

A Conceptual Model of the Impact of Returning Entrepreneurs' Social Networks on Entrepreneurial Competency: The Regulation of Internet Embedding

Mei-Jiao HUANG^{1,2,a}, Zhong-Bin LI^{1,b,*} and Shui-Feng LIU^{2,c}

¹College of Management, Fujian Agriculture and Forestry University, Fuzhou, China

²College of Management, Fujian Business University, Fuzhou, China

^ahmj.imnu.edu.cn@163.com, ^b1352383420@qq.com, ^c2352488684@qq.com

*Corresponding author

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Abstract. Integrating the theoretical research on social network, internet embedding and entrepreneurial competency, using internet embedding as a regulatory variable, exploring the impact model of returning entrepreneurs social network's influence on entrepreneurial competency under the embedding of the internet, trying to provide theoretical guidance and countermeasures for improving entrepreneurial competency through social networks and the internet.

Introduction

With the development and deepening of the entrepreneurial process theory research, it is increasingly concerned by scholars from the perspective of social network analysis of its impact on entrepreneurial behavior and performance. The social network activities of returning entrepreneurs run through the whole entrepreneurial process, it has great significance in terms of entrepreneurs' access to resources, information and entrepreneurial support[1], and will influence the entrepreneurial competency of entrepreneurs who determine the ultimate success or failure of entrepreneurial behavior.

With the advent of the Internet era, the flow and sharing of knowledge and resources has been accelerated, and people's communication methods have been changed. The relationship between returning entrepreneurs and the Internet has become increasingly close, and the structure and relationship of returning entrepreneurs' social networks have undergone major changes. And affect the competency to start a business. Existing research began to pay attention to the relationship between social network and entrepreneurial competency, but based on the analysis of Internet context, the role of Internet embedded in entrepreneurial social network and entrepreneurial competency is basically blank. This paper attempts to introduce Internet embedding and analyze the role of Internet embedding between social networks and entrepreneurial competency.

Concept Definition

Social Network for Returning Entrepreneurs

The social network of returning entrepreneurs is a complex and multi-network that contains sub-networks of various interactive natures (friendship networks, family networks, information networks, resource networks, etc.), providing entrepreneurs with important information and Resources[2]. The existing research analyzes the relationship between social network structure dimension and relationship dimension and entrepreneurial competency dimensions[3].

Entrepreneurial Competency

Entrepreneurial competency is an important concept. It not only has a significant effect on individual entrepreneurship and success, but also has an important impact on the performance and development of new ventures. Entrepreneurial competency is a collection of knowledge, skills and

attitudes that entrepreneurs successfully identify and pursue opportunities. It is a set of specific competencies related to successful entrepreneurial behavior. Man & Lau (2000) propose six dimensions (opportunity competency, relationship competency, conceptual competency, organizational competency, strategic competency, commitment to compete competency) [4], which widely cited by scholars [5], combined with existing research, and through the results of interviews with 10 returning entrepreneurs, this paper divided the entrepreneurial competency dimension into: opportunity competency, financing competency, operational competency, commitment competency, and strategic competency.

Internet Embedding

The development of the concept of embeddedness has gone through the development of the bilateral relationship between the economic system and the social system to multilateral links to complex connections [6]. Yu Hanfei first proposed the concept of “Internet embedding” and analyzed it into three dimensions: connection degree, matching degree and sacrificial feeling, to understand the entrepreneur's dependence on the Internet and its influence on entrepreneurial activities [7].

The degree of connection is that entrepreneurs generate social, psychological, and financial connections with other individuals or groups through the Internet. The degree of matching means that entrepreneurs can adapt well to the Internet environment, and information, resources, and knowledge in the Internet can satisfy entrepreneurship. Sacrifice is the loss of material, psychological, financial and other benefits of network individuals due to leaving the Internet. The higher the degree of Internet embedding, the more frequent and intimate the connection between entrepreneurs and the Internet, and the greater the impact on entrepreneurial behavior and activities.

Research Hypothesis

The Impact of Returning Entrepreneurs' Social Networks on Entrepreneurial Competency

Each returning entrepreneur is embedded in a variety of relationships, and the knowledge, skills, and attitudes required to return home to entrepreneurship are related to how returning entrepreneurs build and use their social networks. Through these social networks, returning entrepreneurs can obtain the necessary entrepreneurial information, knowledge and funds, and use this as a basis to further enhance their entrepreneurial and innovative capabilities.

The more communication, learning, and interaction between entrepreneurs and members of social networks increases the frequency and breadth of access to information and knowledge [8]. With the advent of the Internet era, returning entrepreneurs continue to expand social network relationships through the Internet and social networking platforms, reducing the cost of interaction between entrepreneurs and members of the social network and increases convenience. Based on the Internet, it has strengthened the knowledge sharing and exchange between returning entrepreneurs and members of different social networks from various entrepreneurial fields and industries. Entrepreneurs can not only acquire the explicit knowledge of entrepreneurship, but also absorb the tacit knowledge that is very important for entrepreneurship, innovation, and opportunity identification, so as to continuously improve the entrepreneurial competency of returning entrepreneurs and improve entrepreneurial performance. This study believes that:

H1: There is a positive correlation between entrepreneurial social networks and entrepreneurial competency

The social network of returning entrepreneurs is often composed of people with different identities and backgrounds. Whether it is a strong relationship or a weak relationship, increasing the number of network members will bring a lot of convenience to the entrepreneurial process of returning entrepreneurs. The larger the social network, the stronger the heterogeneity of social network members, the more information about entrepreneurship and management can be obtained. The types of entrepreneurial knowledge transmitted through social networks will be more numerous, making it easier for returning entrepreneurs to discover entrepreneurial opportunities

[9], get financial and loan support [10]; improve the entrepreneurial determination of returning entrepreneurs and obtain emotional support on entrepreneurship [11]; overcome information asymmetry, obtain market information, suggestions, problem solutions; reduce market risk to adapt to the external environment. Based on the above analysis, this study considers that:

H1a: Positive correlation between social network scale and entrepreneurial competency

H1b: Positive correlation between social network heterogeneity and entrepreneurial competency

The network relationship of social networks has strong and weak points. The weak relationship is conducive to the transmission of simple information, while the strong relationship can effectively promote the transfer and sharing of skill knowledge and tacit knowledge, making the transfer of entrepreneurial knowledge more efficient. The closer the relationship between returning entrepreneurs and members of social networks, the more reliable information and resources are available to facilitate the smooth development of entrepreneurial activities, such as faster access to information on entrepreneurial opportunities, easier access to venture financing, and more psychological support, etc., ultimately promote the entrepreneurial competency of returning entrepreneurs.

The higher the level of trust between returning entrepreneurs and members of social networks, the higher the expectation of the value of acquiring knowledge from key nodes, the more willing to try to learn from key nodes, obtain different information, knowledge, and improve their management level and operational capabilities. The establishment of trust can effectively improve the degree of knowledge sharing and prevent free-riding, and it is easier to obtain venture financing, influence the formation and development of entrepreneurial competency. This leads to the assumption:

H1c: Social network relationship strength and entrepreneurial competency are positively related

H1d: Social network trust and entrepreneurial competency are positively related

Internet Embedding Plays a Regulatory Role in the Relationship between Social Networks and Entrepreneurial Competency

In today's Internet information age, the Internet has largely adjusted the structure and relationship of entrepreneurs' social networks to facilitate entrepreneurs to identify entrepreneurial opportunities, access to resources, information and emotional support. The Internet provides people with a platform for more free and broad communication. At the same time, the Internet has changed the scope of personal social interaction, communication preferences, and social interaction models. The social network is multi-faceted and multi-dimensional. It is a combination of online and offline. The closer the relationship between returning entrepreneurs and the Internet, the more frequent the exchange and learning of social media and community circles based on many real-name systems.

On the one hand, making new friends through the Internet can effectively open up different levels of social networks and acquire different types of entrepreneurial explicit knowledge and resources from different fields; On the other hand, low communication costs enable social interactions to be socialized at any time and any place, through the Internet, and return entrepreneurs and related entrepreneurial and management information, resource owners, etc., to strengthen the relationship between returning entrepreneurs and their social network members. It has enhanced mutual trust, which is more conducive to returning entrepreneurs to obtain invisible knowledge and resources of entrepreneurship, and thus enhance entrepreneurial competency. Based on this, the following assumptions are made:

H2: Internet embedding plays a positive role in the impact of entrepreneurial social networks on entrepreneurial competencies

The higher the degree of contact, the more time the returning entrepreneurs spend on the Internet, and the more frequently the Internet is used. On the one hand, the social network is more intensive and expansive; On the other hand, it increases the breadth and frequency of contact with members of social networks. The more frequent and intimate this kind of interaction, the greater the intimacy with network members, the promotion of entrepreneurial knowledge and the flow and sharing of resources, which is more conducive to Returning entrepreneurs get entrepreneurial information, information, and resources to enhance their entrepreneurial competency.

H2a: The degree of connection plays a positive role in the influence of returning entrepreneurs' social networks on entrepreneurial competency

The degree of matching illustrates the adaptation of returning entrepreneurs in an open, free Internet environment. The stronger the adaptability of returning entrepreneurs, the better to find like-minded social network members, promote communication and interaction with members of social networks, and obtain effective information and resources to enhance entrepreneurial competency.

H2b: The degree of matching plays a positive role in the influence of entrepreneurial social networks on entrepreneurial competency

Sacrifice indicates the degree of dependence of returning entrepreneurs on the Internet. The stronger the sense of sacrifice, the less able to stay away from the Internet, and thus spend more time and energy to establish and manage the relationship network from the Internet. The stronger the trust of returning entrepreneurs to the Internet, the closer interaction between members of the Internet and social network members, and better resource sharing, which is more conducive to enhancing entrepreneurial competency.

H2c: The sense of sacrifice plays a positive role in the influence of entrepreneurial social networks on entrepreneurial competency

Based on the above analysis, the conceptual model of this paper is proposed, as shown in Figure 1. In the conceptual model, social network structure and social network relationship characteristics affect entrepreneurial competency, while Internet embedding plays a regulatory role.

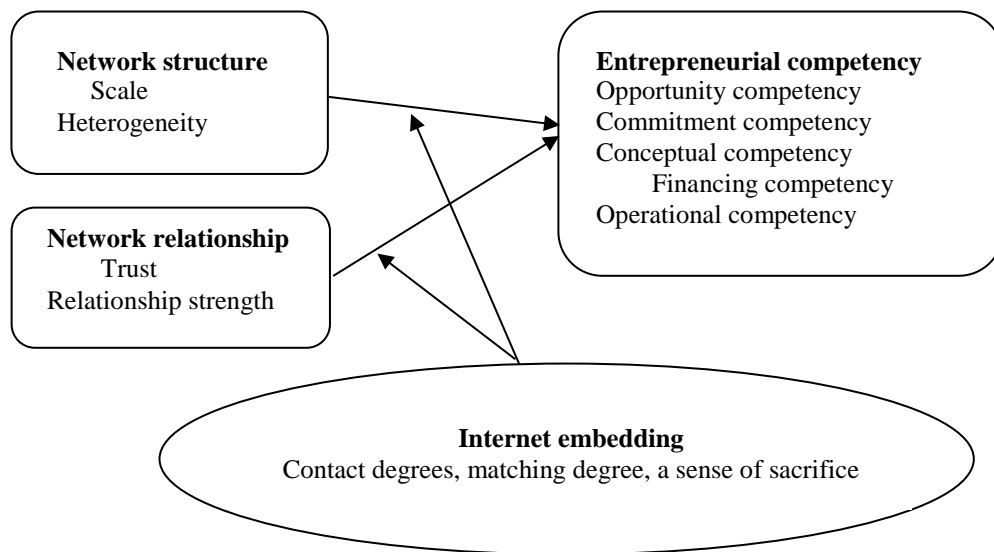


Figure 1. Conceptual Model of This Study.

Summary

The theoretical model needs to be tested empirically. The study suggests that the social network dimension has a significant positive impact on the dimensions of entrepreneurial competency. By clarifying the impact of each network characteristic variable on entrepreneurial competency, it is helpful to provide reference for the networking activities of returning entrepreneurs. Returning entrepreneurs should actively expand social networks, use scale effects to broaden the scope of communication, at the same time deepen the relationship with existing network nodes. Returning entrepreneurs should expand their social networks, use scale effects to broaden communication space, deepen relationships with existing network nodes, increase communication density, and establish a social network to promote the smooth development of entrepreneurial activities.

Research suggests that Internet embedding plays a regulatory role between social networks and entrepreneurial competencies, but returning entrepreneurs can't over-reliance on the Internet too much. When returning entrepreneurs spend too much time and energy on the Internet to find the

resources they need, It may not be worth the loss. Returning entrepreneurs should control the appropriate time and energy to conduct social and learning activities through the Internet, and effectively screen information, knowledge, and resources. The importance of offline learning and social interaction cannot be ignored.

Subsequent studies may further conduct empirical studies or case studies to validate the research model. In addition, future related research can conduct more in-depth research on the social network of returning entrepreneurs, such as analyzing the dynamic evolution of social networks at different stages of returning home business, and its impact on entrepreneurial competencies in different entrepreneurial stages of returning entrepreneurs; The questionnaire survey method and the case study method can be used to carry out empirical research; A set of effective returning entrepreneurial competency promotion combination strategy can be designed to alleviate the bottleneck of the entrepreneurial success of returning entrepreneurs.

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