



A STUDY ON THE IMPACT PATH OF SOCIAL NETWORK EMBEDDING ON ENTREPRENEURSHIP PERFORMANCE: A CASE STUDY OF CHINESE COLLEGE STUDENTS

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Abstract

Entrepreneurship is an important source of promoting China's economic development and social progress. At present, college students are the core subjects of entrepreneurship, but compared to social entrepreneurs, their entrepreneurial failure rate is higher, and their entrepreneurial performance urgently needs to be improved. Generally speaking, embedding social networks provides multiple types of resources and information for college students' entrepreneurship, playing a positive role. Therefore, based on the case study of Chinese college students, this study analyzes the entrepreneurial difficulties faced by college students, such as financing difficulties, imperfect education systems, and backward abilities. Based on this, it proposes three paths for embedding social networks to affect entrepreneurial performance: firstly, it helps to improve the convenience of entrepreneurial financing; Secondly, providing practical bases for entrepreneurship education; Thirdly, improve the entrepreneurial ability of college students.

Keywords: Social networks, entrepreneurship dilemma, performance optimization, impact path, Chinese college students, case study



INTRODUCTION

Entrepreneurship can alleviate employment pressure, contribute to human capital accumulation and technological innovation, and achieve national economic development and overall competitiveness improvement (Sun & Wei, 2021). At present, college students have received comprehensive higher education, possessing rich theoretical knowledge and the spirit of daring to take risks. At the same time, they are more active in their thinking and have become the backbone of China's entrepreneurial community. China has successively introduced a series of policies to support college students' entrepreneurship, such as encouraging banks to provide low interest entrepreneurial loans to college students; Provide a base for college students to incubate entrepreneurial projects; Organize college student entrepreneurship competitions to provide a platform for financing roadshows for college student entrepreneurship projects; Introduce talent introduction policies that encourage college students to return to China for entrepreneurship. However, the real problem is that although the entrepreneurial rate of Chinese college students is on the rise, the success rate is still at a relatively low level. According to data from relevant departments, the entrepreneurship rate of Chinese college students has doubled in the past five years, reaching 3%, nearly double that of developed countries. At present, Zhejiang Province has the best entrepreneurial success rate for Chinese college students, but it is only 5%, which is a significant gap from the international average and developed countries in Europe and America. The reason for this lies in the weak awareness and ability of Chinese college students in entrepreneurship and financing, as well as hidden obstacles to resource acquisition (Xu et al., 2015). Therefore, how to solve the dilemma of obtaining entrepreneurial resources for Chinese college students is a topic worth exploring. With the networked development of social relationships, the acquisition of entrepreneurial resources and performance improvement increasingly rely on social network relationships, as social networks provide channels for college student startups to address information asymmetry, seek entrepreneurial opportunities, and obtain entrepreneurial financing, promoting the development of necessary entrepreneurial abilities. So, how does social network embedding affect entrepreneurial performance? This study takes Chinese college students as a case study to explore the impact of social network embedding on college students' entrepreneurial performance, which has important practical significance.

LITERATURE REVIEW

The term social network is often used to describe the collaboration between individuals or groups in society, as well as the sharing and distribution of social resources. Barnes (1954) first explored the lifestyle and kinship relationships of a village in Norway using social network

analysis methods, vividly comparing these relationships to a network of relationships connected by points and lines. With the deepening of research, social network theory has been widely applied in fields such as sociology, economics, and management. Zhang et al. (2015) explored the impact of social networks on enterprise risk taking, and the results showed that social networks can help improve the level of enterprise risk taking. At the same time, the lower the level of marketization in the region where the enterprise is located, the more sufficient the incentive for executives, the more investment opportunities the enterprise faces, and the stronger the role of social networks in promoting risk taking. Chen (2015) studied the promoting effect of different positions of "structural holes" in social networks on business efficiency and investment efficiency from the perspective of corporate finance. The study found that the richer the network structural holes a company is located in, the higher its operational and investment efficiency. Liu et al. (2017) constructed a corporate human capital social network formed by personnel mobility from a social network perspective based on talent resume data from LinkedIn (China) professional social networking website, and empirically studied the impact of human capital social network location on innovation performance of listed companies in China. The results indicate that there is a significant positive correlation between the centrality and structural holes of the human capital social network of listed companies and their innovation performance. Tombe & Smuts (2023) aim to explore the role of agricultural social networks in digitizing agricultural value chains and achieve an inclusive digital economy. They conducted automated literature content analysis and applied case studies to develop a conceptual framework for digitizing the agricultural value chain to achieve an inclusive digital economy.

In addition, some scholars have also explored the impact of social networks on entrepreneurial performance. Ma & Yang (2011) used survey data from rural China and found that farmers with more social networks have more private lending channels, making them more likely to establish self operated businesses. The initial investment and subsequent development of rural individual businesses largely rely on loans from relatives and friends. Luo & Zhang (2018) conducted a questionnaire survey on the group of technology entrepreneurs in Suzhou Industrial Park, China, and found that the scale of social networks has a significant positive impact on entrepreneurial performance, but it is different from the positive impact of network heterogeneity on entrepreneurship proposed by Western and some domestic scholars based on the weak relationship hypothesis. At the same time, it was also found that for the group of technology entrepreneurs, network heterogeneity has a certain negative impact on entrepreneurial performance, which to some extent validates the strong relationship hypothesis. Overall, startups lacking brand and credit guarantees need to rely on strong interpersonal trust to achieve market expansion and performance improvement, which is often embedded in strong

relationships rather than weak ones in the network. Sun & Wei (2021) conducted a meta-analysis on the relationship between social networks and college students' entrepreneurial performance based on 5868 samples from 24 studies in China from 2010 to 2020, and analyzed the moderating effects of five variables, including sampling regions and entrepreneurial performance measurement methods. The meta-analysis results show that social networks have a significant improvement effect on college students' entrepreneurial performance, and both network size and network strength have a significant positive impact on college students' entrepreneurial performance. The research sampling area, literature publication time, and entrepreneurial performance measurement methods can significantly adjust the relationship between the two. Zhao et al. (2022) based on survey data from 962 migrant workers returning to their hometowns for entrepreneurship, combined with social network theory and resource-based theory, and based on the dual combination duality of knowledge resources and business resources, explored the impact mechanism of the embeddedness and duality of the social network of migrant workers returning to their hometowns on their entrepreneurial performance. The results indicate that the embeddedness and duality of urban and rural social networks are beneficial for improving the entrepreneurial performance of returning migrant workers. The dual entrepreneurial resource combination of knowledge resources and operational resources plays a mediating role between the dual entrepreneurial ability and entrepreneurial performance of the dual social network embeddedness combination.

In summary, scholars have conducted numerous studies using social networks, and there have also been discussions on social networks and entrepreneurial performance in various aspects, but the conclusions are inconsistent. Therefore, this study is based on social network theory and takes Chinese college students as a case study to explore the impact of social network embedding on college students' entrepreneurial performance.

THE DILEMMA OF ENTREPRENEURSHIP AMONG CHINESE COLLEGE STUDENTS

Difficulties in Financing Entrepreneurship for College Students

There are four main financing channels for Chinese college students' entrepreneurship: bank policy loans, government entrepreneurship special fund support, entrepreneurial venture capital funds, and self raised funds (Xu et al., 2015). Firstly, due to the complex academic structure and limited professional knowledge of college students in their major, they do not have a deep understanding of entrepreneurial venture capital policies, so they have given up many loan support from banks and venture capital companies and missed out on many opportunities. Secondly, there is significant room for improvement in the overall scale and amount of government entrepreneurship special funds. The scope of funding is narrow, the focus of

support is not prominent, and the intensity is insufficient. At the same time, the approval process for government entrepreneurship special funds is relatively complex, the evaluation system is not yet perfect, the overall credit utilization time is short, and college students face significant repayment pressure. Finally, college students mainly rely on self financing to solve their entrepreneurial financing problems, with most of their own funds being family funds. However, family funds are often influenced by factors such as family conditions and the entrepreneurial attitudes of family members. In addition, the credit system for college students is not mature, and it is also difficult to obtain entrepreneurial financing through bank credit. The main reason is that banks have strict approval for unsecured entrepreneurial loans and limited credit limits. Overall, college students' entrepreneurship faces difficulties in financing and funding shortages, which are also the main obstacles to college students' entrepreneurship.

The degree of cooperation between schools and enterprises is not high, and the entrepreneurship education and training system is not perfect

Firstly, local universities in China have always adhered to the goal of cultivating applied talents, but the construction of disciplines and majors excessively pursues academic goals, resulting in difficulties in connecting talent cultivation and enterprise cooperation. At the same time, there are fewer "double qualified" teachers, and the vast majority of them do not have practical abilities in enterprises. They are seriously disconnected from the production process of enterprises, with a higher level of theoretical teaching and a lower level of practical teaching, resulting in a lack of ability for universities to serve enterprises. Therefore, the motivation for school enterprise cooperation is insufficient, and it is difficult to bring enterprise practice into the classroom, which will directly lead to an imbalance between school enterprise cooperation and school entrepreneurship education coordination, Unable to form a joint force (Chen, 2021). Secondly, the entrepreneurship curriculum system and training mechanisms of most local universities are not yet perfect, with more emphasis on theoretical courses and a low proportion of practical courses, which is generally not conducive to college students' entrepreneurship practice (Guo, 2022). Due to the strong practicality of entrepreneurship courses and the complexity of subject knowledge, adopting only large class teaching cannot implement personalized guidance, which is inevitably not conducive to shaping students' entrepreneurial thinking. Although some local universities in China have independently established entrepreneurship colleges and conducted a wide range of entrepreneurship education, the curriculum system is relatively single, the teaching mode is outdated, and it is unable to effectively provide students with entrepreneurial practice opportunities. The lack of a systematic

entrepreneurship training process has caused many difficulties for college students in entrepreneurship.

Backward level of entrepreneurial ability among college students

At present, Chinese college students have a high sense of entrepreneurship, which is shaped by the lectures of school teachers and the influence of campus living atmosphere. However, college students' entrepreneurial awareness is less in contact with society and more in possession of entrepreneurial ideals and beliefs, which may lead to a disconnect from social reality. At the same time, unlike the campus environment, the social environment is complex and ever-changing, and college students have poor organizational coordination and adaptability. They lack experience in interpersonal communication with their partners during the initial stages of entrepreneurship, which may lead to immature problem-solving, low intelligence, and the loss of entrepreneurial partners. In addition, there are certain limitations to the thinking style of college students, as on campus, the main task of most students is to study professional courses, without paying attention to the cultivation of their own entrepreneurial thinking and abilities. Due to the lack of social experience, practical ability, and blindness in the entrepreneurial process among college students, there is no fixed and effective entrepreneurial process, which makes them prone to failure. As a result, college students with weak psychological qualities and resistance to setbacks will voluntarily give up entrepreneurship.

THE IMPACT PATH OF EMBEDDING SOCIAL NETWORKS ON THE ENTREPRENEURSHIP PERFORMANCE OF CHINESE COLLEGE STUDENTS

Embedding into social networks → Entrepreneurship financing → Entrepreneurship performance of college students

Embedding social networks plays an important role in college students' entrepreneurial financing, effectively addressing financing constraints caused by information asymmetry in the innovation process, and reducing financing search and transaction costs. On this basis, with the improvement of the convenience of entrepreneurial financing, it will lay a financial foundation for college students' entrepreneurial activities, thereby actively improving their entrepreneurial performance (Ou & Ma, 2021). Generally speaking, social network structure includes network size, network strength, and network heterogeneity. Firstly, the scale of the network represents the number of external personnel supporting college students' entrepreneurial financing. With the expansion of the network scale, college students are expanding financing channels and transmitting signals more smoothly, and the possibility of obtaining financial support is increasing. Secondly, network strength indicates the frequency and closeness of communication

between college students and external social personnel. With the increase of network strength, the signal transmission and supply and demand connection between college students and external social personnel are more frequent, and the connection is closer, generating sufficient information effects, which can alleviate the information asymmetry dilemma of college students' entrepreneurial financing and thus enhance the possibility of financing. Finally, network heterogeneity represents the contact between college students and various types of external social personnel. As the types of contacts become increasingly diverse, including different industries, practitioners, and social classes, various types of channels and availability can be provided for college students' entrepreneurial financing. In summary, as the scale, intensity, and heterogeneity of embedded social networks increase, college students' entrepreneurial financing becomes more convenient, ultimately effectively improving entrepreneurial performance.

Embedding into social networks → Entrepreneurship education → Entrepreneurship performance of college students

Embedding social networks is beneficial for improving the quality of entrepreneurship education in universities, thereby optimizing the entrepreneurial performance of college students. Firstly, university social networks, corporate social networks, and teacher social networks collaborate to build an external social network system. Through the external social network system, the quality of entrepreneurship education can be targeted and improved. Secondly, utilizing the external social network system to provide more practical practical education for college students' entrepreneurship education, and providing them with abundant and abundant social resources, leveraging the active role of universities, teachers, and enterprises can enhance their innovative and entrepreneurial thinking and ability (Zhang, 2020). Finally, external social networks can help students accurately implement entrepreneurial projects, provide practical bases for entrepreneurship education for college students, form entrepreneurial project incubation industrial parks, and provide feasibility for extracurricular practice of entrepreneurship education. In summary, embedding social networks can help improve the quality of entrepreneurship education and ultimately optimize the entrepreneurial performance of college students.

Embedding into social networks → entrepreneurial ability → entrepreneurial performance of college students

Firstly, the limitation and scarcity of social resources are the main difficulties faced by college students in entrepreneurship, and in this process, social networks can appropriately

compensate for the missing resources. College students can quickly obtain entrepreneurial funds, business information, and emotional support through social networks, and through learning, imitation, innovation, and other methods, blend the information knowledge in the network with their own cognitive structure, thereby improving their personal entrepreneurial ability (Xu et al., 2017). Secondly, college students can interact with external members through social networks to acquire knowledge, skills, experiences, and other resources, which can change their cognition and behavior, better identify entrepreneurial opportunities, enhance confidence and imagination in entrepreneurship, understand changes in the external environment, and better manage the enterprise, ultimately guiding the improvement of entrepreneurial ability (Huang, 2014). Finally, social networks contribute to college students' entrepreneurial learning, which occurs in the network of relationships formed by entrepreneurs. By observing and imitating others' entrepreneurial activities and behaviors, engaging and communicating with others, gaining support and guidance from social network members, and mastering relevant knowledge of enterprise creation and operation, entrepreneurial learning ultimately promotes the improvement of college students' entrepreneurial abilities. In summary, with the embedding of social networks, the entrepreneurial ability of college students has rapidly improved, ultimately optimizing their entrepreneurial performance.

CONCLUSION

In the era of the prevalence of the internet economy, Chinese college students' entrepreneurship is easily influenced by the interweaving of complex social networks. Therefore, based on identifying the difficulties of college students in entrepreneurship financing, imperfect entrepreneurship education, and relatively backward entrepreneurial ability, an effective path to enhance college students' entrepreneurial performance by embedding social networks is proposed. This includes embedding social networks to help improve the convenience of entrepreneurship financing, provide practical bases for entrepreneurship education, and improve college students' entrepreneurial ability. Overall, by exploring the application value of social network theory in entrepreneurship research, we propose a path for embedding social networks to affect college students' entrepreneurial performance, laying a theoretical foundation and practical support for optimizing entrepreneurial performance. The further research direction is to collect entrepreneurial data of Chinese college students through questionnaire surveys, and use econometric models to empirically test the impact and mechanism of social network embedding on entrepreneurial performance of Chinese college students. Based on this, relevant policy recommendations are proposed.

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