

# E- Government Service Review In Dumai City Indonesia : (Conceptual Paper)

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## *Abstract*

*Electronic government are in their early stages in many city in Indonesia. Local government has faced a number of challenges and faced with various issues pertaining to their implementation of e-government services. This paper utilises the Unified Theory of Acceptance and Use of technology (UTAUT) model to explore e-government services in Dumai city. The purpose of this paper to present a concept idea to seeing intention to use e-government in Dumai City. The Paper suggest future research with quantitative approach to find aspect to consider in producing significant and credible research findings. This research is expected can help government in improving intention citizens' use of e-government services.*

**Keywords:** *E-Government, UTAUT model, Local Government*

## *Abstrak*

*Electronic government sedang dalam tahap awal di banyak kota di Indonesia. Pemerintah daerah telah menghadapi sejumlah tantangan dan dihadapkan pada berbagai masalah yang berkaitan dengan implementasi layanan e-government. Makalah ini memanfaatkan model Unified Theory of Acceptance and Use of technology (UTAUT) untuk mengeksplorasi layanan e-government di kota Dumai. Tulisan ini bertujuan untuk menyajikan gagasan konsep untuk melihat niat penggunaan e-government di Kota Dumai. Makalah ini menyarankan penelitian masa depan dengan pendekatan kuantitatif untuk menemukan aspek yang perlu dipertimbangkan dalam menghasilkan temuan penelitian yang signifikan dan kredibel. Penelitian ini diharapkan dapat membantu pemerintah dalam meningkatkan niat warga dalam menggunakan layanan e-government.*

**Kata Kunci :** *E-Government, UTAUT model, Pemerintah Daerah*

## 1. INTRODUCTION

Nowadays Indonesia is experiencing bureaucracy reform to accelerate the achievement of good governance start from Ministries to local governments. This step is a good start for Indonesia's progress. A Presidential Regulation of the Republic of Indonesia Number 81 of 2010 on The 2010-2025 Grand Design of Bureaucracy Reform has provided guidelines in conducting reforms on organizations, laws, human resources, authorities, public services, mind-set and culture work.

One of the government's efforts in implementing the bureaucratic reforms in the civil service sector is the establishment of the Presidential Regulation of the Republic of Indonesia Number 97 of 2014 on the Maintenance of One Stop Service. This is to ensure that local governments are tasked with the duty of providing civil service in terms of licensing services as well as non-licensing services which are in line with the various levels of the federal, provincial and local governments. In conducting the licensing

services as well as non-licensing services, it also has the respective powers that have been regulated therein.

Maintenance of One Stop Service is devoted to government affairs both central and provincial in the field of investment. This is a government effort to increase the number of investments in Indonesia, especially in the local areas. This effort is definitely a challenge that must be done locally, where it has an area that will be used in investment activity. An easy way to obtain licensing is certainly expected to be happened as an excellent effort for local governments to improve investment climate that sparked an increase in economic growth.

The existence of decentralization or regional autonomy provides local governments with the opportunity to strengthen public services that support the entire public interest. The power given will certainly maximize the local government to explore the potentials available to improve the local economy. One of the successes of the local government is with licensing services (Muallidin, 2011). One of the most important aspects of the civil service is the licensing facility. Due to licensing greatly influences the growth of investment and raising economic growth in local areas (Rutdatin, 2017). The Excellence economic development of a government is urgently needed for a friendly bureaucracy on investment.

Not only foreign investments, domestic investments also requires the convenience of cheap and fast licensing. This is especially important as investments are driving from the economic sector which will certainly create job opportunities for civil society to achieve national goals (Akhmaddhian, 2012). This is also recognized by the study (Rustiono, 2008) where Foreign Investment, Domestic Investment, Labor and Local Government Spending can affect economic growth. In addition, domestic investments also support the success of local economies where domestic investment affects the absorption of local labor resources either in the form of Small Medium Enterprises (UKM) or other business units (Nasution, 2018).

Problems in the implementation of licensing in Dumai City are the main points of this paper. The empirical outcomes show The processing delay is issuing permits becomes an obstacle in the implementation of the services provided (Afrizal & Sahuri, 2012; Setiyorini, 2013). Besides that, Debi, (2018) the empirical outcomes show there are still some people who complain that the services provided. Moreover, There are still many people who have not processed trade business permits which will have an impact on future obtain the legality of the related parties. License services in 2018 was 2,412 licenses by manually and 110 licenses by online. There is still a user manual service by coming to the AGENCY. (DPMPTSP Dumai, 2020). On the whole, following the issues discussed in the research background research . The questions are important: how condition e-government specialy a licensing service in Dumai?. The study intends to study licensing service in Dumai City. In order to do this, the following are objective of this research which are meant to explain condition licensing service in Dumai.

## 2. METHOD

The Paper suggest future research with quantitative approach to find aspect to consider in producing significant and credible research findings. This paper proposed the good methods used in obtaining the findings of the study. To the best of the researchers' knowledge, Dumai city is one of three largest region in Indonesia and strategically located nearby the straits of Melaka (malaysia) which is the world trade route. Therefore, the local government intends to make Dumai to be an industrial city which is expected to accommodate foreign investors to do investment. Respondents will be determined by related roles as

follows the government as service providers, private sector as foreign investors and citizen as usage of licensing services. Author proposed using survey method, questioner by online in the research area

Likewise, secondary data is obtained by collect and studying all available documents, regulations, journals, magazines, newspapers and so on, related to research purposes The results obtained from data collect will be will be analyzed using the Partial Least Square-Structural Equation Model (PLS-SEM)..

### 3. RESULTS AND DISCUSSION

The public service in Indonesia is governed by the Law of the Republic of Indonesia Number 25 of 2009 on public service which states that the civil service is an activity or network to meet the service requirements that are in accordance with the law and regulation for every citizen and resident on goods services, services, and administrative services provided by public service providers. This opinion is supported by many researchers in which (Republik Indonesia, 2009). (Komarudin, 2014) mentions that the public service is all service activities must be undertaken by public service makers who have the goal of meeting the service requirements required by a definite service recipient in line with what the Law has stipulated. This opinion is clear that in providing services by service providers there are clear rules and procedures, to be directed and targeted. It is clear that the responsibility given to the recipient is greatly encouraged, where in the provision of services must be clear to whom and certainly not violate the existing provisions.

Now day, e-government played a role in public service. United Nations (UN) report has found that e-government is facilitating integrated policies and public service for accountable, transparent. E-government have : (1). Government-to-Government (G2G), (2). Government to Business (G2B) (3). Government to citizens (G2C). This view looks more specific, considering the public service derived from the government itself, where it is clear that the government must be responsible for the whole public community. E-government can also be regarded as a broad service that can be interpreted in various aspects in the form of public goods or public services whose responsibilities are carried out by the central government, local government and state-appointed companies aimed at providing public services. The e-government to meet core requirements as a citizen and is responsible for fulfilling the right of every citizen to receive good services in the form of goods, services and administrative services provided by public service providers. The importance of government involvement in providing services and can be felt by all its citizens who are one of the nation's responsibility to prosper the people. Accordingly, e-government is delivering public services online to citizens.

#### 3.1 E-Government In Local Government

Indonesia conducted the One Stop Service where there was a growing demand for the government to provide public-oriented public services and responsive to the needs of the community. This leads to the emergence of thinking about the need for a new organizational model to provide public services based on the customer's perspective as a community or business (Rusli, 2015).

Licensing bureaucracy is one of the obstacles to business development in Indonesia, especially in the region's autonomous era which is expected to enhance prosperous society and increase local economic growth is not actually achieved. This is particularly evident from the business community, often complaining because the process of licensing services by local governments has no clarity on service procedures and regulations. As in the study (Rutdatin, 2017) finds that the licensing service undertaken by the Local Government through the One Gate Service of Integrated Capital and One Stop Service of the City of Semarang in this case conducts One Stop Service in the licensing there are still service activities that have not met what has been set according to the existing service standards there is a problem with the

speed of service provided and the certainty of the correct service schedule. Slow license is issued because the license is not only processed in one place, but involves several positions or other related organizations. This research fully observes how the implementation of the services carried out with the One Stop Service system especially in making the license required by the public still has weaknesses. The one-stop service must have all the business licensees ready for speed, because everything related to the licensing process is in one office and does not involve any other office and office that will obviously take a long time. This is certainly an opportunity for illegal levies because the process is so long. Researchers are exploring how local governments work in the fight against illegal levies and illegal brokers that have occurred and have actually harmed the community. But in its research, researchers are advising to minimize weaknesses by optimizing information technology by deploying on website pages. But in fact the author of the effort has not been enough, where the problem is happening in the region is related to the complicated process and it takes a long time that causes people not to deal directly with it.

This is in line with the research (Nugroho, 2017) which provides the licensing service with reliable, easy, cheap, fast and transparent principles through one-stop service. However, local governments are experiencing constraints such as the function and the role of investment positions in the city as well as in the local areas not felt maximally. There is no integration of licensing laws between ministries, resulting in duplication of licenses in opening a business that increases the number of permits that must be owned by the businessman. Starting with the relevant licensing regulations of the relevant ministries, such as the SIUJK (Construction Services Business License) from the Minister of Transportation in this regard is the federal government, Industrial Business Permit from the Minister of Industry while the local government has also issued investment licenses for such business activities. Too many licenses made and involving other offices are directly visible not reflecting the effectiveness, one stop service promoted by the government in raising investment is still far from expectations.

However, in contrast to the study (Tanti et al., 2017) The new licensing service by One Stop Service reduces the assumption that the bureaucracy has been complicated and will definitely diminish the opportunity for stakeholders to meet with potential service officials in corruption, uncertainty in cost to get a license. One Stop Service One Stop Service was held as one of the efforts of the local Government of Pasuruan City - East Java to provide excellent and excellent service in the licensing sector where investors can conduct site reviews so that investors can minimize the risk of mistakes in planning business will be done. (Takalar, 2015) in his study said that organizational structure, infrastructure and service system have influence on service quality. From the One Stop Service the researcher said that the simple and clear organizational structure of the authorities and the responsibilities of each division makes the implementation of One Stop Service can provide effective service quality.

From the above description it can be concluded that there are still many weaknesses that must be rectified in the local government, especially in conducting the One Stop Service for local investment licensing. The need for seriousness from the local government is to strive to provide public services in line with what is desired. Improvements made in terms of bureaucracy at institutions and systems should always be continuous, so it is clear that local governments are very important to provide quality services. Improvements in services made primarily by local investment services are one of the key areas of improving local economy, where if easy licensing, it will enhance investment climate in local areas.

The implementation of e-government is still not going well. In the study also found that out of a total of 548 provincial and district / city governments that already have accessible websites, it was found that 543 have official websites. A total of 483 websites are accessible and 60 websites are inaccessible for various reasons. While 13 other website pages can be accessed, but do not provide media to communicate with the community as users (Yunita, 2018). Yunita & Aprianto, (2018). From 2011 to 2015 the implementation of e-government is felt to be very slow (Afrizal, Hakiem, & Sensuse, 2015; Napitupulu,

2015). with proven data Ombudsmen (Institutions responsible for overseeing the civil service in Indonesia) say that local government is the most important level with respect to civil service cases (Ombudsman Republik Indonesia, 2017). While for the third most common type of public service in Indonesia is to delay service, not follow procedures and do not provide effective services (Ombudsman, 2017). In 2019, civil service cases in local government are in the first stage. The institutions that have many complaints reports about the public service in Indonesia are local government at 41.62%, Government Agencies / Ministries 11.22% and Police 10.25% (Ombudsman, 2019).

### 3.2 The proposed Model:

#### Unified Theory of Acceptance and Use of Technology (UTAUT)

Many theories have discussed the use of technology, such as: Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB), Technology Acceptance Model (TAM), Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh, Morris, Davis, & Davis, 2003).

Unified Theory of Acceptance and Use of Technology (UTAUT) is a technology acceptance model that consists of a combination of eight technology acceptance models: Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980), Technology Acceptance Model (TAM) (Davis *et al.*, 1989), Motivation Model (MM), Theory of Planned Behavior (TPB) (Ajzen, 1991), Combined TAM & TPB, Model of PC Utilization (MPTU), Innovation Diffusion Theory (IDT) and Social Cognitive Theory (SCT) for the acceptance of current technology (Venkatesh *et al.*, 2003; Attuquayefio and Addo, 2014).

In particular, Unified Theory of Acceptance and Use of Technology (UTAUT) model is a theory of testing the intention of technology users (Venkatesh *et al.*, 2003) Venkatesh, Thong & Xu, 2016. (Venkatesh *et al.*, 2003; Venkatesh, Thong & Xu, 2016). This model is a suitable model for predicting of intentions Mansoori *et al.*, 2018). Subsequently, testing of UTAUT confirms that this model suitable for the acceptance of information technology usage (Williams, Rana & Dwivedi, 2015; Khechine, Lakhali & Ndjambou, 2016). In this regard, research of UTAUT as produce many variations of construct to intentions of information technology usage in public service sector (Nawi *et al.*, 2019), Barrane *et al.*, 2018; Akbar, Irianto & Rofiq, 2018).

UTAUT model framework proposed:

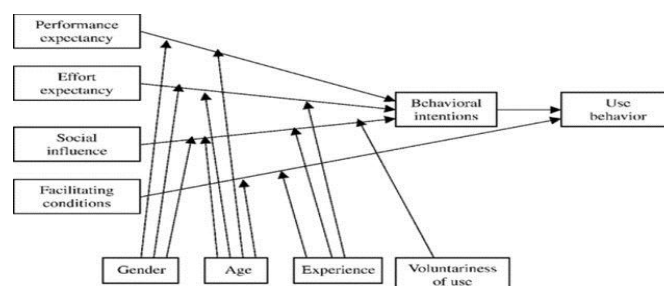


Figure 1. UTAUT Model (Venkatesh *et al.*, 2003)

## 4. CONCLUSION

This paper proposed framework to understand the intention to use e-government in local government. UTAUT model sought to explaining intention to use e-government in Dumai City. Several variables from UTAUT Model such as performance expectancy, effort expectancy, social influence, and facilitating condition, behavioral intention and use behavior.

## 5. SUGGESTION

The proposed concept presented are believed to get will be a good input for the government of Dumai to improve its electronic services. In addition, this paper endeavors offers concept ideas to see intention to use e-government in local government and can help policy makers in e-government services in Indonesia.

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