

## The Government's Role in Improving The Business Performance Of Exporters In Bali

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### Abstract

*The government has an important role in improving the business performance of exporters in Bali Province. By involving these various aspects, the government can make a significant contribution in improving the business performance of exporters in Bali Province, facilitating economic growth and creating jobs. This research was conducted in Bali Province with a population of 237 people and 70 respondents. Results from tests for validity and reliability are accurate and reliable. The results of hypothesis testing show that business performance is significantly and positively influenced by the role of the government. This study shows how the role of the government is carried out well can improve the business performance of exporters in Bali Province.*

**Keyword:** The role of government, business performance, Exporter, Bali

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## INTRODUCTION

The economic growth of Bali Province is determined by various factors, one of which is from export activities. Bali as a tourist destination is certainly visited by many foreign tourists and these tourists contribute to supporting export activities. Not infrequently tourists who come to Bali, in addition to traveling also carry out business activities by buying Balinese handicraft products or other products that are subsequently sent and exported to the destination country. Exports generate foreign exchange (Borghi, 2023; Kajtazi & Fetai, 2022; Shobande, 2022).

Business performance is the result of a company's business in a certain period which is usually calculated every year. Research on business performance has been carried out by several researchers, including Arjawa, *et.al* (2016), Mulya (2021), Mahadipta, *et al* (2021), Sulistyowati (2022) and Laksmi (2022). The importance of measuring the performance of the exporter's business is because in addition to being able to be used as a measure of the company's success, performance appraisal can also be used as feedback for improvements or improvements in the performance of the exporter's business in the future. According to several studies, it is known that business performance is influenced by several factors, including social capital (Arjawa, 2016; Yuliarmi, *et.al*, 2020), information communication technology (Jaya, 2021; Mahadipta, 2022) and the role of government (Laksmi, 2022; Sulistyowati, 2022).

The government plays a strategic role in strengthening and empowering business actors in Indonesia. Efforts to develop business actors need to be carried out by the government, considering that business actors have a strategic role in the country's economic growth process.

Therefore, the role of the government is important for improving the performance of MSMEs to be able to compete in the global market. The results of research by Munizu (2010) and Lee & Tsang (2011) stated that government policies have a significant influence on business performance.

The government can implement policies that support exporters, such as tax incentives, export fee waivers, and special financial facilities for companies involved in exporting. The government can simplify the licensing process and export-related regulations to make them more accessible to exporters. This step can help improve their operational efficiency.

Good infrastructure, such as modern ports and airports, can speed up the process of shipping export goods. The government can invest in the development of this infrastructure to support the growth of the export sector in Bali. Provide training and education to workers in the export industry to improve their skills. This may include training in quality management, international marketing, and an understanding of export regulations.

The government can support international promotion and marketing efforts for Balinese products. This can include presence in international exhibitions, global marketing campaigns, and support for building a strong brand. Monitoring and the Government can establish institutions or mechanisms to monitor and evaluate the business performance of exporters in Bali periodically. It helps in identifying obstacles and opportunities that can be fixed or exploited. The government can provide adequate protection of intellectual property rights for Bali's superior products. This will encourage innovation and creativity, as well as protect exporters from the risk of counterfeiting.

In addition, business performance also plays a role in the exporter's business. Business performance is the result of a company's business in a certain period which is usually calculated every year. The importance of business performance measurement because in addition to being able to be used as a measure of company success, performance appraisal can also be used as feedback for improvements or performance improvements in the future. According to several studies, it is known that business performance is influenced by several factors, including social capital (Arjawa, 2016; Yuliami, *et.al*, 2020), information communication technology (Jaya, 2021; Mahadipta, 2022) and the role of government (Laksmi, 2022; Sulistyowati, 2022).

In fact, indications of the development of Bali Province exports from 2017-2021 are very volatile. In 2017 Bali's export realization amounted to USD 508,167,138 and increased in 2018 to USD 595,843,296 but in 2019 it decreased to USD 591,676,973. Furthermore, in 2020 there was a decrease from the previous year to USD 456,379,063 and then rose again to USD 508,167,138 (BPS Bali, 2022). This decline in export value is a problem that needs attention because the decline in export value is a reflection of the decline in exporters' business performance in Bali Province. Therefore, it is necessary to conduct research to examine and analyze the factors that cause the decline in the value of exports.

The role of the government has a major influence on business performance. Therefore, this study is important to analyze the influence of the role of government on business performance. This study aims to analyze how the role of the government improves the business performance of exporters in Bali Province. The hypothesis in this study is that the role of the government has a positive and significant effect on the business performance of exporters in Bali Province.

## METHOD

This research uses quantitative methods. The population used is 237 exportir in Bali. With the Slovin formula with a margin error of 10 percent, a sample of 70 exportir was obtained as respondents. Data gathered for this study is first-hand data gathered from participants. In this research, questionnaires were used to gather data using the survey methodology. In the study, three months were expended. Software called Smart PLS is used to process and analyze data.

## RESULT

### 1. Construct Validity Test

#### a. Outer Loading

The convergent validity test based on outer loading is presented in Table 1 and shows that all indicators have an outer loading above 0.7 on the intended construct.

Table 1: Outer Loading

	X	Y
X1	0,872	
X2	0,732	
X3	0,880	
Y1		0,926
Y2		0,863
Y3		0,914

#### b. Fornell-Larcker Criterion

The Fornell-Larcker Criterion evaluation or AVE root values used in the discriminant validity test are shown in Table 2. The concept is legitimate if the AVE root (number when written diagonally) exceeds the correlation between constructions.

Table 2: Fornell-Larcker Criterion

	X	Y
X	0,831	
Y	0,871	0,902

#### c. Cross Loadings

If the correlation of the construct indicator is larger than the correlation of the indicator with other constructs, the construct is said to have strong discriminant validity. The maximum cross loading value for each indicator against its latent variable is shown in Table 3. This demonstrates that all indicators pass the cross loadings test's criteria for discriminant validity. In other words, all signs are valid.

Table 3: Cross Loadings

	X	Y
X1	0,872	0,808
X2	0,732	0,555
X3	0,880	0,775
Y1	0,850	0,926

Y2	0,745	0,863
Y3	0,754	0,914

## 2. Construct Reliability Test

The study model's Cronbach's alpha values from Table 4 indicate that every variable has a Cronbach's alpha value over 0.70. These findings indicate that the research model has met Cronbach's alpha requirements, making the study credible. Each variable in the research model has a composite reliability value above 0.70, according to the composite reliability value. These results confirm that all constructs are reliable and the research model has reached composite reliability.

Table 4: Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
X	0,776	0,869	0,690
Y	0,885	0,929	0,813

## Hypothesis Testing

As shown in Table 5, the Path Coefficient and P-value results can be used to evaluate the direct impact of one construct on another by the proposed link. The P-value is 0.000, indicating the significance of the association between X and Y.

Table 5: Path Coefficients

	Original Sample	T Statistics	P-Values
X -> Y	0,871	31,382	0,000

## DISCUSSION

Results from tests for validity and reliability are accurate and reliable. The results of hypothesis testing show that business performance is significantly and positively influenced by the role of the government. This study shows how the role of the government is carried out well can improve the business performance of exporters in Bali Province.

The government has a crucial role in improving the business performance of exporters in Bali Province. The government has assisted in establishing institutions that support exporters, such as business associations, financial institutions, and export promotion agencies. These institutions can provide technical support, market information, and financial services required by exporters.

Through the ministry of trade or related institutions, the government can conduct promotional campaigns to market Bali products internationally. This promotional support can help increase the visibility of Bali products in the global market. Effective market promotion can increase the visibility of Bali products in the international market. Through various promotional channels, such as trade shows, digital campaigns, and cross-border cooperation, the government can help Balinese exporters attract the attention of the global market. By actively promoting Balinese products, the government can help create a positive image of the product. This can increase customer satisfaction and consumer confidence in products from Bali.

The government can provide support in the development of marketing materials, such as brochures, promotional videos, and official websites. This will help exporters in conveying

clear and attractive information about Bali products to the international market. Through market promotion activities, the government can facilitate business meetings between Balinese exporters and potential partners abroad. This can help in developing a strong business network and open up mutually beneficial partnership opportunities.

By increasing the visibility and attractiveness of Bali products in international markets, market promotion can contribute directly to an increase in export volumes. This creates economic growth opportunities for Bali Province through the export sector. Through market promotion, the government can monitor and evaluate the impact of the program continuously. The data obtained from this monitoring can be used to improve the effectiveness of market promotion in the future.

On the other hand, the government can simplify the licensing process and reduce bureaucratic obstacles that exporters may face. This will help improve efficiency in supply chain and distribution. The government can invest in the development of logistics infrastructure, such as ports and airports, to facilitate the export process. Good infrastructure can reduce logistics costs and delivery times. Governments can provide financial support, either in the form of low-interest loans or tax incentives, to help exporters overcome the financial challenges of increasing production capacity and meeting international standards.

Licensing facilitation can help exporters understand and comply with applicable international standards. This creates consumer confidence in the quality of Balinese products and facilitates the entry of products into international markets that apply strict standards. With accessible licensing and measurable regulations, Bali exporters can more easily compete globally. This allows them to respond to market changes and regulations faster, increasing the competitiveness of Balinese products in the international market. An export-friendly business environment, including efficient licensing processes, can attract foreign investment. These investments can help develop infrastructure, technology, and production capacity, all of which contribute to the growth of the export sector.

Facilitation of licensing can also mean simplification of business procedures in general. This helps increase clarity and predictability in doing business, creating a more attractive environment for business actors. Effective licensing facilitation increases business actors' trust in the government. This creates better linkages between the private sector and government, providing a firmer foundation for collaboration in supporting export growth.

The government can use licensing facilitation as a means to continuously monitor and evaluate the success of regulations. This opens up opportunities for continuous improvement in support of exporters. By facilitating licensing and regulation, the government can create a conducive business environment for the growth of the export sector in Bali Province, increase the competitiveness of local products, and optimize the economic potential of the region.

## CONCLUSION

The government has an important role in improving the business performance of exporters in Bali Province. By involving these various aspects, the government can make a significant contribution in improving the business performance of exporters in Bali Province, facilitating economic growth and creating jobs.

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