Innovative Behavior And Emotional Intelligence Of Managers In Managing A Catering Business

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Abstract: The main problem of SME Catering family business in Makassar City is low competitiveness which has an impact on financial performance. This study investigates the causes of low competitiveness through the role of the manager's innovative behavior and emotional intelligence. Sampling uses purposive sampling by setting the owner and manager as respondents. Data was transformed from the score to scale data through SolAnd 1.9 software application and data analysis using WarpPLS 3.0. This study found that Catering’s financial performance is good because ownership is increasing. The more catering ownerships are the better innovation of managers and better financial performance. Although innovative managers are good, the emotional intelligence of managers is still low, financial performance is also low. The catering business is vulnerable to the risk of raw materials. Therefore, managers who are able to innovate and have personal qualities to work are needed indeed the competitiveness of this business increases.

Keywords: Family ownership, innovative managers, emotional intelligence, financial performance.

INTRODUCTION

The main problem of the family business is low competitiveness which has an impact on financial performance. Agency theory and stewardship theory have not been able to explain well "why the competitiveness of family businesses tends to be low? Therefore, the motivation of this study is to justify the phenomenon of the family business through the lens of the resource-based view theory (RBV) as well as filling the gap in the void of explanation as well as being a differentiator from previous studies. However, the RBV approach has market-oriented forces that are more instrumental in building competitive advantage and unique resource-based businesses (Hauschild and Aufse, 2013); (Mazzi, 2011). It is believed that a competitive advantage can improve financial performance (Ortega et al., 2010).

The family business is a form of business that involves some family members in business ownership or operations. It was stated that family involvement would improve performance. A number of researchers, for example, (Fauzi and Musallam, 2015); (Giovannini, 2010); (González et al., 2012); (Shyu, 2011); (Wagner et al., 2015) found that the more family ownership the higher the financial performance. But (Charbel et al., 2013); (Lam and Lee, 2012) revealed that the lower family ownership the higher the financial performance. In contrast, studies by (Audretsch et al., 2013); (O’Boyle et al.,
In order for a family business to be highly competitive, what managers must do is be innovative and highlight quality emotional intelligence. That is, the innovative ability of an entrepreneur is a process of changing opportunities for ideas and ideas that can be sold. Because many family businesses are played by family members, the manager's tendency to innovate is quite high (Craig et al., 2014); (Kashmiri and Mahajan, 2014); (Omri et al., 2014). Innovative behavior of good and quality managers will improve financial performance (Al-Ansari et al., 2013); (Kashmiri and Mahajan, 2014). Ideally, innovative behavior will be good and quality if strengthened by emotional intelligence by managers, indeed financial performance increases. Emotional intelligence is the driving force that motivates a business person to seek benefits and potential, and activates the aspirations of the values that are most in "inner beauty", turning it from something that is thought into something that business people live, thus business people are able to predict social and business success (Karim and Weisz, 2011); Shi et al., 2015). The study by (Abdul Malek and Budhwar, 2013); (Chen et al., 2012) stated that the stronger emotional intelligence the higher the performance. But (Connelly and Ruark, 2010); (Tsirigotis, 2016) found that the weaker emotional intelligence the lower the performance.

In this study, the research on business reveals the role of innovative manager behavior and the role of emotional intelligence in the relationship of family ownership with financial performance through the lens of RBV theory. It is suspected that the cause of SME's competitiveness is low role innovation of the manager's and the low quality of emotional intelligence by managers. There is an impression that most of the catering businesses are led by female managers. Moreover, the innovative behavior of female managers and the innovative behavior of male managers are different. For example, women's participation in innovation in the SME sector is very high compared to men’s participation (Wynarczyk, 2010).

To investigate the causes of low competitiveness in SMEs Catering in Makassar City, the methodology used can be constructed by putting the manager's innovative behavior between family ownership and financial performance and putting emotional intelligence. It is ensured that innovative roles and emotional intelligence are the entrance to reveal the causes of low competitiveness through the RBV theory lens. Because of the importance of the manager's innovative role and the role of emotional intelligence to explain the phenomenon of low catering business competitiveness.

The structure of this article consists of several parts: the study of theory; methodology; research result; discussion; last conclusion.

THEORETICAL REVIEW

Construction of agency theory assumptions is limited to explaining the relationship of family involvement in business with performance-oriented financial performance and dominant economic rationale of managers (agents) in maximizing their utility (O’Boyle et al., 2012). Apparently, agency theory still has a vague explanation of assumptions related to human behavior models such as those inherent in the construction of stewardship theory. The power of stewardship theory is on the path with aspects of psychology and sociology, assuming the manager as a steward is motivated to act according to the wishes
of the principal. Managers are not motivated by individual goals but rather are aimed at their primary outcome goals for the benefit of the organization (Charbel et al., 2013; Chu, 2011; Mazzi, 2011). Therefore, stewardship theory complements the void explanation of the assumption of agency theory.

It can be ascertained that agency theory and stewardship theory have not been able to explain well when companies have low competitiveness experience. Therefore, the theory of resource base view that can be used as a basis for distinguishing and picturing which the causes of low competitiveness. It is believed, the resource point of view which based on the resource-based view (RBV) is a competitive advantage that is derived from strategic resources both tangible assets and intangible assets (Mazzi, 2011). The power of the RBV theory can overshadow the potential of productive strategic resources characterized as unique, rare, complex, complementary and difficult to imitate by competitors. Therefore, strategic competition is very important in order to gain competitive advantage and improve company performance (Ortega et al., 2010). Although the challenges faced by family companies are increasingly complex as they grow, the company can still succeed and progress. Family companies have a competitive advantage when compared to non-family businesses. Competitive advantage can improve a company's financial performance (Wagner et al., 2015). To obtain good and quality financial performance, ideally, family companies display innovative roles and strengthen emotional intelligence.

A family company is a business entity that involves some family members in business ownership or operations. Family companies have unique characteristics that are not owned by companies in general. There is a tendency for family companies to be managed by managers who are not professionals and at the same time become owners. Managers from families tend to show loyalty, closeness, and the love of the key managers of family companies are generally high that their cohesiveness is also high and improves financial performance. Relationship between family ownership and financial performance is like (Fauzi and Musallam, 2015; Giovannini, 2010); (Gonzalez et al., 2012; L. Hoelscher, 2014); (Shyu, 2011); (Wagner et al., 2015) found that more family ownership, performance finance is getting better. Other previous researchers, (Giovannini, 2010); (González et al., 2012); (Shyu, 2011) found something similar that financial performance would be good if the number of family ownership was large. But (Charbel et al., 2013; Lam and Lee, 2012) revealed that the lower family ownership the higher the financial performance. There is a tendency for high financial performance when ownership is low, and at some point, additional ownership is in line with increasing financial performance. Therefore, family ownership relations with financial performance can be concluded as U-shaped.

Family companies are more flexible so they can produce new ideas for innovation. They are freed by pressure from owners so they are more innovative. Innovative is the concrete realization of new ideas and becomes a differentiator of previous ideas (Omri et al., 2014). Therefore, an entrepreneur's innovative ability is a process of changing the opportunities for ideas and ideas that can be sold. (Craig et al., 2014); (Kashmiri and Mahajan, 2014); (Omri et al., 2014) reported on the relationship of family ownership to innovative behavior. That is, the more family ownership the better the innovative behavior of managers. Family involvement in resource based on innovation. There are indications that family business performance is different from the performance of non-family
businesses. The role of the family gives birth to particular concern about the product or service being sold.

Innovative managers are managers who have the ability to combine imagination and creative thoughts systematically and logically. That is, managers give birth to a series of innovative behaviors that are characterized by the discovery (invention), development (extension), duplication (duplication) and synthesis. It becomes the main consideration for managers to do innovative namely consideration of costs and consideration of benefit principles. When innovative managers do tend to show the value of benefits greater than costs will strengthen the company's financial performance. Therefore, the innovative behavior of managers has relevance to financial performance. Researchers (Al-Ansari et al., 2013); (Ho, 2011); and (Omri et al., 2014), found that the better the innovative behavior the higher the financial performance. Creative managers are usually not just waiting for new aspirations to do, but he is always looking for inspiration by doing to be innovative.

Female and male managers differ in personal qualities in their work. Managers found women more transformational than men. That is, female managers are built with collaboration, collaboration, lower control, and problem-solving based on intuition and rationality of work that is oriented towards people, while male managers are on duty. In addition, female managers and male managers both have the ability to be promoted (promotability). The study from (Post et al., 2009) found that female managers had higher promotability than male managers and female managers had the ability to be more innovative than men. Hence, the reinforced by a study from (Wynarczyk, 2010) that women's participation in innovation in the MSME sector is very high. The behavior of female managers is more feminine, for example, more ethical, gentle, accentuating empathetic, sensitive to others (Valentine et al., 2009). There is an impression, female managers consciously often send messages of rejection, not disapproval, and create a defensive attitude in doing innovative. However, male managers often show attitudes that ignore other people's feelings.

Emotional intelligence is an emotional construction and social ability connected with human life. Emotional abilities include being aware of one's own emotional abilities, ability to manage emotions, the ability to motivate oneself, the ability to express the feelings of others, and intelligent relationships with others (Betancourt et al., 2014; Hess and Bacigalupo, 2008). Indeed a manager has a unique and excellent psychological ability in him, intelligent in social relations and intelligent in the relationship of the surrounding nature. And when the ability to understand and control the emotions of managers in innovative is good, manager's work motivation will grow and financial performance is high (Cohen and Abedallah, 2015; Hess and Bacigalupo, 2008; Zhang et al., 2015). Study of (Abdul and Budhwar, 2013); (Chen et al., 2012); (Knyazev et al., 2013) found that the stronger emotional intelligence the higher the performance. There is a tendency that managers place decisions based on cognitive intelligence in using economic resources (Hess and Bacigalupo, 2008). Therefore, smart decisions can improve financial performance. But researchers (Connelly and Ruark, 2010); (Tsirigotis, 2015) found that the weaker emotional intelligence the lower the performance. It is indicated that managers make management decisions not based on cognitive intelligence so that performance is low.
Hypothesis 1: Family ownership affects financial performance.
Hypothesis 2: Family ownership influences innovative.
Hypothesis 3a: Innovative behavior of managers influences financial performance.
Hypothesis 3b: The innovative behavior of managers plays a role in mediating the effect of family ownership on financial performance.
Hypothesis 4: Emotional intelligence plays a role in moderating innovative behavior toward financial performance.

METHODOLOGY

In this study, the population was 17 SMEs catering companies in Makassar City. The sample collection technique uses purposive sampling, which is determined by 4 people each SME catering company, hence there are 68 respondents. Respondents are given the freedom to determine their opinions or opinions according to their experiences. The Likert Scale generally uses scale points and the degree of approval strongly disagrees until strongly agree. Before the questionnaire was distributed to respondents, a trial was first carried out. Next, the validity test and reliability test are carried out. Measurement of validity by making a bivariate correlation between each indicator score and total construct score, with the Pearson correlation coefficient. The indicator is stated to be valid if the positive correlation coefficient and the minimum amount are 0.30. Then, the reliability test showed the consistency and stability of a score or scale of measurement. Instruments can be mentioned to be reliable or reliable if they have an alpha coefficient of 0.60 or more (Solimun et al., 2017).

After the data is collected, editing is done to find out the errors contained in the questionnaire, so that the data is truly accurate. Then coding is done to give a number to each questionnaire, making it easier to enter data into the tabulation sheet. After tabulating the data, the data was then transformed from the score to the scale of the data through the SolAnd 1.9 software application (Solimun et al., 2017). Finally, data analysis is carried out and the result of data analysis is interpreted. The data analysis method used in this study is descriptive analysis and inferential statistics, using WarpPLS 3.0. WarpPLS is be used in structural models involving variables with reflexive and/ or formative indicators. This study has a small number of samples so it is appropriate to use WarpPLS.
RESULT OF THE RESEARCH

Classic Assumptions Test and Good Model. The result of the classical linear assumption test showed that all relationships between variables are linear, hence, the linear assumption is fulfilled because it is below 0.05.

Table 1. The Result for Linear Assumption Test

<table>
<thead>
<tr>
<th>Inter-Variable Relationships</th>
<th>Test result</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family ownership Financial performance</td>
<td>Sig model linier 0.003 &lt; 0.05 (model linier)</td>
<td>Linier</td>
</tr>
<tr>
<td>Family ownership Innovative Manager</td>
<td>Sig model linier 0.000&lt; 0.05 (model linier)</td>
<td>Linier</td>
</tr>
<tr>
<td>Innovative manager Financial Performance</td>
<td>Sig model linier 0.000&lt; 0.05 (model linier)</td>
<td>Linier</td>
</tr>
<tr>
<td>Emotional intelligence Financial Performance</td>
<td>Sig model linier 0.000&lt; 0.05 (model linier)</td>
<td>Linier</td>
</tr>
</tbody>
</table>

Description: linear significance level p value α 0.05
Source: (Result of data processing, 2018)

WarpPLS is a measure of the good model and quality indices and it is shown from the Average path coefficient (APC) value, Average R-squared (ARS) and Average adjusted R-squared (AARS).

Table 2. Fit Model and Quality Indices

<table>
<thead>
<tr>
<th>No.</th>
<th>Fit Model and quality indices</th>
<th>Fit Criteria</th>
<th>Result of Analysis</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Average path coefficient (APC)</td>
<td>p &lt; 0,05</td>
<td>0.465, (p&lt;0.001)</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>Average R-squared (ARS)</td>
<td>p &lt; 0,05</td>
<td>0.562, (p&lt;0.001)</td>
<td>Good</td>
</tr>
<tr>
<td>3</td>
<td>Average adjusted R-squared (AARS)</td>
<td>p &lt; 0,05</td>
<td>0.552, (p&lt;0.002)</td>
<td>Good</td>
</tr>
</tbody>
</table>

Description: linear significance level p-value α 0.05
Source: (Result of data processing, 2018)

Based on Table 4.2 it is stated that the Average path coefficient (APC) is 0.465. That is, the average path coefficient is close to 50% so that it can be stated the explanatory variable (independent) can respond to the dependent variable. Average R-squared (ARS) = 0.562. This means that the mean correlation of the determinant is above 50% so that between variables are stated to have a correlation. Next, Average adjusted R-squared (AARS) = 0.552. This value indicates that the correlation of several independent variables is above 50%. The three indicators of the goodness of this model have a p-value of P <0.001. That is, the data is stated to be good and the model can be said to be good because
it is more than 50%. Therefore, the data can be explained by a model so that it is feasible to provide an explanation and test the hypothesis.

**Measurement Profile of Research Variables.** The estimated coefficient value on loading shows the weight of each indicator as a measure of each latent variable. Reference to indicator formulation based on theory, previous research, logical and reality of the object of research. The mean value shows the actual condition of each indicator according to the respondent's perception or perception. Recapitulation of estimated factor weight values and mean (mean) of each indicator can be shown in each of the following:

**Table 3.** Weight Factor values and mean (family) variables of family ownership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading factor</th>
<th>Mean Indicator</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Ownership</td>
<td>Engagement of family members (X1.1)</td>
<td>0.713</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not professional managers (X1.2)</td>
<td>0.742</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Family shares (X1.3)</td>
<td>0.855</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

Description: Number thickening marks are the most important indicator
Source: (Result of data processing, 2018)

Means value obtained by family ownership variables of 4.0 is good, thus three indicators must be maintained. The most powerful indicator in reflecting family ownership at SME catering is the family stock indicator of 0.855. That is, family businesses are fully family shares. Then, the catering business is managed by non-professional managers and the involvement of family members.

**Table 4.** Value of weight factor and mean of innovative manager behavior variable

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading factor</th>
<th>Mean Indicator</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager's innovative behavior (Y1)</td>
<td>Unique findings (Y1.1)</td>
<td>0.963</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop (Y1.2)</td>
<td>0.961</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>Creative replication (Y1.3)</td>
<td>0.949</td>
<td>3.9</td>
<td></td>
</tr>
</tbody>
</table>

Description: Number thickening marks are the most important indicator
Source: (Result of data processing, 2018)

Means value of the manager's innovative behavioral variables of 4.1 is good. Therefore, all three indicators that reflect innovative behavior must be maintained. Like, unique findings are the most powerful indicators in reflecting the innovative behavior of managers at SME catering at 0.963. That is, there is the ability to find product findings which are truly new processes. Furthermore, development (extension) is a new use or
other application to the product. Innovative is not enough with unique findings and development, but duplication is a creative replication of existing concepts.

Table 5. Value of weight factor and mean variable of emotional intelligence

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading factor</th>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional intelligence (M)</td>
<td>Managing emotions (M.1)</td>
<td>0.618</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Assess the emotions of others (M.2)</td>
<td>0.756</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Cognitive intelligence (M.3)</td>
<td>0.502</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Smart social relations (M.4)</td>
<td><strong>0.787</strong></td>
<td><strong>4.5</strong></td>
</tr>
</tbody>
</table>

Description: Number thickening marks are the most important indicator
Source: (Result of data processing, 2018)

The mean value of 4.0 is stated to reflect emotional intelligence, moreover, all four indicators must be maintained. Evidently, the most important indicator in reflecting emotional intelligence is intelligent social relations of 0.787. That is, there are positive emotions in the form of social feelings, such as feelings that relate to relationships with other people, both individual and group. In addition to indicators of social relations, indicators of managing emotions, assessing the emotions of others and cognitive intelligence to determine the formation of emotional intelligence will be of quality.

Table 6. Weight Factor values and mean financial performance variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Loading factor</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Likuidity (Y2.1)</td>
<td>0.752</td>
<td>3.0</td>
</tr>
<tr>
<td>Performance</td>
<td>Profitability (Y2.2)</td>
<td>0.862</td>
<td>3.5</td>
</tr>
<tr>
<td>(Y2)</td>
<td>Efficient working capital (Y2.3)</td>
<td><strong>0.938</strong></td>
<td><strong>4.0</strong></td>
</tr>
</tbody>
</table>

Description: Number thickening marks are the most important indicator
Source: (Result of data processing, 2018)

The means value of the financial performance variable of 3.5 is not good hence, the three indicators need to be improved. The strongest indicator is an efficient working capital. That is the ability of companies to use assets to produce efficient working capital so that financial performance is good. Then, another indicator in measuring financial performance is the aspect of liquidity and profitability.
Table 7. Result of Path Coefficient Analysis

<table>
<thead>
<tr>
<th>Relations between variables</th>
<th>Path coefficient</th>
<th>p-value</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explanatory variable</td>
<td>Response variable</td>
<td>Direct influence</td>
<td></td>
</tr>
<tr>
<td>Family ownership (X1)</td>
<td>Financial performance (Y2)</td>
<td>0.484***</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Family ownership (X1)</td>
<td>Manager's innovative behavior (Y1)</td>
<td>0.601***</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Manager's innovative behavior (Y1)</td>
<td>Financial performance (Y2)</td>
<td>0.577***</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Explanatory variables Test → mediating variables → response variables

<table>
<thead>
<tr>
<th>Explanatory variable</th>
<th>Mediating variable</th>
<th>Response variable</th>
<th>Indirect Influence</th>
<th>p-value</th>
<th>The nature of mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family ownership (X1)</td>
<td>Manager's innovative behavior (Y1)</td>
<td>Financial performance (Y2)</td>
<td>0.347***</td>
<td>&lt;0.001</td>
<td>Partial mediation</td>
</tr>
</tbody>
</table>

Test of Interaction (Explanatory Variables & Moderating Variables) → Response Variables

<table>
<thead>
<tr>
<th>Explanatory variable</th>
<th>Moderation variable</th>
<th>Response variable</th>
<th>Moderation effect</th>
<th>p-value</th>
<th>The nature of mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager's innovative behavior (Y1)</td>
<td>Emotional intelligence (M)</td>
<td>Financial performance (Y2)</td>
<td>-0.199***</td>
<td>0.042</td>
<td>Quasi moderation</td>
</tr>
</tbody>
</table>

Explanation: *** = significant on α = 0.01 (highly significant); ** = significant on α = 0.05 (significant); * = significant on α = 0.10 (weakly significant).

**DISCUSSION**

It is proved that the more family ownership the higher the financial performance in the SME catering business. Because, catering business shareholders are from family members thus, they are not burdened by the demands of the interests of shareholders. Meanwhile, their actions are in favor of family interests. In this business, the involvement of family members is quite high and they want to sacrifice short-term profits to get long-term benefits. They use productive assets to produce good and quality financial performance such as liquidity, profitability and efficient working capital. In this study showed that family members are more productive compared to other workers (Wagner et al., 2015). Although the manager of a manager is not professional, managers have the ability to have a degree of flexibility to respond to challenges and opportunities as the research from (Brunninge et al., 2007; Cucculelli and Storai, 2015) moreover they can potentially improve financial performance.

The reports from (Fauzi and Musallam, 2015); (Giovannini, 2010); (González, et al., 2012); (Shyu, 2011); and (Wagner et al., 2015) have similarities with the findings of this study, such as the more family ownership the higher the financial performance. Because
the object of research is different, the implications of this study extend the applicability of previous research and expand the validity of the RBV theory. That is, the similarity of research result alleged by the methodological approach used is the same. This business uses raw materials that are easily damaged; therefore, business people must choose quality raw materials to produce superior products.

The selection of resource-based view (RBV) which resources are required to be competitive (competitive advantage) derived from strategic resources from (Mazzi, 2011) hence, the company will gain competitive advantage and improve company performance (Ortega et al., 2010). However, it is not entirely correct, because (Charbel et al., 2013); (Lam and Lee, 2012) stated that there is no strong evidence that the lower family ownership the higher the financial performance. Unlike the researches from (Audretsch et al., 2013); (O’Boyle et al., 2012); and (Sonfield and Lussier, 2014) indicated that they do not provide concrete evidence that financial performance is not determined by whether or not family ownership is large. This difference is indicated by different methodologies such as the use of indicators.

This research found that the higher family ownership the better the innovative behavior of managers. Because catering business management is not burdened by the demands of shareholders, family members want to sacrifice and respond to challenges and opportunities and indeed they actively engage in high innovation. Catering business people want success and can continue to run their business, they must make products that are produced with new innovations. Because, in the business world today, its products and services without being innovative will not develop and will not be successful in entrepreneurship. Delays in innovating products and services will result in failure for an entrepreneur. As a result, competitiveness is low. The fact is family businesses like catering often carry out unique food innovations, develop, and replicate creatively and profitably. Meanwhile, now there are many consumers who are not only concerned with taste in food but they like different foods. Therefore, this businessman is required not only to have a food business idea but also to have a creative food business idea, a unique food business idea hence it can be an inspiration for the food business and of course a profitable food business.

Empirical evidence also supports family ownership encouraging good innovative behavior (Craig et al., 2013). The ease of innovation is greater for family companies when compared to non-family companies (Muttakin et al., 2015). This business actor tends to prioritize acting logic from (Cisneros et al., 2012) in conducting innovation.

It turns out when what is displayed is the manager's innovative behavior that is good than good and quality financial performance. Because innovative behavior displayed by SME Catering managers is a discovery (invention) of food products that are truly new and unique. To get unique food ideas or innovations, of course, managers must hunt food frequently. It showed in both in traditional restaurants and international style restaurants. However, managers can get creative business ideas and of course profitable food business ideas. New and unique products that can capture the market will strengthen the company's performance (Al-Ansari et al., 2013). Usually, managers display development (extension) behavior through new uses or other applications to existing products, services, or processes. Ideally, developing this business openly and companies tend to sell more new products as the research from financial performance will be good. More importantly, creative replication of existing concepts is a must in innovation activities (Park et al.,
The innovative success can be measured how much the ability of managers to give birth to something new, both in the form of ideas and really works that are relatively different from what has been there before. If this is fulfilled, the potential to get a market and profit is high. Hence, the company's liquidity is maintained, the potential to get high profitability and use productive assets to produce efficient working capital.

Researches from (Al-Ansari et al., 2013); (Ho, 2011); (Omri et al., 2014), has reported strong and meaningful evidence and there are similarities in empirical evidence with this study. That is, the better the innovative behavior the higher the financial performance. Creative managers are usually not just waiting for new aspirations to do, but he is always looking for inspiration by doing to be innovative. This empirical evidence extends the validity of previous studies.

Empirical evidence showed that the higher family ownership the better the innovative behavior of managers and the higher financial performance. Because the catering business is still in a small level so that the business style is still dominant involving some family members in business ownership or operations and they assume that family management can still be used for innovation. Such as the use of traditional taste patterns so that they seem to have low competitiveness Although business families lack formality, unclear separation of personal business affairs, and multiple leadership, it seems they reflect a high commitment and high motivation attitude to give birth to brilliant ideas in innovation. Moreover, they have a long-term orientation. The adoption of a culture of commitment and motivation is a work attitude by managers in displaying innovative behavior to implement brilliant ideas (Park et al., 2014; Taghipour and Khadem, 2013).

Innovative behavior is an action that seeks, develops, and applies new ideas and solutions in the current situation (Park et al., 2014). It mentioned that the better innovative behavior, the better financial performance. That is, there is the ability of managers (women or men) to implement new ideas according to current market needs. The reality showed that the Makassar catering business previously used traditional patterns thus it seemed to be low in competitiveness. Therefore, innovations are used by using competitive resources. The form of food innovation is temporarily carried out by SME catering managers such as foods that are very brave to play taste, unique and funny foods, jumbo or mini-sized foods, traditional foods that are rarely heard and a combination of traditional and international foods.

We also found that female manager participation (67%) was more dominant in this business when compared to male managers (33%). Women's participation in innovation in the SME sector is very high (Wynarczyk, 2010). The experience of female managers manages this business on average (5-10) years. Armed with the experience they are able to combine imagination and creative thought systematically and logically. Female and male managers differ in personal qualities in their work. The research by (Post et al., 2009) reported that female managers have the ability to be more innovative than men. Managers found women more transformational than men. That is, female managers are built with collaboration, collaboration, lower control, and problem-solving based on intuition and rationality of work that is oriented towards people, while male managers are on duty. The behavior of female managers is more feminine, for example, more ethical, gentle, accentuating sympathetic, sensitive to others (Valentine et al., 2009). When innovative managers do tend to show the value of benefits greater than costs will strengthen the
company's financial performance. Therefore, the innovative behavior of managers has relevance to financial performance.

What was revealed by (Al-Ansari et al., 2013); (Ho, 2011); and (Omri et al., 2014) showed that the better the innovative behavior the higher the financial performance. A creative manager is usually not only waiting for new aspirations to do, but he is always looking for inspiration by doing to be innovative. Financial performance is not just maintaining liquidity and getting profitability, but more important for the catering business is how to manage working capital. Because, the faster the turnover of the working capital component (such as the speed of accounts receivable turnover, inventory turnover speed, payment delays to suppliers and the speed of cash conversion) are more efficient working capital.

In order for the financial performance to be good, managers must combine innovative and emotional intelligence. The variable of emotional intelligence is the explanation of why the competitiveness of SME catering is low. Apparently, the contribution of emotional intelligence in the relationship of innovative behavior with financial performance is weak or negative and meaningful. Meanwhile, cognitive intelligence of female managers is still low in using superior resources so that it is not competitive in the market. Naturally, female managers seem to be risk-averse. If cognitive intelligence is sufficient, the manager has the courage to try various innovative ones. Therefore, cognitive intelligence must be improved so that it is competitive. Although the ability to manage emotions by managers is still relatively low. However, even though they seem risk aversion, the attitude of love to be innovative is relatively stable compared to male managers (Galanaki et al., 2009). Therefore, the ability to manage emotions must be of high quality so that the performance becomes good.

It is important to be maintained by either a female manager or a male manager is the ability to assess the emotions of others and be intelligent in social relationships. It is stated that female managers are more ethical in social relations (Valentine et al., 2009). Managers with high emotional intelligence will be busy thinking about innovation and innovation what is done in the future and immediately forget about past failures (Evans, 2010). (Evans, 2010) indicated that past failures are the approach to success. Therefore, innovative activities continue to be carried out in line with market needs and financial performance will be good.

Empirical evidence is different as reported from (Abdul and Budhwar, 2013); (Lam and Lee, 2012); (Knyazev et al., 2013); and (Lindebaum, 2013) stated that the stronger emotional intelligence the higher the performance. But researches from (Connelly and Ruark, 2010) and (Tsirigotis, 2015) found that the weaker emotional intelligence the lower the performance. This difference is suspected by methodology, especially the use of indicators, research objects and theoretical assumptions used. Therefore, this study broadens the validity of previous research and extends the validity of the RBV theory.

**CONCLUSION**

Previously, the SME Makassar Catering business used a traditional pattern that impressed low competitiveness. Innovative abilities by managers and smart work by managers can enhance the competitiveness of SME catering businesses. Indeed, this business has relatively small assets hence, the business style is still dominant involving
some family members in business ownership or operations and they assume that family management can still be used for innovation. But the bigger the size of the company, the management style, of course, must change because the possibility is no longer able if only family members manage.

Innovative behavior of good managers can improve financial performance. Because, innovative behavior displayed by SME catering managers is a discovery (invention) of food products that are truly new and unique, such as traditional eating and international-style restaurants. This business ranges from the risk of raw materials. Therefore, managers who have the ability to innovate, transformational and have personal qualities in work are needed compared to women managers.

Although innovative managers are good, while emotional intelligence by managers is still relatively low, financial performance is also low. Apparently, cognitive intelligence and managing emotions still seem low but the attitudes and behavior of female managers or male managers are able to assess the emotions of others and be intelligent in social relationships. Even female managers are more ethical in social relations so that the quality of innovation is better. Managers with high emotional intelligence will be busy thinking about innovation and innovation what is done in the future and immediately forget about past failures. The manager past failures is the approach to success. Therefore, innovative activities continue to be carried out in line with market needs so that financial performance will be good.

The theoretical implication of this study is to expand the validity of the RBV theory. Meanwhile, the power of the RBV theory can overshadow the potential of productive strategic resources characterized as unique, rare, complex, complementary and difficult to imitate by competitors. While the practical implications, if competitiveness is low, the innovative quality and quality of emotional intelligence must be improved by these business people.

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