Research Paper

Government Role In Improving The Quality Of Products And The Results Of Sales Of Food Small Businesses In Tanjung Selor District, Bulungan Regency, North Kalimantan Province

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ABSTRACT. *The purpose of this study was to determine the effect of the government role on the quality of products and the sale of small-scale food businesses in TanjungSelor Districts, Bulungan Regency, North Kalimantan Province. This study uses a quantitative approach with survey methods. The number of research samples was 102 respondents. Data is processed using Structual Equation Modeling (SEM) analysis tools. The results showed that the role of the government had a positive and significant effect on product quality, but it was not significant to the sales results. While product quality has a negative and insignificant effect on sales results. As for the indirect relationship between the role of the government and sales results, through the intervening variable of product quality, the effect is not significant.*
KEYWORDS: *Government Role, Product Quality, Sales Results*

I. INTRODUCTION

The government seems to be well aware that Micro, Small and Medium Enterprises (MSMEs) have a major role for the Indonesian economy. Therefore, in order to develop the MSME sector, the government is considered to have been quite serious in providing assistance to MSME players. This can be seen from the assistance of the People's Business Credit (Kredit Usaha Rakyat/KUR) which has been programmed by the central government to provide assistance in the form of business capital provided on credit at low interest and managed by a Government Bank.

In addition to the People's Business Credit assistance program from the central government, the regional government also has assistance programs for the development of MSMEs. Based on the results of preliminary observations, researchers found that there were quite a number of MSME actors who had received assistance provided by the government. Such as business capital assistance from the regional government, assistance with production equipment, assistance with business support tools, production training, and good food packaging training. The agencies that have provided assistance to MSME players in the form of production and training equipment are the Department of Fisheries of the Bulungan Regency, the Agriculture Service of the Bulungan Regency, the Industry Trade Office of the Cooperatives and SMEs of the Bulungan Regency and the Integrated Business Service Center (PusatLayanan Usaha TerpaduPLUT) of the Micro, Small and Medium Enterprises Cooperatives (Koperasi Usaha Mikro Kecil Menengah/KUMKM) Bulungan Regency.

From the assistance that has been given, the government hopes that MSME players can improve the quality of their products and the results of their sales. With the improvement of product quality and sales results, the standard of living for small business actors will also increase. This improvement in living standards can further improve the regional economy, and indirectly contribute to the development of Bulungan Regency.

The definition of a small business is a productive economic enterprise that stands alone, carried out by individuals with a maximum net worth of Rp 200,000,000 (Undang-Undang No. 20 Tahun 2008), which means all types of businesses both from the culinary/food, handicraft fields hands, trade, agriculture, livestock, workshops and others, also included in the category of small businesses, as long as their net worth is not more than Rp. 200,000,000. But in the context of this research, researchers only focus on products in the form of food made, produced, and sold by small-scale businesses in TanjungSelor District.

In the production and sale activities, there are those who sell food products directly to the end consumers, there are also those who entrust them in shops or stalls with a consignment sale system. This means

that small-scale food businesses entrust their merchandise or products to agents or other people, or shops or stalls, to be sold with future payments, or also referred to as sales terms (KBBI, 2017). This sales system is usually used by SMEs that produce food in sealed plastic packaging, taking into account a longer expiration period than unpackaged foods / dishes that are sold directly to end consumers.

Selling is part of marketing activities. In fact, selling is a core part of marketing activities. From the results of this selling activity, the marketing performance is measured, which includes (Kotabe, et al, 1991, in Tontowi, 2013); market portion, sales growth and profitability.

Kotler (2009) defines marketing, is a social process in which individuals and groups get what they need and want by creating, offering, and freely exchanging valuable products with others. So marketing activities are broader than sales activities. According to Tontowi (2014), sales are a process of offering goods or services to other parties so that an agreement is made to buy and sell, until the delivery of goods or services occurs with a payment according to the prices set together.

Sales can be said to be the core of marketing activities. Sales activities like this are carried out by small-scale food businesses in Bulungan Regency, especially TanjungSelor District. Considering that the sales made by small-scale food businesses are part of the application of the marketing concept, then in measuring sales performance is based on marketing performance indicators that are directly related to sales activities, namely sales growth and profitability. Market portion is not included in the sales results parameter. This is because, the market portion is a comparative value of success in controlling the market compared to its competitors. In the context of marketing small food businesses in TanjungSelor District, the market portion is not the focus of attention in making sales. They only focus on the results of the sale, namely to get profits and how to sell more in order to get more profits.

Based on the phenomena and theoretical reasons above, the researchers are interested in proposing research with the title, The Role of the Government in Improving the Quality of Products and the Results of Small-Scale Enterprises Sales in TanjungSelor District, Bulungan Regency, North Kalimantan Province.

II. OBJECTIVES

1. To find out the influence of the government's role on the quality of food products for small businesses inTanjungSelor District.
2. To find out the influence the role of the government in the sale of small-scale food businesses in TanjungSelor District.
3. To find out the influence of product quality on the sale of small food businesses in TanjungSelorDistrict.
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III. LITERATURE REVIEW

3.1. Product quality

According to Kotler and Keller (2009), product quality is the overall characteristic and of a product or service in the ability to satisfy the stated / implied needs. The quality of products and services, customer satisfaction, and company profitability are three things that are closely related. Studies have shown a high correlation between product quality relative to company profitability.

The indicator of product quality according to Tjiptono (2008) consists of:

1. Performance, related to the basic operating characteristics of a product. Performance is the main characteristic or function of a product. This is the main benefit or efficacy of the product we buy. Usually this is the first consideration we buy products.
2. Durability, which means how long or the age of the product concerned lasts before the product must be replaced. The greater the frequency of consumer use of the product, the greater the durability of the product.
3. Comformance to specifications (conformity with specifications), namely the extent to which the basic operating characteristics of a product meet certain specifications of the consumer or no defects are found in the product.
4. Features (features) are product characteristics designed to enhance product functions or increase consumer interest in products. Feature dimensions are additional characteristics or features that complement the basic benefits of a product. Features are options or options for consumers. If the main benefits are standard, features are often added. The idea, features can improve product quality if competitors do not have.
5. Reliability (reliability) is the probability that the product will work satisfactorily or not for a certain period of time. The smaller the likelihood of damage, the product is reliable.
6. Aesthetics (aesthetics), related to how the appearance of the product can be seen from the appearance, design, taste, smell, and shape of the product.
7. Perceived quaility (impression of quality), is often said to be the result of the use of measurements made indirectly because there is a possibility that consumers do not understand or lack information on the product in question. So, consumers' perceptions of products are derived from prices, brands, advertising, reputation and country of origin.

3.2. Sales results

Brown and Peterson (1993) in Suwandi (2015) define sales performance (sales results) as sales productivity or achievement of sales volume / unit by sales force. The sales results are measured by the amount of volume / unit sold that can be achieved that can be achieved through the growth of the number of customers and the sales growth of each seller within a certain period.

In order to achieve the expected sales results, must overcome the existing obstacles regarding market orientation and competitiveness. Focusing on these two things, will be able to increase sales results optimally. Market orientation provides what knowledge must be prepared by salespeople before making a sale on the market. Strength of competitiveness is a force that must be possessed by salesmen when facing its competitors.

In this study the concept of sales results uses the core of the concept of marketing results (marketing performance). Permadi (1988) states that market performance is part of marketing performance. This concept shows the effectiveness, presentation and market attractiveness of a product. Market performance is a concept to measure market performance of its products, as a reflection of the success of its business.

Kotabe (1991) in Tontowi (2013) suggests that marketing performance includes:

1. Relative market share is measured by comparing the sales volume with the nearest competitor's sales volume.
2. The level of sales growth measured by the percentage increase in sales.
3. The pre-tax profitability is measured by comparing the net income before tax with the amount of investment planted.

Pelham (1997) in Wahyudi (2006), suggests that marketing performance is influenced by three things, namely; company effectiveness, portion of growth, and profit. Each of these has an indicator. Effectiveness, including; quality of growth, tartget market share, and profit. The profit indicator has three indicators, namely; return on equity, gross profit, return on investment. The indicator of the target market portion has three indicators, namely; product sales, new product success, and customer durability.

In this study the concept of sales results uses theory from Kotabe with the reason that it is simpler and in accordance with the existence of fishermen's clients as individual business actors. However, its use eliminates one indicator of market share, because this is considered relatively difficult to understand to the fishermen. In the practice of making sales, fisherman clients almost never use the parameters of market share success.

3.3. The role of government

The existence of the government is essentially to serve the public (society), meaning that whatever is of public interest or need must be fulfilled by the role of government. But not only does the government act as a public servant, as the name implies the government (which governs / regulates), the government has the role of regulator (regulator) to create social relations in the life of a society formed harmoniously. Anything that becomes normative rights of the whole community must be fulfilled by the existence of the government. The right to a decent life, the right to do business, the right to get guidance and education so that knowledge and intelligence increase, the right to protection from injustice, the right to get the same treatment and protection, and other rights (Suwandi, 2015).

IV. METHODOLOGY

This study uses a quantitative approach with survey methods. The number of research samples was 102 respondents. Data collection is done by distributing questionnaires. The data analysis tool used was Structural Equation Modeling (SEM) with SPSS-AMOS 21 software.

V. FINDINGS AND DISCUSSION

5.1. Research Instrument Test

Table 1. Validity and Reliability Testing

The Role of Government (X)		Product Quality (Y1)		Sales Results (Y2)	
Indicator	Correlation	Indicator	Correlation	Indicator	Correlation
X1	0.644	X3	0.643	X8	0.683
X2	0.644	X4	0.659	X9	0.691
		X5	0.507		
		X6	0.597		
		X7	0.443		
Alpha Cronbach = 0.784		Alpha Cronbach = 0.759		Alpha Cronbach = 0.788	

Source: Data Results (2017)

Based on the table above shows nine instruments in three research variables, namely the Role of Government (X), Product Quality (Y1), Sales Results (Y2) are declared valid and reliable, so that research data obtained from the results of the instrument can be used for further data analysis.

5.2. Descriptive Analysis Results

Questionnaires were distributed using a Likert scale with a range of answers, strongly agree = 5. Agree = 4. Neutral = 3. Disagree = 2. Strongly disagree = 1. To interpret the results used the average score of the answers from Tontowi (2016), 4.1-5.0 = very good. 3.1-4.0 = good. 2,1-3,0 = enough. 1,1-2,0 = less. 0.0-1.0 = failed. Descriptive analysis results of the average value of the respondent's answers are presented as follows:

Table 2. Results of Descriptive Analysis

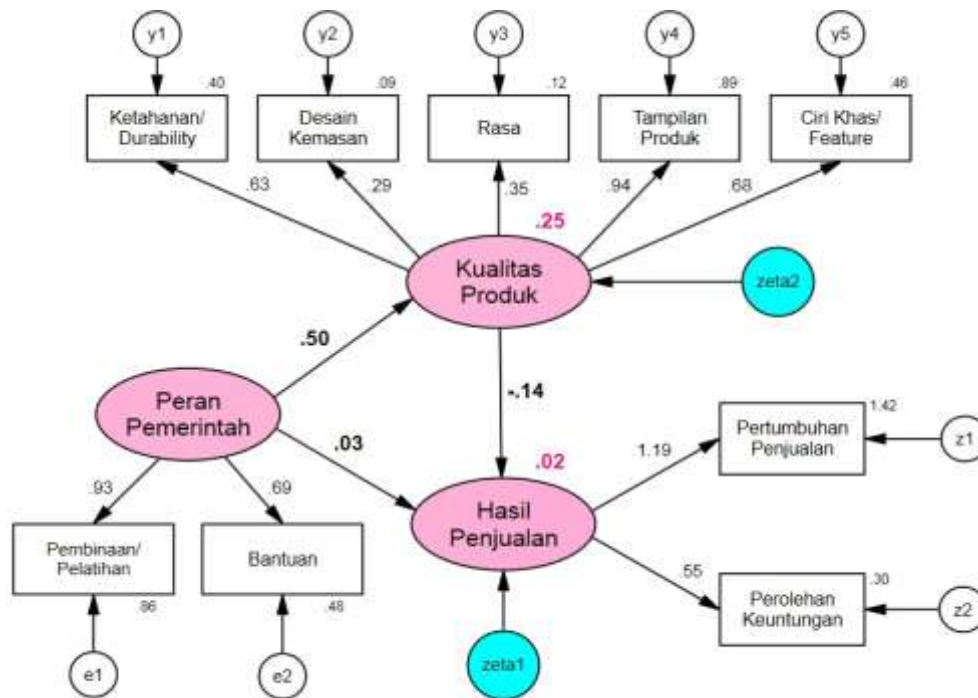| The Role of Government(X)		Product quality (Y1)		Sales Results (Y2)	
Indicator	Average	Indicator	Average	Indicator	Average
X1	4.30	X3	4.20	X8	4,29
X2	4.17	X4	4.25	X9	4.17
		X5	4.18		
		X6	4.29		
		X7	4.17		
Average Variable = 4,23		Average Variable= 4,22		Average Variable= 4,23	

Source: Data Results (2017)

Based on the data in the table above shows that all indicators and variables in the study are in the range of average values between4.1-5.0. This means very good.

5.3. SEM Test Results Analysis

Before SEM analysis was carried out, the assumptions of normality, linearity and outlier. were tested. The results show that the assumption test has been met. The results of SEM graphically can be displayed as follows:

Figure1. Results of SEM Analysis

The role of the Government in product quality, P = ***
Government Role for Sales Results, P = 0.806
Quality of Results for Sales Results, P = 0.184
Source: Data Results (2017)

5.4. Measurement Model (CFA)

Table 3. Test Results of the Measurement Model

Government Role Variable (X)			
Indicator	Standardize	P-value	Information
X1 = Provide training / coaching	**0.93**	**0.000**	Significant
X2 = Provide Help	0.69	0.000	Significant
Product Quality Variable (Y1)			
Indicator	Standardize	P-value	Information
X3 = Resilience/Durability	0.63	0.000	Significant
X4 = Packaging Design	0.29	0.029	Significant
X5 = Taste	0.35	0.014	Significant
X6 = Product Display	**0.94**	**0.000**	Significant
X7 = Charasteristic/Feature	0.68	0.000	Significant
Sales Results Variable (Y2)			
Indicator	Standardize	P-value	Information
X8 = Sales Growth	**1.19**	**0.000**	Significant
X9 = Profit Gain	0.55	0.000	Significant

Source: Data Results (2017)

5.5. Structural Model
The results of structural tests in this study can be presented as the table below:

Table 4. Structural Models of SEM Results of Direct Influence

Inter Variable Relations	Koefisien	P-value	Information
The Role of Government (X) →Product Quality (Y1)	0.50	0.000*	Significant
The Role of Government(X) →Sales Results (Y2)	0.03	0.806 ns	Non Significant
Product Quality (Y1) → Sales Results (Y2)	-0.14	0.184 ns	Non Significant

Source: Data Results (2017)
Information: The * sign indicates a significant error rate of 5%
                 The sign ns states that the relationship is not significant (non significant)

Table 5. Structural Models of SEM Results of Indirect Influences

Inter Variable Relations	X→ Y1	Y1 →Y2	X →Y1→ Y2	Information
The Role of Government (X) →Product Quality (Y1)→ Sales Results (Y2)	0.50	0.03	0.15 ns	Non Significant

Source: Data Results (2017)
Information: Signs ns states that relationship is not significant (non significant)
Based on the table above, the structural model testing results can be explained as follows:
1. The role of government has a significant effect on product quality. This can be seen from the p-Value of 0.000 <alpha (0.05). Because the coefficient is positive indicates both are in the same direction. This means that the higher the value of the role of the Government, the more the product quality will increase.
2. The role of the Government has no significant effect on Sales Results. This can be seen from the p-value of 0.806> alpha (0.05). Although the relationship is positive or unidirectional, the influence of the Government's Role is very small on Sales Results.
3. Product Quality has no significant effect on Sales Results. This can be seen from the p-value of 0.184> alpha (0.05). Coefficient values are negative, indicating that Product Quality has no effect on Sales Results. That is, increasing the value of Product Quality, will not increase Sales Results.
4. Indirect influence between the variables of the Government's Role on Sales Results through the Product Quality variable of 0.15. Because one direct relationship is insignificant, this indirect relationship is also insignificant.
5. The influence of the Government Role variable on the variation of data on the Product Quality variable by 25%. The remaining 75% is influenced by other factors outside of this study. The influence of the Government Role variable on the variation of data on the Sales Result variable is 2%. The remaining 98% is influenced by other factors outside of this study.

5.6. Hypothesis testing
5.6.1 Direct Influence between Government Roles (X) on Product Quality (Y1)
Based on the results of the analysis, the correlation coefficient between the Role of Government (X) and Product Quality (Y1) is 0.50 with a p-Value of 0.000. Because the p-value <0.05 indicates that the role of

the government has a significant effect on product quality. Because coefficients with positive signs indicate unidirectional relationships. This means that the higher the value of the Government's Role, the higher the Product Quality will be.

Based on the description above, the hypothesis proposed in this study is, the role of government (X) has a positive and significant effect on product quality (Y1) proven or accepted.

5.6.2 Direct Influence between Government Roles (X) on Sales Results (Y2)

Based on the results of the analysis, the coefficient of the relationship between the Role of Government (X) and the Sales Results (Y2) is 0.03 with a p-value of 0.806. Because the value of p-Value> 0.05 indicates that the Role of the Government has no significant effect on Sales Results. Not significant means that the Government's role is relatively small in terms of sales results.

Based on the description above, the hypothesis proposed in this study is, The Role of Government (X) has a positive and significant effect on Sales Results (Y2) not proven or rejected.

5.6.3 Direct Influence between Product Quality (Y1) on Sales Results (Y2)

Based on the results of the analysis, the relationship coefficient between Product Quality (Y1) and Sales Results (Y2) is -0.14 with a p-value of 0.184. Because the value of p-Value> 0.05 indicates that Product Quality has no significant effect on Sales Results. Not significant means that Product Quality has relatively little effect on sales results.

Based on the description above, the hypothesis proposed in this study is, Product Quality (Y1) has a positive and significant effect on Sales Results (Y2) not proven or rejected.

5.7.   Discussion

5.7.1. The stronger the role of government will be to increase product quality

From the results of the analysis, the coefficient of the relationship between the role of government and product quality is 0.50 with a p-value of 0.000. Because the p-value <0.05 indicates that the role of the government has a significant effect on product quality. Because coefficients with positive signs indicate unidirectional relationships. This means that the higher the value of the role of the Government, the higher the value of Product Quality will be.

Based on the results of descriptive statistics show that the average value of the variable indicator of the Government's biggest role is coaching / training (X1) that is equal to 4.30, while the average value on the biggest Product Quality indicator variable is the appearance / form (X6) of 4.29. From descriptive statistics data shows that the average value of the Government Role is very good, and the average value of the Product Quality variable is also very good.

Based on the measurement model in SEM shows that the role of the Government is measured by two aspects, namely coaching / training, and assistance, in which the first aspect of coaching / training is the most important as a measure of the role of the Government with a loading factor of 0.93. This indicates that the high value of the Government's role is mainly seen from the aspect of coaching / training.

Based on the measurement model in SEM shows that Product Quality is measured by five aspects, namely durability, packaging design, taste, product appearance, feature, where the fourth aspect of product display is the most important as a Product Quality Gauge by loading factors amounting to 0.94. This indicates that the high quality of the product will mainly be seen in the aspect of product appearance.

From the results of the analysis stated that the higher the role of the Government will have a positive effect on the higher the Quality of Products. This shows that if there is an increase in the role of the Government which is mainly seen from the aspect of coaching / training, it will affect the high quality of the product to be obtained, which is mainly seen from the greater aspect of product display.

5.7.2. The Stronger the Role of the Government Will Increase Increased Sales Results

From the results of the analysis, the coefficient of the relationship between the Role of the Government and Sales Results is equal to 0.03 with a p-value of 0.806. Because the value of p-Value> 0.05 indicates that the Role of the Government has no significant effect on Sales Results. This means that whatever the value of the Government's Role, it will not affect the high and low Sales Results.

Based on the results of the analysis of the indirect effect between the role of government (X) on sales results (Y2) through product quality (Y1), an indirect influence coefficient of -0.07 was obtained. Because of the direct influence (Government's Role on Product Quality, and Product Quality to Sales Results) both are not significant, it can be concluded that there is also an insignificant indirect effect between the Government's Role on Sales Results through Product Quality. This means that whatever the value of the Government's Role, it will not affect the high and low value of Sales Results, even though the value of Product Quality is high.

From the SEM analysis the measurement model obtained the following results:

1. The role of the Government is measured by two aspects, namely Providing Guidance and Providing Assistance, where the first aspect of Providing Coaching or Training is the most important as a measure of

the Role of the Government. This indicates that the high value of the Government's role is mainly seen from the training and training programs for small-scale food entrepreneurs.

2. Quality of Food Products is measured by five aspects, namely Durability / Packaging Design, Taste, Display / Shape, and Characteristics / Feature, where the fourth aspect, namely the appearance or form of the product, is the main thing as a measure of the Quality of Food Products. This indicates that the high quality of the main product will be seen in aspects of the appearance or form of food products.

5.7.3. The Increasing Quality of Products Will Increasingly Increase Sales Results

From the results of the analysis, the correlation coefficient between Product Quality and Sales Results is -0.14 with a p-value of 0.184. Because the value of p-Value> 0.05 indicates that Product Quality has no significant effect on Sales Results. Because coefficients with a negative sign indicate a non-directional relationship. This means that regardless of the value of Product Quality, it will not affect the high and low value of Sales Results.

Based on the results of descriptive statistics indicate that the average value of the largest Product Quality variable indicator is the appearance / form (X6) that is equal to 4.29, while the average value on the variable variable of the biggest Sales Result is sales growth (X8) of 4.29. From descriptive statistical data shows that the average value of the Product Quality variable is very good, and the average value of the Sales Results variable is also very good.

Based on the measurement model in SEM shows that the Product Quality is measured by three, namely Durability / Packaging Design, Taste, Display / Shape, and Characteristics / Feature, where the fourth aspect is the appearance or shape of the product is the most important thing as a Product Quality Gauge Food. This indicates that the high quality of the main product will be seen in aspects of the appearance or form of food products.

Based on the measurement model in SEM shows that Sales Results are measured by two aspects, namely sales growth, and profitability, where the first aspect of sales growth is the most important as a measure of Sales Results. This indicates that the high Sales Results will mainly be seen in the aspect of sales growth.

From the results of the analysis stated that Product Quality has a negative effect on Sales Results. This means that even if Product Quality is improved, it will not affect the high and low Sales Results that will be obtained, which is mainly seen from the higher sales growth.

VI.   CONCLUSION

Based on the results of the study and discussion can be concluded as follows:

1. Directly, the role of government has a positive and significant effect on product quality. This means that if the government improves the guidance of small food businesses, the quality of products will increase as well.
2. The relationship between the role of government and sales results is a positive but insignificant relationship. This means that the government can still make efforts to increase sales results, even though the effect is very small.
3. From the results of the analysis, the product quality turned out to have no positive (negative) effect on product quality and its influence was not significant. That is, even though the quality of the product is improved, it will not influence the increase in sales results

Researchers also obtained findings in this study, as follows:

1. There are many other factors that have more influence on sales results than product quality. From the results of researcher interviews in the field, external factors, such as people's purchasing power and consumer tastes also influence sales.
2. HR quality factors also affect the quality of products and sales results. When viewed from the level of education, most food business actors are junior and senior high school graduates. From the results of the interviews, they admitted that they did not understand the orderly way of bookkeeping and administration, marketing methods, and effective and efficient production methods. So that these things also influence the quality of products and the results of their sales.

SUGGESTIONS

Based on the entire discussion and the results of the conclusions in this study, suggestions can be submitted as follows:

1. The government needs to compile detailed data and information on food small businesses so that it can be used as a basis for taking policies related to improving the welfare of small-scale food businesses, especially in TanjungSelor District.
2. This study shows that government efforts so far in improving the quality of food products in TanjungSelor have no effect on sales results, which in turn affects the welfare of small-scale food entrepreneurs.

Therefore, there needs to be other efforts besides improving product quality, such as increasing marketing efforts by forming a Marketing Center for local MSME products, so that local products can be distributed well, so as to improve the welfare of actors. UMKM in Bulungan Regency.

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