new public service, even though the concept of the new public service initially developed to counter New Public Management (NPM). Furthermore Farazmand (2004: 109) asserted that:

2 A next effort might focus on civic virtue, on building a more ethical and equitable basis for political dialogue—meaning, by that, not just learning or requiring what is right rather than what is wrong, but coming to recognize the moral and ethical principles (such as liberty, justice, and equality) that underlie the design and implementation of public programs. A third effort might focus on civic responsibility, on encouraging citizens to play a more active role in their own communities, and in the political system generally.

Thus, the concept of the new public service puts forward democratic



governance, political governance, societal governance, and participatory governance. This means that there are values put forward in the NPS namely participation, responsiveness, justice, deliberation, respect for human values, etc. Governance means that there are three main pillars in governance, namely public, private and community. So, does the collaborative governance for strengthening matrix coordinations and alliances or collaborations one another related institutions. Collaboration defined by Wanna (O'Flynn, 2008:7) as joint working or working in conjunction with others which it implies actors—individuals, groups or organisations—cooperating in some endeavor, in frame of collaborative arrangements that there was intended to improve services and government-to-citizen relations.

In line with the concept of governance, Farazmand (2004) further proposed changes from good governance to sound governance so that the concept of good government is no longer an option. In facing the dynamics of rapid environmental change, the flow of globalization that cannot be avoided is needed not only good governance but rather strong governance. The aim is not only to carry out public affairs satisfactorily, but even to excellent levels. An excellent and sustainable organization of national and state affairs will strengthen the nation in the long run, even bringing the nation's glory to become a superior civilization in the long run. Based on the description, it can be concluded that to build a solid and sustainable public service in the long term it needs to be supported by democratic governance, political governance, societal governance, and participatory governance.

Furthermore, the ability of this government is tested in facing the dynamics of change and the rapid flow of globalization, requires

dynamic governance. Neo and Chen (2007: 7) reveal that:

1 Governance becomes dynamic when the previous policy choices can be adapted to the current uncertain and fast changing environment. The policies and institutions remain relevant and effective in achieving the long-term desirable outcomes of a society."

Neo and Chen (2007:3) offered a conceptualization of three capabilities of a government in dynamic governance, that were:

1 a) thinking ahead - the ability to perceive early signals of future developments that may affect the order to remain relevant to the world; b) thinking again - the ability and willingness to reflect and currently functioning policies so that they perform better; and c) thinking across - the ability and openness to cross boundaries to learn from others so that new ideas and concepts may be introduced into an institution.

In the administration of regional government, thinking ahead can be done by analyzing and projecting planning in the next 5-10-15-20 years based on the dynamics of change and the current globalization. In thinking again what needs to be questioned is: are the current development policies and strategies appropriate? Has it met the demands of the community, improved public health, increased people's purchasing power, improved people's mindsets, et cetera. What about the quantity and quality of regional government officers or bureaucrats, are there sufficient competencies and skills? How do regional government leadership organize activities in the area? etc. Lastly in thinking across can be done by learning from the experience of other countries, both in capability, managerial or technical. Sharing

experiences and information between regional governments is expected to be useful to project the implementation of regional development now or in the future.

### **DYNAMIC CAPABILITY OF BEKASI CITY INTEGRATED LICENSING SERVICES**

Since 2017, administrative reforms have been carried out in stages, initiated with steps to strengthen capability in the Bekasi City integrated licensing service system. Outputs of the strengthen the capabilities of the Bekasi City integrated service system, are (a) online licensing, (b) one day service licensing for permit services (completed permit services) to the applicant directly, and (c) the up grading of information systems which is continuously improve every year. Since in 2017, the Bekasi City One Stop Integrated Investment and Services Office (DPMPTSP Kota Bekasi) has been simplified the licensing mechanism through an on-line licensing mechanism, which currently has 8 (eight) permits that have been using Integrated Licensing Service System (SILAT) applications<sup>33</sup>. The plan of the Bekasi City Government in 2018 that the whole permits in DPMPTSP will be based online so that services are carried out quickly, easily and transparently.

The contribution of professional licensing service reforms has an impact on

increasing the value of satisfaction community index was 82.20<sup>34</sup>. This also led to an increase in quality and performance which carried out by Bekasi City DPMPTSP including the best foreign capital companies or domestic capital company assessment each year (as an effort to give appreciation and innovation to foreign capital companies or domestic capital company which carry out their business activities in Bekasi City). As the advanced performance, recently, Bekasi City DPMPTSP was accredited by ISO 9001: 2015 in 2017 (Bekasi City DPMPTSP LAKIP, 2017: 100)<sup>35</sup>. These is pursued in the context for improving licensing services to the community, and followed by collaboration with related various other agencies, which concerned with investment services and integrated licensing services in Bekasi City.

In dynamic governance capabilities paradigm, there are consists 3 (three) elements of dynamic capability (Neo and Chen, 2007: 13), which are *thinking ahead, thinking again and thinking across*. The three elements are also based on the culture of the relevant state institution. For being dynamic capabilities, there must be 2 (two) elements to build *dynamic governance capabilities*, which are *able people and agile processes*. (Neo and Chen, 2007: 12).

The element of thinking ahead by Neo and Chen (2007: 14) is elaborated as:

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<sup>33</sup> Integrated Licensing Service System (Sistem Layanan Perizinan Terpadu or SILAT) applications is web based integrated licensing service system for public.

<sup>34</sup> Indeks Kepuasan Masyarakat or The Community Satisfaction Index is a measure to determine the level of performance of service units on a regular basis as an ingredient for establishing policies in order to improve the quality of subsequent public services.

<sup>35</sup> LAKIP is Indonesia Government Agency Performance Accountability Report. LAKIP is the final product of Indonesia Government Agency Performance Accountability System that describes the performance achieved by a government agency on the implementation of programs and activities funded by the National Revenue and Expenditure Budget or Regional Revenue and Expenditure Budget.

"understanding how the future will affect the country and place of people with opportunity to take advantage of the new opportunities available." One of the efforts for think ahead interface made by the Bekasi City Government in the form of a plan in 2018 that all permits at DPMPTSP will be based online that aim to achieve fast, easy and transparent services, which are issued in one day service licensing and up-grade information systems since 2017 (with licensing simplifications through an online licensing mechanism). Even in 2018, a Public Service Mall has been formed, consists of Bekasi City DMPTSP in collaboration with Bekasi City Police, Bekasi City One Roof System<sup>36</sup>, Bappeda<sup>37</sup>, Civil Service, Manpower Regional Office, Health Social Security Organizing Agency<sup>38</sup>, Bekasi City Regional Water Supply Company or PDAM<sup>39</sup>. The implications of Bekasi City Public Service Mall include: (a) integrating various services both central and regional agencies in the same location or building that facilitates service users and stimulates increased investment and economic growth. (LAKIP DPMPTSP Kota Bekasi, 2017: 100)

Next, the think again capability is an institution's needs due to turbulent and changing environmental conditions that can make past policies obsolete and ineffective

even though the policy has been selected and studied in a careful, careful and thorough manner. (Neo and Chen, 2007: 14). As think again efforts according to Neo and Chen (2007: 15) were "*a need to think about existing policies and programs to assess whether they are still relevant to the national agenda and long term needs of society. Policies and programs would then have to be revised...*". An attempt is made to review the policies for the progress of the Investment and Integrated One-Stop Service Office (DPMPTSP). The first step taken is to accredit ISO 9001: 2015 2017 as part of achieving service quality in accordance with international management standards. Next, carry out the assessment and appreciation of foreign capital companies and domestic capital companies that conduct their business in Bekasi City. This is done to provide a conducive environmental image for other business sectors to invest in Bekasi City.

The think across element is the government's actions to think ahead about the boundaries of the scope and regions that have been undertaken so far to find interesting ideas and practices that can be adapted to their domestic environment. (Neo and Chen, 2007: 15). This element is needed when the government builds capabilities think ahead, think again and think across, so that all three capabilities

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<sup>36</sup> One Roof System, is an administrative system that is formed to facilitate and accelerate the service of the interests of the community whose activities are held in one building, especially for motor vehicle tax services and other vehicle documents.

<sup>37</sup> The Regional Development Planning Agency, abbreviated as Bappeda, is a regional technical institution in the field of regional development research and planning led by a head of agency under and responsible to the Governor / Regent / Mayor through the Regional Secretary.

<sup>38</sup> Health Social Security Organizing Agency or BPJS in Indonesia is the organizer of the social security program in the health sector as stated in the National Law No. 40 in 2004 concerning the National Social Security System

<sup>39</sup>PDAM or Regional Water Supply Company is one of the regional-owned business units, which is engaged in the distribution of clean water for community.

are embedded in <sup>1</sup> paths, policies, people, and processes of public sector institutions. The government creates learning and innovation in governance that facilitates dynamism and change in an uncertain world. (Neo and Chen, 2007: 15). This is indicated by the effort of a cooperation agreement / MOU between the Bekasi One-Stop Integrated Investment and Service Office (DPMPTSP) in 2017 with the agency / Business Entity to create a fast, easy and transparent service. The collaboration includes the MOU with the Bandung City Government regarding the development and implementation of the Smart City application in Bandung City in Bekasi City, a Cooperation Agreement with the Bekasi City Branch of the Social Security Organizing Agency; MOU of Bekasi City Government with BNI Bank Bekasi City Branch (LAKIP DPMPTSP Kota Bekasi, 2017: 98-99). This <sup>4</sup> collaboration was define that is collaboration was by now the next wave of public-sector reform (after hierarchy, managerialism, 'new public management' and outsourcing and market <sup>4</sup> delivery) (Wanna in O'Flynn (2007:9). It allowed governments to reconsider where they could best direct their strategies and energies to achieve desired outcomes. So, it's seen that collaborative governance are running in Bekasi City Integrated Licensing Service Agency' operations, though just in technical layer of public service management.

So, although the effort to think again, think ahead and think across has been done, but these efforts are only at the beginning of the layer of the dynamic capability process, which is related to organizational culture. The next challenge is the existence of people and processes to strengthen the dynamic capabilities of Bekasi City's DPMPTSP.

## CHALLENGES OF DPMPTSP DYNAMIC CAPABILITY IN BEKASI CITY

In the course of the process of dynamic capability of Bekasi City DPMPTSP, there are several problems as well as challenges faced for the maintenance and sustainability of Bekasi City DPMPTSP, such as on paths, policies, and people. There are 3 challenges and problems in the paths factor, namely (a) the lack of optimal synergy between the Technical Services included in the one stop services network so that the permit travel time is not in accordance with the standard operation procedure (SOP); (b) the socialization of licensing lines and investment promotion has not been optimal for the people of Bekasi, so that public understanding of licensing has not been optimal. This causes the value of investment in the City of Bekasi has not been optimal; (3) unavailability of supporting facilities and infrastructure facilities, such as adequate archives and visitor parking spaces.

The challenge for factor policies are: the absence of policies that guarantee the sustainability of networks of cooperation between institutions, the maintenance and renewal of dynamic capabilities is inflexible and does not follow changes in the increasingly complex organizational environment. The people factor is related to the processes of creating learning and innovation. The problems and challenges in the people factor are: 1) the unavailability of mechanisms for training human resources, which support public services based on IT and; not yet created an organizational culture that is responsive to environmental change.

Another problem is the limited space. The limited space caused the lack of arrangement in the placement of technical teams in the agencies related to licensing.

This is because the technical team is still not entirely placed in DPMPTSP which can cause the licensing process to take too long. In addition, challenges and problems in the factors of learning and innovation creation processes are not yet established systems and networks. This is caused by too little internet network capacity.

Based on data, services that implement online systems are 8 licensing services from 48 licensing services through the web or online Integrated Licensing Service System (SILAT) application service. The fact is that licensing services through the SILAT application are still not optimal. Online-based licensing services through the SILAT application are: Trading Business License (SIUP), Company Registration Certificate (TDP), Transport Entrepreneur License (SIPA), Construction Services Business License (SIUJK), Building Construction Permit (IMB Residential House), Permit for Arrangement of Grave Land (IPTM), Doctor's license, permit for midwife practice.

## CONCLUSION

Dynamic capability of Bekasi City DPMPTSP has characteristics in the think again, think ahead and think across aspects, although dynamic capacity is still ongoing at the beginning stage. DPMPTSP Kota Bekasi does not yet have a policy that supports the guarantee of the availability of able people and agile processes. Of the three elements of dynamic capability, the think again aspect is more prominent than think across and think ahead, although there has not been a systematic evaluation to plan system improvements and planning for the following year.

## RECOMMENDATIONS

To optimize the construction of dynamic capabilities, DPMPTSP Kota Bekasi, requires improvement: 1). Think across efforts need to be carried out systematically and benchmark results need to be applied consistently by adapting to environmental characteristics. 2). Think ahead actions need to consider collaboration with universities and regional planning institutions.

This can be a breakthrough for the City of Bekasi DPMPTSP to utilize the access to technical assistance from the central government. This access is useful for formulating and creating a model of integrated grand design services that can be integrated with central institutions and / or between institutions, according to applicable legislation.

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