

Institutional Arrangement in the Investment Sector through Inter-Organizational Communication

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ABSTRACT: Investment is one of the economic drivers in various countries, because investment will be able to have a very significant impact on economic development. Therefore, this investment growth has special attention in various regions to support the smooth development of investment. Therefore, investment services, especially in licensing development, have changed dynamically in line with global economic developments. This situation requires innovation in investment and licensing processes to improve the investment climate. Handling efforts can be carried out in various ways such as human resource development or organizational management aimed at facilitating services for the business community. Based on the newest phenomena and facts supported by data, the problems were analyzed using qualitative method approaches and descriptive analysis methods. Thus, a descriptive analysis method is applied to find facts by accurately interpreting and describing the group and individual characteristics of the phenomena found from the results of this study. The results of this research showed that the bureaucratic path in completing licensing was very long and had an impact on the increasingly expensive licensing fees, so that this will not support the objectives of investment policies in the region. It can be concluded that the problem lies in the institutional aspect of the agency that handles licensing and investment issues that exist in each region which are still weak in formal and informal regulations and their enforcement, so that the implementation of policies on investment is still very difficult to be implemented, or bad implementation. The implemented of law enforcement both formal and informal, one of them is supported by the synergy between policy actors and harmonization of communication among organizations because this will have an impact on making licensing easily for investment to cut long bureaucratic paths as well as expensive costs

Keywords: Institutional aspect, Policy implementation, investment.



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INTRODUCTION

The institutional aspect is one of the most important aspects to be paid attention by us, because this institutional aspect is one of the indicators in determining success in service quality in

various sectors. This institution is one of the most important aspects, because it can deal with the problem of limited thoughts that are owned by human resources themselves, it can resolve an uncertainty because the institution itself has clear rules, both formal and informal rules or it has been determined how enforcement must be carried out if there is a violation, that is how we conclude, according to what we quoted about the meaning of institutions ([Alexeev & Chernyavskiy, 2021](#); [Bahamonde & Trasberg, 2021](#); [North, 1990](#)).

If we examine one of the developments of investment in one area (in this case we conduct a field study in Garut Regency) the growth rate was very slow, there was a gap between investment interest and investment realization, as we can see below.

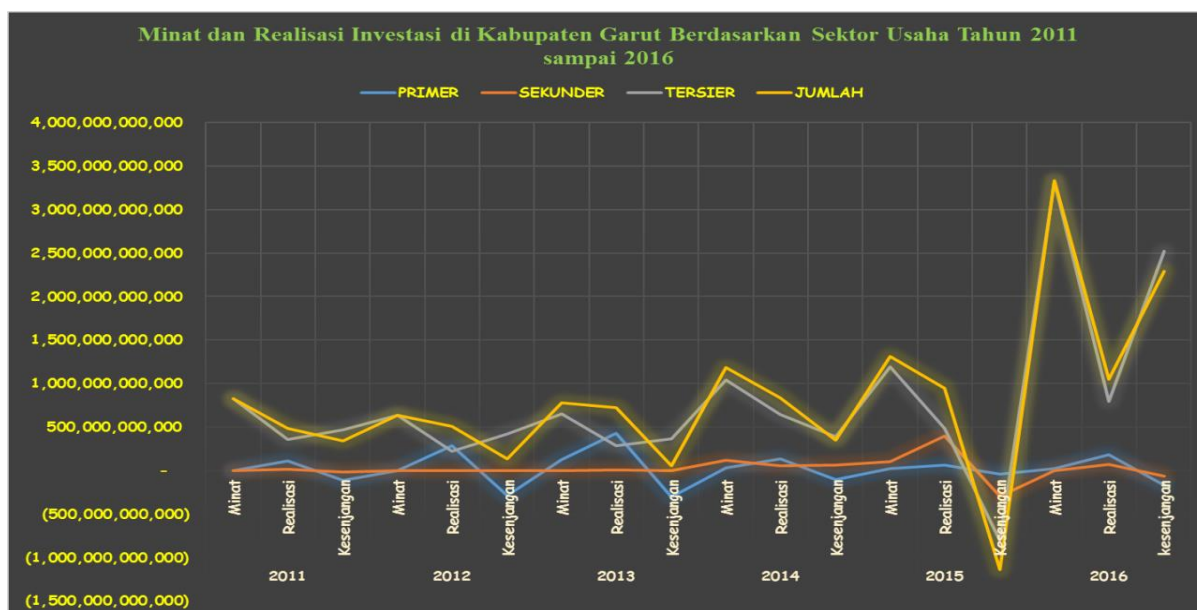


Figure 1.1
Interest and Realization of Investment in Garut Regency
Based on Business Sector from 2011 to 2016

Based on Figure 1.1, it can be seen that the development of investment interest in 2011 and 2012 tends to be uneven because it was still dominated by the tertiary sector. Meanwhile in 2013, 2014 and 2015 the development of investment interest tends to be more evenly distributed in various sectors including the secondary (processing) sector ([Wikantioso, 2020](#)). This indicated that this time Garut Regency has become one of the references for investors to invest their capital. In addition, this condition can mean that the quality of the regional investment climate continues to improve ([Firdaus & Widyasastrena, 2016](#)).

Similar to investment interest, investment realization showed a fluctuating development. In 2012 investment realization grew by 4.92%, in 2013 by 43.33%, in 2014 by 15.69%, in 2015 by 12.80% and in 2016 by 10.83%. In Picture 1.1, data on the development of investment realization in Garut Regency from 2011 to 2016 was presented based on the Investment Activity Report (LKPM) submitted by the company ([Rahmawatin & Kharisma, 2020](#)).

Based on Figure 1.1, it can be seen that the development of investment realization from 2011 to 2016 has fluctuated in all sectors. The tertiary sector was the largest contributor in investment realization in Garut Regency. Meanwhile, the secondary sector or in this case was the manufacturing sector has not contributed significantly to the total realization of regional investment except in 2015 contributed 41.66% of the total investment realization. Then in 2016 it decreased again and only contributed 6.56% of the total investment realization in 2016. This of course will become a homework for the Garut Regency Government, especially DPMPT to increase the realization of secondary sector investment. Considering that this sector is the sector with the largest added value compared to other sectors. A number of strategies and strategic steps of the Regional Government are needed in overcoming these problems ([Syafarudi, 2019](#)).

If we look at the gap from 2011 to 2016, on a macro basis, investment interest with investment realization is still far from what was desired, where we saw in the last year, in 2016 where investment interest reached approximately 3 trillion, while the realization in 2016 only reached the figure of approximately 1 trillion. This is the homework of the Garut Regency government to continue in improving investment competitiveness in Garut Regency ([Hakim et al., 2021](#)).

It was acknowledged by the local government of Garut Regency in this case according to the results of an interview with one of the DPMPT parties who had a position as a policy maker, that one of the obstacles in terms of increasing this investment was the issue of licensing services. The mechanism for implementing PTSP cannot be separated from the role of the relevant technical services, even the decision to issue a license depended on the technical team of the relevant service. The technical team formed by the regent has not been able to speed up the service process, such as the example described above regarding the licensing mechanism for the investment sector, must go through 6 related technical agencies. This is because each representative of the technical service still returns the decision to the mechanism of their respective technical service. This can be seen, one of them was the mechanism for managing investment licensing. Whereas since 2014 the central government has announced 3 packages of changes in economic policy, which were aimed to increase investment, including changes to simplifying licensing. Licensing in Garut Regency had a very important role. This is adjusted to the vision that owned by Garut Regency. Licensing is an entry point for investment that should be an important priority for the region. Looking at the various existing data, it can be concluded that one of the problems that causes the low performance of DPMPT in the field of licensing services in Garut Regency was because the implementation of investment policies in Garut Regency had not been supported by the arrangement of mechanisms and procedures, authorities and hierarchies, and the arrangement of employees that supported the implementation of policy implementation ([Malik et al., 2020](#); [Ripai, 2017](#)).

- Concepts of Institutions, Institutional, and Organizations

Many opinions about the definition of institutions were expressed by experts, but in general they argued that institutions are formed to reduce risk and uncertainty that occurs in social life due to bounded capacity owned by humans. In defining institutions, in general it was also always related to the rule of the game (rules of the game) which were made to provide clarity in human interaction (social interaction between humans). The diversity of definitions of institutions by

experts is more due to the different points of view used, related to the context of the issues they discuss.

(Schmid, 2004) defined that:

“Institutions are human relationships that structure opportunities via constraints and enablement. A constraint on one person's opportunity for another. Institutions enable individuals to do what they cannot do alone.”

The reference used in this research was the definition of institutions and institutional that was expressed by experts in their capacity to reduce risk and uncertainty (reducing risk and uncertainty), and institutions as the rule of the game for human social interaction in business activities. Furthermore (North, 1990) stated that “institutions reduce uncertainty by providing structure for everyday life.” North also stated that institutions are formal and informal rules of the game, as well as the characteristics of their enforcement (North, 1990) p. 3. Institutions include various forms of boundaries that are designed or created by humans for their interactions. The design can be formal, such as rules or legalities drawn up by humans, or informal, as well as conventions or codes of behavior. The design could also contain both, namely formal and informal rules (North, 1990) p. 4.

Furthermore (North, 1990) p. 97 defined that institutions are limits made by humans in the form of political, economic, and social structures, which can be in the form of informal boundaries (sanctions, taboos, customs, traditions, codes of ethics), or in the form of formal rules (constitutions, laws, ownership rights, etc.). Throughout history, institutions have been designed by humans to create order and reduce uncertainty in exchange. “The relationship between the formal and informal rules of the game in an institution can influence each other, but in general the informal rules of the game will affect the outcome of the formal rules of the game” (Ming et al., 2011). “The relationship between formal and informal rules of the game can complement and replace each other” (Day, 2012; Zenger & Folkman, 2012).

Another opinion about the institution was:

“In general, institution is a constellation (group) of rules, decision making procedures, and program which define a social practices, provide a role in social practices to the participants, and organize interaction between role holders” (Park et al., 2022).

Marriage is a social institution that regulates relations between family member units, the market is an economic institution that deals with interactions between buyers and sellers of goods and services; and the electoral system is the political institution that guides the interaction of voters and elected officials (Aeppli et al., 2021; Uddin et al., 2019).

Furthermore (Ferreiro & Serrano, 2011) stated that “An institution can be defined as a set of formal and informal rules, including their enforcement arrangements”. Furthermore (North, 1990) explained that institutional is an institution that already has clear goals and places. Institutional limitations include what individuals are not allowed to do, but under certain conditions, there are individuals who are allowed to do so. Therefore, the institution is also defined as a human framework in interacting in a certain place. Institutions consist of formal written rules as well as codes of behavior that is usually unwritten that underlie and complete the formal rules. Both formal rules and codes of behavior are sometimes violated, therefore an important part of the function of an

institution is also to determine the form of violation and the law. In general, institutional experts argued that institutions are the rules of the game made by humans in social life, to provide binding boundaries in the social interactions they carry out in these communities as a value, to achieve goals (North, 1990).

Furthermore, the opinion of organizations and their relationship to institutions was explained by (North, 1990) as follows:

“Like institutions, organizations provide a structure to human interaction. Indeed when we examine the costs that arise as a consequence of the institutional framework we see they are a result not only consequence of that framework”.

Conceptually, a clear distinction between institutions and organizations was further explained by North, that institutions are “Rules of the games” made by humans with the intention “to define the way how the game is played.” While the organization is “Rules from the players”, which regulates the actions or activities of people who gather and interact in a group that has the same goal.

Furthermore, (North, 1990) also stated that the emphasis of the difference between institutions and organizations is:

“.. the institutions that are the underlying rules of the game and the focus on organizations (and their entrepreneurs) is primarily on their role as agents of institutional change: therefore the emphasis is on the interaction between institutional and organizations.” (North, 1990) p. 4.

- Limitation Formula of “Institutional” that More Operational

From the explanation above, it can be seen briefly how the concepts of “institutional” and “organizational” are used in the development of sociology. It can be seen how a concept is formed, which in the end the two words are clearly distinguished. The more stable the concept is an indicator of the importance of its position in the realm of sociology. By understanding and limiting it becomes a building block in helping scientists to study society.

The development that occurs is that there is an increasingly firm distinction, that “institutional” and “organizational” are different. That is, there is a change and the meaning of “broad and mixed” becomes “narrow and firm.” Awareness of the need for differentiation, as well as the birth of the distinction can be seen in the books seen in 1995.

At first time the terms “institutions” and “organizations” tended to be indistinguishable and were sometimes used interchangeably. Summer in 1906, for example, still included the element of “structure” under institutional entry. This is because the institution is a part that he values is far more important than a social group, because it is the lifeblood of social life. In contrast, (Durkheim, 1996) and (Cooley, 1983) included elements of values, norms and life when studying social organization. The distinction that began to become clear was seen, for example, in Mac Iver after half a century later (MacIver, 2005).

From the various reading materials above, we can now make a firmer division, what is called an “institutional” and what is called an “organization”, but in it each “institutional” or

“organization” can be further divided into two parts, namely “institutional aspects” and “organizational aspects”. Distinguishing an institution into two aspects, namely institutional and organizational aspects is the best way for us to analyze in depth. The effort to sort out or differentiate is a basic need in scientific work, to then analyze, synthesize and so on. From the discussion above, it has been shown that norms and behavior are the two main objects in institutional studies, while organizations are getting stronger to only pay attention to structural and role issues. The difference between “Institutional Aspects” and “Organizational Aspects” in an institution is shown in table 2.1.

Tabel 2.1
Differences in Characteristics of Institutional Aspects and
Diametrically Aspects of Organizational Aspects

No	INSTITUTIONAL ASPECT	ORGANIZATIONAL ASPECT
1	The main focus is behavior	The main focus is structure
2	The core of the study is the value of rules and norms	The core of the the study is the role of
3	The study aspect is further about costumes, moral, folkways, usage, beliefs, morals, ideas, doctrines, desires, needs, orientations, etc.; as well as behavioral aspects in the form of behavior patterns, functions of behavior, needs.	Aspects of the study are roles, inter-role relationship activities, social integration, general structure, authority structure of power, relationship between activities and goals.
4	Forms of social change are cultural	Forms of social change are structural
5	The length of time in the change process required is longer	Changes in organizational aspects
6	More abstract and dynamic	-

METHOD

Research on Institutional Aspects in Investment Policy Implementation in Garut Regency started from the gap between investment interest and investment realization in Garut Regency which had been described by the author in the previous chapter in the 2012-2017 period. Based on this phenomenon, it shows that the Garut district government in attracting investors as many as possible in accordance with the existing resources has not been maximized. There are several reasons that allow the obstacles in attracting those investors, namely: 1) Institutional factors; 2) Socio-political factors; 3) Regional economic factors; 4) Labor and productivity factors; 5) Physical infrastructure factor. So based on this, what will be examined by researchers is institutional factors ([Arikunto, 2013](#); [Creswell, 2017](#); [Moleong, 2018](#); [Sugiyono, 2019](#); [Yin, 2012](#)).

In reviewing institutional factors, the author conducted this research, because with good institutional, the implementation of policies regarding investment will run well. The phenomenon that occurred in Garut Regency related to this investment has not been maximized,

and this phenomenon is trying to be explained with the help of institutional theory from North, or Van Horn Van Meter and the concept of investment which will assist researchers in analyzing institutional aspects, in addition to it will also be assisted by other sciences such as sociological theory which discusses institutional aspects and economics which will discuss about investment (North, 1990; Van Meter & Van Horn, 1975).

Based on the questions from this research, where the researchers used qualitative research methods, which aimed to find out in depth about how the institutions, especially in Garut Regency at the Investment Office, so that it is answered what are the problems that cause a gap between interest and realization of investment. Because qualitative research is carried out this will be able to describe complex settings and interactions and will also explore types of information and describe various phenomena being researched so that they are able to understand the process and obtain clarity on the meaning of each behavior directed by policy makers and policy formulator and policy implementers in the administration of government so that they will be able to increase the rate of investment growth in the area.

RESULTS AND DISCUSSION

Investment is currently a sexy sector that is getting attention from the government, because the rate of growth of this investment will have a significant effect on the rate of economic growth in each region and improve the welfare of the community.

In attracting investment, one of the factors that must be considered is in terms of licensing, because the licensing process is the beginning that is very concerned by investors. Investors want an ease in terms of licensing management with clear and transparent SOP and clarity in terms of licensing financing, so that an easy, transparent, fast, precise, definite, efficient and effective licensing process is needed.

As time goes by, it turns out that the problem of managing licensing services in our country cannot compete with other countries, which in the end the government issued a policy of investment services through a one-stop integrated service system (PTSP) based on Presidential Decree no. 27 of 2009 where licensing and non-licensing authorities are again under the authority of the Provincial Government and Regency/City Governments as the implementers of Law no. 25 of 2007 and PP No. 38 of 2007

The implementation of the one-stop service policy in the Integrated Investment and Licensing Service (DPMPPI) in the investment sector has been going on for more than one year since the issuance of Presidential Decree No. 27 of 2009 dated 23 June 2009. The Presidential Regulation explains that government affairs in the investment sector which have become the authority of the provincial government and district/city governments are carried out by the provincial and district/city governments (ps 11 paragraph 3 letter a and ps 12 paragraph 3).

With this policy change, where licensing services are carried out electronically and carried out under one roof, many problems arise in the field. The problem, namely, the problem of delegation of authority, where it is not easy for technical agencies to hand over their authority to

the Integrated Investment and Licensing Service (DPMPT), this actually still has a solution, namely if regional leaders have a high commitment to the importance of the role of DPMPT in increasing investment, namely with the establishment of a policy regarding the duties and authorities of the DPMPT, the technical agency will simply hand over its authority.

Local governments have a very important role in issuing permits and non-licensing, thus investors no longer need to take care of this issue to the central BKPM. The investment license issued by the DPMPT to investors is a delegation of authority from the Governor which is legalized by the Governor's regulation or regent's regulation.

In the regulations that have been issued by the central government, it is clear that if this investment is at the district level, the license is issued by the local government, unless the investment is carried out in a cross-district scope, the permit is issued by the province.

The division of authority for investment affairs has become clearer between the Government, Province, Regency and City after the issuance of PP No. 38 of 2007. The scope of authority of the central government (BKPM) in the field of licensing and non-licensing investment is carried out if investment projects are located across provinces and investments are only the affairs of the central government as regulated in article 30 paragraph 7 of Law no. 25 of 2007. The affairs of the central government include investment related to non-renewable natural resources with a high level of risk of environmental damage, foreign investment and investors using foreign capital originating from the governments of other countries based on agreements made by the Government and other country's government.

Thus, it is clear that the Investment Coordinating Board will continue to encourage provinces and districts so that the Investment Office has an important role in licensing management which is carried out under one roof, so that this will have an impact on the ease of licensing services. If we look at what was mandated by the central government regarding the importance of the role of the Investment Office and integrated licensing in simplification of licensing management, this is supported by the existence of an effective institution from the DPMPT itself both formal and informal as well as in its enforcement.

The institutional aspect is a framework of reference in carrying out its duties, the institutional aspect is the rule of the game which is intentionally made to provide clarity in human interaction (interaction) social interaction between humans. There are two elements that must exist in an institution, namely the existence of formal and informal rules as the rule of the game, and the existence of actors as the player (North, 1990). Institutional analysis is not enough just to look at the rules of the game and who is playing, but also to look at how the game is played. Therefore, to obtain an overview and explain the institutions related to investment and integrated licensing in several districts, the discussion in this journal is to analyze the formal and informal rules related to investment licensing.

- Institutional strengthening in the aspect of communication and coordination among related agencies

The most important institutional aspect in an effort to increase investment realization is to communicate well and always coordinate, because we know that one of the problems in licensing management is that it has a complicated bureaucratic journey because of sectoral egos in terms of delegation of authority.

An institution is considered fail due to many factors, including lack of information that easily results in an inaccurate picture, both on the object of the rules of the game or regulations as well as on the implementers of these rules. Implementing policies can be fail because the content or objectives of the policy are still unclear, inaccuracies, internal or external indecision from the policy itself, which indicate a very significant shortage or lack of supporting resources, support, and the surroundings.

In order to reduce the level of ambiguity in the objectives of public policy communication from the government, it would be much better if more effective communication channels were developed to align communication messages and implement policies that could raise hope and convince the public. In order to make effective communication between organizations implementing policies, it is necessary to support the availability of the communication media used, the frequency of message delivery, and the conformity of the content to the target group. Based on an interview with the Head of the Communication and Information Service, that for the purpose of providing licensing services, a website and an electronic communication system have been provided, while those relating to the effectiveness of the frequency of message delivery between OPD and the suitability of the content of the message are under the authority of the OPD related to licensing.

In relation to the clarity and consistency of the implementation of the licensing process involving technical OPD, according to the Head of the Service Division who is directly involved in the information, that the process of providing a recommendation to grant a license that involves several related agencies is not easy, because the agencies involved do not always use the facilities of integrated electronic communication, besides that in our agency we don't always use information automation that can be used as a basis for providing recommendations for the issuance of a license.

Thus, the prospect of an effective institution is largely determined by accurate and consistent communication to policy implementers (accuracy and consistency). In addition, coordination is a powerful mechanism in creating effective institutions. The better the communication coordination between the parties involved in policy implementation, the smaller the error, and vice versa.

Regional Apparatus (OPD) in Garut Regency who are involved in implementing service policies; communication between the OPD of the policy apparatus, namely the Regional Apparatus Organization (OPD) which is integrated into the DPMPT; communication between the Garut Regency Government and license holders, both individuals and institutions; and communication between the Garut Regency Government and the community, especially those who are affected by service policies.

Communication is the process of carrying information, ideas, skills and emotions through symbols such as words, pictures, and numbers. Communication is the exchange of information, ideas, attitudes, thoughts and opinions. Ndraha argued that the definition of communication generally emphasizes two aspects, namely: “The first puts emphasis on the process of delivering news based on Lasswell’s theory of communication (message transmission theory): ‘Who says what in which channel to whom with what effect’, the second puts emphasis on the exchange of values or the process of exchanging thoughts: “The process of exchange of meaning by verbal and non-verbal signs operating through cosmologies, cultural, contents, and conduits” (Ndraha, 2003: 467).

Thus, the process of delivering messages refers to how a communication process carries messages to achieve its goals, while aspects of the process of exchanging thoughts or values are related to the meanings of symbolic messages attached to a cultural value of society, and so on. Between the process of delivering messages or information and the process of exchanging thoughts or values, it is intended to seek or find the real meaning.

Beside that, organizational goals and objectives can be achieved more effectively with coordination. Coordination is a technique of uniting a number of opposing skills and interests and leading them towards a common goal. In addition, coordination is a “centripetal force” or a centralized power in administration. In the integrated licensing service, there is coordination between the OPD of the policy apparatus and the DPMPT. However, the coordination is still minimal. This can be seen, among other things, from the frequency of meetings, which are only four times a year on average. It can also be seen from the differences in the data held by each OPD.

Coordination is an orderly synchronization of efforts to create appropriate quality, time and direction of implementation that results in harmony and unity of action for the stated goals. A multifunctional organization with different nature and types of work in principle absolutely must coordinate. Because with good coordination, the program objectives to be achieved are more effective and efficient. Without coordination among the policy apparatus, they lose their understanding of their role in the policy program that has been outlined.

In the communication process carried out through identification and socialization, in principle, there was a flow of information between the communicator and the running communicant so that the message delivered can be received even though the speed was short and concise. Communication has an important role as a reference for policy implementation to know exactly what will be done. Communication was also stated by orders from superiors to policy implementers, so communication must be stated clearly, quickly, and consistently.

In modern organizations, communication systems develop as a result of the increasing importance of a systematic approach and the implementation of various activities that are the responsibility of an organization. In organizational life, communication is needed to equalize perceptions or opinions related to the goals to be achieved. Communication that takes place dynamically will determine the success of organizational goals. The biggest obstacle in communicating is the existence of various perceptions. Sending messages/information from

communicators that are not clear makes the communicant receive and run them unclear and can even disrupt the running of the organization. The systems approach demands high interaction with high intensity, especially when it comes to coordination, integration and synchronization.

In Garut Regency, efforts to socialize policies regarding integrated services are carried out through various channels, including through formal bureaucratic channels, through internet media, and through general mass media both printed and electronic, and through social billboards made by DPMPT itself. However, from various findings in the field, these efforts have not been able to effectively communicate and socialize policies related to integrate licensing services.

Implementation as a dynamic process, has factors that influence the implementation of a policy that has consequences in the next stage. Thus, the relationship between factors in communication activities between implementing organizations in policy implementation is identified at a time that is able to describe and briefly justify some of the hypothesized relationships.

Meanwhile, the nature of implementation activities and follow-up actions that include technical provisions will be influenced by the characteristics of the implementing organization ([Peltokorpi & Zhang, 2022](#)). However, often the implementation mechanisms available to officials cannot be used when implementation requires inter-organizational or inter-governmental cooperation. Consequently, the type of power exercised by superior officials (e.g., normative, remunerative or violent powers) will be influenced by the formal and informal relationships between policy-making and implementing organizations ([Lomotey & Csajbok-Twerefou, 2021](#)). This also applies in choosing alternative methods, whether implementation or follow-up actions. Under these conditions, policy-making officials are expected to understand the characteristics of implementing organizations. Agencies with competent staff and adequate leadership will need a different variety of assistance than agencies with incompetence and inadequate leadership. Similarly, implementing agencies with limited political resources may be more easily influenced by coercive power than those that have broad support from citizens and government officials ([Edwards, 1980](#); [Grindle, 1980](#)).

An indication that is a factor causing delays in the implementation of integrated licensing services in Garut Regency is the lack of good communication, both between policy makers and policy apparatus in the field, between OPD policy apparatus, it is indicated that there is less intensive communication carried out by the leadership and subordinates among the policy apparatus.

The delivery of objectives from the leadership in the OPD apparatus for the implementation of integrated licensing services in Garut Regency to the policy apparatus in the field is still not optimal. This is indicated by the answers of several policy apparatuses for the integrated licensing service which were not the same when asked about the purpose of the integrated licensing service. On average, they admit that they have received very little technical explanation from the leaders. As stated by the technical OPD staff of Garut Regency, who admits that technical

guidance is almost only given by the superiors during the morning ceremony for a very limited time.

Another lateness obstacle in licensing was that there were indications of poor communication between OPD related to the implementation of integrated licensing services in Garut Regency. This was revealed, among other things, from what was stated by the Head of the Garut Regency DPMPT who admitted that it was difficult to coordinate and communicate the activities of the licensing process because the personnel were still scattered in the technical OPD and had not been gathered, which is currently still being consolidated.

Item that was stated by the DPMPT Head of Garut Regency was justified by the Head of Technical OPD of Garut Regency. According to him, the technical OPD apparatus have not agreed and integrated human resources who have competence in licensing services, often there is still controversy among technical OPD about what expertise is in accordance with the competencies that are expected to support the performance of the Garut Regency DPMPT. In addition, coordination meetings between OPD involved in integrated licensing services in Garut Regency are very less frequent.

If it is related with ([North, 1990](#)) that institutions are a frame of reference in interacting between humans, what happened between the Investment and Integrated Licensing Service (DPMPT) and other technical services in Garut Regency is less optimal. It can be seen how the lack of communication between related organizations could be one of the causes of the ineffectiveness of integrated investment and licensing institutions in Garut Regency in the implementation of integrated licensing services in Garut Regency in realizing easy, transparent, fast, precise, definite, efficient and effective licensing management in accordance with the principles of good governance and provide information to license recipients regarding the provisions for licensing management arrangements.

CONCLUSION

From the discussion that has been carried out, it can be concluded that the institutional investment that occurred in several regions, there was still a long and expensive bureaucratic distance. This happened because there were problems in carrying out the mandate of laws and regulations from the center where licensing arrangements must be under one roof was still difficult to be implemented, because there were still sectoral egos among other related technical services. In addition to the existence of sectoral egos among other related agencies, with the background of the disharmony of good communication between regional apparatus organizations as well as weak coordination, this had an impact on the delay in granting licenses to investors which had implications for the low realization of investment in the area.

To increase the realization of investment in several regions, the most important thing to do was to create an effective institution, namely by the commitment of regional leaders to the importance of the Investment Agency and integrated licensing which had a very important role, so that sectoral ego between OPD did not occur anymore, apart from that, to build an effective

institution, we must build good communication and coordination between the related technical services.

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