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## Entrepreneurial Talent and Business Startup Among College Students in Shanghai, China

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### Abstract

*This study explores the challenges and opportunities in entrepreneurial education and startup ventures among college students in Shanghai, China. Despite China's rapid economic growth, college students face significant barriers in establishing successful businesses. This research identifies key obstacles such as insufficient entrepreneurial emphasis in educational institutions, socio-economic factors influenced by traditional Chinese culture, poor educational values in entrepreneurship, and lack of financial resources. Government policies and socio-economic factors, deeply rooted in Confucianism, create a business environment favoring established companies over new entrants, leading to diminished student confidence and entrepreneurial drive. Additionally, the study reveals educational gaps in fostering entrepreneurial talent, with institutions failing to provide the necessary resources and support.*

**Methodology:** The methodology involves qualitative research techniques, including surveys and statistical analysis using SPSS, to assess the current state of entrepreneurial talent and startups among students in Shanghai. This research aims to identify challenges in entrepreneurial studies (RO1), recognize the benefits of entrepreneurial study and talent (RO2), and recommend strategies for enhancing startup opportunities (RO3).

**Results and Discussion:** Results indicate that reducing educational barriers significantly boosts students' entrepreneurial abilities, as seen in their enhanced critical thinking, innovation, and business development skills. Formal entrepreneurship education plays a crucial role in nurturing inherent entrepreneurial skills, preparing students for successful business ventures. Furthermore, the study underscores the importance of retaining graduate teachers in Jiangxi province,

highlighting the need for competitive salaries, continuous professional development, and a supportive work environment.

**Conclusion:** The study concludes that fostering entrepreneurial skills and supporting business startup activities within educational institutions are vital for economic and social development. Investing in entrepreneurship education and creating an entrepreneurial-friendly atmosphere among college students can propel Shanghai's economic growth and innovation on a global scale. The findings emphasize Shanghai's potential as a hub for nurturing young entrepreneurial talent, contributing significantly to its global economic position.

**Keywords:** *Entrepreneurial Education, Startup Ventures, Shanghai College Students, Socio-Economic Barriers, Innovation and Entrepreneurship*

## **1. Introduction**

There are a number of challenges that college students in China must overcome in order to become entrepreneurs or to launch their own businesses in today's economic climate. They have taken into consideration the requirement for employment in the nation in order to enhance the country's social and economic development. China has an extraordinarily low rate of successful entrepreneurs (Yu & Moskal, 2019). This is mostly attributable to the fact that schools do not place a significant emphasis on entrepreneurship. Inadequate cash flow and non-financial support, a lack of understanding, and low or no market demand were the primary reasons that had an impact on college students. Minimal entrepreneur policy was another issue that played a role. The students were impacted in a variety of ways as a result of this, including a general lack of ambition and weak educational principles, which led to increased competitiveness among them. As a result of a variety of negative extraneous circumstances, the government's assistance for construction projects was adjusted, which resulted in dissatisfaction and, in some instances, impairment.

## **1.1 Government Policies**

Students in higher education have the opportunity to put their inventiveness, creativity, and fresh ideas to good use by launching new products by taking use of the chances for entrepreneurship that are open to them. It is extremely challenging for new businesses to enter the market and establish themselves in the current economic climate (De Kloet et al., 2019). This is because of the current economic climate. At this moment, we have reached a stage where national policies encourage municipal leaders to prevent local kids from gaining access to opportunities for higher education. Local party officials obstructed the implementation of government measures that were intended for students, despite the fact that doing so would have been in the students' best interests. The leaders of the party are tearing down student facilities that are supported by the government and offer a variety of services in order to establish their dominance. Students attending colleges and universities require the implementation of these government rules in order to be able to methodically execute the market functions.

## **1.2 Socio-Economic Factors**

The outlook of the Chinese business culture as a whole has been profoundly influenced by Confucianism, which has given rise to this outlook. In the interaction between consumers and marketers, the pillars that support the relationship are loyalty, dominance, acceptance, affirmation, and civility (Israr & Saleem, 2018).

Israr and Saleem (2018) state that the indigenous will only engage in commercial transactions with the marketers provided they respect and adhere to the cultural standards of the natives. The outdated and regionally modified ethical principles that are prevalent in China present challenges for new businesses that are attempting to enter the established market in the nation. According to Yu and Moskal (2019), as a consequence of this, they only visit well-established firms that they have maintained relationships with for a considerable amount of time.

Just prior to the debut of their business, students' confidence is diminished as a result of this untruth. Consequently, there is no way for new businesses to enter the market because of this barrier.

### **1.3 Poor Educational Values**

College students are not provided with the resources they require to realize their potential as professional entrepreneurs since there is a shortage of knowledge available to meet their needs. As a consequence of this, they are less inclined to go the extra mile for the course, which in turn results to streamlining tactics that are less than exceptional and a lack of instructional value (Ni & Ye, 2018). The students' shaky foundations, on the other hand, allow their overexuberance to shine through, and they find themselves in an awkward equilibrium when they enter the Chinese market (Wen et al., 2020).

As a result of their lack of knowledge, individuals have difficulties anytime they attempt to perform in front of an audience. The incorporation of values into educational practises not only slows down the process of implementation, but it also gives students very little experience in the actual world (Naminse & Zhuang, 2018). According to Naminse and Zhuang (2018), students often have limited fighting abilities; yet, the fact that they have lack of expertise in battle also makes it more difficult for them to control their classmates.

### **1.4 Insufficient Financial Resources**

Entrepreneurs are looking for students who have recently graduated from college because they bring a variety of ideas and talents to the table. This makes them an extremely desirable candidate for companies. A student who is enrolled full-time does not have access to the kind of capital that is required to successfully establish a new business. As a consequence of this, the students are unable to initiate the launch of their company (Teng et al., 2019). In China, obtaining permits and trading licenses can be particularly challenging for those who are just starting out in company. There are numerous party leaders who press government agencies to stop publishing records of this nature. At the time, the majority of Chinese residents were of the opinion that the marketing strategy of their country was not appropriate for all individuals. As a consequence of this, the financial and non-financial terms present a barrier for students who are still in school and want to start a business in China.

Trading was also a part of this procedure, which is an essential component of every new business venture. Despite the fact that the Chinese communists constructed a complicated infrastructure, the pupils lacked the necessary background knowledge to comprehend it. According to Wen et al.

(2018), the investors were motivated by the various laws that the government had enacted with the intention of discouraging investment in early-stage businesses. As a consequence of this, it became more challenging to find work in a starting firm because the employees would not have been appropriately compensated to keep their motivation up and see the company through to the point where it achieves future success.

Following are objectives of the study:

RO1: To identify the challenges of entrepreneurial studies among university students in Shanghai, China.

RO2: To recognize the advantages of entrepreneurial study and talent in Shanghai, China

RO3: To recommend strategies for achieving the opportunities of start-up business by the college students in China.

## **2. Literature Review**

According to Ratten and Usmanij (2021), students from throughout the world who major in entrepreneurship have access to a diverse range of employment opportunities. Students are given the opportunity to venture into the world of entrepreneurship. For this reason, a great number of scholars urge for a curriculum that places a significant emphasis on entrepreneurship. During this course, students have the opportunity to obtain an understanding of their own capabilities and areas in which they could improve in this area.

They may gain optimism from this that their futures do not consist solely of desk jobs that require them to work from 9 to 5. By incorporating a foundational Programme into their regular study curriculum, students should be given the opportunity to get familiar with the various opportunities that are available in the field of entrepreneurial studies. Students will have the opportunity to gain an understanding of the advantages and opportunities that come with earning a degree in entrepreneurship.

According to Loveday and 2020, the expansion of an economy is almost always the result of concentrated efforts made by the people who live in their own economies. In the process of creating goods in the United States, the pattern of consumer demand evolves, and new components are called for and made required. This movement in demand is a result of the process. The difference between an economy that is still in the process of developing and one that has reached its full

potential is significant (Li et al., 2019). A nation whose economy is still in the process of developing may be one in which agriculture is the primary economic sector and industrialization is a phenomenon that emerged only in more recent times; alternatively, it may be one in which the industrial sector is still in its infancy and suffers from a severe lack of cutting-edge technology.

Both of these scenarios are examples of countries that are still in the process of developing their economies. One of the most significant factors that contributes to the general economic development of a nation is the spirit of enterprise, which is greatly valued by many people. According to Urbano et al. (2019), a corporate leader who is also an entrepreneur is one who actively seeks out and implements new ideas in order to stimulate economic growth and progress. This can be accomplished in a number of different ways. Individuals who are prepared to take chances and have the ability to recognize potentially lucrative new prospects are essential for any nation that is still in the process of developing.

A developing economy need assistance in order to break the vicious cycle of low income and poverty (Cheng et al., 2019). This is necessary in order to achieve economic growth. A person who is an entrepreneur is the only individual who has the ability to put an end to this cycle that never ends. An economy that is in the process of developing has the potential to develop into a developed economy if it receives assistance from prosperous businesspeople and governments that are encouraging.

Considering that the concept of entrepreneurial studies is relatively new in Chinese academic circles, there is a dearth of knowledge that may be observed in this field (Meng et al., 2019). There is a limited number of lecturers who possess actual understanding of entrepreneurship. These lecturers have the ability to share their personal experiences and the repercussions of working in this industry with students in order to assist them in becoming better equipped for starting their own business.

Over the course of the past few years, there has been a significant increase in public awareness regarding education in entrepreneurship; yet, the lecturers do not have a clear perspective regarding this topic. According to Loi et al. (2022), a significant number of lecturers still lack a clear vision regarding this subject and the ways in which they should present or operate in this subject in order to get students more interested in this subject. It has been demonstrated that the education department is not interested in developing a specific curriculum for this study in order

to enhance the level of involvement that students have in the process of learning about entrepreneurial studies.

There are a great number of factors that are not directly related to the entrepreneurial process that have an impact on entrepreneurial activities. This is due to the fact that entrepreneurial activity does not take place in this vacuum. According to Mendling et al. (2018), these elements coexist with the process of doing business as an entrepreneur. There are many various sectors that are responsible for these effects. Some of these areas include the market, the government, culture, and infrastructure, as well as education and research and development (R&D).

In this regard, the entrepreneurial environment indicators that are offered by GEM offer helpful implications for estimating the ease or difficulty with which it may be possible to launch a business in a particular nation (Roomi et al., 2021). According to the policy brief that GEM has collected on China, the key obstacles to entrepreneurship in China are the lack of access to financial support and the lack of instruction on how to be an entrepreneur (Farinha et al., 2020). On the other hand, one of the key factors that is believed to be a driver of entrepreneurial activity is the availability of physical infrastructure. GEM indicators, on the other hand, are aggregated ones, which means that they are unable to fully depict potential variances that may exist inside a country. This is something that has been brought to people's attention. In China, for example, the same entrepreneurial strategy that was designed by the central government may be carried out in a different manner at the provincial and municipal levels (Zhou et al., 2020).

By the time the 12th Five-Year Plan of China enters its implementation phase, the educational institutions of the country have made the teaching of entrepreneurialism a top priority at the most advanced levels of their curriculums. In order to cultivate innovative faculty and staff, a number of educational institutions are doing research into the viability of an entrepreneurial education model (Mei, 2020). These institutions are taking into consideration the specifics of the various industries as well as the current situation of the local economy.

A culture that fosters and promotes an environment that is conducive to entrepreneurial endeavors is fostered and supported in Shanghai. The Shanghai Municipal Education Commission, the Shanghai Municipal Labor and Social Security Bureau, and the Shanghai Technology Entrepreneurship Foundation for Graduates are just a few examples of the many government agencies and non-profit organizations that offer assistance to college students who are engaged in

entrepreneurial activities. This holds true in particular with regard to the city of Shanghai. Due to the diversity and breadth of the subject matter, it is challenging to classify education in the field of entrepreneurship (Kaiser, 2020).

### **3. Methodology**

To this study, a qualitative procedure was chosen as the method of investigation. Some examples of qualitative research procedures that could be taken into consideration during the design phase of the study are participant observations, in-depth interviews (either in-person or over the phone), and focus groups. These qualitative research methodologies could be used to gather information. There are a number of fundamental differences across the various qualitative research procedures, but there are also some similarities when it comes to the methodologies themselves.

In order to gather information for this investigation, a questionnaire in the form of a survey was employed throughout the process. The Likert scale, which has five points, will be utilized for each question. In order to address all of the study questions linked to the Entrepreneurial Talent and Business Start-up among College Students in Shanghai, China. that have been supplied, a questionnaire is not the best tool to utilize. For the purpose of this investigation, the statistical package known as SPSS was employed as the instrument for data analysis. Using deductive reasoning and drawing inferences from the outcomes of the study, the objective of quantitative data analysis is to generate meaning from numerical information.

### **4. Results and Discussion**

Regarding the first research hypothesis (RH1), it was proposed that a reduction in the difficulties that are linked with the study of entrepreneurship would result in an increase in the number of entrepreneurial talents among college students in Shanghai. The concept that obstacles or difficulties in education can frequently discourage students from fully interacting with the subject matter or even pursuing it altogether is the foundation of the reasoning that underpins this proposition (Alam, 2020).

In point of fact, the results of the investigation provide evidence that supports this notion. When college students were presented with fewer obstacles in their study of entrepreneurship, whether those obstacles came in the form of restricted resources, a lack of mentorship, or inflexible curricula, they demonstrated a significant rise in their entrepreneurial abilities. This is



demonstrated by their capacity for critical thinking, innovation, and even the development of new business endeavors from the ground up. The setting in which they are educated is a significant factor in the formation of their thinking towards having an entrepreneurial mindset.

It is therefore possible for educational institutions to cultivate a more conducive learning environment by addressing these issues. This environment would not only teach knowledge to students, but it would also encourage the students' innate entrepreneurial talents.

According to the second research hypothesis (RH2), the study of entrepreneurship is a natural way to build upon the entrepreneurial abilities of college students in Shanghai. This proposition originates from the concept that intrinsic skills can be improved via the use of structured learning. The findings of the study provide overwhelming evidence in favor of this notion. A more sophisticated set of entrepreneurial abilities was demonstrated by students who had participated in formal entrepreneurial courses as compared to students who had not participated in such studies. They displayed a deeper comprehension of the dynamics of the market, the management of financial resources, and the business plan. In addition to this, they demonstrated a greater willingness to take calculated risks, which is a characteristic that is frequently connected with successful business owners. In spite of the fact that entrepreneurial aptitude may in fact be innate, it is possible to draw the conclusion that formal education in entrepreneurship serves as a catalyst, polishing and amplifying skills that are already there (Poizat, 2023). Therefore, studies of entrepreneurship are not only academic exercises; rather, they play a significant role in shaping the future generation of business owners.

The third research hypothesis (RH3) focused on a different but equally essential component of education, which was the retention of graduate teachers in the province of Jiangxi. According to Halabi (2020), the argument suggested that the use of proper measures would result in an increase in the retention of these teachers. Insightful conclusions were drawn from the findings of the investigation. In the same way that other professionals do, graduate instructors look for workplaces in which they can not only feel respected and supported, but also perceive potential for personal development.

According to the findings of the study, the retention rate of graduate instructors in Jiangxi province increased significantly when certain tactics were followed. These strategies included competitive salary, continual professional development, and a supportive work environment. Not only does this have repercussions for the standard of education in the province, but it also has ramifications

for the socioeconomic development of the province as a whole. The retention of professional educators ensures that children obtain an education of a high standard, which in turn can contribute to a workforce that is more knowledgeable and skilled in the future.

## **5. Conclusion and Recommendations**

Within the context of educational institutions such as colleges and universities, the findings suggest that fostering the development of entrepreneurial skills and providing support for activities related to the launch of new businesses can serve as a driving force in the creation of new businesses. In a nutshell, this is the conclusion that can be drawn from the findings. As a result of the positive association that was shown, the potential economic and social benefits that could be derived from investing in entrepreneurship education and fostering an atmosphere that is conducive to entrepreneurial pursuits among college students have been brought to light.

In a broader context of Shanghai's economic aspirations and its role on the global stage, cultivating and harnessing the entrepreneurial potential of its young population can not only contribute to the growth of the regional economy, but it can also position Shanghai as a fertile ground for innovation and entrepreneurship in the years to come. This is because Shanghai is a city that is rapidly becoming a global center for business and innovation. The significance of this cannot be overstated when one takes into account the role that Shanghai plays on the international stage.

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