

Social Capital Flows under the Research to the Influential Factors of Small and Medium-Sized Enterprise Business Performance in Taiwan

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Keywords: Social Capital; Taiwan Area; Small and Medium-Sized Enterprises; Entrepreneurial Performance

Abstract: The flow cycle of social capital is constantly shortened, the flow speed is also accelerating, based on this social capital exchanges between Taiwan and the mainland is increasingly frequent, providing more entrepreneurial opportunities for Taiwan, a large number of small and medium-sized enterprises (SMSE) began to rise. The entrepreneurial performance (EP) of SMSE in Taiwan has a profound impact on its overall economic development. At present, the research in this field is mainly descriptive and policy research. The purpose of this study is to provide positive and beneficial guidance for the future development of SMSE in Taiwan by exploring the factors that influence the EP of SMSE in the context of social capital flows. Based on the special background of the social capital flow as the breakthrough point, first of all, the concept of social capital and EP were summarized, mainly adopts questionnaire investigation into the small and medium-sized enterprise of Taiwan, and then with the help of principal component analysis to determine the main influencing factors of the performance of small and medium-sized enterprise business in Taiwan, and on the basis of this puts forward the concrete strategy of small and medium-sized enterprise business performance improvement. The experimental results of this paper show that the main factors influencing the EP of smes under the condition of social capital flow are entrepreneurial resources, entrepreneurial strategy and entrepreneurial environment.

1. Introduction

Social and economic development cannot be achieved without the support of entrepreneurial activities. All countries have realized that entrepreneurial activities show a vital role in promoting economic development, especially SMSE play an important role in guaranteeing employment, developing economy and maintaining social stability. Take Taiwan as an example. Social capital has also realized the global flow. Based on this, the rapid rise of smes in this region has played an immeasurable role in the economic development of Taiwan. The EP directly affects the economic development of Taiwan.

The flow of social capital show a vital role in the overall economic development of the society and can effectively promote the further development of the global economy. In [1], the author explains the concept of social resources from the perspective of social resources. In his opinion, social resources fundamentally belong to resources that can be transformed between entrepreneurs and their surrounding groups. Social network is the main form of social capital. In [2], the author puts forward the multi-dimensional measurement of social capital. He believes that social capital is a compound concept and must be measured by multiple indicators. It is unscientific to rely only on a single dimension for measurement. In [3], the author classifies social capital into four types: relationship network, norm and trust, resource and ability, and discusses the relationship between social capital and EP on this basis.

EP is a key indicator to measure the development of enterprises. Relevant research on EP can grasp the factors of enterprise development. Therefore, domestic and foreign scholars have also conducted a series of studies on it. In [4-5], the author conducted a measurement study on EP, mainly establishing a multi-indicator measurement system. In this study, efficiency, growth and

profit were finally established as the measurement indicators of EP. In [6], the author studies the influencing factors of EP. The author believes that internal factors have greater influence on EP than external factors, and points out that key technologies, team structure and enterprise target positioning are the important internal factors influencing EP of smes.

In conclusion, few existing studies combine social capital flows with EP of SMSE, especially in Taiwan [7]. Therefore, based on the special background of the social capital flows as the breakthrough point, first of all, the concept of social capital and EP were summarized, and then with the help of principal component analysis (pca) to determine the main influencing factors of the performance of small and medium-sized enterprise business in Taiwan, and based on this put forward to promote small and medium-sized enterprise business performance improvement of concrete policies [8-9].

2. Method

2.1 Social Capital and EP

The definition of social capital has been varied for a long time and has not formed a unified conclusion. Among them, the most representative social capital theories are capacity view, function view, social resource view and community view. Ability view is represented by bourdieu, who holds that social capital is the whole set of resources. The functional view is represented by James Coleman, who holds that social capital is composed of two or more common entities, and essentially belongs to a social resource that can be utilized. The social resource view is represented by Lin nan, who holds that social capital exists in social network relations and is a resource input that can obtain certain returns [10-11]. Based on the existing research data at home and abroad, this paper defines social capital as a collection of resources existing in the social structure, whose use in social activities can promote the realization of their own goals, with social network as its main manifestation. It can be found that social capital can be divided into four dimensions, namely social network, interpersonal trust, reciprocal relationship and obligation norms. Among them, social networks can be divided into three dimensions: network size, quality and strength [12-13].

Performance can also be called performance or performance. The concept of EP is proposed on the basis of a simple concept of performance. Specifically, it refers to the final results and efficiency achieved by entrepreneurial enterprises through a series of entrepreneurial activities. EP is a commonly used index to measure the success of entrepreneurial activities and the effectiveness of entrepreneurial theory, which occupies an important position in entrepreneurial theory. People usually use EP to judge entrepreneurial results. The means of implementation and efforts of smes in entrepreneurial activities are presented in the form of enterprise performance.

2.2 Principal Component Analysis

Principal component analysis (pca) is to delete the word table with poor relevance by reducing the index dimension, leaving the index as the key index dimension. It is assumed that there are m factors influencing EP of smes based on n indicators, which together constitute the initial data matrix of $m \times n$. With the help of principal component analysis (pca), the key factors affecting the EP of smes can be properly reserved. Firstly, the sample data is processed to a certain extent, and the relevant matrix is calculated with the help of the data matrix after removing the dimensions. The specific calculation formula is as follows:

$$\begin{aligned}
 X_1 &= a_{11}F_1 + a_{12}F_2 + \dots + a_{1m}F_m \\
 X_2 &= a_{21}F_1 + a_{22}F_2 + \dots + a_{2m}F_m \\
 &\dots \\
 X_p &= a_{p1}F_1 + a_{p2}F_2 + \dots + a_{pm}F_m
 \end{aligned}
 \tag{1}$$

Secondly, the eigenvalues of the correlation matrix are calculated. As shown in formula (1), the relevant eigenvalues of the matrix are added successively, and the calculation can be completed

only when the sum of the final eigenvalues reaches 85%. Otherwise you have to keep going. Suppose A total of N samples are obtained through data collection, where A can be represented as:

$$A = \frac{a_y - \frac{1}{p} \sum_{i=1}^n a_y}{\sqrt{\frac{1}{p} \sum_{i=1}^n (a_y - \frac{1}{p} \sum_{i=1}^n a_y)^2}} \quad (2)$$

The index ranking higher belongs to the key index factor.

3. Experimental Design

The first step is the collection of initial data; In order to study the factors influencing the EP of SMSE in Taiwan, it is necessary to collect the development data of SMSE in this region. This paper adopts the method of questionnaire survey to collect data. A total of 300 questionnaires were issued and 286 valid questionnaires were finally collected.

The second step is the classification and screening of index factors. Based on relevant data and survey results, this paper classified and screened the indicators of EP of SMSE in Taiwan, and selected common and recognized indicators as alternative indicators.

The third step is the determination of main index factors. By means of principal component analysis (pca), the indexes selected above are ranked and calculated, and the top three in this paper are selected as the main index factors influencing the EP of SMSE in Taiwan.

4. Discuss

4.1 Analysis of Factors Influencing EP of Smes

In this paper, SPSS software is used to conduct statistical analysis on the results of the questionnaire survey and factor analysis algorithm, and the data is drawn into a data chart. The specific data are shown in table 1 below. The data in the table are the results of the author's experimental arrangement.

Table 1. Indicators of EP of smes in Taiwan

Name	Name	Proportion	Principal components
X1	Entrepreneurship resources	67.14%	Yes
X2	Business strategy	59.29%	Yes
X3	Entrepreneurial environment	58.17%	Yes
X4	EP	57.51%	No
X5	Entrepreneurial spirit	56.17%	No
X6	Entrepreneur characteristics	53.34%	No

*Data were collected from questionnaires and documents

It can be seen from the data in table 1 that the factors influencing the EP of SMSE in Taiwan under the condition of social capital flow are X1, X2, X3, X4, X5 and X6. With the help of principal component analysis (pca), the principal component sort index factors, the final result shows that the entrepreneurial resources, business strategy, entrepreneurship ranked as the top three, so we can draw the conclusion: social capital flow under SMSE in Taiwan EP influence factor for entrepreneurial resources, entrepreneurial strategy and entrepreneurial environment. First, there is a significant positive correlation between internal and external entrepreneurial resources and EP. The utilization of entrepreneurial resources can facilitate the entrepreneurial activities of SMSE in Taiwan and reduce various obstacles encountered in the entrepreneurial process. Second, the entrepreneurial strategy stipulates the objectives, positioning and countermeasures of the development of SMSE, which directly affects the development results of enterprises and becomes the main factor affecting the EP. Third, the entrepreneurial environment directly determines the

outcome of entrepreneurship. Social capital flow not only provides a relaxed capital environment for smes in Taiwan, but also provides a relatively clear cooperation environment.

4.2 Specific Strategies to Improve EP of Smes in Taiwan

(1) Promote the improvement of access channels of entrepreneurial resources for smes

On the basis of consulting relevant materials, this paper made a comparative analysis on the role of existing entrepreneurial resources on smes and the perfection and ideal state of resource channels. The analysis data are shown in figure 1 below, which is the result of the author's investigation and arrangement.

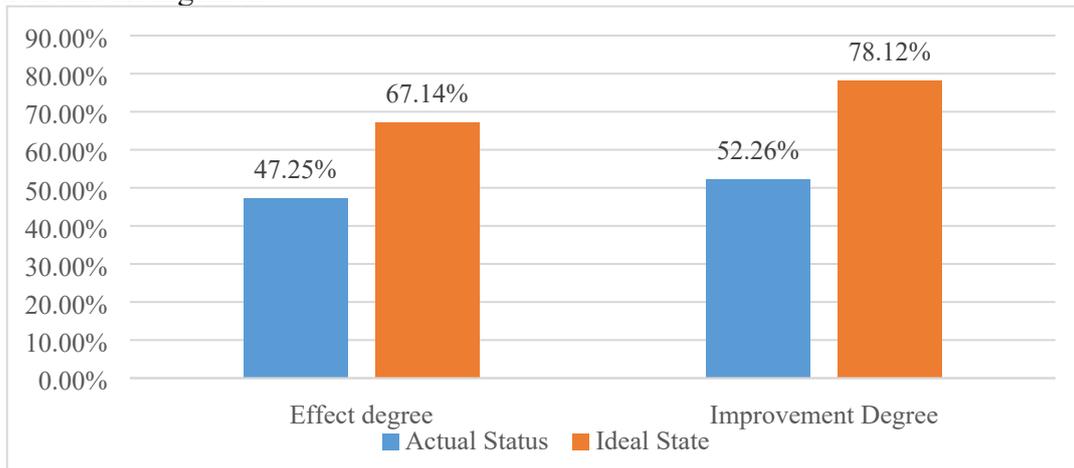


Figure 1. Comparison results of entrepreneurial resource data

As can be seen from figure 1, the actual function degree of entrepreneurial resources and the perfection degree of channels are far from the requirements of the ideal state. The effect degree of the actual state is only 47.25%, which is about 20% different from the ideal state. For SMSE to carry out entrepreneurial activities, they need to rely on the support of different entrepreneurial resources. The necessary entrepreneurial resources mainly include three types, namely human resources, information resources and capital resources. Therefore, the improvement of the access channels of entrepreneurial resources for SMSE is also illustrated from these three aspects. In terms of the acquisition of talent resources, Taiwan should not only strengthen the construction of the talent market, but also establish a relatively complete talent information base with the help of the Internet and media technology. In terms of the acquisition of capital resources, the government of Taiwan should increase financial support for smes, and smes themselves should give play to the advantages of social capital flow to find ways to carry out enterprise financing. In terms of acquiring information resources, Taiwan should establish a good information transfer platform, including project investment information base, commodity sales information base and enterprise information base.

(2) Strive to build a relatively loose external environment for SMSE

The loose external environment provides a broader space for the development of smes and further promotes the improvement of EP. In order to build a relatively loose external environment for SMSE, we must start from the following aspects: first, the government of Taiwan should strive to achieve functional transformation, serve the development of SMSE, and strive to improve efficiency; Second, to reduce or remove the threshold of development of smes, continue to promote the promotion of smes entrepreneurial freedom. For example, the restrictions on the size and level of enterprises in government procurement should be lifted. Third, to improve relevant laws and regulations, effectively protect the interests of smes in entrepreneurial activities, so as to provide a more solid backing for the development of smes.

Conclusion

The discussion on the influencing factors of EP can help smes to clarify the factors of enterprise

development, provide a comprehensive guiding framework and scheme for the managers of smes, and is conducive to the further development of smes in Taiwan. This paper mainly draws the following conclusions: the main factors influencing the EP of SMSE in Taiwan under the condition of social capital flow are entrepreneurial resources, entrepreneurial strategy and entrepreneurial environment.

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