

## HUMAN PERFORMANCE IN CLUSTER CENTER OF CLOTHING BANDUNG, INDONESIA

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**Abstract:** Human performance is an important factor in achieving organizational performance effectiveness. As on micro small enterprises (MSEs). This research is to know and analyze objectively and empirical about competency influence and motivation toward micro small enterprises (MSEs) performance on cluster center of clothing, also wish to get the picture about relation pattern and influence from research variable which have been specified. The method used is descriptive explanatory. Using purposive sampling with 200 respondents of owners of the cluster center of clothing. The Method used in this research is structural equation modeling (SEM), because this research is to get the picture competency influence and motivation toward human performance. The result shows that human performance factors such as ability and motivation simultaneously and partially have significant influence to human performance.

**Keywords:** Ability, Motivation, Human Performance, Micro Small Enterprises (MSEs)

### 1. INTRODUCTION

Entrepreneurship is an issue that is very important to do research in order to respect contribution to the economy of a country (Antoncic, et al., 2006; Wiesner & Millett, 2012; Hafer, 2013). Entrepreneurial process can be reviewed based on literature of an economic perspective that are concerned with the outcomes of entrepreneurial behavior (Kirzner, 1997; Casson, 1982) and internal aspects of the approach consists of social psychology and behavioral approaches (McClelland, 1961, 1976). Viewpoint emphasizes on how entrepreneurial opportunities to innovate so as to generate a product or service that has more bargaining power in the market. (Shane & Venkataraman, 2000; Zahra & Dess, 2001). Can also be seen from the environmental aspects such as the level of competition, where entrepreneurs are

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required to be able to withstand the increasingly competitive competition, which in turn can result in superior competitive advantages (c.f., Covin *et al.*, 2006; Ireland *et al.*, 2003; McGrath & MacMillan, 2000; Meyer & Heppard, 2000).

Human resource management focuses on the study of human behavior is an important factor in managing, planning, implementing, and evaluating the performance of members in the business unit. And can be said as the development and utilization of workers in order to achieve the objectives and goals of individuals, organizations, nations and the international community are effective. Human resources are seen increasingly big role in achieving organizational success, many organizations are realizing that the element of "man" in the organization can provide competitive advantages. Individual and constructional performance is in direct relation with the direct implementation of the management of human resources (Muscalu and Muntean, 2013).

The potential of micro, small and medium enterprises can encourage local revenues, especially in Bandung. Cluster center of clothing is located along the road until PHH Mustafa Soerapati as length of three kilometers located in the four districts namely cihaur geulis district, muara rajeun district, padasuka district and cibeunying kaler district. The existence of the cluster center of clothing is reinforced by the Local Regulation No 2 / 2004 about Spatial Planning and Local Regulation and No 3 / 2006 about Spatial Planning Changes in Bandung. The problems and challenges faced by micro, small and medium enterprises and contributed to local revenue need to be taken together with the local government (Machmud & Sidharta, 2014). Based on the results of the publication of the local government in Bandung, based on Trade Industry Strategic Plan of local government In 2009 - 2013, the constraints faced by MSMEs Bandung are entrepreneur's limited ability of human resources, business networks, lack of ability to access sources of capital, inadequate production equipment, lack of raw materials as well as difficulty to obtain and design capabilities and packing which is not optimal.

It is therefore important for entrepreneurs to aware the significance of the improvement of the ability and motivation or human performance and wonder why it is needed. An entrepreneur plays an important role in managing its resources by using the skills, knowledge, abilities, experience, and education (Edelman *et al.*, 2002). The entrepreneur aligns knowledge, experience, skill and other resources with market needs (Bhave, 1994). Individual ability is the basis for the performance of entrepreneurs that can be obtained by optimizing. Motivation is a set of forces that cause others to engage behavior, so that people motivated to behave in accordance with the interests of the organization (Moorhead & Griffin, 2010). In order to achieve optimal performance business entrepreneur must be willing to do a good job with a high achievement motivation in running their

business in order to create a special competitiveness that has bargaining position against strong competition (McClelland, 1961, 1976). The ability of creativity and innovation, utilizing the distinction of being something that adds value, look for opportunities and be open to criticism and suggestions are the characteristics of successful entrepreneurs.

This study attempts to look at and measure the effect of the ability, motivation and performance of the entrepreneur cluster center of clothing. The research objective to be achieved is to determine and empirically analyze the ability, motivation and performance of entrepreneurs cluster center of clothing and its influence either directly or indirectly. The results of this study can also be used as a basis for entrepreneurs in developing business in cluster center of clothing and can be used as a comparison in performance measurement entrepreneurs and effort to improve the achievement of business objectives through the optimal ability and motivation.

## **2. LITERATURE REVIEW**

### **2.1 Ability**

Research into the reasons why owner-managers from SMEs make a conscious decision to grow their business have focused in part on their psychological or personality characteristics, owner-managers' entrepreneurial learning sapper to be important in determining how well SMEs survives growth challenges (Blackburn *et al.*, 2013). Knowledge is another important factor contributing successful entrepreneur, being knowledgeable can help the entrepreneur to be innovative and trigger new ideas, which in turn enables entrepreneurs to seize opportunities emerging from their environment (Ward, 2004; Makhbul & Hasun, 2011). Entrepreneurial knowledge can have beneficial effects on the firm's growth and profitability (Omerzel & Antonic, 2008). Many non-government organizations have developed structured and comprehensive definitions knowledge, skill, and ability (KSA) based on demographic, economic, and educational research, and the contributions of experts in the field (Lemke *et al.*, 2003; Vockley, 2008). While the categorization of the KSA can differ slightly depending on organization articulating them, the underlying components of them remain relatively and substantively consistent (Boyles, 2012). And one of the important insights gained is that entrepreneurs are considered to be a process (Veen & Wakkee, 2003). This can be seen as the ability or competence of human capital from the perspective of human resource management.

Ability which includes knowledge and skills and attitudes held by someone who is relevant to the standard of work performed is able to carry out his work

both current and future capabilities thus consistent with a very satisfactory performance. Ability which one aspect of human resources is very influential on business performance. This is related to the type of work in jobs, where certain types of jobs are in demand with the competency of standards have been set. Capabilities which include knowledge and skills that are connected to one another is required to be trained and developed to be generating the best performance in managing its business.

Spencer & Spencer (1999) classifies competencies into; (1) is the intellectual competence and character attitudes and intellectual behavior or the willingness of individuals to be knowledge, skills, understanding of the professional, contextual understanding, and others that are relatively stable when dealing with problems in the workplace, which is formed by the synergy of character, self-concept, internal motivation and capacity of contextual knowledge, (2) emotional competence is the attitude and behavior of the characters or the willingness and ability to master self and environment to understand objectively so that the pattern of relatively stable emotions when faced with problems at work, which is formed through the synergy of character, self-concept, internal motivation and capacity emotional abilities, and (3) social competence is the attitude and behavior of the characters or the willingness and ability to build nodes collaborate with others who are relatively stable when faced with the problem of work that is formed through the synergy of character, self-concept, internal motivation and capacity of social contextual knowledge.

Thus the ability, knowledge and skill of entrepreneurship is a core competency in creating a special competitiveness to enable the bargaining position strong in the competition. Of more importance was the entrepreneur's ability to "hustle", using their selling skill and communication ability to secure strong market positions in industries where the possession of proprietary assets was not the main basis of competition (Blackburn *et al.*, 2013). Therefore, the ability of an intangible resource and a capital base of entrepreneurs generates superior competitive advantages.

## **2.2 Motivation**

Research on entrepreneurial motivation based on the theory of achievement (McClelland, 1961), power and self-discipline (McClelland & Burnham, 1976), self-efficacy (Baum, 1994), locus and control (Rotter, 1966), desire of autonomy (Buttner & Moor, 1997), independence (Hornaday & Abound, 1973; Aldridge, 1997), drive (Shane et al., 2003), passion (Baum et al., 2001; Shane et al., 2003), the environmental characteristics influencing the founding's of a firm (Aldrich, 2000) and the characteristics of the entrepreneurial opportunities (Christiansen, 1997).

Motivation is a set of attitudes and values that influence individuals to achieve specific fit for purpose. In other words, motivation is something that encourages a person to act and behave. Being one of the prerequisites for entrepreneurs to understand the motivation of considering self-employment does not work alone. By understanding the motivation, self-employment may encourage a person to act and work. The understanding is the key to encouraging others to do so as the leader wishes to achieve organizational goals. Psychologically, a very important aspect in the work of leadership is how far the leaders are able to influence the work motivation of its human resources to enable them to work productively in a responsible manner. Therefore, entrepreneurs must strive to influence the entire subordinates so that they have the motivation to work. Thus, achieving the optimal performance can be achieved.

Robbins & Judge (2011) argue that motivation is a process that plays a role in the intensity, direction, and duration of the ongoing efforts towards the achievement of individual goals. Intensity related to how hard someone is trying. This is the element that gets the most attention from us, when talking about motivation. However, the high intensity is not likely to produce the desired performance, if it is not channeled with efforts towards profitable organization.

Successful management of a business is determined by the utilization of human resources activities. In this case a leader must have the techniques to be able to maintain achievement and job satisfaction, among others, by providing motivation to subordinates in order to carry out duties in accordance with applicable regulations. In other words, motivation is something that encourages a person to act and behave or set of attitudes and values that influence individuals to achieve specific purposes in accordance with the individual. Attitudes and values that constitute an invisible, which gives power to encourage individuals to behave in achieving the goal. That impulse is composed of two components, namely: the direction of behavior, working to achieve the goals, and the strength of the behavior, (how strong individual effort in the works).

In McClelland's (1961, 1976) motivation theory suggests that the productivity of a person is determined by the drive needs, namely: (1) need of achievement, desire/commitment to work with either or exceed performance standards. Those standards can be self-achievement or improvement in the past; results orientation; competitiveness; challenging goals; or innovation. This shows the impulse to act better and more efficiently. Individual desire for significant accomplishment, mastering of skills, control, or high standards, (2) need of affiliation, a person needs to feel a sense of involvement and "belonging" within a social group. People with a high need for affiliation require warm interpersonal relationships. Individuals who have a high emphasis on affiliation tends to behave as a member

of the support team, but may be less effective in a leadership position. There are situations where individuals feel the need to affiliate. One situation that led to a greater need for affiliation is during stressful situations. Increased individual needs to the needs of affiliates are allowed in response to a stressor. The situation of fear often causes people to want to be with and require the need for affiliation, and (3) need for power, the desire to influence, hold or control over another person to be recognized as a strong individual. Need person who shows a tendency of power most satisfied with seeing the environment they move in a certain direction, for their involvement. As an example of the need for personal power, the majority of corporate leaders are looking for high-level positions so as to control the direction in which they move companies. Based on McClelland's theory of achievement, motivation can be defined as an impulse in a person to do a particular task or activity or task as well as possible in order to achieve a commendable achievement by the title and there is a positive relationship between achievement motive the attainment of performance.

Motivation is a driving motive in the heart of a person to perform or achieve a particular goal. Motivation can also be regarded as a plan or desire for success and avoid failure in life. If individuals are motivated they will make a positive choice to do something because it can satisfy their desires. Motivation can be summed up as the conditions that drive individuals to achieve goals, expertise in directing subordinates in order to work successfully, the initiation and direction of behavior, as a boost of energy plants and the conditions within which arouse, direct and maintain a work-related behaviors.

### **2.3 Human Performance**

Measuring business performance is complex because of the absence of tangible assets and profitable data as the subject nature of the phenomenon (Wang & Ang, 2004; Achtenhagen *et al.*, 2010; Blackburn *et al.*, 2013). Laitinen (2002) suggests that performance can be defined as the ability of an object to produce results in a dimension determined, a priori, in relation to target (O'Regan & Ghobadian, 2006). Referring to the above understanding can be said that the meaning of performance is the result of work that can be achieved by an individual or a group of people in an organization, in accordance with the authority and responsibility respectively, in order to achieve organizational goals in accordance with the legal and moral and ethical.

In measuring the performance of the most fundamental problem is the set of criteria or dimensions. Criteria of the job are the most important factor in measuring the performance due to the presence of the criteria, it can be measured the extent to which the achievement of the work that has been done in accordance

with established standards. Mathis and Jackson (2000) state that performance is essentially what is done or not done by employees. Measures of performance seen from the contribution to the organization or company, including; (1) quantity, (2) quality, (3) the duration of the results, (4) ability to work together. And not all of the criteria used in the measurement of performance. The criteria must be adapted to each type of job. Human performance is ability (knowledge and skill) and motivation (Moorhead and Griffin, 2010).

### **3. METHODOLOGY**

#### **3.1 Sampling and Data Collection**

The level of analysis of this study was the owners MSEs cluster of clothing, Bandung, Indonesia. The number of respondents was 200 owners of the MSEs with Purposive sampling methods. According to Indonesian Statistic, an enterprise with less than 100 employees is considered as MSEs. Purposive sampling procedure was used to select the respondents from potential MSEs cluster center of clothing. Purposive sampling is recommended for exploratory research where researchers can select sample to meet specific criteria (Kerlinger, 1986; Emory & Coper, 1991; Gergory *et al.*, 1995, 1997). The criteria of MSEs taken as samples are as follows: (1) managed by their owners; (2) have at least two or more full-time employees; (3) has to be observed by researchers; (4) term of business more than three years. Purposive sampling procedure was used to select the respondents from a potential MSEs cluster of clothing. Purposive sampling is recommended for exploratory research where researchers can select sample to meet specific criteria (Kerlinger, 1986; Emory & Coper, 1991; Gergory *et al.*, 1995, 1997). This study focuses only on ability, motivation and performance of MSEs in the cluster center of clothing. The research variables are set as follows: variable ability, motivation variable, and the variable performance of MSEs.

#### **3.2 Survey Instrument**

Collecting data in this study using a questionnaire instrument and interview technique. Respondents were asked to provide a response by selecting one of the answer choices. Scoring on each item of the question to the problem under study were measured with a Likert scale and measuring by Likert five poin anchor from very unimportant to very important. The ability domains included in the survey were knowledge and skill (Sidharta & Lusyana, 2014). Motivation domains included were need of achievement, need of affiliation, and need for power (McClelland's, 1961; 1976). Performance domains included were quantity, quality, time, and networking (Matis & Jackson, 2000).

### 3.3 Data Analysis

An initial SEM was built to explore the relationships among ability, motivation and performance. SEM provides a more stringent test of the hypotheses than multiple regression analysis or path analysis because it enables the researcher to take account of complete information on a theoretical model (Pang, 2006). Based on the research results Hoogland and Boomsma (1998) determination of the number of samples and number of latent variables observed in the Monte Carlo methods that sample size below 200 will have problems and improper solutions including non normality condition. It is advisable to use a robust maximum likelihood and the number of indicators of observed variables were observed between 5-10 per observed variable indicators. Where  $N/t=5$  for normal or elliptical theory, and  $N/t=10$  for arbitrary distributions, given a sample size  $N$  and the minimum number of observed variables  $t$ . We report the final model was modified after indication non normality and inter-colleration between construct, then we such findings indicate the presence of a higher-order factor (Tanaka & Huba's, 1984). After series modifications, we reached acceptable, substantive final model used robust maximum likelihood (Boomsma, 1985; Satora, 1990; Hoogland & Boomsma, 1998). The results of calculations using Lisrel 8.7 as depicted below:

**Table 1**  
**Result of Confirmatory Factor Analysis, Variance Extracted and Construct Reliability**

No	Construct/ Items	Confirmatory Factor Analysis	Variance Extracted	Construct Reliability
1	<b>Ability</b>		<b>0.61</b>	<b>0.88</b>
	business environment manage a	0.79		
	business	0.91		
	manage finances	0.94		
	skills in marketing	0.68		
	awareness of the change	0.50		
2	<b>Motivation</b>		<b>0.56</b>	<b>0.83</b>
	efforts to grow	0.80		
	willing to take risks friends and get	0.93		
	closer	0.49		
	shows the power	0.70		
3	<b>Performance</b>		<b>0.71</b>	<b>0.92</b>
	production	0.84		
	customer complaints fulfillment	0.88		
	accuracy	0.90		
	business partners	0.94		
	number of customers	0.62		



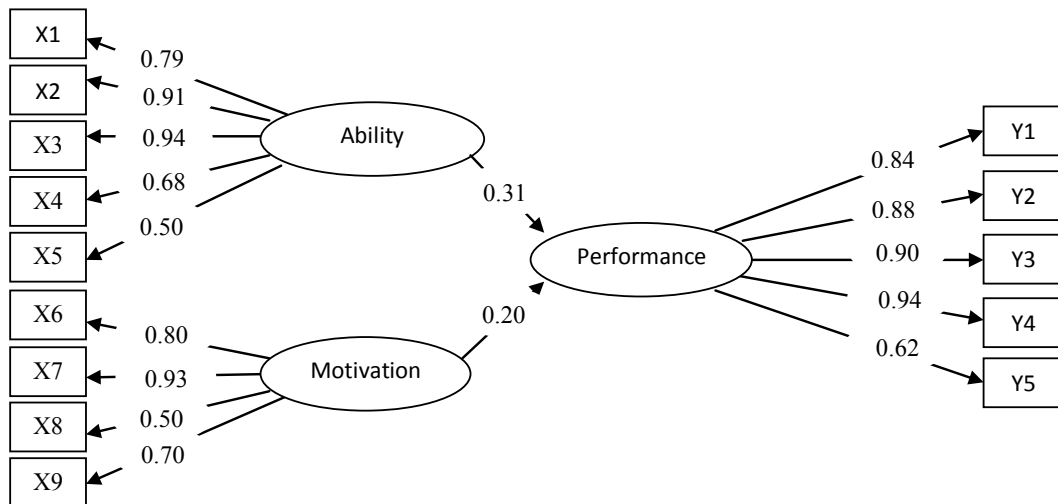
The results of the suitability of the model as shown in Table 2. Wherein models meet criteria overall goodness of fit statistic and just RMSEA and AGFI moderately fit and Parsimony Goodness of Fit Index (PGFI) was not fit. Thus the analysis of the model calculations can be carried further. From the above table it is known that the variance extracted value greater than 0.50 and construct reliability values greater than 0.7 and thus the validity realibitas are in accordance with the recommended (Chau and Lai, 2003).

**Table 2**  
**Goodness of Fit Statistic**

GOF	Criteria	Result	Fit
Chi-Square	Small	1.04	Fit
p value	$p > 0.05$	0.39	Fit
RMSEA	$\leq 0.08$	0.00	Moderate Fit
NFI	$NFI \geq 0.90$	0.95	Fit
PNFI	$PNFI \geq 0.90$	0.68	Not Fit
CFI	$CFI \geq 0.90$	1.00	Fit
IFI	$IFI \geq 0.90$	1.00	Fit
RFI	$RFI \geq 0.90$	0.92	Fit
GFI	$GFI \geq 0.90$	0.91	Fit
AGFI	$AGFI \geq 0.90$	0.86	Moderate Fit

Figure 1 shows the results of the standardized solution basic model structural equation modeling analysis using Lisrel 8.7.

**Figure 1: The Result of Standardized Solution Basic Model**



## 4. RESULT

### 4.1 Picture of Research Variables

Characteristics of the survey respondents are 86 percent male and 14 percent female. This indicates that the majority of business operators are male. While the respondents under 30 are 10 percent, aged between 30-40 years are 41 percent and 49 percent are 40 years or older. Nearly half of the respondents aged over 40 years show that most entrepreneurs have a good level of maturity. The characteristics of period of business for defined respondents are as follows: under 5 years are 50 percent, between 5-10 years are 17 percent and more than 10 years are 33 percent. It shows that one-third of entrepreneurs demonstrated success in maintaining its business. The level of education of respondents is as follows: high school graduated is 94 percent and 6 percent have a college level education. These results indicate that the level of awareness for the role of education to business success are poorly understood by most business operators.

Respondents who have a workforce of less than 5 people are 72 percent, have a workforce of between 5-10 people are 23 percent and respondents who have a workforce of more than 10 people are 5 percent. Based on the criteria of Indonesian Statistics, MSEs criteria based on defined above, most of the respondents are categorized as micro and only a few are categorized as small. Business profits with the slim organization structure will be more agile and nimble companies.

### 4.2 The Influence of Research Variables

In the table below can be seen the relationship between the study variables that affect the performance of cluster centers of clothing. The calculation of the regression and correlation analysis by using Lisrel 8.7 obtained results as the table below;

**Table 3**  
**Result of Relationships and T-values between variables**

<i>Relationships</i>	<i>Effects</i>	<i>T-values</i>
Ability → Performance	0.31	2.69
Motivation → Performance	0.20	1.99
Ability → Motivation	0.20	2.50

Based on the table above, influence of performance abilities is 0.31 with a value of t-values is 2.69. With the value of the t-value is greater than t-table, significantly affect the ability to influence the performance which is 0.31. While the influence of

motivation on performance which is 0.20 with a value of t-values is 1.99. With the value of the t-value is greater than t-table significantly affect the ability to influence the performance of 0.20. The magnitude of the correlation relationship with the ability and motivation is at 0.20. This suggests that there is a relationship between ability and motivation was low level. From the calculated value of t-values are known for t-table of 2.50 and 1.98, it turns out the value of t-values  $2.50 > t\text{-table } 1.98$ . It can be said that there is a significant relationship between ability and motivation at the MSEs in Bandung or if one unit of the ability gained motivation up by 0.20.

Whereas the calculation of influence of ability by the regression analysis using Lisrel 8.7 obtained results as the table below:

**Table 4**  
**Result of influence of Ability**

<i>Variables</i>	<i>Effect</i>	<i>Total</i>
Ability	0.31	0.100
Ability → Motivation	$0.31 \times 0.20 \times 0.20$	0.015
Effect		0.115

In the table above it is known that the effect of ability on the performance of cluster center of clothing is at 0.31. As known t-values 2.69 and t-table 1.98. From the calculated value t-values  $2.69 > t\text{-table } 1.98$ , it means a significant difference between the ability of the performance. The calculation of the direct effect of 0.31 is 0.10 or 10 percent and the indirect effect through motivation 0.015 or 0.15 percent. So the total effect of variables on the performance of cluster center of clothing ability is 0.115 or 11.5 percent.

Some important knowledges that SMEs owner must have are knowledge of the business in question, knowledge of understanding the business environment, knowledge of management and business organization. While the skills that need to be owned by SMEs including conceptual skills in managing strategy and take into counting the risks, creative skills in creating value-added, skill in managing the business, financial management skills, skills in marketing, and awareness of the business change. Based on the knowledge and skills possessed the ability of the MSEs will increase in accordance with his will to develop its capabilities.

The ability of an understanding based on knowledge and skills. The ability of an implementation of knowledge. Deep understanding of knowledge will enhance the ability of the individual. Thus the ability of MSEs in order to improve the performance of their business need to develop the knowledge and thus the

ability of cluster center of clothing can be optimized. The ability to manage business finances will determine the sustainability of the cash flow of a production process, it relates to how to separate personal finances with business finances so that business continuity is maintained. The ability to interact with the business environment will improve performance because the bride will be creating a harmonious environment conducive business environment so as to make morale has increased.

Abilities are the basis for the individuals in enhancing their capabilities to do a job. MSEs engaged in the business clothing need weeks to improve their abilities in the face of an increasingly competitive business competition. In order to have a strong bargaining position in the competitive MSEs actors need to have a core competence of entrepreneurship. Abilities to be creative and innovated in order to create value added to achieve excellence by focusing on the development of knowledge and skills. Similarly, Chandler (2008) highlighted the development and growth of the organization may demand additional knowledge and skills and changes in the external environment may require additional knowledge.

The calculation of influence of motivation by the regression analysis using Lisrel 8.7 obtained results as shown in the table below:

**Table 5**  
**Result of influence of Motivation**

<i>Variables</i>	<i>Effect</i>	<i>Total</i>
Motivation	0.20	0.040
Motivation → Ability	$0.20 \times 0.20 \times 0.31$	0.015
Effect		0.055

From the above calculation, it can be seen that the influence of motivation on the performance of cluster center of clothing is at 0.20. As known t-values 1.99 and t-table 1.98. It turns out the value of t-values  $1.99 > t\text{-table } 1.98$ , it means there is a significant influence of motivation on performance. The calculation of the direct effect of 0.20 is 0.04 or 4 percent and the indirect effect through ability of 0.015 or 1.5 percent. Thus the total effect of motivational variables on the performance of the cluster center of clothing is 0.055 or 5.5 percent.

SMEs performance is significantly influenced by motivation, this is indicated by the findings of research which influence of motivation on the performance of cluster center of clothing is positive and significant impact on the level of performance of cluster center of clothing. This means that the level of performance of cluster center of clothing is influenced by motivation. Similarly, Ong & Ismail

(2008) suggest that motivation has a positive effect on the performance of SMEs. This is in accordance with the opinion of Mc. Clelland's (1961, 1976) state that there is a positive effect between motivation and individual performance. The higher the individual's motivation to excel will be easier to achieve maximum performance.

The need for achievement will encourage the SMEs in increasing enthusiasm of trying, never giving up on the circumstances, willing to take risks and always wants to improve his performance over time. An affiliated person needs encouragement to interact with other people, along with others and do not want to do anything harmful to others (Sidharta & Lusyana, 2015). The impetus for mutual respect between owners and workers, working in harmony with the workers, establish good relations with the business environment and business associates, to establish good relations with customers and do not want to harm others, whether it is on workers, customers, suppliers, business partners and business partners. Encouragement in a very decisive influence in the business process that includes how to influence workers to work in accordance with what has been set, how to influence customers, suppliers and partners, formed a partnership in order to improve performance.

Whereas the calculation of the regression analysis by using Lisrel 8.7 obtained results as shown in the table below:

**Table 6**  
**Result of influence of Ability, Motivation, and Performance**

<i>Latent Variables</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>		<i>Total</i>
		<i>Ability</i>	<i>Motivation</i>	
Ability	0.100	–	0.015	0.115
Motivation	0.040	0.015	–	0.055
Total (R square)				0.170

Simultaneous influences ability and motivation on the performance of cluster center of clothing is 0.17 or 17 percent. As known by t-values 2.67 and t-table 1.98, it turns out the value of t-values 2.67 > t-table 1.98, and it means there is a significant relationship between ability and motivation in the performance of cluster center of clothing. From the calculation above, we can say that by 17 percent affected simultaneously between ability and motivation on the performance of cluster center of clothing, while the rest of the simultaneous effect of 83 percent is influenced by other factors that cannot be described in this study. This is understandable because

this research only focuses on the psychological or sociological approach alone while economic and environmental view are not investigated.

Performance appraisal is the result of work which has been established which includes the quantity of the results, the quality of the results, and the ability to work together. MSEs performance seen from the quantity of the production, the quality of the results seen from the number of customer complaints, the ability to cooperate seen from the increase in the number of subscribers and the number of business partners. Thus the abilities which include knowledge and skills and motivation high offset motive of need for achievement, need for affiliation and the need for high power possessed by MSEs will result in optimal performance of cluster center of clothing. MSEs performance include, among others will increase in the quantity of the results, the quality of the results, and the ability to work together is the aim of MSEs cluster center of clothing, so that these goals can be accomplished with ease then MSEs need to increase the capacity and the kind of capabilities the ability and motivation. This is in accordance with the Moorhead & Griffin (2010) which states that in order to achieve high performance, the individual must do a good job (motivation) and should be able to do their job effectively (ability).

## 5. CONCLUSIONS AND RECOMMENDATIONS

The findings of the study on the effect of ability on the performance of cluster center of clothing showed positive results and significant impact on the level of performance of cluster center of clothing. This suggests that the level of performance is affected by the ability of MSEs in Bandung. The study is consistent to Baum *et al.*, (2001) findings the ability, knowledge, and skill significantly influenced the venture growth. Chandler (2008) highlighted the development and growth of the organization may demand additional knowledge and skills and changes in the external environment may require additional knowledge. And findings involvement in learning activities is positively related to venture performance. Abilities are the knowledge, and skills are the basis for the individuals to enhance their capabilities to do a job. MSEs engaged in the business need to improve the knowledge, skills, and abilities in the face of an increasingly competitive business.

The cluster center of clothing performance is significantly influenced by motivation, this is indicated by the findings of research on the motivation on the performance of MSEs that is positive and have significant impact on the level of performance of cluster center of clothing. This means that the level of MSEs performance is affected by motivation or motivation contributed to the performance of cluster center of clothing. With support, suggestions derived from

earlier findings in studies such as Rahman & Rahman (2011) findings suggest that these entrepreneurs had responded to various overt and covert attributes of achievement needs, powers needs, affiliation needs which have motivated the performance of MSEs. Similarly, Mohiuddin *et al.*, (2013) states that motivation is an important factor in the performance of MSEs.

The findings of the study on the effect of ability and motivation on the performance of cluster center of clothing showed a positive and significant impact on the results of the high and low cluster center of clothing performance. This suggests that the level of performance of MSEs affected by the ability and motivation. Ellyson *et al.*, (2012) findings that goal oriented and personality trait of conscientiousness significantly influenced the job performance. Senik *at al.*, (2010) findings the most influential factor for MSEs internationalization was networking. This is in line with the Service (2012) which states knowledge, skills, abilities that will improve job performance. This is in accordance with the Moorhead & Griffin (2010) which states that in order to achieve high performance, the individual must do a good job and should be able to do their job effectively.

This research is expected to contribute to the perpetrators of MSEs in particular MSEs in the cluster center of clothing, Bandung in improving business performance through increased human performance in order to have a strong competitive edge over the competition and to create competitive advantages.

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