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Original Paper

Employee's Emotional Intelligence and Innovation Performance in China's International Joint ventures: The Moderating Role of Leadership Style

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Abstract

This paper explores the relationship between emotional intelligence, leadership style and employee's innovation performance. Information was collected by distributing 400 questionnaires to Indonesian employees from China's International Joint Ventures (IJV) operating in Indonesia. A total of 217 valid questionnaires were received. The results of the study indicate that emotional intelligence and three kinds of leadership styles (transformational, transactional and paternalistic) are positively related to employee's innovation performance. All of these leadership styles except transactional leadership style are found to moderate the relationship between emotional intelligence and employee's innovation performance. This study further enriches the literature in the field of human resource management. Managerial suggestions for China's IJVs are also provided in this study.

Keywords

emotional intelligence, innovation performance, leadership style

1. Introduction

The economic globalization has promoted the international business. In order to survive and develop in a competitive environment, a number of joint ventures are set up to expand overseas markets, acquire strategic resources and enhance competitive abilities. Since the promotion of "going out" policy, the scale of China's Outward Foreign Direct Investment (OFDI) has been increasing continuously. In recent years, to dispose of the foreign trade barriers as well as the dependence on technology introduction, the number of China's International Joint Venture (IJV) has risen rapidly under the "belt and road" initiative. According to the Statistical Bulletin of China's Outward Direct Investment, the

total amount of China's OFDI in 2020 was $153.71 billion with an annual increase of 12.3%, ranking first in the world. Investors from China have set up 45,000 companies, involving 189 countries (regions) around the world. IJV has become an important part of China's OFDI and made great contribution to the economic development of China.

As joint venture is the most difficult and demanding, as well as less understandable, in the various tools of operation (Drucker, 2001), the rate of failure for joint venture is relatively high. Killing (2017) found that the overall failure rate is about 30% to 60%. The success rate of China's international joint ventures is less than 50%, indicating the business performances are dissatisfactory. Numerous studies have shown that innovation affects the competitiveness of enterprises (Tushman & Nadler, 1986; Bergeron & Hiller, 2002; Lo & Kam, 2021). In fact, China's "going out" enterprises show a trend of leapfrog development of internationalization due to the lack of gradual accumulation of internationalization. Thus, China's IJVs cluster in labor-intensive industries (such as manufacturing, construction etc.), and lack sufficient capabilities in technology and innovation, resulting in low competitiveness of China's IJVs.

As the engine of driving revenue growth and the cornerstone of organizational survival (Wei et al., 2020), innovation performance is critical for joint ventures to achieve and sustain significant economic growth and development, which attracts the attention of many scholars. Many external and internal factors affecting innovation performance have been discussed. External factors include government policy (Gu & Zhang, 2017), host country institution (Mi et al., 2020), market orientation (Zhang & Duan, 2010）. On the other hand, firm size (Scherer, 1965), knowledge transfer (Scaringella & Burtschell, 2017), IJV choice (Wu et al., 2020) and employee welfare (Wei et al., 2020) are considered as important internal drivers for innovation performance.

As the direct participant in production activities, employee is the main determinants to directly deal with all the issues that are possibly in connection with innovation performance, and plays an important role in promoting the competitiveness of enterprises (Black & Lynch, 1996; Mao & Weathers, 2015). Emotional intelligence, as an important characteristic of individuals, has a positive impact on job performance and team performance (Wong & Law, 2002a; Shih & Susanto, 2010). Employees with high emotional intelligence tend to report higher innovation and performance.

When enterprises choose to innovate, decisions should be made and directions should be set to guarantee innovation. In this regard, leadership is critical for instilling a culture of innovation throughout the organization, which enables enterprises to meet new challenges. The impact of leadership on innovation performance has been proved in the literature (Chen et al., 2014; Nanjundeswaraswamy & Swamy, 2014; Tajasom et al., 2015). However, due to the influence of culture on leadership, employees' perception of the way leader treats subordinates affect how they obey the leader's order. Studies have revealed that employees from countries with lower power distance are

more inclined to a participative leadership style; while in countries with higher power distance, a direct leadership style has a positive impact (Goolaup & Ismayilov, 2012). Due to the complexity of the organizational structure, joint ventures face enormous challenges in terms of cultural differences when running business around the world. Therefore, it is important to investigate the impacts of emotional intelligence and leadership style on employee's innovation performance for China's IJV in multiple cultural contexts.

In addition, compared with the numerous studies on the innovation performance of Sino joint venture of developed countries (Li & Atuahene-Gima, 2011; Collinson & Narula; 2014), there are fewer empirical studies on China's IJVs.

This study attempts to empirically investigate the impact of emotional intelligence on innovation performance of Indonesian employees of China's IJV in Indonesia. Through the quantitative research approach, this paper focuses on the direct and indirect relationship among emotional intelligence, leadership style and innovation performance. Furthermore, this study examines the moderating role of leadership style.

2. Literature Review

2.1 Emotional Intelligence

Emotional intelligence was first proposed by Leuner (1966). It is defined as a part of social intelligence, which serves individual's thinking and activities by identifying and distinguishing the emotions of oneself and others. Mayer and Salovey (1997) further proposed the model of emotional intelligence. They considered emotional intelligence as the ability to stimulate thinking, understand others emotions, control their own emotions, and promote cognitive competence. The model claims that emotional intelligence contains four types of abilities: perceiving emotions, using emotions, understanding emotions and regulating emotions.

Based on the model of Mayer and Salovey (1997), Wong and Law (2002b) further enriched the four dimensions of emotional intelligence: (1) appraisal and expression of self-emotion; (2) appraisal and recognition of others' emotion; (3) regulation of self-emotion; and (4) use of emotion to facilitate performance.

2.2 Innovation Performance

Innovation is a complex and uncertain process. Therefore, scholars explained the concept of innovation performance from different perspectives. Tsai and Zualkernan (1989) pointed out that individual innovation is a new concept and new product at work. Mumford (2000) argued that innovation performance includes not only innovative products or technologies, but also all possible influencing factors in the innovation process. Han (2006) regarded employee's innovation performance as a process, including five steps: innovation willingness, innovation action, innovation suggestion, innovation

achievement, and the diffusion of innovative thinking. Yao and Heng (2013) divided innovation performance into two aspects: innovation action and innovation effect. Innovative action refers to the new ideas or plans, whereas innovation effect refers to the actual results of innovation.

In general, innovation performance refers to novel and practical products, processes, methods or ideas that benefit organizational performance.

2.3 Leadership Style

Leadership style reflects the relatively stable and tendentious characteristics of leader's behavior (Dubrin, 2015). Leadership style enables leaders to look at important patterns of different leadership functions (Casimir, 2001). In other words, leadership style is the collection of specific behaviors of leaders that guide the performance of leadership.

Different leadership behaviors lead to different leadership styles. Burns (1978) divided leadership style into two categories: transformational leadership style and transactional leadership style. Among them, transformational leadership style is the one that fully considers the needs and perceptions of employees, enhances employees' inner sense of mission and responsibility, enables employees to find the significance of their work, and performs behaviors that exceed organizational expectations. Transactional leadership style refers to a negotiated and mutually beneficial relationship between leaders and employees. Leaders provide employees with actual rewards such as remuneration, promotion, and honor to meet the needs and desires of their subordinates; employees are rewarded by obeying the leadership's orders and completing the tasks (Ling et al., 2008).

Transactional leadership and transformational leadership theories emerged from the Western cultural background, while the Chinese leadership process has both similarities and unique aspects to the one of Western. Silin (1976) conducted research on the concept of "paternalistic leadership", and found that this leadership style of managers is quite different from the Western leadership style. Silin (1976) summarized the characteristics of this leadership style as teaching, virtue, centralization, distance between superiors and subordinates, leadership control etc. Farh and Cheng (2000) demonstrated the prevalence of paternalistic leadership style in Chinese family businesses by expanding the scope of research. Specifically, paternalistic leadership style includes three aspects: authoritarian leadership, benevolent leadership and moral leadership.

Emotional Intelligence and Innovation Performance

Innovation is considered as an important and complex dimension of learning at work, involving rationality, intuition, emotion and social process, where emotion plays an important role in influencing employees' willingness to create and innovate (Fenwick, 2003). As emotion can affect an individual's thinking and judgments by facilitating various information processing strategies (Ciarrochi et al., 2006), people with high emotional intelligence are more likely to have positive emotions, which in turn can broaden space of thinking, expand new information, and promote creativity (Lyons & Schneider, 2005).

Emotional intelligent employees are more able to negotiate and solve problems, thereby increasing organizational productivity and creativity.

Emotional intelligence is closely linked to inner motivation (Mayer et al., 2000), and inner motivation affects the generation and implementation of new ideas. Studies have revealed that employees with high emotional intelligence can properly recognize and manage personal emotions, ensure high enthusiasm and concentration, and stimulate creativity at work, so as to complete work with high quality (Goleman, 1998).

In addition, interpersonal relationships are an important guarantee for the implementation of innovative ideas (West, 1987). Emotional intelligent employees are better at controlling their own emotions and rarely bring negative emotions to work. When faced with conflict in the workplace, employees with high emotional intelligence manage conflict more constructively and lead to positive outcomes, which in turn may improve individual innovation performance (Schlaerth et al., 2013). At the same time, employees with high emotional intelligence tend to share their ideas, actively seek advice and help, and are pleased to listen to colleagues' opinions, all of which require creativity and innovation (Suliman & Al-Shaikh, 2007). Therefore, the following hypothesis is proposed.

H1: Emotional intelligence is positively related to employees' innovation performance.

Leadership Style and Innovation Performance

The impact of leadership style on job performance has been studied by many scholars. With the increasing importance of innovation, people realize that innovation plays an important role in promoting enterprise performance. As the core factor affecting the competitive advantage of organizations, leadership not only influences organizational strategy and culture, but also has important impacts on employees' creativity, attitude and behavior (West et al., 2003). Studies demonstrated that leadership style is a key factor in promoting innovation performance (Paulsen et al., 2006).

The impact of different leadership styles on innovation performance varies in literature. Transformational leadership style can embrace creative ideas and motivate employee's work enthusiasm, thereby improving the performance and innovation within the organization (Mumford et al., 2002). Bass and Riggio (2006) argue that transformational leadership is a strong proponent of fostering innovation and improving performance, which also helps to achieve innovative goals. Especially when it comes to the complexity of tasks and the uncertainty of the environment, transformational leadership style promotes unconventional and innovative thinking and work processes, broadens the knowledge base and provides opportunities for personal development, thereby bringing about new knowledge and techniques (Garcıá- Morales et al., 2008). Kotlyar and Karakowsky (2007) found that transformational leadership style can encourage different viewpoints and create an atmosphere of team identification, which can free employees from the concerns of mutual relationship, and courage them to express their own viewpoints and criticize the opinions of others.

The relationship between transformational leadership style and innovation performance has been generally recognized, but the impact of transactional leadership style on innovation performance has not been unified. Scott and Bruce (1994) argued that the rational use of reward plans and systems can promote the shaping of employee's creativity and improve innovation performance to a certain extent. Bass and Riggio (2006) found that leader's active management and supervision on employees, as well as identification and correction of employees' mistakes, contribute to employees' innovative behavior. Goodwin et al. (2001) found that transactional leaders show more identification with innovation performance based on specific expectations and target levels. Some scholars believe that the adoption of transactional leadership style may have a negative impact on employees' innovative behavior. Pieterse et al. (2010) argued that if transactional leaders only focus on employee performance and ignore intellectual stimulation, it is not conducive to employee's innovation performance. Wong (2017) found that transactional leadership style would have a negative impact on inhibiting the innovative behavior of knowledge workers; but when combined with goal orientation, transactional leadership style could promote the innovative behavior. Despite the controversy, most scholars believed that transactional leadership style has a positive impact on innovation performance.

Paternalistic leadership is seen as a negative style in Western society. Strong paternalism controls the team or organization, assigns tasks to members accordingly, and develops a strategic roadmap, including the deadlines and quality of tasks. Hence, like authoritarian leadership style, research suggests that this leadership style manifests in authoritarian and controlling. According to the study of Dinham et al. (2011), paternalistic leadership does not have much room for employee participation and feedback, leading to lower employee engagement and morale. Zhang and Bartol (2010) found that the implementation of close monitoring aimed at increasing productivity and reducing stress can actually lead to fear and resentment. Paternalistic leadership style is largely based on the attributes and abilities of the leader. If they are weak and lack critical thinking as well as problem solving skills, the entire organization would suffer huge consequences. Therefore, the following hypotheses are proposed.

H2a: Transformational leadership style is positively related to employees' innovation performance.

H2b: Transactional leadership style is positively related to employees' innovation performance.

H2c: Paternalistic leadership style is negatively related to employees' innovation performance.

Moderating Role of Leadership Style

Leadership style affects employees' work motivation, and emotional intelligence is closely linked to inner motivation (Mayer et al., 2000). Long et al. (2014) pointed out that leaders' enthusiasm and commitment to work will positively affect employees, motivating them to work harder to achieve organizational goals. Ahmad et al. (2014) found that transformational leadership style can enable employees to adjust and control their emotions, and help them engage in work with a more rational and positive attitude. Transactional leaders will give employees appropriate rewards to stimulate their

enthusiasm for work and stimulate employees to put forward new ideas, which is conducive to the formation of an innovative atmosphere within the organization. Paternalistic leadership requires subordinates to obey unconditionally, which may limit the subjective initiative of employees, so that subordinates may have rebellious psychology, negative sabotage, and reduced job performance (Chan et al., 2013).

In addition, leadership style affects the innovation climate within an organization. Transformational leadership style can create a harmonious working environment, enable employees to actively exchange opinions, stimulate the generation of creative ideas, and improve organizational innovation performance (Shin & Zhou, 2003). Transactional leadership style may lead employees to focus on their own interests and not actively participate in discussions, thereby inhibiting the formation of innovative ideas (Pusiran & King, 2013). Therefore, the following hypotheses are proposed.

H3a: Transformational leadership style moderates the relationship between emotional intelligence and employee's innovation performance.

H3b: Transactional leadership style moderates the relationship between emotional intelligence and employee's innovation performance.

H3c: Paternalistic leadership style moderates the relationship between emotional intelligence and employee's innovation performance.

3. Method

3.1 Sample

This paper follows the quantitative research approach and collects information by questionnaire. The sample for this study consists of Indonesian employees of China's IJV in Indonesia. Data is collected from eight China's IJVs, covering the industries of construction, manufacturing and mining. The first part of the questionnaire contains basic information of respondents, such as age, gender, etc. This is followed by measurement items including emotional intelligence, innovation performance, transformational leadership, transactional leadership, and paternalistic leadership.

The period of survey was from September 5th to October 1st 2021. Due to the epidemic, the survey was conducted through email invitations and online surveys. A total of 400 questionnaires were distributed to potential respondents and 238 employees completed the questionnaires. Twenty-one participants who filled out the questionnaire incorrectly (such as missing data and identical answers) were excluded. There are 217 valid questionnaires with a response rate of 54%.

3.2 Measures

A 5-point Likert scale is used for all measures, ranging from 1 = "strongly disagree" to 5 = "strongly agree". All items in the questionnaire are developed in English.

3.2.1 Emotional Intelligence

The emotional intelligence scale used in this study is the WLEIS scale developed by Wong and Law (2002b). It contains 16 items, divided into four dimensions to measure the emotional intelligence of employees, namely, assessment of self-emotion; (2) assessment of others' emotion; (3) regulation of self-emotion; and (4) use of emotion. The reliability and validity of the WLEIS scale have been verified by many studies (Law et al., 2008; Trivellas et al., 2013).

3.2.2 Innovation Performance

In terms of innovation performance, this study adopts the scale developed by Janssen and Van Yperen (2004). This scale contains 9 items, divided into 3 dimensions to measure the innovation performance, including the generation of new ideas, the support of new ideas and the implementation of new ideas

3.2.3 Leadership Style

The measurement of transformational leadership styles uses a scale developed by Rafferty and Griffin (2004), which contains 8 items, describing idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

To measure transactional leadership style, this study adopts the scale established by Bass and Avolio (1989). It contains 10 items, including three dimensions: conditional reward, exception management, and laissez-faire.

The measurement of paternalistic leadership style adopts the scale of Farh and Cheng (2000). The scale contains 3 dimensions; authoritarianism, benevolence, and morality. In this study, the scale was shortened and modified to 12 items from the original 26 items.

3.3 Control Variable

In order to control for factors that may affect the results of the study, gender and age are selected as control variables based on the existing studies (Zheng et al., 2017).

3.4 Analysis Technique

Frequency analysis is adopted to summarize the demographic characteristics of the sample. In terms of the correlation analysis, the correlations between emotional intelligence, leadership style and innovation performance are investigated through Pearson correlation coefficient. Finally, regression analysis is conducted to test the hypotheses proposed in this study.

4. Result

4.1 Sample Profile

The majority of the 217 employees involved in the survey are males, accounting for 72.8%, while females account for 27.2%. In terms of age, 73 participants are below 23, 116 participants belong to the group age between 24 and 35, 26 participants aged from 36-45, and the rest of 2 participants are over 45. In the aspect of education level, more than 50% of participants have bachelor degrees, 1/3 of the

participants have high school degrees, and the remaining participants have master degrees. In the respect of duration, the working experience of most participants ranges from 3-5 years.

Table 1. Descriptive Statistics

Characteristic	Item	N	Percentage (%)
Gender	Male	158	72.8%
	Female	59	27.2%
Age	23	73	33.6%
	24-35	116	53.5%
	36-45	26	12%
	Above 45	2	0.9%
Education Level	High School	67	30.9%
	Bachelor Degree	120	55.3%
	Master Degree	30	13.8%
Duration	1-3	40	18.4%
	3-5	153	70.5%
	5-8	19	8.8%
	Above 8	5	2.3%

4.2 Reliability and Validity

Reliability reflects the degree of consistency and stability among the items of the scale. This study adopts Cronbach's coefficient α as the indicator to evaluate the internal consistency reliability of the scale. Generally, Cronbach's coefficient α above 0.7 indicates an acceptable level (Byrne，2010). In this paper, if the value exceeds 0.70, it means that the internal consistency of the scale is acceptable.

Validity refers to the accuracy or authenticity of the scale (Byrne, 2010). Average Variance Extracted (AVE) is used to evaluate validity. The value greater than 0.50 is considered to have good validity.

Table 2. Results of Reliability and Validity

Factor	Number of Items	Cronbach's coefficient α	AVE
Emotional Intelligence	16	0.837	0.684
Innovation Performance	9	0.784	0.687
Transformational Leadership Style	8	0.886	0.655
Transactional Leadership Style	10	0.825	0.606
Paternalistic Leadership Style	12	0.841	0.631

Emotional Intelligence	16	0.837	0.684

From the table above, the values of Cronbach's coefficient α for all constructs are above 0.70, exceeding the recommended value of 0.70. Besides, the values of AVE are all greater than 0.60, indicating an acceptable level. According to the above results, it can be assumed that all the constructs have good validity and reliability

4.3 Correlation Analysis

Pearson correlation coefficient is adopted in this paper to examine the correlation between emotional intelligence, leadership style and innovation performance.

Table 3. Pearson Correlation Coefficients

Variable	1	2	3	4	5
1.Emotional Intelligence	1.000				
2.Transformational Leadership Style	0.458**	1.000			
3.Transactional Leadership Style	0.315*	0.219**	1.000		
4. Paternalistic Leadership Style	0.357*	0.152*	0.110*	1.000	
5.Innovation Performance	0.716**	0.411**	0.107*	0.191**	1.000

Note: **p<0.01, *p<0.05.

From the table above, it can be seen that there are certain correlations between emotional intelligence, leadership style and innovation performance, which is in line with the proposed hypotheses. Among them, different leadership styles have different effects on innovation performance. Transformational leadership style (r = 0.411) and transactional leadership style (r = 0.107) are positively related to innovation performance. Contrary to the hypothesis 2c, the correlation coefficient between paternalistic leadership style and innovation performance is 0.191, reaching a significant level of 0.01, indicating that there is a positive correlation between the two.

4.4 Regression Analysis

After the above correlation analysis, the results of the correlation between the variables are obtained. But the correlation analysis can only initially observe the closeness and fails to reveal the specific influencing relationships among variables. It is necessary to use regression analysis and establish regression models to further validate the research hypothesis.

4.4.1 Direct Effects

Table 4. Regression Analysis of Emotional Intelligence and Innovation Performance

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.022	0.017	0.195	0.241
Age	0.017	0.025	0.009	0.199
Emotional Intelligence	0.716	0.040	0.748	0.000

In order to explore the relationship between emotional intelligence and innovation performance, a regression analysis is carried out to investigate the influence of emotional intelligence (independent variable) on innovation performance (dependent variable). The results show that emotional intelligence is positively correlated with innovation performance ($B = 0.748$, $p<0.01$). Thus, hypothesis H1 is supported.

Table 5. Regression Analysis of Transformational Leadership Style and Innovation Performance

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.078	0.115	0.085	0.252
Age	0.001	0.079	0.007	0.253
Transformational Leadership Style	0.486	0.084	0.473	0.000

In order to explore the relationship between transformational leadership style and innovation performance, a regression analysis is carried out to investigate the influence of transformational leadership style (independent variable) on innovation performance (dependent variable). The results show that transformational leadership style is positively correlated with innovation performance ($B = 0.473$, $p<0.01$). Thus, hypothesis H2a is supported.

Table 6. Regression Analysis of Transactional Leadership Style and Innovation Performance

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.153	0.122	0.161	0.202

Age	0.047	0.085	0.059	0.321
Transactional Leadership Style	0.167	0.100	0.159	0.021

In order to explore the relationship between transactional leadership style and innovation performance, a regression analysis is carried out to investigate the influence of transactional leadership style (independent variable) on innovation performance (dependent variable). The results show that transactional leadership style is positively correlated with innovation performance ($B = 0.159$, $p<0.05$). Thus, hypothesis H2b is supported.

Table 7. Regression Analysis of Paternalistic Leadership Style and Innovation Performance

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.123	0.122	0.144	0.363
Age	0.107	0.085	0.100	0.411
Paternalistic Leadership Style	0.226	0.100	0.221	0.012

In order to explore the relationship between paternalistic leadership style and innovation performance, a regression analysis is carried out to investigate the influence of paternalistic leadership style (independent variable) on innovation performance (dependent variable). The results show that paternalistic leadership style is positively correlated with innovation performance ($B = 0.232$, $p<0.05$). Thus, hypothesis H2b is reversely supported.

4.4.2 Moderating Effects

In the study, various dimensions of leadership style are introduced as moderator variables to explore the influence of emotional intelligence on innovation performance. The moderating effects of different leadership styles are examined through regression analysis. The results are as follows.

Table 8. Moderating Effect of Transformational Leadership Style

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.124	0.133	0.136	0.421
Age	0.015	0.067	0.021	0.264

Emotional Intelligence	0.458	0.096	0.423	0.000
Transformational Leadership Style	0.254	0.075	0.244	0.000
TRFL*EI	0.059	0.143	0.053	0.007

After the interaction item of transformational leadership style and emotional intelligence is introduced in the model, it is found that the interaction item has a positive and significant impact on innovation performance (B = 0.053, p<0.05). Therefore, transformational leadership style plays a moderating role in the relationship between emotional intelligence and innovation performance, that is, the more significant transformational leadership style is, the higher innovation performance that emotional intelligence produces. Therefore, Hypothesis H3a is supported.

Table 9. Moderating Effect of Transactional Leadership Style

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.145	0.155	0.159	0.392
Age	0.083	0.124	0.107	0.201
Emotional Intelligence	0.436	0.077	0.410	0.000
Transactional Leadership Style	0.138	0.168	0.124	0.034
TRAL*EI	0.031	0.151	0.021	0.084

After the interaction item of transactional leadership style and emotional intelligence is introduced in the model, it is found that the p-value of the interaction item is not significant (B = 0.021, p>0.05). Therefore, transactional leadership style does not play a moderating role in the relationship between emotional intelligence and innovation performance. Therefore, hypothesis H3b is rejected.

Table 10. Moderating Effect of Paternalistic Leadership Style

Model	Unstandardized Coefficients		Standardized Coefficients	p-value
	B	Std. Eror	Beta	sig
Gender	0.152	0.176	0.149	0.454

Age	0.127	0.131	0.124	0.236
Emotional Intelligence	0.509	0.125	0.488	0.000
Paternalistic Leadership Style	0.213	0.138	0.217	0.016
PL*EI	0.041	0.093	0.044	0.037

After the interaction item of paternalistic leadership style and emotional intelligence is introduced in the model, it is found that the interaction item has a positive and significant impact on innovation performance (B = 0.044, $p<0.05$). Therefore, paternalistic leadership style plays a moderating role in the relationship between emotional intelligence and innovation performance, that is, the more significant paternalistic leadership style is, the higher innovation performance that emotional intelligence produces. Therefore, Hypothesis H3c is supported.

5. Conclusion

This paper employs quantitative research approach to deeply explore the relationship between emotional intelligence, leadership style and innovation performance. The results of hypotheses tests are as follows.

Table 11. Summary of Hypotheses

Hypothesis	Supported/Rejected
H1: Emotional intelligence is positively related to employees' innovation performance.	Supported
H2a: Transformational leadership style is positively related to employees' innovation performance.	Supported
H2b: Transactional leadership style is positively related to employees' innovation performance.	Supported
H2c: Paternalistic leadership style is negatively related to employees' innovation performance.	Reversely Supported
H3a: Transformational leadership style moderates the relationship between emotional intelligence and employee's innovation performance.	Supported
H3b: Transactional leadership style moderates the relationship between emotional intelligence and employee's innovation performance..	Rejected
H3c: Paternalistic leadership style moderates the relationship between emotional intelligence and employee's innovation performance..	Supported

5.1 Discussion

The empirical results validate the positive effect of employee's emotional intelligence on innovation performance. Existing literature shows that emotional intelligent employees are more likely to put forward innovative ideas and promote the implementation of innovative ideas, so as to improve the innovation performance. The results of this study are consistent with the findings of previous studies (Zhang et al., 2015; Jie et al., 2020).

This study also reveals the effects of transformational, transactional, and paternalistic leadership styles on innovation performance. The idealised influence, intellectual stimulation, and individualised consideration of transformational leaders have significant positive impacts on innovation performance, which is consistent with the previous findings that the transformational leadership style is correlated to individual's innovation performance (Rank et al., 2009; Tajasom et al., 2015). Social exchange theory believes that employees can get corresponding rewards from the organization by making contributions to the organization. The positive effect of transactional leadership style on innovation performance in this study confirms the social exchange theory's explanation of the relationship between transactional leadership style and innovation performance (İşcan et al., 2014). However, contrary to hypothesis H3c, paternalistic leadership style is found to be positively related to innovation performance. In fact, in countries with high collectivism, paternalistic leadership style focuses more on benevolent and moral dimensions. Studies show that benevolence and moral can stimulate employee's sense of responsibility for innovation through support, tolerance and rigid management, thereby enhancing innovation ability and improving innovation performance (Farh et al., 2006; Gu et al., 2015).

Another finding of this study is that transformational and paternalistic leadership styles moderate the relationship between emotional intelligence and innovation performance. Transformational leaders can tap the potential of employees, create a work atmosphere that supports innovation, and stimulate employees' intrinsic motivation and willingness to innovate, thereby promoting innovation performance (Tajasom et al., 2015). For the moderating role of paternalistic leadership style, Hofstede et al. (2010) revealed that Indonesian people accept hierarchical relationships and unequal power among individuals in organization and community. Under this circumstance, subordinates expect decision and authorization from their leader. In addition, in a collectivist culture like Indonesia, good social relationships are more important than money. This indicates that Indonesia employees respect their leaders who can manage the company like managing a family where the good social relationships need to be put above individual satisfaction, showing that payment does not really influence the employees' performance compared to the homey environment the leaders can create in the companies. Therefore, transactional leadership style does not play a moderating role in this study.

Based on the findings, this study proposes the following suggestions for China's IJVS.

1) Emphasize the role of leaders in innovation

The important role of leaders in innovation is increasingly recognized. The empirical results of this paper have proved that appropriate leadership style can stimulate employee's creativity and improve employee's innovation performance, simulate them to work hard to achieve the organization's innovation goals. Therefore, enterprises should emphasize on the leader's role in the process of innovation. Especially enterprises that pursue innovation and technology should pay more attention to the leadership styles and working methods of leaders, so as to create a good working atmosphere for employees to innovate.

2) Strengthen the training of employee's emotional intelligence

This study validates the positive effect of emotional intelligence on innovation activities. Emotional intelligence can improve trust, belonging, and team effectiveness among colleagues. In addition, employees with high emotional intelligence are good at controlling their emotions and better understand other's feeling, which helps them better maintain long-term relationships with colleagues, create a positive working environment and maintain the vitality of the team. These are the foundations of creativity and innovation. Scholars found that appropriate training can improve employee's emotional intelligence (Goleman, 1998). Managers should provide employees with training programs of emotional intelligence.

3) Change the leadership style of managers

The results of this study show that different leadership styles have different effects on innovation performance. Furthermore, transactional leadership styles did not moderate the emotional intelligence-innovative performance relationship compared with transformational and paternalistic leadership style. This suggests that leadership styles may function differently in multicultural contexts. The theory of contingency leadership holds that effective leadership styles vary with different work environments, and different work environments require different leadership styles. So managers can change their leadership style to improve the innovation performance of employees.

5.2 Contribution

This study enriches the literature in the field of human resource management. Previous studies mainly focused on the effects of managerial emotional intelligence and leadership style on employee innovation performance from the perspective of managers. However, little research has been done on how perceived leadership style affects innovation performance. This study observes and explores the impact of emotional intelligence and leadership style on innovation performance from the perspective of employees. Furthermore, this study provides a theoretical framework that includes emotional intelligence, leadership styles, and innovation performance. The findings reveal the influences of different leadership styles on the relationship between emotional intelligence and innovation performance. Finally, this study provides relevant information and recommendations for managers of China's IJVs in Indonesia to improve the innovation and competitiveness.

5.3 Limitation

Due to objective conditions, there are some limitations in this study.

First, this study focused on China's IJVs in Indonesia. The results may differ when the findings are generalized to other countries. Second, survey was conducted using cross-sectional data in this paper. Since data is collected over a period of time, the findings may not clearly reflect causality. Third, all the data in this paper come from self-administered questionnaire. Due to factors such as the situation, perceived preferences, etc., the answers may not match the actual reality. Finally, errors in data processing may affect the empirical results.

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