The Effect of Relational Support on Entrepreneurial Capacity and Entrepreneurial Attitude of University Students - Comparison Study between Korea and China

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관계적 지원이 대학생들의 기업가적 역량과 창업태도에 미치는 영향 – 한·중 비교연구

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Abstract The objective of this cross-cultural study is to assess the effects of relational support on the entrepreneurial capacity and entrepreneurial attitude of university students in Korea and China. Another focal point is to identify any meaningful difference in the role of relational support between these two countries. Three universities participated in this study from both countries. 224 Korean sample and 216 sample from China were used in hierarchical multiple regression analysis. The findings report that relational support has significant positive relationships with entrepreneurial attitude and entrepreneurial capacity in both Korea and China. In addition, entrepreneurial capacity had a positive effect on entrepreneurial attitude. There were no significant differences in the effect of relational support on entrepreneurial activity between Korean and Chinese university students. Finally, theoretical and practical implication were discussed.

요 약 한·중 비교연구인 본 연구의 목적은 관계적 지원이 양국대학생들의 기업가적 역량 및 창업태도에 유의한 영향을 미치는가를 검증하는 것이다. 또한 기업가적 역량이 창업태도에 미치는 영향과 함께 양국 간 대학생들 사이에 관계적 지원이 대학생들의 창업활동에 유의한 차이가 있는가를 함께 살펴보는 것이다. 본 연구를 위해 한국과 중국에서 각각 3개의 대학교가 참가, 한국대학생 224부, 중국대학생 216부의 표본을 각각 확보하여 분석에 투입하였다. 가설검증을 위한 분석도구는 SPSS통계프로그램(PASW Statistic 18)을 이용, 위계적 회귀분석방법으로 검증하였다. 검증결과 관계적 지원은 한국과 중국대학생 모두 기업가적 역량과 창업태도에 유의한 정(+)의 영향을 미치는 것으로 나타났다. 또한 기업가적 역량도 양국학생의 창업태도에 유의한 정(+)의 영향을 미치는 것을 알 수 있었다. 관계적 지원의 효과가 양국 대학생들의 창업활동에 미치는 영향에서는 한국과 중국대학생들 사이에 유의한 차이가 없음을 확인하였다. 끝으로 본 연구결과의 이론적 기여 및 정책입안자들을 위한 실무적 시사점과 제안사항을 제시하였다.

1. Introduction

Entrepreneurship has long been verified as a key driving force of economic growth and prosperity [1]. Accordingly, many entrepreneurship promoting programs have been developed and introduced recently

by Government in order to nurture new entrepreneurs in higher education. These programs aim at fostering entrepreneurial activity and raising entrepreneurs from universities regardless of faculty and major. The tendence of college-age students for entrepreneurial activity is a critical element in building up entrepreneurial environment in society, as an entrepreneur can be a choice of their career path [2]. A new stream in recent entrepreneurship literature is the change of view about entrepreneur from autonomous and rational decision maker to a being of embedded in social networks [3]. The network theory assumes that the network provides them with valuable resources not under their possession, and help them attain their goals [4]. In particular, family members have been widely agreed as a core factor playing a vital role in entrepreneurial ventures [5]. Meanwhile, human capital theory suggests that the individuals with higher quality human capital are more beneficial at perceiving new business opportunities. They have superior abilities in exploiting perceived opportunity successfully, if engaged in the process [6]. Entrepreneurial attitude has also been regarded as another core element in entrepreneurship literature. [7] suggested that it can be explained as a function of psychological and demographic characteristics, and interactions. Even school teachers whose life experiences are different can influence the students' ability to acquire an entrepreneurial attitude [8].

China has become the most favored country of Korean people for both foreign direct investment and international travel, since the two countries has tied diplomatic relationship in 1992. Joining the World Trade Organization of Chinese government in 2001 has added fuel to economic activities of Korean people [9]. Interestingly, GEM classified China as a 'Efficiency-driven Economy', while 'Innovation-driven economy' for Korea which shows distinct economic background of the two countries. It shows also significant difference between the two countries in 'Total Early-stage Entrepreneurial Activities' YOY

since 2016 [10].

Recently, entrepreneurship studies have tended to focus on the role of entrepreneurship education. And, it's rare to find the studies that investigated effect of the variables that influence entrepreneurial activities of young university students other than the education. Also, despite of increasing economic interdependence between Korea and China during a couple of past decades, there have been lack of empirical cross-cultural studies that identified the difference in entrepreneurial activity. So, this study aims at testing how relational support from family members, relatives and close friends affect entrepreneurial capacity and entrepreneurial attitudes of university students. We anticipate verifying the important role of relational support in the view of nurturing entrepreneurship of university students. Another focal point of this empirical cross-cultural study is to identify any possible difference in the role of relational support on entrepreneurial activity between university students of Korea and China where cultural and economy-driven background are different in each country.

2. Literature Review and Hypotheses

2.1 Relational Support and Entrepreneurial Attitude

Social network plays a key determinant in a decision for start-up a business, as it provides the fundamental resources which are necessary for creating a venture [11]. [12] suggested that social network is conceptualized as sets of ties including family, friends or acquaintances who are connected to individuals. [13] viewed social capital as the sum of actual and potential resources available, and embedded within the networks of relationship owned by individual entrepreneurs. Social capital is made of many different attributes as a set of relationships, and classified into three categories: structural, relational, and cognitive dimensions. In the context of social networks,

relational support is defined as the typical types of support such as information, advice, emotion, and financial supports from the networks such as family, relatives and close friends [14]. In particular, the view of family embeddedness stresses that family is an important factor influencing the entrepreneurial process of individuals [15]. For example, [16] noted emotional and financial supports from family and friends are vital during one's entrepreneurial process. Notably, entrepreneurs tend to value friendship or advice in making decision [17]. [18] suggested that perceived relational supports have positive relationships with entrepreneurial activities of university students.

Attitude is defined as the consistent psychological propensity to respond to a given object with a certain degree of favor or disfavor [19]. [20] defined entrepreneurial attitude as being creative, taking an initiative and exploring one' own unique ideas with curiosity and taking action upon them. [7] noted that entrepreneurial attitude can be explained with personality and demographic characteristics, and it serves as a function of psychological and demographic characteristics, and interactions. [21] argued that relational support has a positive effect on entrepreneurial attitude secondary high school students. This notion complies with the suggestion by [16], [18], [22], who emphasized the importance of relational support in entrepreneurial activities of individuals. [23] suggested that cultural and familial conditioning are even more important than formal education at the stage of forming entrepreneurial attitude of individuals. Based on the discussion, it is arguable that university students in Korea and China who receive relational support from family, relatives and close friends are likely to have a positive attitude towards becoming an entrepreneur. Thus, it is hypothesized that;

> *H1. Relational support has a positive effect on entrepreneurial attitude of both Korean and Chinese university students.*

2.2 Relational Support and Entrepreneurial Capacity

Social capital is acknowledged as an essential element for nascent entrepreneurs' capacity in accessing information, resources, and support that are vital to venture creation [24]. Most of all, strong social ties and interactions are productive and beneficial resources when gaining information, seizing new venture opportunities, and exchanging resources. Social capital is operationalized with the identification of network and network relationships, and often defined by the strength of ties, repetitive group activities like frequency of meetings, formal and informal interactions, social activities, and family relationships. Social capital serves as the provider of networks which facilitates discovery of opportunities and identifies, gathers, and allocates scarce resources as well [25, 26]. [15] argued that family helps its members with capital, goodwill, and referral when establishing new business, and it is common for family to contribute start-up capital for members [27]. Meanwhile, human capital theory suggests that knowledge enables people to enhance their cognitive abilities which lead them to more efficient and productive potential activity [28]. Accordingly, such people should acquire superior abilities in successful exploiting of new business opportunities, once they engaged in entrepreneurial process. Particularly, Chinese familism value, a set of values made of beliefs, associated attitudes, and behavioral norms of a family, has been regarded as a driver for development of Chinese society, as it facilitates Chinese families to engage in start-ups and family business [29]. Becoming a successful entrepreneur requires individuals to recognize the relevant skills and characteristics of themselves in order to perform self-appraisal as to the potential entrepreneurial competence. It is vital to be able to appraise one's abilities, skills, and strength of characteristics when decision-making whether to start a venture or not [30]. Thus, entrepreneurial capacity has been acknowledged in the literature as an

individual's critical characteristic to become an entrepreneur [31]. [32] proposed the definition of entrepreneurial capacity as the skill which one has to find and absorb a new business opportunity. Similarly, [33] outlined the competence as a set of capabilities, knowledge, characteristics and attitudes associated with or necessary for good performance.

[34] suggested that competence can be translated as a behavior that brings successful performance in the workplace, where knowledge, capabilities and attitudes play together to accomplish the behavior. [35] found that relational support from such family, relatives and close friends works positively when enhancing entrepreneurial self-efficacy. Thus, we expect that the existence of relational support will increase the entrepreneurial capacity of university students, as they perceive the availability as well as the accessibility to critical resources necessary for start-up. Accordingly, the perceived accessibility to the supports and resources may have meaningful relationship with the capability of each Korean and Chinese university students for creating a business. Considering the arguments, it is hypothesized that;

> H2. *Relational support has a positive effect on entrepreneurial capacity of Both Korean and Chinese university students.*

2.3 Entrepreneurial Capacity and Entrepreneurial Attitude

[36] suggested that the initiation of new businesses depends on the perceived opportunity available in the market. But this alone is not sufficient for entrepreneurial initiative. Because it is necessary for individual to have entrepreneurial capacity in order to exploit the opportunity advantage, and so establish a new business ultimately [36, 37].

Along with the decision to be an entrepreneur, the transition from one phase to another in an entrepreneurial process is a result of the integration or combination of several or all of inherent and contextual factors like recognition of opportunity, cognition and capacity, entrepreneurial motivation, socioeconomic, demographic and environmental factors [6, 38]. [39] noted the impact of knowledge and capability on responding to entrepreneurial opportunities. [40] outlined that an entrepreneur is an individual who has the ability to evaluate possibilities, and is motivated to enter into, and then persist in the entrepreneurship process. From this perspective, the capability to recognize new business opportunities is assumed to be critical part of entrepreneurship [41]. Furthermore, one's capability to be an entrepreneur requires utilizing knowledge, experiences and entrepreneurial skills. Thus, it is regarded as a core determinant of entrepreneurship [42]. From the debates, we can infer that possessing the entrepreneurial capacity to be able to recognize and exploit new business opportunities earlier than others will affect forming one's positive attitudes toward establishing a new venture. So, we presume that Korean and Chinese university students' entrepreneurial capacity are likely to affect entrepreneurial attitude positively toward being entrepreneurs. Thus, hypothesis H3 is formed;

> H3. *Entrepreneurial capacity has a positive effect on entrepreneurial attitude of Both Korean and Chinese university students.*

Finally, we attempted to explore if entrepreneurial capacity has a mediating effect role in relationship between relational support and entrepreneurial attitude. Thus, it is hypothesized;

> H4. *Entrepreneurial capacity will mediate the relationship between relational support and entrepreneurial attitude of both Korean and Chinese university students.*

3. Methodology

3.1 Research Framework

This study is designed to explore the effect of

relational support on entrepreneurial attitude and entrepreneurial capacity of university students on the basis of previous studies. As an explorative cross-cultural study, we'd also like to identify any differences in the role of relational support on the entrepreneurial process between Korea and China. Figure 1 exhibits the research model based on the suggested hypotheses.
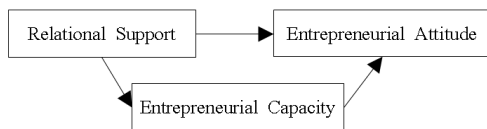

Fig. 1. Research Model

3.2 Data Collection and Measurements

Given the focus on entrepreneurship perception of university students, surveys were administered to undergraduates both in Korea and China. As a consequence, we collected the sample out of three universities from each country. Self-administrated questionnaire was used with convenience sampling for securing a huge quantitative data. As the data collecting step, verbal agreements were made in advance for assistances in the survey process with all professors of each university participated in this study. The students were also explained about the purpose of the survey, as it was designed for an academic research to investigate entrepreneurship perception of university students. All participants were assured of the anonymity and confidentiality of their responses, and so asked to answer to each item frankly with their free will. It took about 15 minutes to finish the survey at all locations. The survey was conducted during three months from April 01 to June 31, 2018. We gathered total 243 samples from Korea, and 236 samples from China. After deleting the unqualified samples, we secured each 224 data (Korea) and 216 data (China), as the final dataset for analysis.

The instruments were developed by modifying the original questionnaires of previous studies. Thus, all of the items were validated already through the construct validity and reliability test. Except the demographic variable, all items were measured with five-point Likert scale by asking to rate their level of agreement or disagreement for each item from 1='Completely false' 2='Somewhat false' 3= 'either true nor false' 4='Somewhat true' 5= 'Completely true'. To eliminate the halo effect and response-set bias, some statements were intermixed with other statements and reverse-scored. The Chinese version instrument was developed with the back-translation procedure [43]. Korean version was translated in Chinese first by two Chinese students now on Doctorial courses in business management in Korea. Then, Chinese version was translated back in Korean by a Chinese professor who earned Doctorial degree from a Korean university, and teaches entrepreneurship at Guangzhou university. This was the process to ensure the homogeneity of the instrument for this study.

Finally, t-test was conducted for the two groups to verify cognitive homogeneity of the respondents on the instruments, that is critical in cross-cultural study. Test results reported that no problem was found; t-value of relational support=-1.310(p=.191), entrepreneurial attitude=.349(p=.727), entrepreneurial capacity= -1.383(p=.167) respectively.

Relational support

This construct was measured by adopting the views of [14, 16, 18, 22]. We defined relational support(RS) as the various types of support from family members, relatives and close friends such as advice, information, financial and emotional support. Some example items are 'My family will prefer creation of my own business to being employed', 'My family will support me actively if I start up my own business', 'My relatives and friends will encourage me if I build a new business'

Entrepreneurial Attitude

For developing the items to meet the purpose of this

paper, we referred to the study of [7, 20]. Entrepreneurial attitude(EA) in this study is defined as one's orientation towards future involvement in value-adding activities such as self- employment in a small business. The items include 'Building my business is very attractive challenge', 'Start-up is a good option for my life,' 'Creating one's own firm is more positive and valuable thing than being recruited by others'.

Entrepreneurial Capacity

Entrepreneurial capacity(EC) is defined as ability and skill of individuals who should spot, recognize and exploit opportunities based on the suggestions from [31], [41]. Those entrepreneur-oriented people recognize new venture ideas and opportunities that can be commercialized and leaded to creating a new venture. Therefore, they have great interests in pursuing the opportunities. The instrument is made of five items including 'Starting a venture business is not such difficult thing', 'I frequently identify good opportunities to start-up new businesses', 'I'm able to carry out entrepreneurial process well'.

Control Variables

4 control variables were included in the analysis to remove the third variable effects; gender, school year, major, parents job (self-employed). Gender was coded 1=male and 2=female. Likewise, school year was coded 1=freshmen, 2=Sophomore, 3= Junior, 4= Senior. Major was classified into three categories(code); social science (1), engineering (2), art and physical education (3). Finally, parents job(self-employed) was treated as a binary variable, and coded 1=yes, 2=no.

3.3 Sample Characteristics

The sample was extracted from three universities each in Korea (Wongkwang, Dankook, Soongsil), and China (Guangzhou, Guangdong, Shenzhen).

Table 1. Sample Characteristics

		Korea(n=224)		China(n=216)	
		Frequency	Weight	Frequency	Weight
Gender	Male	149	66.5	78	36.1
	Female	75	33.5	138	63.9
Univers.	A	73	32.6	93	43.1
	B	107	47.8	65	30.1
	C	44	19.6	58	26.9
Year	Freshmen	38	17.0	83	38.4
	Sophomore	103	46.0	115	53.2
	Junior	42	18.8	17	7.9
	Senior	41	18.3	1	0.5
Major	Social Science	174	77.7	168	77.8
	Engineering	36	16.1	29	13.4
	Art and Phy.	14	6.3	19	8.8
Parents	Employee	108	51.8	144	66.7
	Self-employed	116	48.2	72	33.3

Gender displayed that male was 66.5% (149) in Korea, while 36.1% (78) in China. Interestingly, two common characteristics found in the sample of both countries; first, sophomore was the greatest out of total sample in both countries, 46% (Korea) and 53.2% (China). Second, social science major shared the biggest part of the sample such as 77.7% (174) in Korea, and 77.8% (168) in China. Finally, 48.2 % of Korea respondents reported that their parents are self-employed, while 33.3% of China students answered 'yes'.

4. Empirical Analysis Results

4.1 Factor Analysis

Principal components analysis with Varimax rotation method was employed for simultaneous multi-group exploratory factor analysis (EFA). This analysis is instrumental in deciding the dimensions, and assess the content and construct validity of all variables.

Table 2-1. Factor Analysis Results (Korea)

	EA	RS	EC	Eigen Value	Accu. Total Variance(%)	Cronbach's α
EA2	**.838**	.131	.237			
EA1	**.777**	.095	.173			
EA3	**.753**	.217	.216	3.673	24.487	.858
EA5	**.724**	.144	.195			
EA4	**.717**	.140	-.181			
RS1	.030	**.821**	.181			
RS5	.148	**.781**	.307			
RS3	.109	**.775**	.055	3.144	20.958	.843
RS2	.249	**.735**	-.062			
RS4	.247	**.668**	.189			
EC3	.087	.197	**.837**			
EC4	.107	.235	**.835**			
EC1	.182	-.011	**.706**	2.751	18.337	.799
EC2	.461	.175	**.653**			

*EA: Entrepreneurial Attitude, RS: Relational support, EC: Entrepreneurial Capacity

Table 2-2. Factor Analysis Results (China)

	EA	RS	EC	Eigen Value	Accu. Total Variance(%)	Cronbach's α
EA2	**.847**	.132	.032			
EA5	**.813**	.075	.211			
EA3	**.811**	.262	.195	3.889	25.926	.892
EA1	**.702**	.167	.351			
EA4	**.664**	.252	.455			
RS3	.137	**.843**	.023			
RS5	.122	**.820**	.208			
RS2	.066	**.803**	.219	3.491	23.273	.884
RS1	.170	**.766**	.313			
RS4	.321	**.738**	.065			
EC3	.255	.182	**.839**			
EC2	.276	.166	**.818**			
EC1	.082	.193	**.788**	3.344	22.293	.879
EC4	.457	.152	**.719**			

Through the first run, we gained the three dimensions in which all items were grouped distinctively with the Eigen value greater than 1.0. in both data. This result satisfies the criteria that all scale items should be loaded onto the same factor in cross-national data [44]. But, the one identical item from both Korean and Chinese data which measures entrepreneurial capacity was cross-loaded onto entrepreneurial attitude. So, this item was deleted from the both data at the final analysis. All of the items reported high factor loading, greater than .60 that indicates both content and construct validity are validated. The total variance explained by these three dimensions was 63.782% (Korea) and 71.492% (China) each. Kaiser-Meyer-Olkin Measure of sampling

adequacy (KMO) was .861 (Korea) and .894 (China) that both met qualitative evaluation, as the values are higher than 0.7 that is acceptable as minimum value [45]. Bartlet's test for Sphericity presented the adequacy of the both data for analysis(Korea: 1677.724, $p<.01$, China: 2204.274, $p<.01$). Finally, The reliability and the internal consistency of the measuring instrument was verified with Cronbach's alpha coefficient value. The alpha values of three variables are all greater than the threshold value .7 [46]. So, the internal consistency of all variables were verified to be acceptable as distinct variables.

Table 3-1. Correlation Matrix (Korea)

Vari.	Mean	SD	# of item	RS	EC	EA
RS	2.664	.734	5	1		
EC	2.322	.725	4	.386***	1	
EA	3.278	.826	5	.391***	.436***	1

*$p< .1$, **$p< .05$, ***$p< .01$

Table 3-2. Correlation Matrix (China)

Vari.	Mean	SD	# of item	RS	EC	EA
RS	3.288	.724	5	1		
EC	3.579	.760	4	.445***	1	
EA	2.9965	.918	5	.443***	.596***	1

*$p< .1$, **$p< .05$, ***$p< .01$

Table 3-1. and Table 3-2. presents the descriptive statistics including inter-correlation matrix among the factors from Korean and Chinese data. As presented, EC is co-related with EA the highest in both countries; Korea(r=436), China(r=596) within the statistic significant level.

4.2 Hierarchical Regression Analysis

The hypotheses were tested by applying causal analytical modeling via stepwise, blocked multiple regression analysis with SPSS statistical software package(PASW Statistic 18) for test and analysis. Both tolerance and variance inflation factor(VIF) were checked prior to testing the models. The tolerances were all much higher than criterion .10 [48];

.611~.970 (Korea), and .835~.935 (China), The VIF values were also acceptable ranges, 1.077~1.636 (Korea), and 1.091~ 1.198 (China), all of which were far below the cut-off value, 10 [47] . So, it's clear that all regression models had no multicollinearity problem at all.

Table 4-1. Regression Results for H1 and H3 (Korea)

	Model 1		Model 2		Multicolli.	
	B	S,E,	B	S.E.	Toler.	VIF
Control Variable						
Gender	-.074	.125	-.014	.111	.818	1.223
School Year	-.062	.070	-.076	.062	.611	1.636
Major	.297**	.096	.216**	.072	.928	1.077
Parents job	-.223**	.109	-.091	.098	.920	1.087
Independ.. Variable						
RS			.247***	.073	.779	1.283
EC			.386***	.071	.729	1.197
R^2	.088		.296			
Adjusted R^2	.063		.269			
ΔR^2			.208			
F vlaue	3.483		11.281***			

*p< .1, **p< .05, ***p< .01, Dependent variable: EA*

Table 4-2. Regression Results for H1 and H3 (China)

	Model 1		Model 2		Multicolli.	
	B	S,E,	B	S.E.	Toler.	VIF
Control Variable						
Gender	-.093	.115	.097	.090	.831	1.203
School Year	-.046	.043	-.092**	.034	.882	1.134
Major	-.041 -.222	.085	-.175**	.066	.897	1.115
Parents job		.112	-.083	.087	.911	1.098
Independ.. Variable						
RS			.223***	.063	.746	1.341
EC			.452***	.049	.764	1.309
R^2	.041		.444			
Adjusted R^2	.018		.425			
ΔR^2			.403			
F vlaue	1.790		23.715***			

*p< .1, **p< .05, ***p< .01, Dependent variable: EA*

In the hierarchical sequence, the control variables were entered into the model 1 first, and then the independent variables in the second step. Along with this procedure, four control variables were entered in model 1 as the base model, and then the two independent variables were entered in the model 2, to test *H1* and *H3* that have a common dependent variable. Table 4-1 and Table 4-2. display the regression result of *H1* and *H3*. The F statistics of each

model was significant at *p<.01* (F value of Model 2=11.281 (Korea), Model 2=23.715 (China)). Thus, the regression model was identified to be adequate for analysis. Model 2 exhibits the direct effect of two independent variables, RS and EC on SE. There was a significant change in *R²* from Model 1 to Model 2 (Korea: ΔR^2=.208; China: ΔR^2=.403). Most of all, both RS and EC showed positive effect on EA in both countries (Korea: RS(B=.247), EC(B= .386); China: RS(B=223), EC(B=452), at the level of *P<.01*. Thus, both *H1* and *H3* are supported.

Table 5-1. Regression Results for H2 (Korea)

	Model 1		Model 2		Multicolli.	
	B	S,E,	B	S.E.	Toler.	VIF
Control Variable						
Gender	-.154	.113	-.153	.105	.826	1.211
School Year	.067	.063	.086	.059	.617	1.620
Major	.087 -.146	.087	.014	.081	.929	1.077
Parents job		.099	-.028	.094	.921	1.086
Independ.. Variable						
RS			.384***	.064	.907	1.102
R^2	.027		.165			
Adjusted R^2	.001		.138			
ΔR^2			.138			
F vlaue	1.021		6.081***			

*p< .1, **p< .05, ***p< .01, Dependent variable: EC*

Table 5-2. Regression Results for H2 (China)

	Model 1		Model 2		Multicolli.	
	B	S,E,	B	S.E.	Toler.	VIF
Control Variable						
Gender	-.277**	.136	-.122	.126	.835	1.198
School Year	.109**	.051	.116**	.047	.907	1.102
Major	.249**	.101	.197**	.093	.917	1.091
Parents job	-.173	.133	-.025	.123	.911	1.098
Independ.. Variable						
RS			.533***	.081	.901	1.110
R^2	.077		.236			
Adjusted R^2	.055		.214			
ΔR^2			.159			
F vlaue	3.498***		10.775***			

*p< .1, **p< .05, ***p< .01, Dependent variable: EC*

The relationship between RS and EC was tested by running the same regression process. First, F values also indicated the adequacy of each model (F=6.081 (Korea), F=10.775 (China) at *p<.01*, respectively). The result said that RS had a positive effect on EC in both

countries ((Korea: RS(B=.384); China: RS(B=.533), at the level of *P<.01.*). Hence, *H2* was also supported. Table 5-1. and Table 5-2. reported the result.

Table 6-1. Mediating Effect of EC for H4 (Korea)

Step	Dependent Variable	Independent variable	B (non-standard)	SE	β
1	EA	RS(c)	.440	.069	.391***
2	EC	RS(a)	.381	.061	.386***
3	EA	RS(c')	.295	.071	.262***
		EC(b)	.382	.072	.335***

*p< .1, **p< .05, ***p< .01

Table 6-2. Mediating Effect of EC for H4 (China)

Step	Dependent Variable	Independent variable	B (non-standard)	SE	β
1	EA	RS(c)	.467	.064	.445***
2	EC	RS(a)	.561	.078	.443***
3	EA	RS(c')	.237	.062	.226***
		EC(b)	.410	.049	.496***

*p< .1, **p< .05, ***p< .01

Finally, we have tested mediating effect of EC. A mediator is the variable 'to the extent which it accounts for the relation between the outcome and the criterion' [48]. Both Table 6-1 and Table 6-2 exhibit the result of mediating effect of EC for Korea and China based on the suggestion of [48, 49]. The result said that EC plays as a partial mediator in the models for both Korea and China. According to the formula, the mediating effect size($c-c'=ab$) of EC was .145 in Korea (.440- .295 =.381x.382), and .230 in China (.467-.237 =.561 x.410). Thus *H4* was supported for both Korea and China.

5. Conclusion

The objective of this study was to assess the role of relational support on the entrepreneurial capacity and entrepreneurial attitude of university students. Another focal point was to identify any meaningful difference in the role of relational support between university students in Korea and China, as a cross-cultural study.

Particularly, we were interested in ascertaining the role of family, relatives and close friends on the entrepreneurial process of university students, because it has received limited empirical attentions, despite of it's importance.

The results revealed that relational support exerts a significant and positive impact on entrepreneurial attitude and entrepreneurial capacity of university students in both Korea and China. Also, we found that entrepreneurial capacity had a positive effect on entrepreneurial attitude. All these findings are in line with previous notions in the literature and our expectation as well; the individuals who gain various supports from family and people around them are likely to get entrepreneurial capacity, and form a positive attitude toward being entrepreneurs.

So, we have made some theoretical contributions from this replicated and explorative study. First, our study supports the previous studies who argued the important role of family related to enhancing entrepreneurial capacity [28, 35] and entrepreneurial attitudes [15, 16, 18, 22, 23]. Our finding is also consistent with prior arguments [41, 42] as to the positive and significant relationship between entrepreneurial capacity and entrepreneurial attitude.

Second, we identified the same effect of relational support on not only entrepreneurial capacity but entrepreneurial attitude between Korea and China. So, the notions of prior studies are also applicable to the environment of these two countries.

Our findings highlighted the important role of family, relatives and close friends in the context of one's entrepreneurial process, regardless of socio-geographic and cultural settings. It indicates that various types of support from family and people around university students could be as critical as formal entrepreneurship education. In this vein, our argument is in line with [23] who depicted that cultural and familial conditioning are even more important than formal education at the stage of forming one's entrepreneurial attitudes.

The ability to recognize new venture opportunities is assumed to be critical part of entrepreneurship [41]. Also, one's capability whether to become an entrepreneur or not depends upon using knowledge, experiences and entrepreneurial skills, and so it is known as a key determinant of entrepreneurship [42]. Considering the knowledge, seasoned advices and wisdom transferred from the parents, seniors and friends to individuals, they may acquire quite higher competitive capabilities in recognizing and exploiting of new venture opportunities successfully than anyone else. So, information and advice from friends should not be ignored, and entrepreneurs value friendship or advice in making decision, too. [17]. Likewise, familism value in China, which is a value set made of beliefs, associated attitudes, and behavioral norms of family, has been verified as a driving force of start-ups and family business in China [29].

We suggest two practical implications based on our findings. First, relational support should be treated as important as entrepreneurship education in order to promote entrepreneurship of university students. In this regards, policy makers need to keep in mind how to organize the role of parents and friends into entrepreneurial promotion policy and program down the road. Second, a mid and long term strategic campaign is suggested for advocating the importance of the 'planned start-up' under guidance of parents rather than the 'start-up to make a living' which is like a jumping into the non-competitive small business without long term vision and insight. The 'start-up' still tends to be viewed negatively among majority seniors in our society. To break this stereotyped belief and regain collective consent from seniors in a creative way, having a entrepreneurship campaign tool should be in place. It may help people keep changing the conventional mind-set.

We have some limitations in this study. First, the two groups was tested separately and then compare the results. Direct comparison study is suggested using one data, instead of the way of testing each group

separately. Second, Chinese sample was collected from three universities within one geographic area down south of China. Korean sample contains the same basic limit in geographic issue. This sampling may have an intrinsic limit of generalization on our argument. Third, although we attempted to approach this cross-cultural study in explorative level, there is a weakness in theoretical background related to the causality between the variables employed in this study. Follow-up study need to take into account all of these limitations.

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<Research Interests>

Entrepreneurship, Entrepreneurial motivation & intention, Entrepreneurial networking, BPO of SME & Venture Firms