

**FACTORS INFLUENCING ENTREPRENEURIAL SOCIAL CAPITAL OF PRIVATE
ENTERPRISES IN JIANGSU PROVINCE, CHINA**

Yang Yin¹, S. M. Ferdous Azam^{2*}

¹Graduate Student, Graduate School of Management, Postgraduate Centre, Management and
Science University, Shah Alam, Selangor, Malaysia

¹Lecturer, Business School, Tongda College of Nanjing University of Posts &
Telecommunications, Jiangsu, China

Email: 76593539@qq.com

²Associate Professor, Graduate School of Management, Postgraduate Centre, Management
and Science University, Shah Alam, Selangor, Malaysia

*Corresponding Author Email: drferdous@msu.edu.my

Abstract

China's private enterprises have made important contributions to economic and social development, mainly in terms of promoting urban employment, driving scientific and technological innovation, creating GDP and paying taxes. However, there are still many problems and resistance in the development of Chinese private enterprises, which are mainly manifested in insufficient market demand, expensive financing, and obstacles to transformation and upgrading. In the development of private enterprises, entrepreneurs play an important role, and the social capital constructed and owned by entrepreneurs is an important factor in promoting enterprise profitability. This paper obtains empirical analysis data by conducting a questionnaire survey of private entrepreneurs in Jiangsu Province, China, and accordingly studies the influencing factors of private entrepreneurial social capital. The empirical study found that the three factors of private entrepreneurial overseas experience, entrepreneurial contractual spirit, and enterprise digital management ability have an impact on the formation of private entrepreneurial social capital. Specifically subdividing entrepreneurial social capital, it is found that private entrepreneurial overseas experience has a significant positive impact on market social capital and technical social capital, and has no significant impact on institutional social capital. The entrepreneurial contractual spirit has a significant positive impact on market social capital, institutional social capital and technical social capital. The digital management ability of private enterprises has a significant positive impact on technical social capital, but not on market social capital and institutional social

capital. On the basis of the research findings, this paper proposes corresponding implications from the perspectives of private entrepreneurs and the government respectively.

Keywords: Private Enterprise, Entrepreneurial Social Capital, Influencing Factors

1. Introduction

In China, the important role played by private enterprises is being increasingly recognised. China's private enterprises dominate in terms of number and size, and play an important role in promoting urban employment, driving technological innovation, creating GDP and paying taxes (Jintai, 2025). While despite the significant contributions made by private enterprises to China's economic and social development, numerous challenges persist in their growth trajectory, primarily manifested as insufficient market demand, difficulties in accessing affordable financing, and obstacles to transformation and upgrading (Fan & Kong, 2024; Liang et al., 2024; Liu & Yuan, 2024; Xie & Feng, 2024). Under the influence of various problems and many unfavourable factors, the development of Chinese private enterprises has encountered more serious difficulties in recent years (Han, 2025).

In order to solve the developmental difficulties of Chinese private enterprises, scholars have carried out relevant studies, in which private entrepreneurs are considered to play an important role in the process of solving various difficulties and problems of private enterprises. In the new development period, entrepreneurs are the dominant players in realising the profitability of enterprises, and the competencies possessed by entrepreneurs play the most important role in it (Yu & Hu, 2022). Entrepreneurs play an important role in promoting the development of enterprises, especially in empowering manufacturing enterprises to create value (Li & Sha, 2025). Entrepreneurs can alleviate the investment and financing maturity mismatch of enterprises (Jian & Deng, 2025), lead the digital transformation of small and medium-sized enterprises (Wang et al., 2025), and drive the high-quality development of private enterprises (Pu & Zhou, 2025). The experiences of private entrepreneurs will form entrepreneurial talent and have a significant positive impact on business profitability (Wang, 2025).

Social capital possessed by entrepreneurs is an important factor that can drive enterprises'

profitability. According to Burt (1992), social capital is the final arbiter of competition among enterprises for all types of factors of production. Adler & Kwon (2002) and Burt (2000) argued that entrepreneurial social capital is the most strategically important resource for enterprises and the most enduring source of advantage, and it has a significant impact and influence on the realization and improvement of enterprises' profitability. In a study with China as the main context, Li (1995) argues through his research that entrepreneurial institutional social capital significantly favours the expansion of enterprises' size. Shi (1998) found that the social capital of all types of entrepreneurs basically has an effect on enterprises' size. Bian & Qiu (2000) found that the more social capital an entrepreneur has, the higher the per capita production of his enterprise. Gong & Lin (2007) found through empirical research on SMEs that private entrepreneurs tend to recognize the importance of the social capital they possess.

Recent studies have similarly confirmed the above view. Hou (2023) found that entrepreneurial social capital has a significant positive impact on the efficiency of enterprises' technological innovation, and a significant positive moderating effect on the promotion of enterprises' marketisation. Zhang et al. (2023) studied the mediating effect of entrepreneurial social capital from the perspective of the enterprise executive team, and concluded that different forms of entrepreneurial social capital have a significant positive impact on innovation in enterprises' business model. Wang (2020) concluded that entrepreneurial social capital would have a positive effect on enterprises' innovation profitability, while factors such as the industry to which the enterprise belongs, the nature of the enterprise, and the age of the enterprise's establishment would have a moderating effect on this effect.

In summary, the development of private enterprises in China is of great significance and importance, but the current development still has certain problems and difficulties. Among the various factors affecting the development of private enterprises in China, many scholars recognize that the social capital of private entrepreneurs will play an important role in promoting them. However, research on entrepreneurial social capital lacks a unified and clear understanding of the source of social capital generation or its influencing factors (Liu, 2015), which is detrimental to entrepreneurial cultivation as well as practices related to the enhancement of entrepreneurial social capital. Accordingly, this study will explore the factors influencing the formation of social capital of private entrepreneurs in China, in order to answer the above question.

2 Literature Review

2.1 The Influence of Entrepreneurial Overseas Experiences on Entrepreneurial Social Capital

Earlier studies have taken entrepreneurs' various experiences as entrepreneurial talent factors,

and explored their influence on entrepreneurial social capital. Baron & Markman (2000) argue that in the process of forming entrepreneurial social capital, entrepreneurs' favourable reputation, experiences, and direct personal relationships are all manifested as entrepreneurial talent, which helps entrepreneurs to access venture capital, potential customers, and other resources. According to Chen & Zhou (2003), entrepreneurs' personal experience, social status, ethical awareness, self-esteem, efforts in the field, life satisfaction, knowledge and experience, group and social values, space, and time influence the amount of entrepreneurial social capital. Chen et al. (2010) argued that the factors influencing entrepreneurial social capital include personal background factors and business background factors, where the former includes family background, education, specialization studied and time in business, and the latter includes the size of the enterprise.

Vicentini & Boccardelli (2016) suggested that the work experience of entrepreneurs is the process of acquiring social capital from evolving work. On this basis, Ren (2022) concluded through empirical analysis that the entrepreneur's invention work experience, state-owned enterprise work experience, and overseas work experience will form entrepreneurial social capital with differentiation. Meanwhile, the overseas experience that entrepreneurs have will contribute to the social capital because executives with overseas experience form internationalized social networks and social capital (Yuan & Wei, 2022). Entrepreneurs with overseas experience are able to overcome the barriers of language and culture, thus enriching social capital and forming decisions with internationalization (Sui et al., 2015). Business executives with overseas experience can help enterprises build extensive business relationships, especially incorporating trading partners from overseas into social networks, forming an important outcome of enterprises' resources (Morgan et al., 2018). Entrepreneurial overseas work experience can have a moderating effect, positively moderating the relationship between entrepreneurial social capital and enterprises' social responsibility (Wang & Chen, 2022). Overseas experience endows entrepreneurs with rich social capital and a wide network of international contacts, providing enterprises with a convenient channel to dock with high-quality resources (Wang et al., 2024). This shows that private entrepreneurial overseas experience is likely to have an influence on entrepreneurial social capital.

In this study, we classify entrepreneurial social capital into three categories, namely, market social capital, institutional social capital, and technical social capital, based on the categorization of the content and form of the social network, mainly referring to the findings of Na (2006) and other scholars, and taking into account the actual situation of private entrepreneurs in China. Based on this, we further explore the influencing factors of various types of entrepreneurial social capital separately. Accordingly, the following hypotheses are

proposed:

H1a: Private entrepreneurial overseas experience influences entrepreneurial market social capital.

H1b: Private entrepreneurial overseas experience influences entrepreneurial institutional social capital.

H1c: Private entrepreneurial overseas experience influences entrepreneurial technical social capital.

2.2 The Influence of Entrepreneurial Contractual Spirit on Entrepreneurial Social Capital

Relevant studies have found that individual entrepreneurial characteristics are an important factor influencing entrepreneurial social capital. Aldrich et al. (1989) found that entrepreneurs of different genders will have different amounts of entrepreneurial social capital, i.e., male entrepreneurs are more adept at constructing and utilizing social networks compared to female entrepreneurs. Chell & Baines (2000) argued that an entrepreneur's ambitions can help to expand their social networks, and the growth of their businesses will be accelerated as a result. According to Zhang J J & Zhang Z X (2005), entrepreneurs who are outgoing, courageous, generous, talkative, and socially extensive tend to have a more favourable relationship with the government. A study by Sun & Chen (2011) found that a number of characteristics, including the entrepreneur's age, educational background, occupational background, and gender, have an influence on the formation of entrepreneurial social capital. Studies by Jiang & Lin (2020), and Zhao et al. (2024) support the above view.

Among the individual entrepreneurial factors, entrepreneurship plays an important role in influencing the formation of entrepreneurial social capital (Li et al., 2010; Liu et al., 2018). Entrepreneurship includes many aspects, among which entrepreneurial contractual spirit has a corresponding influence on the construction of entrepreneurial social capital. Xia (2022) argued that in the digital economy, entrepreneurial contractual spirit has become an important driving factor for the high-quality development of enterprises. Entrepreneurial contractual spirit has a positive effect on innovation of business model and technology of manufacturing enterprises, and its main influence mechanism lies in the construction of a social capital network of internal cooperation, external collaboration and social participation. Zhu et al. (2023) contend that an entrepreneur's sense of integrity and responsibility serves as a stabiliser for social relations, meaning that an entrepreneur's commitment to contractual spirit constitutes one of the primary sources for the formation of their social capital. This shows that the contractual spirit of private entrepreneurs is likely to have an influence on entrepreneurial social capital, according to which the following hypotheses are proposed:

H2a: Private entrepreneurial contractual spirit influences entrepreneurial market social capital.

H2b: Private entrepreneurial contractual spirit influences entrepreneurial institutional social capital.

H2c: Private entrepreneurial contractual spirit influences entrepreneurial technical social capital.

2.3 The Influence of Enterprise Digital Management Capability on Entrepreneurial Social Capital

Scholars' research on the influence of enterprise capabilities on entrepreneurial social capital comes from analyses of the nature of enterprise and industries. Kirchhoff (1994) argues that in some industries such as biotechnology, there is a greater need for networking activities than in others, because tacit knowledge in these industries is necessary to maintain competitive advantage. Bian & Qiu (2000) demonstrated through the results of a survey of Guangzhou enterprises that the total amount of social capital of private and tertiary enterprises was higher than that of other categories of enterprises. Later, Bian (2004) launched empirical studies and found that enterprise ownership and the nature of the industry in which the enterprise is located have a significant effect on entrepreneurial social capital. Collins & Clark (2003) argued that the strengthening of enterprise's human resource management capabilities may lead to the construction of larger and denser networks of external and internal social capital by corporate executives.

The improvement of enterprise digital management capabilities will drive its profitability by increasing entrepreneurial social capital. Zhu et al. (2024) found through empirical analyses that digital transformation has a significant enhancement effect on enterprise innovation profitability, and the specific influence mechanism is that enterprises obtain more social capital through digital transformation, which improves enterprise innovation profitability. Zhang & Gu (2023) found that the improvement of enterprise digital management capability helps to enhance the enterprise's social network connection with the outside world, forming external social capital and improving innovation profitability accordingly. Nie (2023) studied the moderating effect of corporate social responsibility on the relationship between digital transformation and corporate technological innovation, concluding that the higher the level of corporate social responsibility, the more obvious the promotional effect of digital transformation on corporate technological innovation profitability. While corporate social responsibility clearly implies the formation and increase of the social capital. The studies of Yang & Xu (2022) and Jiang et al. (2024) support the above view. It can be seen that the digital management capability of private enterprises has the potential to influence

entrepreneurial social capital, according to which the following hypotheses are proposed:

H3a: Private enterprise digital management capability influence entrepreneurial market social capital.

H3b: Private enterprise digital management capability influence entrepreneurial institutional social capital.

H3c: Private enterprise digital management capability influence entrepreneurial technical social capital.

2.4 Conceptual Framework

From the literature review and hypotheses that were studied and formed, the conceptual framework was developed. The conceptual framework can be seen in Figure 2.1.

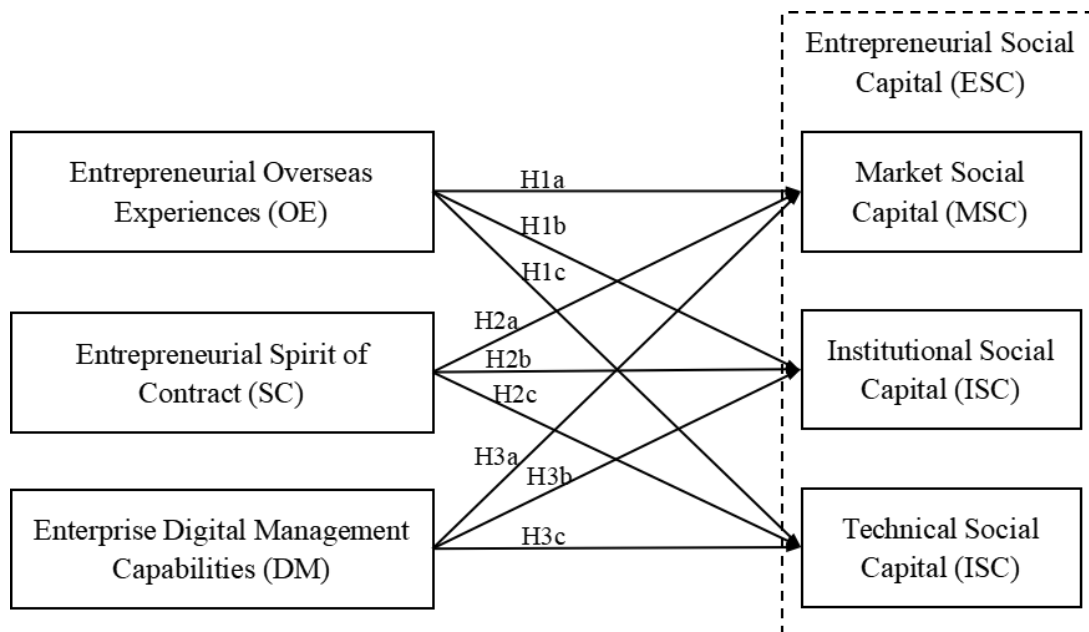


Figure 2.1: Conceptual Framework

3 Methods and Materials

For the current study, the researcher intends to gather data by closed-ended questioning with a highly predetermined nature to perform numerical data analysis. Following Creswell's (2013) classification, the research method applied to the current study can broadly be described as a quantitative method. The research method is more towards quantitative research designs which were adopted through a questionnaire and interviews. By incorporating quantitative elements, a more deeper understanding of the research problem is provided.

3.1 Variables and Measures

In designing the questionnaire for this study, the scales that have been used in the existing literature were mainly used for the measurement of the variables, and were adopted or adapted accordingly with the actual situation and needs of the study. Through research and screening, we identified 6 variables (including 3 independent variables and 3 dependent variables) and the corresponding 38 items for the study. The variables and question items included in each variable studied in this paper are shown in Table 3.1.

Table 3.1: Variables and Items

Variables	Items	Researcher	
Entrepreneurial Overseas Experience (OE)	OE1.I have had the experience of studying abroad.	Zucchella & Palamara (2007)	
	OE2.I have had the experience of long-term working abroad.		
	OE3.I have had the experience of short business trips abroad.		
	OE4.I have had the experience of doing business coming from abroad.		
	OE5.I have had the experience of participating in international trade fairs.		Li (2010)
	OE6.I have had the experience of travelling abroad for tourism.		
Entrepreneurial Contractual Spirit (SC)	SC1.I honour my commitments to my employees at work.	Xia (2017)	
	SC2.At work, I will honour my contracts even if I am not liable for breach of contract.		
	SC3.At work, I always consciously undertake responsibilities that are not explicitly stated in the contract of the transaction, but actually should be undertaken.		Si (2021)
	SC4.I always adhere to the principle of honesty in		

Variables	Items	Researcher
	business.	
	SC5.I will never commit myself to something I cannot do or will not do at all.	
	SC6.I tend to operate my business in a way that complies with laws, regulations and government policies.	
	SC7.I tend to operate my business in a way that meets the expectations of the public good and charity.	
	SC8.I tend to operate my business in a way that is consistent with social customs and ethics.	
	DM1.Our company is able to develop strategic plans using relevant data on the market situation of our products.	
	DM2.Our company's development strategy incorporates elements of digital development planning.	
	DM3.Our company encourages employees to improve their digital literacy and skills.	Joseph (2017)
Enterprise Digital Management Capabilities (DM)	DM4.Our company supports financial investment in digital development.	Hinings et al.(2018)
	DM5.The leadership of our company has developed a deep knowledge and grasp of the trend of digital technology.	Xu (2023)
	DM6.All departments of our company use digital technology to conduct business.	
	DM7.Our company is committed to recruiting and bringing in digital professionals.	
	DM8.Our company has improved the efficiency of information transfer and management decision-making through digitization.	
	Entrepreneuri	MSC1.I have extensive contacts with executives of

Variables	Items	Researcher
al Market Social Capital (MSC)	customers and suppliers.	
	MSC2.I have good personal relationships with executives of customers and suppliers.	Qiu (2014)
	MSC3.I have extensive contacts with executives of partner companies in the industry.	
	MSC4.I have good personal relationships with executives of partner companies in the industry.	
	MSC5.I can get a lot of useful information from the relationships mentioned above.	
	MSC6.I can get a lot of useful resources from the relationships mentioned above.	
Entrepreneurial Institutional Social Capital (ISC)	ISC1.I have a wide range of working contacts with government officials or industry authorities.	
	ISC2.I have good personal relationships with government officials or industry authorities.	Fang (2020)
	ISC3.I can get a lot of useful information from the relationships mentioned above.	
	ISC4.I can get a lot of useful resources from the relationships mentioned above.	Qiu (2014)
	ISC5.I can use the above relationships to solve the company's difficulties.	
Entrepreneurial Technical Social Capital (TSC)	TSC1.I have extensive contacts with professionals in research organizations.	
	TSC2.I have good personal relationships with professionals in research organizations.	Fang (2020)
	TSC3.I can get a lot of useful resources from the relationships mentioned above.	Qiu (2014)
	TSC4.I can get a lot of valuable expertise from the above relationships	
	TSC5.I can use the above relationships to solve the	

Variables	Items	Researcher
	company's difficulties.	

The survey investigated the respondents' degree of agreement with the given statements on a five-point Likert scale, where: 1-Strongly disagree; 2-Disagree; 3-Not sure; 4-Agree; 5-Strongly agree.

3.2 Sample and Data Collection

This study focuses on the factors influencing the social capital of private entrepreneurs in China. The individual design of this research is entrepreneurs of private enterprises in the manufacturing industry in Jiangsu Province. We formed the research sample through questionnaires. Considering that the current social environment in China makes it difficult to obtain satisfactory survey responses through letters or telephone surveys, the Snowball method of non-probability sampling was used to obtain the corresponding research samples.

The questionnaire survey and sample acquisition process comprised three stages: pre-test, pilot-test, and formal research. During the pilot-test, we collected 105 feedback questionnaires. Following reliability testing, we revised and reduced the questionnaire items. As they didn't pass the reliability testing, we removed six items, OE6, SC2, SC5, DM5, DM6, DM7, from Table 3.1, retaining the remaining 32 items. In the third stage the formal survey, we distributed an online questionnaire to private entrepreneurs, ultimately collecting 533 responses. Following data cleaning, we excluded questionnaires that did not meet the research criteria, contained duplicate responses, or exhibited responses obviously contrary to common sense, resulting in 506 valid questionnaires.

3.3 Research Method

Based on the recommendations made by Anderson and Gerbing (1988), the research method adopted in this study included the following steps and components. Firstly, Exploratory Factor Analysis (EFA) was conducted on all the variables using SPSS software. Secondly, structural equation modelling was formed and Confirmatory Factor Analysis (CFA) was

conducted using Amos software to assess the consistency of the various measures. The fit indices of the models were used to determine whether the measurement models in this study matched the data. Third, the constructed model was tested for discriminant validity using Amos software. Fourth, the hypotheses were tested by examining the fit of the structural equation model and the significance of the path coefficients.

In this study, the following indicators were used to discriminate the model fit: CMIN/DF, IFI, TLI, CFI, GFI, RMSEA, and the critical values of these indicators were: CMIN/DF<3 (Wen et al., 2004), IFI, TLI, CFI, GFI \geq 0.8 (Byrne, 1998), RMSEA \leq 0.08 (Browne and Cudeck, 1993).

3.4 Descriptive Statistics

The descriptive statistics of the respondents' answers to the items included in the scale are shown in Table 3.2.

Table3.2: Descriptive statistics of respondents' answers to the scales

Variable	Minimum value	Maximum value	Mean value	Standard deviation
Entrepreneurial Overseas Experience (OE)	1.000	5.000	3.796	0.933
Entrepreneurial Contractual Spirit (SC)	1.330	5.000	3.777	0.964
Enterprise Digital Management Capabilities (DM)	1.000	5.000	3.745	1.000
Entrepreneurial Market Social Capital (MSC)	1.170	5.000	3.727	0.925
Entrepreneurial Institutional Social Capital (ISC)	1.400	5.000	3.697	0.988
Entrepreneurial Technical Social Capital (TSC)	1.400	5.000	3.706	0.960
Entrepreneurial Social Capital (ESC)	1.630	4.750	3.711	0.767

According to Table 3.2, the means of the variables are between 3.697-3.796, which are relatively close values, reflecting that the samples are at similar levels on the variables. The standard deviation of the variables ranges from 0.767-1.000, indicating that there are some differences among the individuals indicated by the respondents.

4 Results and Discussion

4.1 Analysis of the Variables

4.1.1 Reliability Analysis

Prior to hypothesis testing, we conducted Exploratory Factor Analysis (EFA) and Reliability Analysis (RA) on the measurement model using SPSS software. After analysis, the KMO value of the questionnaire data was 0.901, which was greater than the critical value of 0.6, and the p-value in the Bartlett’s test of sphericity was less than 0.05. According to the discriminant criteria of Ma (2004), the variables of this questionnaire were suitable for factor analysis.

We obtained the results by performing exploratory factor analysis on all variables as shown in Table 4.1. Among them, 32 question items represented 6 factors, which explained a total of 66.485% of the total variance. Generally, the results of data analysis can be considered well if the variance explained is greater than 60% (Wu, 2023). Meanwhile, the Cronbach’s alpha coefficients of all variables are greater than the acceptable level of 0.70 suggested by the relevant studies, including 0.873 for “entrepreneurial overseas experience”, 0.950 for “entrepreneurial contractual spirit”, 0.890 for “enterprise digital management capabilities”, 0.884 for “market social capital”, 0.882 for “institutional social capital”, 0.868 for “technical social capital”, all of which show good internal consistency reliability. According to Nunnally's (1978) criteria, Cronbach's alpha coefficient greater than 0.70 can be judged as high reliability.

Table 4.1: Results of the Exploratory Factor Analysis

Variable	SC	MSC	DM	ISC	OE	TSC
SC- Entrepreneurial Spirit of Contract						
SC7	0.805					
SC8	0.788					
SC4	0.781					
SC6	0.769					
SC1	0.744					

SC3 0.723

MSC- Market Social Capital

MSC1 0.769

MSC3 0.750

MSC2 0.736

MSC4 0.736

MSC5 0.733

MSC6 0.727

DM- Enterprise Digital Management Capabilities

DM1 0.881

DM2 0.877

DM4 0.797

DM8 0.787

DM3 0.779

ISC- Institutional Social Capital

ISC2 0.783

ISC3 0.781

ISC1 0.778

ISC5 0.761

ISC4 0.760

OE- entrepreneurial overseas experience

OE4 0.880

OE5 0.869

OE2 0.771

OE1 0.732

OE3 0.658

TSC- Technical Social Capital

TSC5	0.771
TSC2	0.760
TSC3	0.751
TSC1	0.737
TSC4	0.735

4.1.2 Validity Analysis

We used Amos software to analyse the variables in the model of factors influencing entrepreneurial social capital, resulting in a model for measuring each variable of entrepreneurial social capital, and the corresponding factor loading coefficients as shown in Table 4.2. From the table, it can be seen that the absolute value of the standardized loading coefficients of the corresponding items for each variable is greater than 0.5. According to the criteria derived from the study of Fornell and Larcker (1981), the questionnaire of the present study has a high degree of validity and there is a good measurement relationship between the variables and the corresponding question items.

Table 4.2: Factor's Loading Coefficients

Variable	Item	Unstandardized Regression Weights	Standard Deviation	CR Value	P Value	Standardized Regression Weights
	OE1	0.609	0.039	15.736	***	0.595
	OE2	0.635	0.039	16.434	***	0.613
OE	OE3	0.555	0.038	14.605	***	0.567
	OE4	1.009	0.022	45.002	***	0.965
	OE5	1.000				0.947
	SC1	0.853	0.053	16.097	***	0.704
	SC3	0.924	0.056	16.464	***	0.721
SC	SC4	0.989	0.057	17.467	***	0.761
	SC6	0.930	0.054	17.350	***	0.752
	SC7	1.000				0.777

	SC8	1.022	0.056	18.238	***	0.787
	DM1	1.545	0.091	16.999	***	0.953
	DM2	1.564	0.092	17.035	***	0.954
DM	DM3	0.965	0.078	12.340	***	0.611
	DM4	1.109	0.084	13.207	***	0.664
	DM8	1.000				0.628
	MSC1	0.998	0.060	16.589	***	0.744
	MSC2	1.054	0.061	17.248	***	0.773
MSC	MSC3	0.944	0.058	16.162	***	0.722
	MSC4	1.036	0.061	16.873	***	0.752
	MSC5	1.000				0.756
	MSC6	0.998	0.060	16.557	***	0.744
	ISC1	1.007	0.055	18.421	***	0.790
	ISC2	0.930	0.052	17.780	***	0.768
ISC	ISC3	0.941	0.054	17.424	***	0.757
	ISC4	1.008	0.056	17.924	***	0.779
	ISC5	1.000				0.780
	TSC1	0.997	0.060	16.546	***	0.750
	TSC2	0.946	0.058	16.367	***	0.736
TSC	TSC3	1.017	0.059	17.359	***	0.779
	TSC4	0.937	0.057	16.533	***	0.743
	TSC5	1.000				0.763

Further, we obtained the values of each indicator by performing a model fit test as shown in Table 4.3.

Table 4.3: Tests of model fit

Indicator	CMIN/DF	IFI	TLI	CFI	GFI	RMSEA
-----------	---------	-----	-----	-----	-----	-------

Fit results	1.856	0.958	0.954	0.958	0.903	0.041
Justification	<3	>0.9	>0.9	>0.9	>0.9	<0.08

As can be seen in Table 4.3, the value of CMIN/DF is $1.856 < 3$, IFI, TLI, CFI and GFI are all greater than 0.9, and RMSEA is $0.041 < 0.08$, indicating that the validated factor analysis of the model is a good fit and so is the overall model.

We tested the aggregation and discriminant validity of the above model. Using Amos software, the average variance explained (AVE) and critical ratio (CR) values for each variable in the model were calculated. It was found that the AVE values for all six factors exceeded 0.5, and the CR values for all factors were above 0.7. According to the criteria derived from the study of Fornell and Larcker (1981), the model has good convergent validity.

In testing the discriminant validity of each variable of the model, we measured the Pearson correlation coefficients between the variables and the AVE square root values of each variable. The AVE square root values of OE, CS, DM, MSC, ISC and TSC are 0.759, 0.751, 0.778, 0.749, 0.775 and 0.754 respectively. They are all bigger than the Pearson correlation coefficient between the variables. According to the criteria derived from the study of Fornell and Larcker (1981), there is good discriminant validity among the variables in the model.

4.2 Hypothesis testing

We used Amos software to draw a model of the factors influencing the social capital of entrepreneurs as shown in Figure 4.1 for the Conceptual Framework under study.

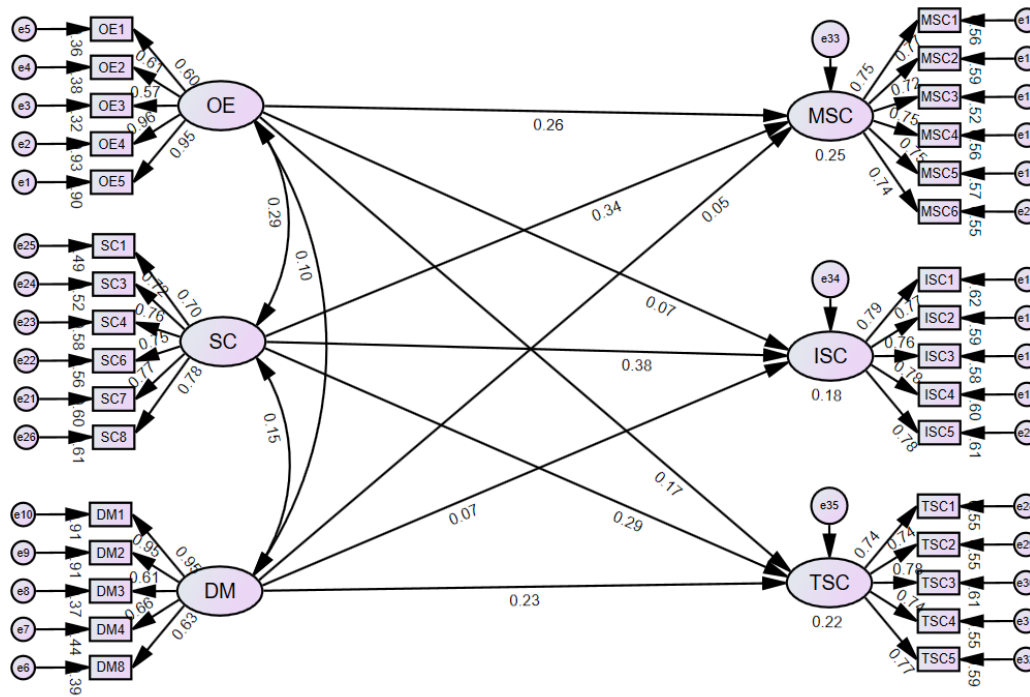


Figure 4.1: Structural equation modelling of factors influencing entrepreneurs’ social capital

The results of the fit test of the above model are shown in Table 4.4. From the table, it can be seen that all the indicators meet the standard, as CMIN/DF is less than 3, and the rest of the indicators also meet the appropriate or ideal fit, and it can be considered that the model fit passes the test.

Table 4.4: Model Fit Test for Factors Influencing Entrepreneurs’ Social Capital

Indicator	Value	Justification	Result of Fit Test
CMIN/DF	2.259	<3	appropriate
GFI	0.882	>0.8	appropriate
RSMEA	0.050	<0.08	appropriate
NFI	0.894	>0.8	appropriate
TLI	0.932	>0.9	ideal
IFI	0.938	>0.9	ideal
CFI	0.938	>0.9	ideal
PNFI	0.815	>0.5	appropriate

PCFI	0.855	>0.5	appropriate
------	-------	------	-------------

We analyzed the model paths using AMOS 26.0 software to regress the data, and obtained the parameters of the model as shown in Table 4.5. Accordingly, the hypotheses in the model were tested as follows.

Table 4.5: Path coefficient test for the model of factors influencing entrepreneurial social capital

			Estimate	S.E.	C.R.	P
MSC	<-- -	OE	0.207	0.037	5.628	***
ISC	<-- -	OE	0.057	0.041	1.389	0.165
TSC	<-- -	OE	0.136	0.038	3.572	***
MSC	<-- -	SC	0.312	0.047	6.599	***
ISC	<-- -	SC	0.381	0.054	7.072	***
TSC	<-- -	SC	0.278	0.049	5.657	***
MSC	<-- -	DM	0.060	0.052	1.153	0.249
ISC	<-- -	DM	0.090	0.059	1.517	0.129
TSC	<-- -	DM	0.279	0.058	4.835	***

(1) Entrepreneurial overseas experience has a significant positive effect on entrepreneurial market social capital, so hypothesis H1a is valid.

- (2) There is no significant effect of entrepreneurial overseas experience on entrepreneurial institutional social capital, so hypothesis H1b is not valid.
- (3) Entrepreneurial overseas experience has a significant positive effect on entrepreneurial technical social capital, so hypothesis H1c is valid.
- (4) Entrepreneurial contractual spirit has a significant positive effect on entrepreneurial market social capital, so hypothesis H2a is valid.
- (5) Entrepreneurial contractual spirit has a significant positive effect on entrepreneurial institutional social capital, so hypothesis H2b is valid.
- (6) Entrepreneurial contractual spirit has a significant positive effect on entrepreneurial technical social capital, so hypothesis H2c is valid.
- (7) There is no significant effect of enterprise digital management capabilities on entrepreneurial market social capital, so hypothesis H3a is not valid.
- (8) There is no significant effect of enterprise digital management capabilities on entrepreneurial institutional social capital, so hypothesis H3b is not valid;
- (9) The enterprise digital management capabilities has a significant positive effect on entrepreneurial technical social capital, so hypothesis H3c is valid.

5 Conclusions and Implications

5.1 Conclusions

Taking the above analyses together, it can be seen that out of the nine hypotheses established in this paper, six hypotheses passed the test of significance and confirmed that the hypotheses were valid, while three hypotheses failed the test of significance and confirmed that the hypotheses were not valid. Accordingly, the following conclusions are drawn and discussed.

Conclusion 1: Entrepreneurial overseas experience has a positive effect on entrepreneurial market social capital and technical social capital, but the effect on institutional social capital is not significant.

This conclusion partially supports the research of Yuan & Wei (2022), Sui et al. (2015), and

Wang et al. (2024). Through overseas experience, private entrepreneurs have a deeper knowledge of building extensive interpersonal and relational networks in the market and promoting enterprise development through technical resources, and thus have a greater willingness to build market social capital and technical social capital. However, private entrepreneurial overseas experience may not necessarily help them construct institutional social capital, which is different from the views of some researchers. Lin & Long (2021) explain that the institutional social capital constructed by entrepreneurs cannot support the future high-quality development of private firms in the context of the era in which the importance of R&D and innovation is becoming more and more prominent. Therefore, Chinese private entrepreneurs with overseas experience are clearly more aware of this viewpoint, and thus they are not keen to construct institutional social capital.

Conclusion 2: Private entrepreneurial contractual spirit has a positive effect on entrepreneurs' market social capital, institutional social capital, and technical social capital.

This finding supports the views of Yu et al. (2023), Xia (2022), and Zhu et al. (2023). Private entrepreneurs with contractual spirit are able to construct internal and external collaboration more efficiently, and are better able to establish connections with market partners, government officials, and technical talents, which leads to the formation and development of various types of entrepreneurial social capital.

Conclusion 3: The digital management capability of private enterprises has a positive effect on entrepreneurial technical social capital, but has no significant effect on market social capital and institutional social capital.

This conclusion only partially supports Zhu et al. (2024), Zhang & Gu (2023), and Nie (2023). From the perspective of private enterprises carrying out digital transformation, the enhancement of enterprise digital management capabilities puts forth a corresponding demand for enterprises to further strengthen their ties with relevant human resources in the field of digital information technology, and thus promotes the enhancement of entrepreneurial technical social capital. However, at this stage, private entrepreneurs may not believe that the

improvement of enterprise digital management level can lead to the improvement of social capital between enterprises and partners from the market or the supply chain, as well as the improvement of social capital between enterprises and the government. Shi et al. (2021), Zheng & Jiang (2022) argue that the digital transformation of Chinese enterprises as a whole is still in its infancy, and that the digital management capabilities of enterprises are still relatively lacking, and that the resulting effect on enterprise resources is not significant. Shi & Wang (2022) find that the improvement of the business environment is likely to enhance the probability of digital transformation of enterprises, and thus it is not the digital management capabilities of enterprises that affects the social capital of entrepreneurs, but the opposite mechanism.

5.2 Implications

5.2.1 Implications to Entrepreneurs

(1) Chinese private entrepreneurs should enhance their social capital by continuously developing overseas experiences. From the above analysis, it is clear that an entrepreneurial overseas experience affects the enhancement of the entrepreneurial market social capital and technical social capital. Therefore, Chinese private entrepreneurs can build and enhance entrepreneurial social capital by continuously exploring overseas experiences, including exploring overseas business, working or studying overseas, and participating in international trade fairs and expositions, in order to develop an international business vision and cognition, and to form a wider international market connection.

(2) Chinese private entrepreneurs should enhance social capital by strengthening contractual spirit. From the above analysis, it can be seen that the enhancement of entrepreneurship, especially contractual spirit, will affect the construction of entrepreneurial social capital. In a long period of development, Chinese private entrepreneurs generally have a lack of entrepreneurial spirit, which is insufficient in forming entrepreneurial social capital and promoting the development of private enterprises. Accordingly, Chinese private entrepreneurs should establish a contractual spirit of responsibility, honesty and co-operation, and practice

and develop entrepreneurial spirit in market activities, in order to construct a link between enterprises and the market, government and technical resources.

(3) Chinese private entrepreneurs should enhance social capital by strengthening the digital management capabilities of enterprises. From the above analysis, it can be seen that the enhancement of enterprise digital management capabilities will be conducive to the construction of entrepreneurial technical social capital. At present, China's private enterprises are facing an important stage of transformation and development, and the modernization of enterprises urgently needs the empowerment of digital information technology. Strengthening the information technology construction of private enterprises will enhance the technical social capital of entrepreneurs by improving the digital management capabilities and level of enterprises, and constructing the connection with external technical resources. Relevant studies also show that the enhancement of technical social capital will, in turn, affect the level of digital management of enterprises. Accordingly, private entrepreneurs in China should strengthen the digital management capabilities construction and attract technical social capital in order to promote enterprise profitability improvement.

5.2.2 Implications to Policymakers and Regulators

(1) The Chinese policymakers and regulators should endeavour to cultivate private entrepreneurs with an international perspective. From the perspective of promoting the development of private enterprises, Chinese policymakers and regulators should endeavour to cultivate a team of private entrepreneurs with overseas experience and an international outlook through various initiatives. The policymakers and regulators should integrate public education resources and market resources to focus on the cultivation of private entrepreneurs' internal qualities.

(2) The Chinese policymakers and regulators should actively advocate entrepreneurial contractual spirit and endeavour to form a credit environment for entrepreneurs. The policymakers and regulators should further advocate entrepreneurial spirit and build a market atmosphere of honesty, cooperation and responsibility. Through the construction of a "credit society", a favourable credit environment for entrepreneurs should be formed, so that

entrepreneurial contractual spirit becomes an important factor in promoting the development of private enterprises.

(3) The Chinese policymakers and regulators should provide favourable digital technology support for private entrepreneurs. The policymakers and regulators should further promote the construction of digital technology for private enterprises in various industries and fields, and provide private entrepreneurs with digital technology support for enterprise development. By way of building digital technology talent bases and public service platforms, it should provide private enterprises with low-cost and high-efficiency digital technology management techniques and services. Thus, the entrepreneurs could rely on digital information technology to promote the development of private enterprises.

References

- [1] Aldrich H E, Reese P R, Dubini P.(1989). Women on the verge of a breakthrough:Networking among entrepreneurs in the United States and Italy. *Entrepreneurship & Regional Development*, 1(4), 339-356.
- [2] Anderson, J. C., & Gerbing, D. W.(1988). Structural Equation Modeling Practice: A Review and Recommend Two-step Approach, *Psychological Bulletin*, 103, 411-423.
- [3] Byrne,B.(1998). *Structural Equation Modeling with LIS-REL, PRELIS and SIMPLIS*, Mahwah, NJ, Lawrence Erlbaum Associates, Inc.
- [4] Browne,M.W.,&Cudeck,R.(1993). Alternative Ways of Assessing Model Fit, In K.A.Bollen&J.S.Long(Eds), *Testing Structural Equation Models*, Newbury Park,CA:Sage, 136~162.
- [5] Baron R A, Markman G D.(2000). Beyond social capital: How social skills can enhance entrepreneurs' success. *Academy of Management Executive*, 14(1), 106-116.
- [6] Chell E, Baines S.(2000). Networking, Entrepreneurship and Microbusiness Behaviour. *Entrepreneurship & Regional Development*, 12(3), 195-215.
- [7] Collins C J, Clark K D.(2003). Strategic human resource practices, top management team social networks, and firm performance: The role of human resource practices in creating organizational competitive advantage. *Academy of Management Journal*, 46(6), 740-751.
- [8] Creswell, J. W.(2013). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- [9] Fornell C, Larcker D F.(1981). *Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics*. Volume 18, Issue 3.
- [10] Hingings B, Gegenhber T, Greenwood R.(2018). *Digital innovation and transformation:*

An institutional perspective. *Information and Organization*, 28(1), 52-61.

- [11] Joseph N, Kar A K, Ilavarasan P V, et al.(2017). Review of Discussions on Internet of Things (IoT): Insights from Twitter Analytics. *Journal of Global Information Management*, 25(2): 38-51.
- [12] Kirchoff B A.(1994). *Entrepreneurship and dynamic capitalism, the Economics of Business Firm Foundation and Growth*. Westport:Quorum Books.
- [13] Morgan H M, SUI S, Baum M.(2018). Are SMEs with immigrant owners exceptional exporters[J]. *Journal of Business Venturing*, 33(3): 241-260.
- [14] Nunnally J C.(1978). *An Overview of Psychological Measurement*. *Clinical Diagnosis of Mental Disorders*, 5(3), 83.
- [15] Peng M W, Luo Y.(2000). Managerial ties and firm performance in a transition economy: The nature of a micro-macro link. *Academy of Management Journal*, 43(3), 486-501.
- [16] Sui S, Morgan H M, Baum M.(2015). Internationalization of immigrant-owned SMEs: the role of language. *Journal of World Business*, 50(4): 804-814.
- [17] Vicentini F, Boccadelli P.(2016). Career diversity and project performance in the Italian television industry[J]. *Journal of Business Research*, 69(7), 2380-2387.
- [18] Vinogradov E, Jorgensen E J B.(2017). Differences in international opportunity identification between native and immigrant entrepreneurs. *Journal of International Entrepreneurship*, 15(4), 207-228.
- [19] Zucchella Antonella Palamara G, Denicolai S.(2007). The drivers of the early internationalization of the firm. *Journal of World Business*, 42(3)
- [20] Bian Yanjie.(2004). *Firms' social capital and its impact on firm performance: a social network analysis*. *Frontier Research on Chinese Corporate Management*. Beijing: Peking University Press.
- [21] Chen Chuanming, Zhou Xiaohu.(2003). *Entrepreneurial Social Capital: Concept, Characteristics and Meaning*. *China Science and Technology Achievement*, 7, 14-16.
- [22] Fan Bainai, Kong Zihe.(2024). How to promote the high-quality development of private economy under the complicated and severe situation. *Zhejiang Economy*, 01, 46-49.
- [23] Fang Jianqi.(2020). *Research on the mechanism of entrepreneurial social capital on technological innovation performance of science and technology-based small and medium-sized enterprises*. Jilin University.
- [24] Gong Heqiang, Lin Jian.(2007). Relationship Perception, Relationship Operation and Firm Performance: An Empirical Study of Private Small and Medium-sized Enterprises in Guangdong Province. *Nankai Management Review*, 02, 45-53.
- [25] Han Jing.(2025). Development History, Important Contributions and Opportunities and Challenges of Private Economy. *People's Forum*, 07, 68-71.
- [26] Hou Xuejuan.(2023). *Social Capital Stock, Enterprise Heterogeneity and Technological*

- Innovation Efficiency of Enterprises: Empirical Evidence Based on the Panel Data of “Yangtze River Delta” under the Intermediary Effect of Marketisation. *Journal of Zhongzhou University*, 40(02), 37-44.
- [27] Jintai Information.(2025). Chinese-style modernization and the promotion of private economic development. <https://baijiahao.baidu.com/s?id=1832055679285734948&wfr=spider&for=pc>
- [28] Jiang Rui, Lin Xinqi.(2020). Can social capital help entrepreneurs improve performance? --An empirical study based on Chinese real estate listed companies. *Lanzhou Journal*, 03, 107-119.
- [29] Jiang Liqun, Wen Junqi, Pan Zhiyuan et al.(2024). Impact of executive dynamic management capability on key technology research - Based on the mediating role of cross-border integration and innovation. *Industrial Technology Economics*, 43(05), 141-149.
- [30] Jian Guanqun, Deng Jia.(2025). Can entrepreneurship alleviate corporate investment and financing maturity mismatch? --Evidence from the perspective of supply chain relationship governance. *Contemporary Financial Research*, 8(05), 68-86.
- [31] Liang Yannan, Zhang Cheng, Wang Xiaoguang.(2024) Empowering the transformation and development of private enterprises with new quality productivity: dilemma, traceability and countermeasures. *Contemporary Economic Management*, 46(12), 34-41.
- [32] Lin Zhifan, Long Xiaoning.(2021). Can social capital support the high-quality development of private enterprises in China? *Management World*, 37(10), 56-73.
- [33] Liu Xiaoping, Yuan Yuan.(2024). Research on Financing Dilemma and Solution Countermeasures of Private Economy. *China Collective Economy*, 21, 77-80.
- [34] Liu Lin.(2015). Research Review on Social Capital of Entrepreneurs. *Journal of Chongqing University (Social Science Edition)*, 21(01), 77-90.
- [35] Liu Junwei, Liu Hua, Wang Wei.(2018). Research on entrepreneurship, social capital and the path of innate internationalisation of science and technology-based SMEs. *Science and Technology Progress and Countermeasures*, 35(16), 144-150.
- [36] Li Lulu.(1995) . Social Capital and Private Entrepreneurs - The Special Dynamics of China's Social Structure Transformation. *Sociological Research*,06, 46-58.
- [37] Li Xiyao, Yi Yaqun, Su Zhongfeng.(2010). A study of the impact of social relations on the relationship between entrepreneurship and innovation. *Research and Development Management*, 22(05), 39-45.
- [38] Li Ming.(2010). Research on the Influence Mechanism of Entrepreneurs' International Experience on Enterprise Internationalization. Fudan University.
- [39] LI Heqian, Sha Xu.(2025). Research on the impact of entrepreneurship on the value of manufacturing enterprises. *China Business Journal*,34(09), 156-160.

- [40] Nie Jun.(2023). Digital transformation, social responsibility fulfillment and corporate technology innovation performance. *Research on Technology Economy and Management*, 01, 50-54.
- [41] Na Ying.(2006). Analysis of the role of entrepreneurial social network capital. *Journal of Inner Mongolia University for Nationalities: Social Science Edition*, 32(1), 82-84.
- [42] Pu Chuanxin, Zhou Mingli.(2025). Exploration of Value-led High-quality Development of Private Enterprises-Based on the Perspective of Entrepreneurship. *Industrial Economic Review*, 07, 1-15.
- [43] Qiu Zhongning.(2014). Research on the Influence Mechanism of Entrepreneurial Social Capital on the Outcome of Strategic Decision Making. Nanjing University.
- [44] People's Daily Online.(2023). MIIT: Private enterprises account for about 95% of China's specialized, unique and new small and medium-sized enterprises. <http://finance.people.com.cn/n1/2023/0904/c1004-40070209.html>
- [45] Ren Ruobing, Wang Chengjun, Sun Xiaoming,et al.(2022). The effect of multidimensional tenure experience on the performance of technology entrepreneurial enterprises in career role change. *Science and Technology Progress and Countermeasures*, 39(18), 130-140.
- [46] Shi Yupeng, Wang Yang.(2022). Business environment and enterprise digital transformation: Impact performance and mechanism. *Journal of Beijing Jiaotong University (Social Science Edition)*, 21(02), 14-28.
- [47] Shi Yupeng, Wang Yang, Zhang Wentao.(2021). Digital Transformation of Chinese Enterprises: Current Situation, Problems and Prospects. *The Economist*,12, 90-97.
- [48] Shi Xiuyin.(1998). The social network foundation of Chinese entrepreneurial success. *Management World*,06, 187-196+208.
- [49] Si Haijian.(2022). Research on the influence and mechanism of Chinese entrepreneurship on firm performance. Beijing Jiaotong University.
- [50] Sun Junhua, Chen Chuanming.(2011). Demographic background characteristics and the formation of entrepreneurial social capital. *Economic Management*, 33(09), 107-113.
- [51] Wang Lijun, Liu Qiang, Xu Shengxia.(2025). How Entrepreneurship Leads the Digital Transformation of Small and Medium-sized Enterprises?. *Economic and Management Research*, 46(06), 24-43.
- [52] Wang Louyiwei.(2025). The impact of SOE work experience on enterprise performance during the period of influence of sudden public events--with new era entrepreneurship as the mediating variable. *Jiangsu Business Journal*, 07, 85-89.
- [53] Wang Lian, Zhou Yuting, Chen Jiajing et al.(2024). Overseas experience background of executive team and corporate innovation. *Management Review*, 36(11), 98-109.
- [54] Wang Zhanpeng.(2020). Research on the impact of corporate social capital on

- innovation capability--Based on the perspective of heterogeneity. *Journal of Nanyang Institute of Technology*, 12(05), 33-38.
- [55] Wang Xi, Chen Yan.(2022). Social capital and corporate social responsibility of private entrepreneurs--an analysis of the moderating effect based on overseas experience. *Journal of Shanxi University of Finance and Economics*, 44(11), 65-78.
- [56] Wen Zhonglin, Hou Jietai, Marsh Herbert.(2004). Structural equation modelling tests:fit indices and chi-square criterion. *Journal of Psychology*, 02, 186-194.
- [57] Wu Minglong.(2023). Statistical analysis of questionnaires: SPSS operations and applications. Chongqing University Press.
- [58] Xia Han.(2020). The impact of entrepreneurship, business innovation on business growth. *Zhongnan University of Economics and Law*.
- [59] Xia Han.(2022). The impact of entrepreneurial contract spirit and enterprise innovation on the high-quality development of manufacturing enterprises. *Enterprise Economy*, 41(05), 59-70.
- [60] Xie Zhongxin, Feng Yingying.(2024). Research on high-quality development of private economy. *Journal of Heihe College*, 15(07), 76-79.
- [61] Xu Yanhui.(2002). Entrepreneurial Ethical Behaviour and the Accumulation of Corporate Social Capital - A Comparative Analytical Framework of Economics and Sociology. *Sociological Research*, 06, 63-71.
- [62] Xu Guanglin.(2023). Research on the Growth Mechanism of Chinese Unicorn Enterprises under the Background of Digital Economy. *Northeast University of Finance and Economics*
- [63] Yang Junping, Xu Na.(2023). The impact of dynamic capability and executive social capital grouping effect on digital transformation of enterprises - A case study of GEM listed companies. *Technological Economy*, 42(04), 97-109.
- [64] Yu Wei, Hu Dali.(2022). The impact of entrepreneurial competence on enterprise innovation performance in the digital economy era. *Jiangxi Social Science*, 42(02), 183-195+208.
- [65] Zhang Suping, Hu Baoliang, Xiang Yiming.(2023). Business ecosystem governance, executive team social capital and corporate business model innovation. *Management Review*, 35(10), 163-174.
- [66] Zhang Hua, Gu Xin.(2023). Digital competence, open innovation and firm performance-the moderating effect of innovation exclusivity. *Science and Science and Technology Management*, 44(06), 132-149.
- [67] Zhao Yandong, Zhao Zhiyuan, Shi Changhui.(2024). Social capital and burnout of researchers. *Zhejiang Social Science*, 04, 68-79+157.
- [68] Zheng Qiongjie, Jiang Weimin.(2022). Study on Digital Transformation of

Manufacturing Enterprises under the Perspective of Digital Economy - Empirical Analysis Based on Enterprise Questionnaire Survey. *Jiangsu Social Science*, 01, 137-149+244.

[69] Zhu Mande, Zhao Qin, Cheng Guoqiang.(2023). Relationship networks, entrepreneurship and new farmer entrepreneurship. *Agricultural Economic Issues*, 11, 36-48.

[70] Zhu Xiaoqin, Luo Lan, Guan Yongjun, et al.(2024). Digital transformation, social capital and corporate innovation performance. *Journal of Science and Technology Management*, 26(01), 77-89.