

ANALYSIS OF THE INFLUENCE OF TRADE CREDIT INSURANCE SERVICES, ENTREPRENEURIAL ORIENTATION ON UMKM PERFORMANCE MODERATED BY GOVERNMENT SUPPORT Study on Trade Finance Services of PT. Bank Rakyat Indonesia (Persero) Tbk for Export MSMEs in Central Java Region

Gigieh Perkasa¹, Yoestini²

^{1,2}Master of Management, Universitas Diponegoro, Semarang
E-mail: ¹gigieh.perkasa@gmail.com, ²yoestiniimam@gmail.com

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Abstract

MSMEs have a strategic role in supporting national economic growth, especially through their contribution to the export sector. However, many exporting MSMEs face various challenges, such as international trade risks and limited entrepreneurial orientation, which can affect their performance. To overcome these challenges, trade credit insurance is present as one of the financial solutions that helps protect MSMEs from the risk of default. In addition, entrepreneurial orientation is an important factor in encouraging MSME competitiveness and innovation. In this context, government support is expected to moderate the influence of these two factors on improving the performance of exporting MSMEs. This study aims to analyze the effect of trade credit insurance and entrepreneurial orientation on the performance of export MSMEs, by considering government support as a moderating variable. This study was conducted on the trade finance service of PT. Bank Rakyat Indonesia (Persero) Tbk for export MSMEs in Central Java. Data collection was conducted through a survey of 150 respondents who were export MSME actors. Data analysis used multiple linear regression methods with statistical software. The results of the study indicate that trade credit insurance has a positive and significant effect on the performance of export MSMEs, as well as entrepreneurial orientation. However, government support does not moderate the effect of trade credit insurance on the performance of export MSMEs. On the contrary, government support is proven to strengthen the effect of entrepreneurial orientation on the performance of export MSMEs. This finding indicates that MSMEs that have access to trade credit insurance services and have a high entrepreneurial orientation can improve their export performance. Government support plays an important role in strengthening the positive impact of entrepreneurial orientation on export performance. This study contributes to the development of policies that support the performance of export MSMEs, especially in optimizing trade finance services and supporting programs from the government.

Keywords: *Trade Credit Insurance, Entrepreneurship Orientation, Government Support, MSME Export Performance, Trade Finance*

INTRODUCTION

Micro, Small, and Medium Enterprises (hereinafter known as MSMEs) are classified as one of the factors that drive the economy of a nation, especially this nation. The vital role of MSMEs in the national economy can be identified from several data published by the Central Statistics Agency (BPS), including (1) Number of Work Units. The number of business units in Indonesia in 2021 was 64.2 million business units, with the portion of the number of MSME business units being 64.1 million (99.9%) (2) Contribution to the absorption of the number of workers, the number of workers in the country reached 120.6 million people in 2021, from which it is understood that the number of workers absorbed in the MSME sector is around 116.9 million (97%) (3) Contribution to Gross Domestic Product (GDP), where the total contribution of the business world's GDP in the country in 2021 totaled 14,038,598 billion, with the contribution of MSMEs to GDP reaching 8,573,895 billion (61.07%) (4) Contribution factor to Non-Oil and Gas Exports. The total non-oil and gas exports in the country reached 2,044,490 billion in 2021 as a whole, where the contribution of MSMEs to non-oil and gas exports reached 293,840 billion (14.37%) (5) The last factor is Contribution to Investment, the amount of investment in the country reached 4,244,685 billion

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in total in 2021, of which the contribution of MSMEs to investment reached 2,564,549 billion (60.42%) (BPS data, 2021). In line with all the data mentioned previously, Sarwono's study (2015) stated that the MSME sector in the country has a major role, especially related to the opening of new jobs, new businesses and plays a real role in providing encouragement to increase gross domestic product (GDP). Therefore, this shows that this nation still has a large dependence on the development and performance of the MSME sector because this sector is a key factor in the development or failure of a nation's economy. Through its major contribution to the economy, it is undeniable that MSMEs are classified as one of the crucial and important sectors because they can cause the economy of a nation to move, especially Indonesia.

With the above data, the large number of MSMEs can certainly be more optimal in contributing to the national economy if supported by the quality of MSMEs that are also qualified. For MSME actors themselves with a large number of business actors, the competition to survive in the industry becomes very tight, so that only tough business actors with sustainable businesses will be able to win the competition in the long term. With this condition, natural selection applies by itself, this is an interesting thing to study in more depth regarding why there are MSMEs that can grow as superior business units and why some fail. The classic problems faced in the development of MSMEs in Indonesia can be classified into internal and external obstacles. Internal company obstacles generally occur due to the low productivity of the Business Unit. This situation can generally be caused by internal problems that MSMEs face, for example the quality of human resources that are not yet mature enough (lack of leadership and entrepreneurship) and related to the most basic external problem that MSMEs face is the lack of support from the government and related stakeholders (in this case financial institutions, especially banking).

The government has a strategic role in creating a macroeconomic ecosystem that can support and have a significant impact on the life and development of MSMEs, in addition to various incentive programs related to costs, simplification of the licensing process, good infrastructure that can reduce the high cost economy, the creation of a fair business competition climate can only be realized if there are strict regulations set by the government as a regulator. In addition to the business ecosystem, one thing that is also very vital in creating a good business is a reliable and secure payment ecosystem. To create this payment ecosystem, the government certainly cannot work alone, this is where the banking sector can take a role as a strategic partner of the government in developing MSMEs. The payment system is classified as a crucial factor, because the indicator of a business transaction can be said to be successful if the payment transaction is completed well and no party feels disadvantaged.

With the fact that there are a large number of MSMEs in Indonesia, while the domestic market and purchasing power are relatively stable, then if MSMEs want to grow faster, one of the marketing strategies that has great potential to generate revenue for MSMEs is expansion into new markets, especially overseas markets or in short; exporting. This export activity is also classified as a strategy that is in line with government policy in an effort to increase foreign exchange so that it gets a lot of support and incentives or facilities from the Government.

In creating a business unit that is able to compete globally, the Government as a regulator, business actors in the MSME sector and formal financial institutions, especially Banking, need to have an effective synergy program. Banking, especially Foreign Exchange Banks, certainly has a competitive and comparative advantage as a catalyst for the development of export MSMEs, one of which is by creating safe products/services and protecting the interests of export-oriented business actors. PT. Bank Rakyat Indonesia (Persero) Tbk (BRI) is one of the banks included in the State-Owned Bank Association (Himbara) classified as a bank that has a foreign exchange business license from Bank Indonesia, so with the foreign exchange business license, BRI can officially provide various facilities for cross-country trade and payment transaction services including foreign exchange services. These services at BRI are referred to as Trade Finance services for both export and import purposes (this study will discuss more about the export side).

Export trade finance services can be broken down into export financing services, discounting letters of credit and non-letter of credit, supply chain financing, and international guarantees. Export services using the Letter Of Credit method are classified as one of the most commonly used services, however, there are several facts that the Letter Of Credit service is less flexible for the MSME segment and naturally the use of the Letter Of Credit instrument is used more in the early stages of the transaction, especially to mitigate risks in the early stages of trade when sellers and buyers from different countries do not yet know each other, so a third party is needed who can guarantee the certainty of payment for the transaction in question. As time goes by and the relationship between sellers and buyers from different countries improves, and historically the payment record is good, the payment

method that originally used L/C generally switches to non-L/C, considering more efficient transaction costs. However, even though it offers low transaction costs, the risk of default remains high because exporters really only rely on the credit worthiness or credibility of individual buyers, without any guarantee from banking as an institution. This condition is of course very risky, especially for MSME business actors who are just starting to expand their markets abroad. As one of the alternative solutions to this condition, BRI designed an innovation of new Trade Finance products and services that are efficient in terms of costs without leaving the security of transactions, which is very appropriate to be used by the MSME segment. This service is called Trade Credit Insurance or commonly abbreviated as TCI. In the Trade Credit Insurance (TCI) service, banking provides protection for exporters' Accounts Receivable (trade receivables) who make transactions with Non L/C instruments from the risk of unpayment caused by commercial risk including credit worthiness from buyers in other countries, thus in terms of products, TCI is classified as an innovation from BRI as a real form.bank support in improving MSME export performance. The influence of bank support on MSME export performance has been justified by research by Fredrikson and Moro, (2014); Mahat and Zannah, (2017); Khalil et al., (2018); Sanni et al., (2020). Where the research results of Fredrikson and Moro, (2014); Mahat and Zannah, (2017); Khalil et al., (2018); Sanni et al., (2020) show that there is a positive influence of trade credit insurance products on the performance of MSME exporters.

In addition to banking support factors, internal factors originating from within business actors, namely entrepreneurial orientation in various studies, are considered capable of encouraging MSMEs to improve export performance. The influence of entrepreneurial orientation on the performance of exporting MSMEs is justified by research by Al Asheq, (2019); Fitriati et al., (2020) 'Akpoviroro and Akanmu, (2021). Where the results of research by Al Asheq, (2019); Fitriati et al., (2020) 'Akpoviroro and Akanmu, (2021) show results that there is a positive influence of entrepreneurial orientation on the performance of exporting MSMEs. Based on the aforementioned research gap, this study aims to examine in more depth the Influence of Trade Credit Insurance Services, Government Support and Entrepreneurial Orientation on the Performance of Export MSMEs with a case study of Trade Finance services of PT. Bank Rakyat Indonesia, Persero (Tbk) to MSMEs in the Central Java Region.

The problem in this study is the discovery of the need for banking services that can help MSMEs so that they become safer and easier in carrying out export transactions. The condition that there is a problem in using a safe L/C instrument but is burdensome in terms of costs compared to a cheap Non L/C instrument but tends to be riskier of course a middle ground must be found, the goal is that business actors, especially MSMEs, can get a solution. This study is also supported by the presence of a research gap, namely: there are still differences of opinion regarding the influence of government support, banking support, and entrepreneurial orientation on the performance of export-oriented MSMEs, so that the formulation of the problem in this study is how to improve the performance of exporting MSMEs.

FORMULATION OF THE PROBLEM

From this problem formulation, the research questions are as follows:

1. How does trade credit insurance affect the performance of export MSMEs in Central Java?
2. How does entrepreneurial orientation influence the performance of export MSMEs in Central Java?
3. Does government support moderate the influence of trade credit insurance on the performance of export MSMEs in Central Java?
4. Does government support moderate the influence of entrepreneurial orientation on the performance of export MSMEs in Central Java?

LITERATURE REVIEW AND MODEL DEVELOPMENT

MSME Export Performance

The main goal of a business unit is to achieve increased performance. The performance of a business entity shows the achievement of the company's achievements after carrying out various business activities as a whole. From various literature reviews related to company performance, it can be understood that discussions about company performance basically emphasize profitability and customer growth. Fred et al., (2018) stated that profitability is one of the best indicators in the process of identifying whether the company in question has carried out something correctly or not. Furthermore, profitability is also considered to be one of the benchmarks for the success or failure of a business entity. Next, Sanni et al., (2020) also explained that profit margin, return on assets,

return on equity, return on sales are included as indicators that are generally used in the process of measuring financial profitability. All of these indicators will make it easier for a business entity to measure its performance. It is understood that a strategy includes various methods or ways used so that a business entity can excel in existing competition. It is also understood that this strategy is a tool used in the process of improving the performance of a business entity. A similar view is also explained by Akpoviroro and Akanmu, (2021) where he gave the opinion that company performance is one of the things commonly used in the process of measuring the impact of a company strategy. It is understood that the company's strategy will continue to be directed to produce company performance such as sales growth, asset growth rate, and profitability.

Trade Credit Insurance Services

Trade Credit Insurance service provides certainty of payment for exporter receivables as a seller if the buyer or importer does not make payment as agreed. Trade Credit Insurance is classified as a YTrade Finance product/service that combines transaction security with Letter Of Credit but with low rates as in Non L/C instruments, so that it can help business actors secure finances, explore new markets with confidence and attract new customers with attractive offers. Trade Credit Insurance even though the facility is "Non Cash Loan, but the facility is generally still included in the credit criteria. And regarding the meaning of credit based on Law No. 7 of 1992 concerning banking, it is explained that credit is the provision of money or bills that can be equated with it, and is based on an agreement or agreement to borrow between the bank and other parties, where in this case requires the borrower to make payments on the debt he has within a specified period of time and with interest or compensation that has been agreed upon in advance. The term credit generally comes from Greek, where the meaning is trust. Therefore, the basis of this credit is trust. It is understood that credit is the right to receive payment or an obligation to be able to make payments with a specified period of time in the future because of the act of handing over goods at the present time. The elements of credit themselves include trust, time, degree of risk, achievement (credit object) (Khalil et al., 2018). The function of credit in economic life, trade and finance in general is as follows:

- a) Credit can increase the utility of money, goods/services.
- b) Credit causes increased circulation and traffic of money.
- c) Credit is classified as one of the tools of economic stability.
- d) Credit can cause the emergence of enthusiasm for business among the community (real sector)
- e) Credit is a bridge in the process of increasing national income.
- f) Credit also serves as a tool that connects the international economy.

Types of credit can be explained from various angles, namely:

- a) From the perspective of objectives, it is divided into consumptive and productive credit.
- b) In terms of time period, it is divided into short-term credit with a term of 1 year (short term loan), medium-term with a term of 1 to 3 years (medium term loan) and long-term where the term is above 3 years (long term loan).
- c) From a collateral perspective, they are Unsecured loans (without collateral) and secured loans (with collateral).
- d) From the usage perspective, namely for working capital and investment.

And regarding the definition of small business credit (KUK) based on SE Bank Indonesia No.3/9/Bkr, dated May 17, 2001, it is credit or financing provided by banks for investment or working capital, in the form of rupiah or foreign currency to small business customers with a total credit ceiling of a maximum of IDR 500 million and is intended to finance productive businesses including program credit. As part of the key to the success of a business entity engaged in the MSME sector, the business relationship between entrepreneurs and banks must continue to be established not only regarding the sustainability of fund management but also related to business consulting (Khalil et al., 2018). Business consulting services that are classified as part of the banking function must continue to be delivered to debtors in order to develop their businesses, or in dealing with problems found in doing business. However, banks have a major role in the sustainability of the business of their debtors where this will provide certainty regarding the level of credit repayment that has previously been given.

On the other hand, the commitment of MSME actors to the banking sector must also be maintained, which is useful for the sustainability of the business they own. In many circumstances, it can be found that successful MSME entrepreneurs will continue to make maximum efforts to prioritize and fulfill their commitments to the banking sector even though their business is in crisis. Business life certainly cannot be separated from credit problems. One of the main concerns of MSMEs is sufficient cash flow. A business entity will experience insufficient cash flow when it starts its operational activities or when the economy is experiencing a decline (Sanni et al., 2020). Types of small business loans according to Sanni et al., (2020) include General Obligation Loans, Working Capital Loans for Receivable and Inventory financing, Terms Loans or long-term investment credit. In the process of measuring SME performance, there are several obligations that must be met, including:

- a) Business continuity (business survival) is a measure of the sustainability of a business entity, whether it can continue to exist, be transferred or sold to another party.
- b) Employee growth, namely through the development of a business, will certainly result in increased capacity, which results in the need for additional employees, both full-time and part-time.
- c) Credit quality is divided into several categories, namely Smooth, DPK (Under Special Supervision), KL (less smooth), D (doubtful), M (bad).
- d) Credit growth obtained from SME entrepreneurs.
- e) Utilization of credit in this case is about how to use credit facilities, whether it is in line with existing planning, both for investment and working capital.
- f) Supervision from the banking sector, in this case in the form of guidance and determination of restrictive loan covenants or agreements which contain various limitations for the debtor given by the banking sector, for example regarding investment policies, dividends, financing, etc.

Deeper into its relationship with the banking sector, MSME business actors certainly need banking products that are not complicated and real (Sanni et al., 2020) where this can provide assistance to the business being run, and also expect a human touch. BRI, which is known to have a wide network, can certainly reach all corners of the country, so that this will provide the possibility that the human touch aimed at the debtor can be channeled in the midst of efforts to improve technological facilities in the related area. Through such a relationship approach, of course, it must be supported by the distance between the banking location and the residence or place of business of the MSME actor, where in the end the debtor will feel faster service so that their needs can be met and identified properly.

Influence Between Research Variables

Trade Credit Insurance Products on MSME Performance

The debtor's commitment to the bank is highly dependent on the level of satisfaction and loyalty they have. As stated in the Expectation Theory (Sanni et al., 2020), it is explained that a business entity can excel in customer loyalty if the business entity is able to provide satisfaction and meet the expectations of its customers for the products they have. If the product cannot meet customer expectations, of course they will switch to products from other companies. Furthermore, the Control Theory (Sanni et al., 2020) emphasizes that the debtor must have a familiar feeling about the bank's products. This familiarity will result in a debtor having a feeling of familiarity with the related product so that a positive response to the product will arise, and ultimately a sense of trust will grow in the debtor to use all products from the bank properly. Trade credit insurance products are able to encourage MSMEs to improve export performance, the influence of trade credit insurance products on the performance of exporting MSMEs is justified by research by Fredrikson and Moro, (2014); Mahat and Zannah, (2017); Khalil et al., (2018); Sanni et al., (2020). Where the results of research by Fredrikson and Moro, (2014); Mahat and Zannah, (2017); Khalil et al., (2018); Sanni et al., (2020) show that there is a positive influence of trade credit insurance products on the performance of exporting MSMEs Based on the previous explanation, the hypothesis that was successfully formulated is:

H1 = Trade credit insurance products have a positive impact on the performance of exporting MSMEs

Entrepreneurial Orientation Towards MSME Performance

Entrepreneurship development in the micro business sector, especially weaknesses in the field of organization and human resource management can be achieved through training, guidance, consultation and counseling. Training is prioritized in areas that are in accordance with the mainstay business unit. (Fitriati et al., 2020) One of the entrepreneurial spirits that an entrepreneur must have is the ability to manage the business he is working on, an entrepreneur must have the ability to plan a business, organize a business, visualize a business, manage a business and human resources, control a business, and the ability to integrate the operations of his company, all of which are classified as managerial skills that must be possessed by an entrepreneur, without all of that, success will not be achieved. (Al Asheq et al., 2019).

For this reason, managerial training is also needed because in general micro entrepreneurs are weak in management skills and use a lot of uneducated workers (Akpoviroro and Akanmu, 2021). In addition, there is no clear division of tasks between administration and operations. Most micro industries are managed by individuals who are both owners and managers of companies that utilize labor from their families and close relatives. Good entrepreneurial orientation can encourage MSMEs to improve export performance, the influence of entrepreneurial orientation on the performance of exporting MSMEs is justified by research by Al Asheq et al., (2019); Fitriati et al., (2020) Akpoviroro and Akanmu, (2021). Where the results of research by Al Asheq, (2019); Fitriati et al., (2020) Akpoviroro and Akanmu, (2021) show that there is a positive influence of entrepreneurial orientation on the performance of exporting MSMEs. Based on the previous explanation, the hypothesis that was successfully formulated is:

H2 = Entrepreneurial orientation has a positive effect on the performance of exporting MSMEs.

Government Support (Z) Moderates the Effect of Trade Credit Insurance (X1) on MSME Export Performance (Y)

Government support has the potential to strengthen the influence of trade credit insurance on the performance of export MSMEs through various policies that support the stability and accessibility of trade insurance services for MSMEs. However, the results of the study show that government support does not significantly moderate the relationship between trade credit

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insurance and the performance of export MSMEs. Although the direction of the positive coefficient indicates an influence, this result may occur due to the suboptimal implementation of government support in this sector or the incompatibility of policies with the specific needs of MSMEs (Wijaya, 2020). Similar research by Ramadhani (2021) also indicates that government support can be limited in certain sectors if policy coordination and understanding of the local context are not facilitated.

H3: Government Support (Z) Moderates Trade Credit Insurance on MSME Performance

Government Support (Z) Moderates the Effect of Entrepreneurial Orientation (X2) on MSME Export Performance (Y)

The results of the study show that government support significantly moderates the effect of entrepreneurial orientation on the performance of export MSMEs. Government support that is realized through entrepreneurship training, export facilitation, and provision of access to information and funding can strengthen the ability of MSMEs to face export challenges (Sari & Nugroho, 2019). With supportive government policies, MSMEs that have a high entrepreneurial orientation are able to more effectively improve export performance. These results are consistent with the findings of research conducted by Rahmawati (2022), which underlines the importance of collaboration between the government and business actors to create a conducive environment for export development.

H4: Government Support (Z) Moderates Entrepreneurial Orientation on MSME Performance

Empirical Research Model

This research model is concerned with efforts to find out more about the support strategies of the central government, local government or MSME stakeholders, in order to analyze the level of ease in obtaining capital associated with legal entities and micro-business collateral and entrepreneurial factors such as management and workforce. This study model is divided into one dependent variable, namely the Performance of Micro, Small and Medium Enterprises and 3 (three) independent variables, namely government support, trade credit insurance products and entrepreneurial orientation. And regarding the research model developed, it is oriented towards the understanding that conducive government support, trade credit insurance products and increased entrepreneurship will improve the performance of exporting MSMEs.

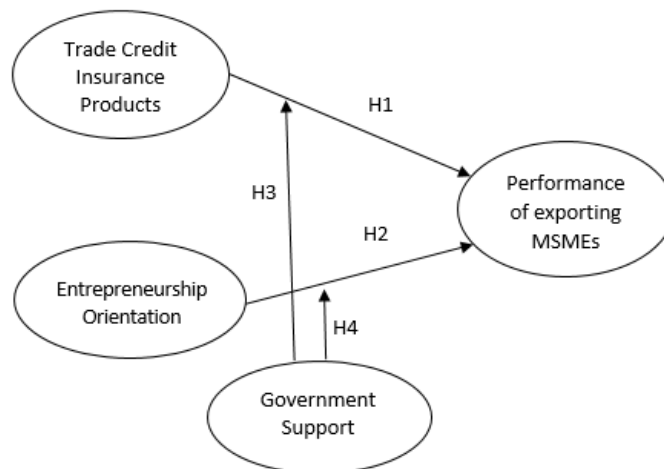


Figure 1. Empirical Research Model

Source: Various journals developed, (2024)

RESEARCH METHODOLOGY

Types of research

This study uses a quantitative approach with a causal design to test the effect of trade credit insurance and entrepreneurial orientation on the performance of export MSMEs, as well as moderating the role of government support.

Population and Sample

Population

The population used in the study was BRI-assisted MSMEs that carry out export-import trade using non-L/C media.

Sample

The sampling technique used purposive sampling, with the following criteria: BRI-assisted MSMEs with non-L/C media that received credit assistance from BRI, and BRI-assisted MSMEs with non-L/C media that have been operating for more than 10 years. Based on the purposive sampling technique, a sample of 121 MSMEs was obtained, which meets the minimum sample size.

Data Analysis Techniques

The analysis was conducted using multiple linear regression to test the direct influence of independent variables on the performance of export MSMEs and moderation analysis to see the role of government support. Hypothesis testing was conducted with the calculated t value and significance level ($\alpha < 0.05$).

DATA ANALYSIS RESULTS

The regression equation for the results of the regression analysis in the first model can be clearly explained as follows:

$$\text{MSME export performance} = 1.647 + 0.290 \text{ Trade credit insurance} + 0.433 \text{ Entrepreneurial orientation}$$

Based on the equation above, it can be clearly explained that trade credit insurance can have an effect on increasing the performance of export MSMEs by 0.290, the direction of the positive regression coefficient shows that there is a positive effect of trade credit insurance on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that have good trade credit insurance facilities have better export MSME performance. Entrepreneurial orientation can increase the performance of export MSMEs by 0.433, the direction of the positive regression coefficient shows that there is a positive effect of entrepreneurial orientation on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that have a high entrepreneurial orientation are able to increase the performance of export MSMEs. The regression equation for the results of the regression analysis in the second model can be clearly explained as follows:

$$\text{Performance of export SMEs} = 3.585 + 0.015 \text{ Moderation Government support} \times \text{Trade credit insurance} + 0.053 \text{ Moderation Government support} \times \text{Entrepreneurial orientation}$$

Based on the equation above, it can be clearly explained that government support is able to moderate the increase in trade credit insurance against export performance of MSMEs as much as 0.015. This provides an indication that good government support is able to strengthen employee trade credit insurance in increasing performance of export MSMEs even though its influence is weak. Government support is able to moderate the increase in entrepreneurial orientation toward export performance of MSMEs as much as 0.053. This provides an indication that good government support is able to strengthen entrepreneurial orientation in increasing export performance of MSMEs. In order for the existing hypothesis to be tested using the t-test, a regression analysis is needed, in this case a linear regression analysis is used with the intention of obtaining knowledge about the influence caused by the independent variables (Imam Ghozali, 2001). Statistical calculations in the linear regression analysis used are assisted by the SPSS 26.00 computer program. And regarding the summary of the data processing results through the use of the SPSS program for the t-test, it is below:

Table 1. Partial t-test

No	Dependent Variable	Independent Variable	B	t count	Sign	Information
1	Performance of export SMEs	Trade credit insurance	0.276	3,224	,002	Ha Accepted*
2	Performance of export SMEs	Entrepreneurial orientation	0.432	5,053	,000	Ha Accepted*
3	Performance of export SMEs	Moderation Government support x Trade credit insurance	0.133	,845	,400	Ha Rejected*
4	Performance of export SMEs	Moderation Government support x Entrepreneurial orientation	0.494	3,140	,002	Ha Accepted*

Source: Regression output results, 2024

From table 1, the multiple linear regression equation can be compiled as follows:

The Influence of Trade Credit Insurance (X1) on the Performance of Export MSMEs (Y)

The partial test of variable XI (trade credit insurance) has a regression coefficient of 0.276, the value of t count is 3.224 with a significance of 0.002. The value of t count is 3.224 tends to be above the t table (1.96) and the significance value is below 0.05, namely 0.002, so H_0 is rejected and H_a is accepted. These results show that the trade credit insurance variable has a real influence on the performance of export MSMEs, so hypothesis 1 can be accepted. The positive direction of the regression coefficient shows that there is a positive influence of trade credit insurance on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that have good trade credit insurance have better export performance.

The Influence of Entrepreneurial Orientation (X2) on the Performance of Export MSMEs (Y)

Testing of variable X2 (entrepreneurial orientation) partially has a regression coefficient of 0.432, the value of t count is 5.053 with a significance of 0.000. The value of t count is 5.053 tends to be above the t table (1.96) and the significance value is below 0.05 which is 0.000, so H_0 is rejected and H_a is accepted. These results show that the entrepreneurial orientation variable has a significant influence on the performance of export MSMEs, so hypothesis 2 can be accepted. The positive direction of the regression coefficient shows that there is a positive influence of entrepreneurial orientation on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that provide high entrepreneurial orientation are able to improve the performance of export MSMEs.

Government support (Z) moderates the influence of trade credit insurance (X1) on export performance of MSMEs(Y)

Testing of the moderation variable $X1 \times Z$ (Moderation of government support to entrepreneurial orientation) partially obtained the value of the regression coefficient of 0.133, the value of t count of 0.845 where the significance is 0.400. The value of t count of 0.845 is smaller than t table (1.96) and the significance value is greater than 0.05 which is 0.400, so H_0 is accepted and H_a is rejected. These results show that the government support variable is unable to moderate the effect of trade credit insurance on the performance of export MSMEs, so hypothesis 3 is rejected. The positive direction of the regression coefficient shows that there is a positive direction of trade credit insurance towards performance of export SMEs if moderated by government support. This provides an indication that BRI-assisted MSMEs that have good trade credit insurance can lead to an increase employee performance, even though it is not mediated by government support.

Government support (Z) moderates the influence of entrepreneurial orientation (X2) on export performance of MSMEs(Y)

Partial testing of variables $X1 \times Z$ moderation (Moderation of government support to entrepreneurial orientation) obtained a regression coefficient value of 0.494, a calculated t value of 3.140 with a significance of 0.002. The calculated t value of 3.140 tends to be above the t table (1.96) and its significance value is below 0.05, which is 0.002, so H_0 is rejected and H_a is accepted. These results show that the government support variable is able to moderate the influence of entrepreneurial orientation on the performance of export MSMEs, so hypothesis 4 is accepted. The positive direction of the regression coefficient indicates a positive direction of entrepreneurial orientation towards performance of export SMEs if moderated by government support. This provides an indication that BRI-assisted MSMEs that have a good entrepreneurial orientation can lead to an increase performance of export MSMEs, if mediated by government support, the influence of entrepreneurial orientation on the performance of export MSMEs will be strong.

DISCUSSION

The Influence of Trade Credit Insurance on the Performance of Export MSMEs

The results of the study indicate that trade credit insurance has a positive and significant effect on the performance of MSME exports, with a regression coefficient of 0.276 and a significance value of 0.002. The t-count value of 3.224, which is greater than the t-table of 1.96, indicates that the first hypothesis can be accepted. This positive effect indicates that the better the trade credit insurance product owned by MSMEs, the higher the export performance achieved by them. This trade insurance provides protection against risks faced in export transactions, such as payment failures from international buyers (Ariani, 2017). With this guarantee, MSMEs tend to be more confident in making transactions with foreign buyers, which in turn improves their export performance. Previous research by Kusiak and Kalinowski (2020) also stated that trade credit insurance helps small and medium-sized companies to expand their export markets by reducing the uncertainty arising from international payment risks. This result is in line with a study by Brown and Churchill (2020) which states that trade credit insurance increases the confidence of MSMEs in expanding their markets and improving business performance. Therefore, companies that have this insurance protection are better prepared to face international risks, and ultimately can increase the volume and sustainability of their exports.

The Influence of Entrepreneurial Orientation on the Performance of Export MSMEs

The research findings also show that entrepreneurial orientation has a positive and significant influence on the performance of MSME exports with a regression coefficient of 0.432 and a significance value of 0.000. The t-count of 5.053 is greater than the t-table of 1.96, so the second hypothesis is accepted. The positive regression coefficient indicates that MSMEs that have a high entrepreneurial orientation, such as innovation, proactiveness, and risk-taking ability, will have better export performance. This supports the theory of entrepreneurial orientation proposed by Covin and Slevin (1989), which states that entrepreneurial orientation is a key element in the success of a company, especially in a competitive market. Entrepreneurial orientation plays an important role in determining the extent to which MSMEs can adapt to market changes and respond to business opportunities. In the context of exports, a high entrepreneurial orientation encourages MSMEs to be more creative in developing products that suit the needs of the international market. For example, MSMEs with a strong entrepreneurial

orientation are able to design more effective international market penetration strategies (Zahra et al., 2008). This makes entrepreneurial orientation an important factor in increasing the competitiveness of MSMEs in the export market.

Government Support Moderates the Impact of Trade Credit Insurance on MSME Export Performance

Testing of the moderation variable of government support in the relationship between trade credit insurance and the performance of export MSMEs shows insignificant results. With a regression coefficient of 0.133 and a significance value of 0.400, the third hypothesis is rejected. Although the direction of the regression coefficient is positive, these results indicate that government support does not strengthen the influence of trade credit insurance on the performance of export MSMEs. This may be due to a lack of understanding or awareness among MSMEs about the benefits of existing government support. In addition, government policies that are not always directly related to the specific needs of MSMEs in the export sector can be a factor that limits the effectiveness of such support (Alvarez & Barney, 2007). Research by Munim and Hoque (2020) shows that although government policies can play a role in supporting the growth of MSMEs, internal company factors such as risk management and access to information have a greater influence on decision-making regarding international market expansion. Therefore, even though the government provides various incentives, without targeted support and increasing the internal capacity of MSMEs, the benefits of this support may not be realized optimally.

Government Support Moderates the Effect of Entrepreneurial Orientation on MSME Export Performance

On the contrary, the results of the study indicate that government support plays an important role in moderating the relationship between entrepreneurial orientation and MSME export performance. The moderation regression coefficient of 0.494 with a significance value of 0.002 indicates that the fourth hypothesis is accepted. Government support in the form of training, access to international markets, and the provision of tax incentives can strengthen the relationship between entrepreneurial orientation and export performance. When the government supports MSMEs in accessing global market information and providing adequate facilities, MSMEs will be better prepared to face export challenges and develop the innovations needed to compete in the international market (Alvarez & Barney, 2007). This study is also in line with the study by Zahra et al. (2008), which states that government policies that support entrepreneurship, such as tax incentives and marketing assistance, can strengthen the relationship between entrepreneurial orientation and business performance. Therefore, the higher the government support given to MSMEs, the greater the impact on their ability to improve export performance.

CONCLUSION

The hypotheses proposed in this study are four hypotheses. The conclusions of the four hypotheses are as follows:

1. Hypothesis 1 is accepted, the results of this study show that Good trade credit insurance from BRI-assisted MSMEs will improve the performance of export MSMEs. The positive direction of the regression coefficient shows that there is a positive influence of trade credit insurance on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that have good trade credit insurance have better export performance..
2. Hypothesis 2 is accepted, the results of this study show that Good entrepreneurial orientation of BRI-assisted MSMEs will improve the export performance of these MSMEs. The positive direction of the regression coefficient shows that there is a positive influence of entrepreneurial orientation on the performance of export MSMEs. This indicates that BRI-assisted MSMEs that provide high entrepreneurial orientation are able to improve the performance of export MSMEs.
3. Hypothesis 3 is rejected, the results of this study indicate that government support does not mediate the influence of trade credit insurance on the performance of export MSMEs in MSMEs fostered by BRI. The positive direction of the regression coefficient indicates a positive direction of trade credit insurance on performance of export SMEs if moderated by government support. This provides an indication that BRI-assisted MSMEs that have good trade credit insurance are able to increase employee performance, even though it is not mediated by government support.
4. Hypothesis 4 is accepted, the results of this study show that government support mediates the influence of entrepreneurial orientation on the performance of export MSMEs in MSMEs fostered by BRI. The direction of the positive regression coefficient indicates a positive direction of entrepreneurial orientation towards performance of export SMEs if moderated by government support. This provides an indication that BRI-assisted MSMEs that have a good entrepreneurial orientation are able to increase performance of export MSMEs, if mediated by government support, the influence of entrepreneurial orientation on the performance of export MSMEs will be strong.

MANAGERIAL IMPLICATIONS

Based on the conclusion, the following recommendations can be made to management:

1. It is expected that BRI-assisted MSMEs can increase trade credit insurance, where trade credit insurance provides trade financing solutions that provide equal opportunities for MSMEs who want to expand abroad. By bridging the working capital gap, mitigating risks, and enabling flexible payment terms, trade financing empowers businesses to access new markets with confidence. With BRI's support, BRI-assisted MSMEs can take advantage of trade financing solutions internationally appropriate for improve its export performance.

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2. It is hoped that BRI's fostered MSMEs can improve their entrepreneurial orientation, where The entrepreneurial orientation can be reflected in the attitude of BRI-assisted MSME actors who are full of innovation, proactive and brave in taking risks which are believed to be able to boost the performance of MSME exports. Through a stronger entrepreneurial orientation, it will help micro and small business actors in creating new ideas, proactively seeking new opportunities, and conducting experiments even though they are risky, so that in the end they can improve business performance. With an entrepreneurial orientation, micro and small business actors will show their existence in the form of courage in taking risks, making changes and exploiting innovative behavior to improve their export performance. It is hoped that
3. It is hoped that BRI's fostered MSMEs can take advantage of government support, where the ability of MSMEs to increase creativity and innovative attitudes in running a business can be done by being willing to accept new ideas, holding training to develop creative abilities, following or monitoring technological developments, and choosing the right and fast distribution facilities in distributing products makes the support provided by the government even stronger.

RESEARCH LIMITATIONS

The results of this study and the limitations found in the study can be used as a source of ideas for the development of this research in the future, so the suggested research extension of this study is to add independent variables that affect the performance of export MSMEs. The suggested variables are: knowledge and skills of MSME exports and so on.

SUGGESTIONS FOR FUTURE RESEARCH

Based on the conclusion, the following suggestions can be made for future research:

1. Research Method Improvement
Further research is suggested to use mixed-method (quantitative and qualitative) methods to explore deeper data. Qualitative approaches, such as in-depth interviews with MSMEs or policy makers, can provide a broader understanding of trade credit insurance implementation and government support.
2. Location and Sector Additions
This study focuses on export MSMEs in Central Java. Future research can expand the scope of locations to other regions in Indonesia or specific industrial sectors, such as agribusiness, manufacturing, or information technology, to compare the effectiveness of policies and strategies across geographic contexts and economic sectors.

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