

# Performance of Integrated Capital Investment and Licensing Service of Batu City on Tourism Development With Pentahelix Perspective

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**Abstract**—The issue of standardization in public services become more important to government institutions, not simply because of the individual nature of individual actor and lack of personal responsibility for bureaucracy apparatus. Furthermore, because the nature of work and accountability are the interests of various parties and the government itself. The dynamics of development in Batu City in the last five years show a very rapid development, this is marked by the increasingly widespread physical development, whether housing, offices, hotels, businesses, attractions, especially the investment of Batu City is the tourism sector. Pentahelix explained that the implementation of the sustainability synergy of helix in the pentahelix must be a synergy as a mutually supportive and interconnected power, especially in the service field.

**Keywords**—service performance, tourism development, pentahelix, Batu City

## I. RESEARCH BACKGROUND

Public service is the most basic thing used in bureaucratic reform, these concept, in recent years, ends on how to improve the performance of bureaucracy and to provide services to the public as a whole and can satisfy all parties without any discrimination. Concept and awareness of the importance of public services in an area and equitable distribution of development have been implemented through efforts to strengthen local government as a public institution directly relating to the community.

The issue of standardization in public services becomes more important to government institution not simply because of the individual nature of individual actor and lack of personal responsibility for the bureaucracy apparatus but also because nature of work and accountability are the interests of various parties and the government itself. In the other words, the problem of public service standard is a systemic problem, which arises as a result and is related to the weaknesses of the apparatus and the bureaucracy and the society itself. This is consistent with those quoted in Islamy [1].

Some research results about the role of frontline bureaucracy in providing services to the community in Indonesia show the existence of pathology and stigma of public bureaucracy service as follows:

- Front-line bureaucrats more self-serving as an employer than a service apparatus
- Service apparatus is more oriented to the status quo than the improvement of service
- Service apparatus is more focused on power than the desire for change (especially self-capacity)
- Service apparatus is more concerned with procedures than substance
- Service apparatus is more self-serving than the society to be served

Concept and awareness of the importance of public service in the region for equitable development has existed through how efforts to strengthen local government as a public institution closely linked with society. Government as the owner of the ship should be able to empower and serve citizens because they are the real owners of the "ship", not just directing [2], according to Denhardt and Denhardt, because the actual public interest owner is the public then the public administrator should be able to focus on the responsibility in serving and empowering citizens through the management of a public organization and also implementation of public policy [2]. Government is a servant to the community, as a public servant, government has a great responsibility in carrying out the service as well as possible because the community is a citizen who also has the right to be fulfilled without exception to be able to get service. Government in the effort to realize a clean government is expected to perform their complex duties properly, government in this case is the state apparatus having authority to be able to manage its citizens well. Many opinions circulated in the wider community. Those opinions state that members of Government Apparatus are increasingly not aspirational, arrogant, can only say no and many others that

essentially lead to one concept that is to say the nature of the current Government Apparatus in this reformation era have been very apprehensive and not better than before could be a point [3]. Any attempt to link good public services to how government agencies provide good services such as licensing services on investment or investment in tourism may not be a new thing. The main point of service pattern concept is how good performance will improve service to the public's perception that has been tended to be the object of service so that public that is considered must 'serve' must be eliminated. Every government apparatus must begin to be professional in providing services and making people get the service. Therefore, all service providers in each government organization must synergize with each other to strive providing the best service. The issue of standardization of public services becomes more crucial to the government, not solely because of the individual nature of the bureaucracy apparatus, but also the lack of personal responsibility.

Batu City is a unique area, which was formed into the township in 2002 on October 17, 2002. Because formerly Batu City was an administrative city under Malang Regency and accordance with Law no. 11 dated June 30, 2001 on the improvement of the administrative status of Batu City authorized by the Minister of Internal Affairs. Along with time and if it is seen from the region's potential and viewed from the administrative side, Batu City is a new autonomous region that is developing "brand image" as City of Tourism. Batu City has an area of only 199.087km<sup>2</sup>. The dynamics of development in Batu City in the last five years show very rapid development, this is marked by the increasingly widespread physical development of housing, offices, hotels, businesses, tourism objects, entertainments, and especially investment in Batu City since it is located in the tourism sector. Batu City has become an icon as a City of Tourism needs supporting facilities such as hospitality, which is the most important, places to eat, and so forth (PHRI East Java). This is because the number of tourism objects in the Batu City has grown in good.

## II. THEORETICAL REVIEW

### A. Service Performance

The government's performance assessment can be done externally through the response of public's satisfaction. The government set up a measuring instrument to be able to measure the public services performance through the Decree of Menpan No. 25/KEP/M.PAN/ 2/2004. Based on Decree No. 25/KEP/M.PAN/2/2004 on General Guidelines for Compilation of Public Service Satisfaction Index of Government Institution Service Unit, there are 14 indicators of performance criteria for service organization as follows [4]:

- Procedure of service, which is ease to carry out service stages given to the public seen from the simplicity of service flow

- Terms of service, namely technical and administrative requirements required to be able to obtain services in accordance with the type of service.
- Clarity of service officers, namely the existence and certainty of officers in charge of providing services (name, position and authority and responsibility).
- Discipline of service officers, the attitude of seriousness of the officer in providing services, especially in terms of consistency of working time in accordance with applicable regulations.
- Responsibility of service officers, namely clarity of authority and responsibility of officer for the implementation and completion of service.
- Ability of service officers, which is to what extent skill and skill level of officer in giving/completing service to the public.
- Service speed, namely service time which can be completed within the time specified by the service provider unit such as agreement.
- Justice to get services, namely the implementation of services which do not differentiate the class/status of public to be served.
- Courtesy and hospitality of officers, the attitude and behavior of officers in providing services to the public politely and friendly and also respect them.
- Fairness of service charge, namely affordability of the public to the amount of costs which have been set by the service unit.
- Certainty of service charge, namely written conformity between the fees paid and the fees already set.
- Certainty of service schedule, namely the implementation of service hours in accordance with the provisions which have been determined.
- Comfort environment, namely the condition and facilities and infrastructure services which are clean, neat, and presentable so as to provide a sense of comfort to the recipient of the service.
- Security of service, namely ensuring the level of environmental security and the service provider unit or facilities used so that the public can feel at ease to get services to the risks that may arise from the implementation of the service.

In the last decade many developing countries have paid special attention to the tourism industry. This is clearly visible with the tourism development program in the country. The role of government as the front guard in providing services is expected primarily to further improve service performance in the field of tourism investment licensing services.

B. Helix as a Concept

Helix is a concept of synergy or cooperation, first known as Triple Helix. The development of the next helix into quadruple helix or approach with four helix with added community elements will be instrumental in helping the synergy with the previous three elements. The penta helix or quintuple helix added to the environment is increasingly complementary in how these five elements synergize to bring impact to the development in the region especially in terms of tourism [5]. As found in the research journal of Drevnkar N et al., synergies in helix are used to develop research on historic tourism in Croatian Country, the concept is well described internationally [6]. By analyzing the views of war veterans, the concept of tourism with memories of war arises, then it is analyzed and there will be a concept of how the management for the development of a new tourism concept in Croatia is. The triple helix innovation paradigm in Drevnkar's research is based on the integration of commercialization, empirical knowledge, as well as public interest, to create a concept of new tourism in Croatia [6]. The following figure 1 will present the quintuple helix model or we terminate pentahelix adopted from Carayannis and Campbell [5].

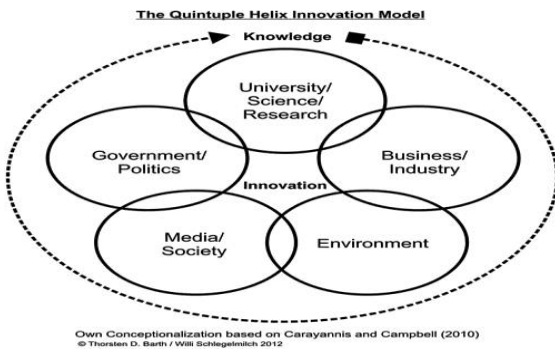


Fig. 1. The quintuple helix model.

Quintuple Helix Model or pentahelix is an important force and guidance for a new innovation. Quintuple Helix is a model with five approaches which capture and specialize in the amount of social community interaction and academic exchange of a nation-state in order to promote and visualize a system of knowledge cooperation, and innovation for more sustainable development. Quintuple Helix is a form or model that specializes in the interaction of society and academic in this university through the exchange of ideas and also the field of scholarship [7]. In the current context, political analysis and decision-makers move on to the concept of innovation.

III. RESEARCH METHODS

This research is conducted with qualitative approach. Qualitative research aims to generate findings which cannot be obtained by using static procedure or by other means of quantitative (measurement). In this research, the steps taken on the problem settings were studied and done comprehensively, holistically, profoundly, and in accordance with other conditions (natural). This research related to how the

performance of government agencies in this case Integrated Services and Licensing Agency and in terms of tourism development in Batu City with pentahelix perspective. In order to collect information about the performance of BPMPT service on the tourism development in Batu City, the data sources used were from purposive key informants supporting this research, they were presented below:

- Head and staffs of BPMPT of Batu City
- Head and staffs of Tourism Office of Batu City
- PHRI members
- Community Leaders in Batu City

Technical analysis used in this research was by using data analysis model according to Miles et al., the flow of activity was data collection, data condensation and data presentation, and then verification and description accompanied by data triangulation technique and data triangulation analysis as a cyclical process [8].

IV. RESULTS

This research talked about how the performance of BPMPT Batu City in developing tourism which is currently much talked about by people because by developing the tourism sector, the influence on other sectors is very large, therefore, the demand for tourism is increasing along with the level of human needs increasing from year to year.

In the last decade many developing countries have paid special attention to the tourism industry. This is clearly visible with the number of tourism development programs in the country. One country seems to outnumber other countries to attract more tourists to stay more and spend more money. Interesting programs should be considered, especially when the benefits are gained whether they are greater than the damage they cause.

Batu City is a unique area which formed into an independence city in 2002 precisely on October 17, 2002 because formerly Batu City was an administrative city under Malang Regency and in accordance with Law no. 11 dated June 30, 2001 on the improvement of the status of Batu Administrative City authorized by the Minister of Internal Affairs. Along with time and if it was seen from the potential of the region and viewed from the administrative side, Batu City was a new autonomous region developing "brand image" as Tourism City. Batu city has an area of only 199.087km<sup>2</sup>. The dynamics of development in Batu City in the last five years shows a very rapid development, this is marked by the increasingly widespread physical development, whether housing, offices, hotels, businesses, entertainments, and tourism objects, especially the investment climate since Batu City is located in the tourism sector. Batu city that has become an icon as a tourism city needs supporting important facilities such as hospitality, places to eat, and so forth (PHRI Jawa Timur) this is because the number of tourism objects in Batu City have grown well.

The licensing service has been handled by BPMPT (Integrated Investment and Licensing Agency). In the handling of investment, especially in the field of tourism, it requires more comprehensive handling, especially in terms of performance of its service. It is not surprising given the slogan of Batu City namely the tourism city, of course, addressed is the tourism sector. The local regulation of Batu City no. 9 of 2012 on public service as cited in article 16, it is said that in the preparation and also in the stipulation of public service standards as meant in paragraph (1), each organizer must involve the public and related parties and carry it out under non-discriminatory principle, which is directly related to the type of service, has the competence and prioritizes the deliberation, as well as the consideration of the diversity, meaning that in the implementation of the service obliges to pay attention and involves the public, the meaning of the public is stated in article 17 that is all parties that are domiciled and serve as the beneficiaries of public services directly or indirectly; and / or community leaders, academics, business world, professional organizations and / or non-governmental organizations, which are mutually synergic and interrelated. This is in accordance with the results of the interview summarized as follows:

*"Indeed, in carrying out the service it must support each other ... all elements if it can help each other ... so it is what the target in the service can be done ... (interview with the Head of BPMPT, December 6, 2016)*

Furthermore, it is said:

*In addition, all parties must be related ... also no less important it obeys all the rules that have been made by the government, a kind of requirements in the arrangement of the licensing itself ... especially, licensing in the field of tourism (interview with the Head of BPMPT, December 6, 2016)*

So that the service performance can be more well directed and can be coordinated with various parties. This is in accordance with LAKIP BPMPT of Batu City in 2017 stating that the steps that must be done in improving the performance of BPMPT of Batu City [9]:

- Improving institutional capacity
- Increasing the apparatus' competence in accordance with the field
- Improving regulation of investment in the region
- Improving technical coordination among departments related to the business world to maintain a strategic relationship
- Organizing online licensing services
- Conducting regional investment mapping
- Improving structuring of labor training
- Increasing job vacancy in Batu City

TABLE I. OUTCOMES OF SERVICE PERFORMANCE 2017 [9].

No	Strategic Target	Performance Indicator	Target	Realization	Access
1	2	3	4	5	6
1.	Improving effective and efficient licensing services	The level of the public satisfaction toward services	75	76.11	101

Source: LAKIP BPMPT

The result of Public Satisfaction Index (IKM) from Public Service Implementation in BPMPT of Batu City, generally reflected a good quality level. This proved that the 14th element of the service of all average values was above the perception value of 3 (three). The value of IKM in BPMPT of Batu City after converted (76.11) was at interval 62,51-81,25. It can be concluded that the performance of BPMPT of Batu City is good. Therefore, from the 75 targets, it can be realized 76.11 (table 1).

In connection with the performance of services synergistic with Penta Helix here would be discussed. First, it is about penta helix, this term is used to mention the participation and cooperation of the five elements of government, private, and academic, media and environment. As a concept, Penta Helix's main idea is the power synergy among academic, private, government, media, and environment. Academics with resources, science, and technology are focusing on generating appraisal findings and innovations. Businesses make capitalization providing economic benefits and public benefits. Government guarantees and maintains the stability of both relations with conducive regulation. Media play a role in giving news about how the development of tourism from various sectors. Whereas, environment plays a role in providing the location and study for how to develop without destroying ecosystem. Government as a bridge or liaison as much as possible is able to accommodate and foster about cooperation among these stakeholders, because a lot of development potential has entered Batu City. This is in accordance with the following statement:

*"Our service in various fields especially in the field of tourism is needed by investors ... Batu City is led and built in the field of tourism ... hence, our term is KWB or Batu Tourism City. All lines of tourism will try to be facilitated by the government, started from restaurant, new tourist place, then hotel or resort ... and the more trending stuff such as rafting, water tourism .. (interview with BPMPT officers, October 5, 2016)*

Furthermore:

*"There are so many investors who come to invest in Batu City .. most of them in the field of tourism ... there is also a business center such ... food stalls ... however it is included in the category to improve tourism as well (interviewed with BPMPT officers, October 5, 2016)*

In essence, more tourism objects will be added in the development of Batu itself to the future, and even recently it will be added a cable car project which is planned to connect

tourism objects in Batu city so it will be integrated from one place to another. The existence of Batu City as a tourism city has long been recognized by the general public for its natural and cultural resources. Many people visit this city to travel and enjoy the beautiful scenery. The visit of this tour continues to increase and also to be the rapid development of the city. Therefore, to regulate these developments, all aspects relating to tourism should be arranged in such a way primarily through the performance of government so that the certainty for tourists, tourism actors, and public in Batu City is legal.

#### V. DISCUSSION

The development of Batu Tourism City is still going to be done, and in accordance with the purpose of Batu City itself that is making Batu Tourism City, the development of Batu City as a good tourism city will still continue to be done, one of them by improving the performance of government and with various thoughts on improvement, as stated by Etzkowitz et al., requiring synergy and cooperation among government, private, and also academic to be able to support each other and work together and focus on the development issues, especially in the field of tourism [10].

#### VI. FINDINGS

The performance of government agencies in this case BPMPT should continue to be appreciated, especially to improve services, and in accordance with the government's work program that tourism development activities should be activated, BPMPT as the forefront of investment and licensing can get more attention to improve and cooperate with various elements or stakeholders.

The existence of Batu city as a tourism city has long been known by the general public because of its natural and cultural resources. Many people visit this city in order to travel and enjoy the beautiful scenery. Cooperation among helix is very necessary in supporting the tourism area, the existing cooperation patterns require handling from various parties supporting the implementation of good cooperation.

#### VII. CONCLUSIONS

The performance of the government to promote tourism in Batu City has been well implemented, investment continues to arrive, of course, it must be balanced with the increasing tourism investment licensing service. The form of the desired tourism development is the creation of a condition where the service performance will attract many investors, especially those who invest in the field of tourism so as to create a performance model recommendation and related to tourism development with penta helix perspective in Batu city.

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