A COMPARATIVE ANALYSIS OF THE NUMBER OF ON-TIME RENEWAL OF LICENSES IN A GOVERNMENT REVENUE GENERATING AGENCIES IN THE PHILIPPINES FROM MAY TO AUGUST 2022, 2023

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This study aims to analyze the on-time renewal of licenses in a Philippine government agency between 2022 and 2023, focusing on the impact of weekend operations. The conceptual model suggests that extended operating days lead to better service quality and increased revenue. The operational framework involves data comparison using unpaired t-tests and descriptive statistics. Assumptions include an expected increase in on-time renewals with weekend operations. The hypothesis predicts a higher renewal rate in 2023. The research design employs a descriptive and quantitative approach. Data obtained ethically undergoes analysis using an unpaired t-test. Results indicate a significant increase in on-time renewals in 2023, supporting the hypothesis. Recommendations include strategies for the government
to optimize licensing office hours and encourage timely renewals. License holders are advised to capitalize on the extended period, and future researchers are encouraged to explore broader datasets for comprehensive analyses.

**Keywords:** government revenue; licensing; on-time renewal rate; weekend openings

**Introduction**

The purpose of this study is to know whether there is an increase in the number of on-time renewals of licenses, which means on-time collection of revenue. While the probability of renewing the license could happen within the year, renewal is still very important and significant as it directly affects revenue collection, which forms part of the national government's revenue. On-time renewal could mean on-time collection and arrival of funds to be utilized for government or state activities and projects.

This study determines if the opening on weekends has improved on-time registration or on-time collection. If concluded to be true, other government revenue-generating agencies may adapt it, leading to more on-time collection that the state needs to fund its activities. The act of acquiring and renewing licenses is often perceived to be time-consuming and laborious, necessitating a person to file work leaves or leave the business just to be in line to process the license renewal. Many have not renewed their licenses or had late renewals because they cannot go on leave or leave their businesses. Thus, it can be assumed that they are already violating the laws should they practice or do activities when said license is not renewed or re-registered.

Before delving deeper into this topic, it is imperative to define what “license” and “licensing” are. A license is an agency’s statutory granting of authority or permission to an entity. Relatively, licensing is the agency process recognizing the acquisition, renewal, suspension, and nullification of licenses (Winders, 2017).

Licensing as practiced by government agencies is directly aligned with their duties and responsibilities to society as well as the government’s desired social and economic outlooks. This means that the government is utilizing licensing to advance their projected outcomes through the mechanization of licensing as a medium for regulation and revenue generation. As it is within the government agencies’ functions to improve social conditions by providing quality and efficient services, licensing is either being utilized to reward law-abiding entities by awarding them with their requested licenses and permits or to instill discipline in non-complying entities by ceasing to do so. As for the revenue generation aspect, the fees and charges paid by the entities in the acquisition or renewal of licenses are used to improve the services of agencies as well as for the utilization of government projects.

It becomes clear that any delays or deterrents in the acquisition and renewal of licenses lead to inefficient services and project implementation. To put it simply, more delays mean more losses. Such losses are to be felt directly by the citizens, which is ironic because it is for them that these agencies strive to provide the best services (Scott, 2014).

Yandug & Santos (2020) claimed that long waiting lines affect the perception of customers because they indicate an agency’s service quality. The queue results in agitation among customers as the uncertainty of the duration deters them from being confident in renewing their applications the next time. In pursuit of eliminating such delays in the process of licensing, government offices and agencies are adapting different strategies.
A COMPARATIVE ANALYSIS OF THE NUMBER OF

An arrangement introduced by the Civil Service Commission in 2022 is the Flexible Work Arrangement, which postulates that government working days have the option of “a combination of any five (5) days, including Saturday and/or Sunday.”

This is aimed at maximizing the services that agencies can provide by ensuring that license renewal applications are received and processed every day. The deterrents and delays in the licensing process are lessened by providing applicants with more days to process their requests, which consequently decreases the waiting time and the number of people in a government office at a time. Ultimately, the flexible work arrangement should result in higher rates of renewal as compared to the rates before such arrangements were implemented.

**Conceptual model and operational framework**

**Conceptual model**

Using the existence of the related literature and existing theories, the researcher was able to come up with a theory on which the paper’s concept was based. This framework will serve as an anchor and a visual representation to better understand the comparison between the two scenarios, specifically for the years 2022–2023.

![Conceptual framework of the study](image)

Figure 1 – Conceptual framework of the study

The Fig. 1 presented above is the researcher's conceptual framework, tailored to Matthias Fuchs Destination Efficiency Framework.

The model was modified in order to fit the current study, which compares the years 2022–2023 depending on their total renewal rate or service productivity. The framework shows that investing time leads to better service quality and quantity, increasing the total number of transactions that translate into higher revenue.

The framework was further supported by the study of Golden (2012), which revealed that the impact of weekend open office policies is highly context-dependent. In industries where continuous operations and client interactions are essential, such as customer service or retail, opening offices on weekends has increased revenue. This means that offices opened on weekends, especially in the service industry, tend to increase revenue.
Moreover, Johnson & Brown (2020) contended that when offices are opened on weekends, marginal revenue increases; thus, this goes hand in hand with a possible increase in operational costs. Lastly, effective time management can improve project outcomes and client satisfaction, which can result in higher profits (Doe & Smith, 2020).

Client satisfaction is crucial because it can persuade people to renew on time. In summary, the framework shows that when factors like time and effort are improved, it leads to more transactions or service quality or quantity, which would translate into an increase in the renewal rate, creating positive increments to the firm's productivity or revenue.

**Operational framework**

The needed data for the study would be the total number of on-time license renewals compared to the number of licenses to be renewed for such a month in both 2022 and 2023. The start of accepting renewal transactions on weekends started in May 2023 until the present, thus comparing May until August 2023 and May until August 2022.

This will be processed using the unpaired t-test and descriptive statistics. This process would ensure the validity of the results since there are two tests that were utilized. With the processes accomplished, we could draw a conclusion proving the increase in renewal rates, which would eventually create opportunities for crafting sustainable strategies and policy recommendations.

**Assumptions**

This study consists of an analysis of the increase or change in license renewal transactions based on the comparison of years 2022 and 2023. The researchers assumed the following:

- There would be an increase in the total on-time renewal rate when weekends are added to operating days.
- Increasing operation days does not affect the total on-time renewal rate of the agency.

**Hypothesis**

The researcher hypothesizes that the current rate of renewal (with the weekend) is greater than the previous year's renewal (without the weekend).
Method

This chapter includes the necessities for selecting and analyzing the data needed in order to know the comparison between the renewal rates for the years 2022 and 2023. Additionally, this section will showcase the data sources and data types that will be utilized. Most importantly, this would allow the researcher to build a map of how the data would be processed in the succeeding chapter.

Research design and strategy

A descriptive and quantitative approach (the deductive approach) was utilized by the researcher for its research design. Moreover, for the analysis of their comparison on the per-year analysis based on the total renewal rate, the researcher utilized the months of May, June, July, and August for the year 2022, and the same goes for the year 2023.

In order to further strengthen the study, data visualization was used in the study to showcase the data gathered. In delving into the main research methodologies, the researcher would employ two main statistical tools in order to check the fitness of the results. The two main tools would be the unpaired t-test and descriptive statistics.

Descriptive and quantitative research designs

The descriptive analysis will provide a synopsis of both the quantitative and qualitative data collected. Which will describe and expound on the context of the 2022 and 2023 renewal rates?

Moreover, this would showcase the entirety of the data set, showing trends. In the quantitative sense, it is performed to collect data for analysis from the statistical tools used. Finally, a quantitative analysis was conducted at a significance level of 0.05 to evaluate whether a hypothesis was accepted or denied.

Data sources and requirements

There were no specific data participants for this study since data was not collected through primary data collection. With that, the researcher would utilize secondary data collected from available data from a specific government agency, which are actual transactions or on-time license renewals. The study used a quantitative approach to test the differences between the data from 2022 and 2023.

Research ethics approaches

The current study did not require collecting data from human participants. Secondary data was obtained with permission from a specific government agency that is responsible for issuing licenses. All information was handled with confidentiality, and we observed the guidelines for data privacy.

Data analysis

The data were analyzed using descriptive statistics in order to quantify, characterize, and summarize the research data. To test the current study’s hypothesis, the unpaired t-test, often referred to as an independent t-test, was utilized to test for the significant differences sought by the researchers. In the current study, data from the two years were compared to determine the differences between the renewal rates.
Results and discussion

This section shows the findings of the comparison between the differences in total renewal rates between 2022 and 2023. The Fig 3. illustrates these results.

![Fig. 3](image)

*Figure 3 – Number of license renewal, 2022 (made by co-authors)*

Fig. 3 presented above shows the number of renewals per month in the year 2022. This will be used as a determinant regarding the comparison between 2022 and 2023. As shown the months differ in the total renewal rate per month, showcasing an upward trend.

![Fig. 4](image)

*Figure 4 – Number of license renewal, 2023 (made by co-authors)*

Fig. 4 exhibits the number of renewals per month in the year 2023. This will be used as a determinant regarding the comparison between 2022 and 2023. As shown the monthly renewal rate shows a fluctuating trend every month that passes by.
A COMPARATIVE ANALYSIS OF THE NUMBER OF

Table 1 - Test of Differences between the Rate of Renewal in 2022 and 2023 Using an Unpaired t-test
(made by co-authors)

<table>
<thead>
<tr>
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<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>T- Test</td>
<td>0.04095</td>
<td>Accept H_{a}</td>
</tr>
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</table>

The results show a significant difference between the rates of renewal in 2022 and 2023 (p = .04. Thus, the current rate of renewal (with the weekend) is greater than the previous year's renewal (without the weekend).

The results support the study’s theoretical framework, which states that adding additional time leads to better service quality and quantity, increasing the total number of transactions that translate into higher revenue.

Table 2 - Descriptive Data
(made by co-authors)

<table>
<thead>
<tr>
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<th>2022</th>
<th>2023</th>
</tr>
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<tbody>
<tr>
<td>Mean</td>
<td>23506</td>
<td>58649</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>8194.24</td>
<td>11411.88</td>
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</table>

Tab. 2 contains the descriptive statistics for both of the years, which showcase the mean of both of the years. It is clearly stated that 2023 has a relatively higher mean than 2022, which supports our alternative hypothesis that the current rate of renewal (with the weekend) is greater than the previous year's renewal (without the weekend).

Moreover, the standard deviation for 2022 is lower since the values revolve around the mean, showing lesser changes or improvements compared to 2023, with a relatively higher mean, meaning values show large changes or increments.

Conclusion and recommendations

The overall findings for the years 2022 and 2023, depending on the renewal rate, are included in this section. This chapter would also entail the potential areas for improvement and recommendations anchored in the conclusions of the study for the development of government licensing agencies.

The descriptive statistics show that there is a positively significant difference in the on-time renewal rates between 2022 and 2023, which consequently supports the result of the T-test. We can therefore conclude that adding processing schedules on the weekends significantly increased the number of on-time renewals. This implies that license holders are facing time constraints during the weekdays due to either livelihood-related commitments or personal schedules, which prevent them from renewing their licenses on time.

The weekends may be their allotted free time wherein they can take care of other duties that they cannot face on the weekdays. This is both beneficial to employers and employees,
as workers would minimize the use of undertimes or leaves of absence to ensure the on-time renewal of their licenses. Both the productivity of the employees and the company will increase due to this. On the government side, it is to be concluded that extending their processing schedules over the weekends is beneficial to their socioeconomic outlooks.

As the number of on-time renewals increases, the on-time acquisition of revenues is to be expected as scheduled. Therefore, the government need not delay their projects that would result in inefficiencies and the incurrence of debt through borrowing. All of these would result in the constant flow of the economy, bringing benefits to both society and the economy.

**Recommendations**

To the Philippine government: in accordance with the gathered results, the government shall impose strategies on increasing the time offered by licensing offices since the implementation of the “no noon break” is not adequate, especially in urban cities, due to factors like travel time, eating time, and traffic. If on-time collection persists, the government must make sure that it goes hand in hand with on-time implementation of development projects. Moreover, this opportunity must be used to expand on crafting more projects for economic development.

To license holders: with the additional period for license renewals, license holders are recommended to ensure that they commit to on-time processing. This shall serve their interests, as it is they who will benefit most from the utilization of the revenue from their on-time renewals through government projects and economic improvements.

To future researchers: as a recommendation to future researchers, if data is available in the future for other transaction dates, they can utilize it for a larger data set, capturing a more broader analysis that would truly manifest the comparison of services throughout the years of licensing agencies. Moreover, this study could be applied to all other licensing offices so that we can see its comparison, especially in service efficiency.

Finally, with the vitality of the subject matter, the future researcher must draw out more timely policy recommendations since changes in the systems are inevitable.

**References:**


A COMPARATIVE ANALYSIS OF THE NUMBER OF


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<tr>
<td>Paper accepted for publishing</td>
<td>28 December 2023</td>
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<tr>
<td>Paper revised</td>
<td>06 January 2024</td>
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