

## Digital Transformation in Business Licensing Innovation Through a One-Stop Service Management Policy

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This study aims to: first, explore the digital transformation undertaken by the Jember Regency government in conducting business licensing through a one-stop service policy; second, analyze the impact of digital transformation on business licensing innovation through a one-stop service management policy; and third, explore the effectiveness of business licensing innovation through a one-stop service management policy. Based on these objectives, this study is expected to contribute: first, contributing to institutions to always innovate in services by implementing digital transformation for effectiveness in public services; and second, contributing to the community that digital transformation can make services more effective in terms of time and cost, especially if carried out through a one-stop service. Thus, there is no long bureaucracy. The objectives and contributions can be achieved through a qualitative research approach with a case study type. Researchers directly explore the one-stop service management policy implemented in Jember Regency since 2021. Researchers conducted observations, interviews, and traced data through a documentation process. Analysis used the Miles and Huberman model, and data validity tests used source and technique triangulation. The results of this study, first, the Jember Regency government in business licensing services innovated by changing the system to a one-stop and digital-based system, so that business actors did not have long bureaucratic licensing processes. Second, the impact of one-stop shop management, coupled with digital transformation, is fast, easy, and affordable service. Third, business licensing innovations are effective in preventing fraud and extortion, as well as being time-efficient.

Keywords: digital transformation, business licensing innovation, one-stop service management

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### 1. Introduction

Digital transformation in public services is a global trend influencing the way governments organize their bureaucracy, including the business licensing sector. At the national level, Indonesia has been intensively developing e-government since Presidential Regulation 6/2001 to support good governance. The implementation of government digital platforms is expected to accelerate, simplify, and improve service accountability. Challenges such as infrastructure gaps and digital literacy are key obstacles. Digital transformation is crucial for public services to be more responsive to public needs. It also aims to encourage public participation and service transparency. This research examines these issues in the context of business licensing services based on one-stop service management. Following up on these dynamics, the national government has responded by developing a more structured digital service system.

Nationally, the OSS (Online Single Submission) system has become an icon of the integrated digital licensing service policy designed to simplify the business permit process. Previous studies in Pekalongan found

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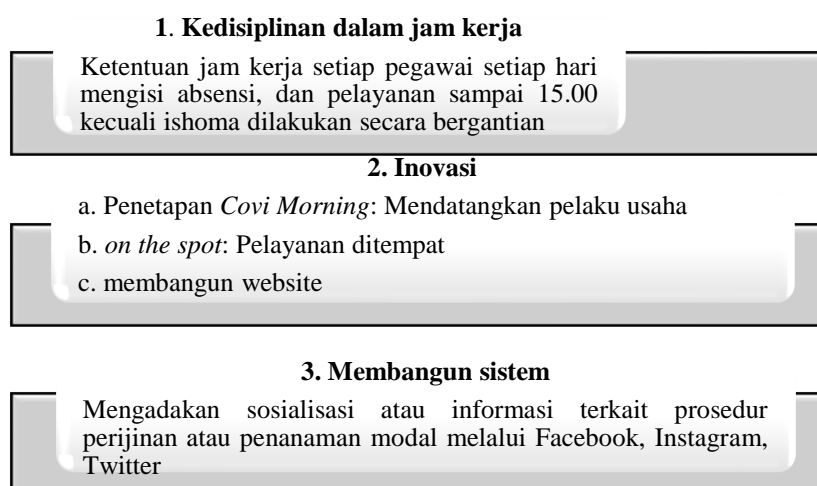
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that OSS implementation reduced licensing processing time from several days to mere hours through a digitized approach. However, internal bureaucratic transformation and inter-agency data sharing remain suboptimal in many regions. These findings indicate that OSS is still at the e-government stage, not fully digital government. This makes it an important context for exploring practices in Jember Regency. The research's relevance lies in assessing how the OSS and the single-stop management policy are effectively integrated. This requires a contextual understanding of the OSS application in Jember as an integrated licensing service. Locally, digital transformation efforts have also been implemented in several regions, including Jember Regency.

Jember Regency has implemented the One-Stop Investment and Integrated Services Agency (DPMPTSP) as the spearhead of digital business licensing services. The DPMPTSP was established based on a Regent's Regulation and serves as the coordinator of investment policies and the granting of permits, both business and non-permitting. This institution opens up opportunities for innovation in digital-based public services. The authority of the Jember Regency One-Stop Investment and Integrated Services Agency is based on Regent's Regulation Number 56 concerning its position, organizational structure, duties and functions, and work procedures. In carrying out its main duties and functions, the institution coordinates policies in the field of investment, licensing, and non-permitting services.

**Figure 1**  
**Implementation of Innovation**



Source: Processed Interview with Mr. Andika (Head of General Affairs and Personnel Sub-Division, Investment and One-Stop Integrated Services Office).

However, local literature on the effectiveness of the Jember DPMPTSP in practice remains very limited. Few studies have explored the meaning of user experience and the implementation process of digital OSS in Jember. Therefore, this research offers scientific value to fill this literature gap. A qualitative approach is deemed appropriate for exploring these dynamics in depth. The application of this model aligns with the theoretical approach underlying this study.

Theoretically, studies of digital transformation of public services are largely based on the theories of innovation diffusion and e-government. In cities like Surabaya, a smart governance approach has been shown to increase public participation and the quality of digital services through the convergence of technology and government processes. Findings in Palembang also demonstrate that a structured public innovation model can accelerate service transformation, despite the still-dominant challenges of bureaucratic mindset and socialization. Similarly, in Central Maluku, an analysis of the quality of OSS RBA services revealed various supporting and inhibiting factors in the implementation of a digital licensing system. Therefore, this study provides a strong theoretical basis for examining OSS in Jember. Research in Jember will enrich the empirical literature on digital-based OSS services in the regional context. However, the reality on the ground indicates certain challenges in implementing such a system.

Issues observed in the field indicate a mismatch between public expectations and operational practices in digital licensing services. Empirical experience in regions such as Central Maluku reveals obstacles such as system connectivity, data input errors, and limited public access to the OSS (Online Service Provider). Similar empirical data is not widely available for Jember Regency. Initial observations and interviews with field facilitators indicate that the public desires a fast, easy, and secure process without complicated bureaucracy. However, it is unknown

to what extent the one-stop OSS service has met these expectations in Jember. Therefore, it is crucial to explore user experiences, the perceptions of MSMEs, and bureaucratic staff. This research will uncover the gap between policy and practice. This gap in the literature is the primary reason why this research is important.

The literature gap to be filled includes the lack of in-depth research on the digital transformation process in the implementation of one-stop shop management policies in the regions. Studies in Pekalongan, Palembang, Surabaya, and Central Maluku have not addressed the specific context of Jember. Furthermore, the experiences of users and business actors in Jember are rarely documented. This research adopts a qualitative approach based on interviews, observations, and documentation of local policies. The aim is to explore the meaning of processes, systems, and interactions within OSS digital services. This approach is expected to provide a rich and systematic description of the phenomenon. Thus, the research contribution is both empirical and theoretical. In addition to structural aspects, social and cultural factors also have a significant influence on the success of the transformation.

Sociocultural issues are also relevant to the digital transformation of licensing services, as rural communities, such as those in Jember, can have varying levels of digital literacy. If unaddressed, this can lead to unequal access. The diffusion of innovation theory suggests that technology adoption is strongly influenced by user characteristics and local context. Therefore, a sociocultural analysis will be a key component of this research. Researchers will examine business actors' perceptions of the OSS (Online Online Shopping) and government support for digital outreach and education. The primary objective is to understand the barriers and strategies for community digital empowerment. A practical contribution of this research is to suggest policies for increasing inclusive local digital literacy. Furthermore, managerial aspects also play a significant role in supporting the sustainability of this digital policy.

This research also examines the managerial aspects of the one-stop shop policy as a form of public administration innovation. E-government theory textbooks state that service innovation must be supported by leadership, human resources, and technological infrastructure. Therefore, this research will explore the commitment of Jember DPMPSTSP leaders, the readiness of human resources, and the quality of available digital facilities. This information will be obtained through staff interviews and internal documentation. The institutional analysis is expected to demonstrate whether the policy has transformed into an integrated digital practice. This will also open up discussion space for local governments for internal evaluation. Based on this background, the objectives of this research are formulated systematically.

The primary objective of this study is to explore the digital transformation process in business licensing services through the one-stop management policy in Jember Regency. The secondary objective is to analyze the impact of digital transformation on business licensing innovation, particularly the OSS (Online Shopping System) in Jember. The third objective is to evaluate the effectiveness of licensing innovation through the one-stop management policy from the perspective of users and administrators. This study also aims to provide theoretical insights into the diffusion of innovation and e-government transformation at the regional level. Furthermore, the research findings are expected to provide practical contributions in the form of policy recommendations for the digitalization of local public services. These objectives are then elaborated in a more in-depth and focused study focus.

The research study focuses on three main dimensions: the digital transformation process, the impact on licensing innovation, and the effectiveness of the one-stop OSS service. From a process perspective, the study will explore the planning and implementation stages, as well as the obstacles to implementing OSS digitalization in Jember. Impact aspects include user experience, service speed, cost, and transparency. Meanwhile, effectiveness aspects include service quality indicators such as reliability, responsiveness, and service assurance and empathy. Data collection included in-depth interviews with business actors and DPMPSTSP staff, implementation observations, and policy document analysis. A thematic and descriptive analysis approach was chosen to capture the meaning and context of local digital services in depth. The elaboration of this study's focus also contributes to the development of theory in the academic realm.

The theoretical contributions of this research include enriching the literature on digital transformation of public services and innovation diffusion in the context of small-to-medium regions in Indonesia. The Jember case study is expected to provide additional empirical references, alongside the cases of Pekalongan, Palembang, and Central Maluku. This study also broadens understanding of how OSS policies are implemented at the regional level and their impact on service quality. The theory of e-government and innovation diffusion will be tested in the context of local bureaucracy and government-public interactions. This contributes to the

development of public innovation theory in developing countries. Furthermore, the practical aspects of the research findings are also of significant concern.

The practical contributions of this research include recommendations for the Jember Regency government and the Department of Public Works and Public Housing (DPMPTSP). These recommendations could include measures to increase human resource capacity, accelerate the dissemination of the OSS system to business actors, and improve digital infrastructure. Furthermore, the research could suggest the development of a more user-friendly and inclusive OSS system. The research findings are also important for policymakers in similar regions who wish to implement digital-based integrated business licensing services. Findings on technical, cultural, and managerial barriers can serve as a reference for service evaluation and improvement. To achieve these goals, an appropriate methodology is essential.

This research uses a descriptive qualitative design with a case study approach to explore the phenomenon of OSS digital transformation in Jember. Data were collected through in-depth interviews, participant observation, and policy documentation and reports from the Department of Public Service Delivery (DPMPTSP). Informants included DPMPTSP staff, MSMEs accessing business permits, and relevant local government officials. Data analysis techniques used data reduction, display, and verification to ensure research rigor. Triangulation of data between user perceptions, formal documents, and field observations provided a rich narrative. This approach is suitable for understanding the process, context, and meaning of digital service transformation. Furthermore, this research is strengthened by a relevant and comprehensive theoretical foundation.

The theoretical framework underlying this research includes the Diffusion of Innovations theory and e-government theory. Diffusion of Innovations explains how new technologies are adopted by society and organizations. E-government highlights how bureaucratic digitization can improve the efficiency, transparency, and accountability of public services. This research also adapts the service quality dimensions (tangible, reliability, responsiveness, assurance, empathy) from Parasuraman et al. in the context of the OSS RBA. This combined framework allows for a comprehensive analysis of the process, impact, and effectiveness of digital licensing service transformation. However, the researchers acknowledge limitations that may impact the scope of the study.

The researchers acknowledge the limitations of this study. First, the research is contextualized within a single region, Jember Regency, so the findings cannot be generalized nationally. Second, limited access to internal data or resistance from bureaucrats may impact the depth of information. Third, there is the potential for bias in interviews due to informants' reluctance to highlight policy weaknesses. However, data triangulation and a transparent approach are expected to minimize this risk. Furthermore, this study focuses on MSMEs, thus excluding large-scale business segments. The absence of extensive quantitative data is also a limitation. However, a qualitative approach remains relevant for in-depth initial exploration. This situation actually reinforces the urgency of more efficient and digital-based public services.

The crucial context lies in the public's need for fast, easy, and secure services. Literature studies show that conventional bureaucracy is often perceived as complex and time-consuming. The OSS (Online Shopping Center) emerged as a solution to overcome layered bureaucracy, reduce redundant data input, and shorten service times. The single-window policy provides an institutional framework for unifying digital licensing services. In Jember Regency, this policy is expected to bridge the gap between the government and the public, eliminating interaction gaps. The emphasis on good governance is one of the logical foundations of its implementation. The public gains ease of digital interaction without undergoing complicated manual procedures. The application of good governance principles is the primary reference in designing this policy.

The concept of good governance is an important foundation in this study because the digitalization of public services is closely linked to transparency, accountability, and public participation. The OSS policy, integrated through one-stop management, is intended to improve the quality of local good governance. A study by Afrilia et al. shows that digital innovation can increase transparency and responsiveness in local governments. However, successful implementation depends on infrastructure, organizational culture, and user literacy. Therefore, this study will holistically examine the supporting and inhibiting factors for the implementation of the OSS digital policy. It will also focus on how the public perceives the policy's impact on public trust. Through this approach, the dynamics of OSS implementation in Jember can be analyzed more thoroughly.

The findings of this study are expected to strengthen understanding of the dynamics of OSS implementation in Jember. Interviews with business actors can reveal perceptions regarding the ease, cost, and uncertainty of the licensing process. Data from DPMPTSP staff can shed light on operational challenges, such

as workload, competency, and technical infrastructure. Furthermore, direct observation of the digital licensing process provides a practical overview of service delivery. Thematic analysis will connect practical findings with the theory underlying the research framework. This ensures that the implications of the findings are both theoretical and applicable. The emphasis on the efficiency dimension also provides insight into the quality and impact of policies.

This research will also examine the impact of digital transformation on cost efficiency and service time. Previous studies in Pekalongan noted a reduction in time from several days to mere hours. If a similar trend were to occur in Jember, the implications for business productivity and public satisfaction could be significant. However, if not, the analysis could identify key obstacles. Furthermore, transparency in permit applications and tracking status is also examined. This evaluation is relevant to understanding whether the OSS meets service quality indicators. These findings have the potential to provide strategic input for regional policymakers.

The research's benefits for local policy are concrete. The resulting recommendations can help the Jember DPMPSTSP improve its digital OSS services. These include recommendations for human resource training, increasing public digital literacy, and optimizing the OSS system. This policy can also serve as a model for other regions seeking to implement digital-based one-stop licensing services. Furthermore, the research findings can be used to evaluate policies at the provincial and central government levels. This practical contribution is crucial for making public services more inclusive and efficient. From the business perspective, OSS implementation also has a direct impact on local economic dynamics.

From a business perspective, the ease of digital licensing directly impacts the entrepreneurial spirit and growth of MSMEs. Bureaucratic licensing barriers are often cited as a factor inhibiting the informal economy. The OSS (Online Business Access) aims to cut through bureaucratic red tape and increase access to legal businesses. Therefore, this study also assesses the impact on improving the local business climate. This information is useful for pro-MSME policymakers. If the OSS is found to be suboptimal, recommendations for improvements will be crucial to increasing access to legal businesses. With the right analytical design, this study can objectively capture policy realities.

Finally, the research findings are expected to serve as academic references and policy guidelines for the digitalization of business licensing services at the regional level. The theoretical contribution enriches the literature on digital e-government transformation and innovation diffusion in the local Indonesian context. The practical contribution provides implementation recommendations for the Jember DPMPSTSP and local governments. This research also opens up opportunities for cross-regional comparative studies with similar cases. Sustainable follow-up research can test the effectiveness of implementation recommendations. Therefore, this research is not only academic in value but also has tangible social and policy impacts.

## **Literature review**

### **a. Digital Transformation**

In achieving this goal, this research is based on the theory of digital transformation which is caused by the increasingly rapid presence of the industrial revolution. Digital transformation exists as a major and fundamental change in the way businesses or organizations operate and interact with their customers through the use of digital technology. This transformation is primarily undertaken to achieve strategic goals and improve performance. Westerman et al., (2011) stated that digital transformation is the use of technology aimed at improving the performance and reach of a company by radically changing customer relationships, internal processes, and value propositions. (Cahyono et al., 2023). Digital transformation is largely a buzzword that suggests a shift in the scope and direction of digital government. Digital transformation is seen as a paradigm shift and is sometimes referred to as a technological revolution.

The existing literature suggests that there are two traditions for explaining the success of digital government:

- (1) Focus on the implementation of this initiative by government agencies
- (2) Focuses on the adoption of digital government by citizens and other users. According to (Mergel et al., 2019), digital transformation also refers to e-government and digital government. The concepts themselves are interrelated and share similarities in how the public sector uses ICT to improve service delivery, transform organizational processes and culture, and its impact on value creation. To understand digital transformation in government or agencies at the central and regional levels, it is necessary to consider three elements that can explain the impact of technology on organizational change.
- (3) The three elements include: Using technology to transform service delivery (Afriyani et al., 2022).

## b. One-Stop Service Management

The second theory used in this research is the theory of one-stop service management. Management is defined as the work and study of arranging, coordinating, combining, coordinating and not controlling human resources for previously determined goals. (Fitriani et al., 2020). Meanwhile, service management can be defined as the application of knowledge and expertise to organize, implement plans, and provide supporting training so that service objectives can be achieved. Implementing customer-based service management is inherently difficult due to the diverse characteristics of the customers served by service personnel, such as:

- (1) There are customers who love to argue.
- (2) There are some customers who are quiet.
- (3) There are customers who like to talk (Afifah, 2019).

The use of a customer-focused service management system should be beneficial in identifying any obstacles as quickly as possible. The perception that government officials are uninterested in implementing a quality system that prioritizes customer needs is one of the obstacles hindering the implementation of customer-focused service management. (Maritime Raja Ali Haji et al., 2023)

Based on these two theories, it can be concluded that customer-based services are currently essential to achieve excellent service, especially from the government to the public. Similar research has been conducted by several previous researchers, such as the study by Paputungan et al. (2023), which discussed the management of Integrated One-Stop Services (PTSP) in improving service quality. This study examined the practices of PTSP to provide satisfaction to the public. (Paputungan et al., 2023) However, this study did not measure the effectiveness of public services. Therefore, further exploration is needed. The research by Afridha D and Parwiyanto H (2021) focused more on the innovation of the online licensing system at the Investment and One-Stop Integrated Services Office in Purworejo Regency. This research differs from this study in terms of analytical depth, as it not only discusses service innovation but also measures effectiveness in its implementation (Afridha & Parwiyanto, 2021). A similar study was conducted by Puji P et al. (2021) on an integrated business licensing service system model using SSO. Puji et al.'s study focused more on SSO but did not address the impact of these services. (Puji & Agusman, 2021).

## 2. Method

The researcher used a qualitative approach with a case study type. Data collection involved several sources of information such as observations, interviews, documents, and various reports. The research location chosen by the researcher was the Investment and One-Stop Integrated Services Office of Jember Regency, located at Jl. Gajah Mada, No. 206, Kaliwates Village, Kaliwates District, Jember Regency, East Java 68118. The researcher chose this research location because the implementation of the one-stop management policy was the result of an innovation in licensing services that had been carried out by the Jember Regency government which had collaborated with digital transformation through an innovative system. *Online Single Submission* (OSS) which is deemed necessary to be examined. Researchers directly explore the one-stop service management policy implemented in the Regency Jember since 2021.

The research subjects used purposive techniques, while the research subjects or informants selected by the researcher included:

1. Mr. Arief Tyahyono, as Head of the Investment and One-Stop Integrated Services Office of Jember Regency.
2. Mr. Riyan, as the Section for Services and Licensing Determination.
3. Mr. Andika, as Head of General Affairs and Personnel.
4. Mrs. Nuki, employee and treasurer.
5. Mrs. Nanik Hariyati, investment sector.
6. The community, namely people who need permits and feel the impact of services from the implementation of the system *Online Single Submission* (OSS).

The data collection techniques used in this research were observation, interviews and documentation. The data obtained using this technique are:

- a. How to serve at the Investment and One-Stop Integrated Services Office of Jember Regency.
- b. Office facilities related to supporting applicant services at the Jember Regency Investment and One-Stop Integrated Services Office.

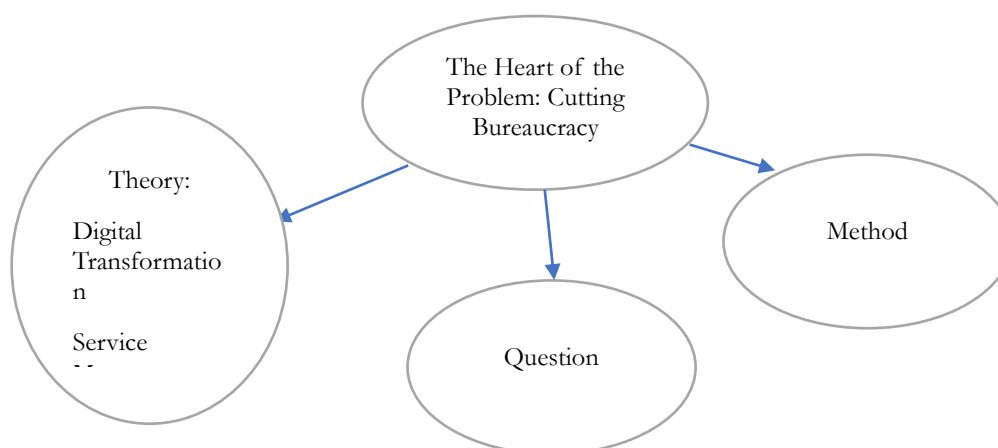
The analysis technique used in this research is Miles and Huberman model data analysis techniques (in Sugiono, 2018), which consist of several stages, namely: First, data collection, generally researchers conduct literature studies first to verify and provide initial proof that the problem to be studied really exists, then conduct interviews and observations to collect data in the field. Second, data reduction, namely the process of summarizing, selecting and sorting all forms of data obtained in the field to be formed into writing that will be analyzed. Third, data display (data presentation), after all the data obtained is arranged in the form of a script,

the next step is to present the data to process the semi-finished data in the form of writing that has a clear theme flow, then it will be grouped and categorized into a more concrete form and ended by providing a code.

This coding process serves to enter and list each subject and informant statement according to the theme and subcategory categories and assign specific codes to each statement given by the subject. Fourth, drawing conclusions or verification is the final stage in analyzing data from the Miles and Huberman model. Conclusions lead to the research questions that have been posed previously. Drawing conclusions in qualitative research includes a description of all listed theme subcategories accompanied by verbatim quotes from the interviews. After being described, the research results need to be explained to answer the research questions based on the aspects, components, factors, and dimensions of the research.

To test the validity of the data using triangulation of sources and techniques. Triangulation of sources To test the credibility of the data, the data is checked against the same source using different techniques. This means that the data obtained through interviews is then checked against observation and documentation. Since these three techniques produce different data, the author conducts further discussions with the relevant data source or others to determine which data is considered correct or whether all are correct due to different perspectives. In this case, the author wants to know the application of Digital Transformation in Business Licensing Innovation Through a One-Stop Service Management Policy By collecting data from observations, interviews, and documentation, triangulation techniques can produce more accurate and reliable data.

**Figure 2**  
**Research Framework**



### 3. Results & Discussion

#### Result

According to Law Number 25 of 2009 concerning Public Services, Article 1 number 1 states that public services are activities or a series of activities in order to fulfill service needs in accordance with statutory regulations for every citizen and resident for goods, services, and/or administrative services provided by public service providers. Thus, the main task of every government agency is to provide services or organize public services (public service) and welfare for its people (public welfare) based on statutory regulations. In general, the concept of One-Stop Integrated Services (PTSP) is one of the activities of organizing licensing and non-licensing, where the management process from the application stage to the issuance of permit documents is carried out in an integrated manner in one place by adhering to principles such as: simplicity, transparency, accountability, ensuring certainty of costs, time, and the existence of legal procedural clarity. With the PTSP policy concept, applicants only need to come to one place and meet with the counter officer so as to minimize interaction between applicants and licensing officers and avoid unofficial levies.

Government Regulation Policy Number 24 of 2018 Concerning Electronically Integrated Business Licensing Services or Online Single Submission (OSS) regulates the reform of the implementation of business licensing services, starting from the subjects, objects, systems and procedures for implementing business licensing services. Electronically integrated business licensing or Online Single Submission is a business licensing application issued by the OSS institution on behalf of ministers, heads of institutions, governors, or regents/mayors to business actors through an integrated electronic system. This Government Regulation was stipulated on June 21, 2018, and its implementation was launched by the President of the Republic of Indonesia, Mr. Joko Widodo on July 9, 2018, in whose remarks the President of the Republic of Indonesia stated that:



"Business licensing services must now be carried out quickly and accurately, one hour can be completed as in developed countries while aiming to simplify investment services which are currently still difficult and complicated" (Remarks of the President of the Republic of Indonesia, 2018) Business licensing services for all sectors must go through this OSS system, except the mining and financial sectors.

## Discussion

Based on the results of data analysis conducted by researchers through observation, interview and documentation techniques in the field with the title Digital Transformation in Business Licensing Innovation Through One-Stop Service Management Policy.

### 1. Exploring the digital transformation undertaken by the Jember Regency government in conducting business licensing through a one-stop service policy.

With the digital transformation used in the one-stop integrated service to reduce slow bureaucratic services, the results of observations from researchers obtained in the field regarding digital transformation that has been implemented in carrying out licensing through the one-stop service policy, from here the researchers also found that the main tasks and functions in the performance standards have been carried out based on Perbup 24 2022 in accordance with the Work Organizational Structure (SOTK). Related to business licensing through the one-stop service policy in Jember Regency is carried out free of charge regarding costs, only in levies such as IMB and advertising permits (taxes), for payment through Bank Jatim. In Licensing, it is said that the applicant (community) is satisfied or dissatisfied when the permit is issued correctly, however, there are still permits that are issued incorrectly, this is related to the accuracy of employees in correcting the files according to the applicant's data. In addition, researchers also found a similarity with research Rifta Dimas Sulistiyo, Muhammad Rifki Shihab which both discuss Digital Transformation (Dimas Sulistiyo & Shihab, 2023)

### 2. Analyzing the impact of digital transformation on business licensing innovation through a one-stop service management policy.

The impact of digital transformation on integrated one-stop services in licensing can create more effective and efficient services. With the existence of a one-stop service management policy to create effective service to applicants is the implementation of the OSS system in the permits used. The implementation carried out in addition to effectiveness, efficiency is also important regarding the facilities and infrastructure (sarpras) which are sufficient in services, such as waiting rooms: seating for breastfeeding mothers, smoking areas, children, priority services such as the elderly, a place to relax, coffee is also provided, and automatic queue number taking, air conditioning, prayer rooms, clean bathrooms, with the aim of providing comfort to the public (applicants) and relaxed applicants to take care of permits.

### 3. Exploring the effectiveness of business licensing innovation through a one-stop management policy.

Under the auspices of the Jember Regency government, several agencies have implemented management policies, including the Investment and One-Stop Integrated Services Agency, the Public Works and Public Housing Agency, and the Cooperatives Agency. The Investment and One-Stop Integrated Services Agency has been using the OSS system since August 4, 2021. Business licensing is integrated electronically or Online Single Submission (OSS) with the aim of being a form of reform in the business licensing sector, applicants no longer need to go directly to the Office to process permits, simply through the OSS system. Before the OSS, people used a manual system because initially permit applications had to go through a long process and bureaucracy and had to be physically present. With the OSS, people can process business permits more practically, quickly, without having to leave their homes or offices.

Figure 3  
Retribution Licensing Flow Mechanism



Source: Document of the Ministry of Investment and One-Stop Integrated Services



Figure 4  
Non-Retribution Licensing Flow Mechanism



Source: Document of the Ministry of Investment and One-Stop Integrated Services

Performance standards and performance measures in services based on Regent Regulation 24 of 2022 in accordance with SOTK include the secretariat's duties related to office facilities, infrastructure (sarpras), and personnel. The Investment Sector carries out promotions, outreach for investors, and attracts business actors (Covi morning). The Licensing Sector is responsible for controlling permits, from data entry to the issuance of recommendation letters. Of the three sectors engaged in services, in addition to performance standards, there are performance measures for their implementation, namely speed and accuracy in achieving targets. The speed of performance measures according to PP 5 of 2021 is a maximum of 28 working days, in processing Accuracy in service is required, namely the accuracy of officers when checking applicant files before going to the Technical Division. In the licensing sector, to cut down the bureaucratic flow by The goal of more effective and efficient Investment and One-Stop Integrated Services Office is to divide the work units in the public sector that are directly related to the applicant, including a waiting room that can direct you to the CS field, then the CS field's task is to check the completed files, after the applicant's files are declared complete, the next stage is in the Technical Licensing Field, the task is to make a recommendation letter that will be sent to the Technical Service according to the permit requested by the applicant.

The licensing process at the Investment and One-Stop Integrated Services Agency is free of charge, with fees, such as Building Permits (IMB) and advertising (taxes), paid through Bank Jatim. Applicants process permits from the licensing process through to the issuance of permits at the Investment and One-Stop Integrated Services Agency. In controlling the output and outcome of the community (applicants), they fill in the suggestion box provided to determine their satisfaction or dissatisfaction during the licensing process. This is done to determine the results of a community satisfaction survey, applicants' satisfaction with facilities and infrastructure, human resource discipline, and the OSS application system for simplicity and practicality. This study found that the service system implemented by Jember Regency, namely the one-stop integrated service with digital transformation in licensing innovation, is a new application to reduce bureaucratic flow that has been implemented since August 4, 2021. Researchers also found that there are impacts and (Cahyono et al., 2023b) effectiveness for agencies and the community (applicants), this similar research was also conducted by Adekun Cahyono et al (2023), This research examines the effectiveness of OSS implementation, as well as the supporting and inhibiting factors. Furthermore, the researcher examines not only the implementation system but also the impact and effectiveness of innovation resulting from this digital transformation. Therefore, this research is very interesting and interesting.

#### 4. Conclusion

Based on the data explained above, to provide a more concise, precise and focused understanding, the researcher presents the following conclusions:

1. The Jember Regency government's digital transformation in business licensing is carried out through a one-stop shop policy. This digital transformation, implemented through a one-stop shop policy with management, is used within the government to reduce bureaucracy in public services. The standards used

in this service, aimed at improving good governance in the implementation of NPM, are based on Regent Regulation 24 of 2022, in accordance with the SOTK.

2. The impact of digital transformation on business licensing innovation through one-stop service management policy, namely the impact of digital transformation on licensing innovation is used to provide good governance services, this is supported by effectiveness and efficiency, namely to create effective services to applicants using the OSS licensing system used in the Service. In services to create efficiency, it is supported by complete facilities and infrastructure (sarpras) with the aim of providing comfort to the public (applicants) and applicants are relaxed in taking care of permits. The effectiveness of business licensing innovation through one-stop management policy: the effectiveness of licensing innovation is applied to the Online Single Submission (OSS) system with the existence of OSS to cut long bureaucratic services, the public (applicants) can do licensing from home without directly going to the one-stop integrated service, in addition to saving time and costs.

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