



**ROLE OF SOCIAL CAPITAL IN THE CAREER ADVANCEMENT  
OF YOUNG BUSINESS GRADUATES IN CHINA**

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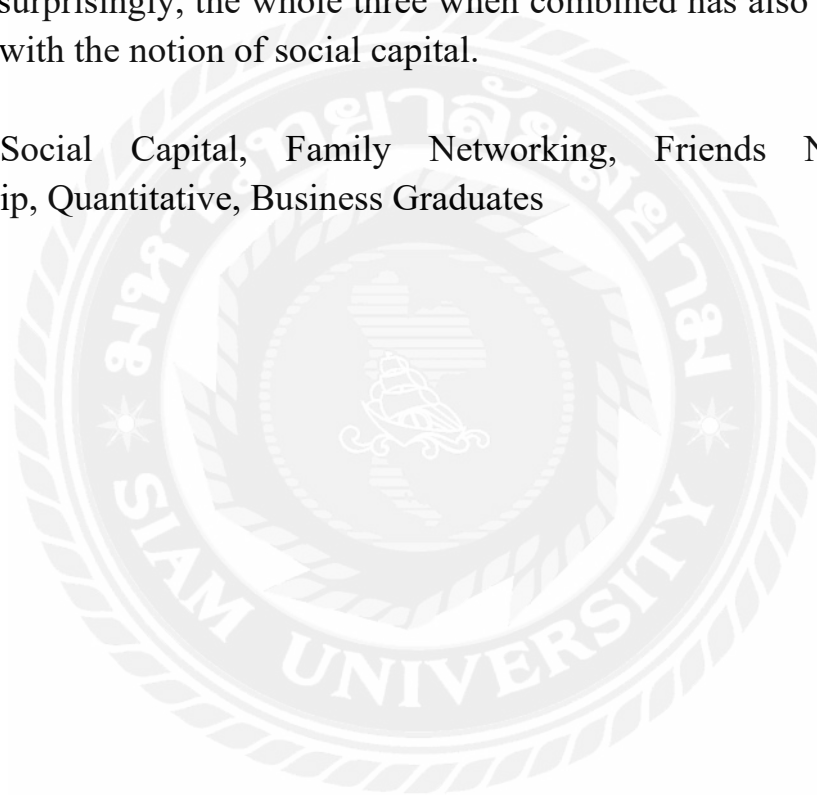
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## **Abstract**

The intention of this study is to explore the role of social capital in the career advancement of young business graduates in china and how that can help the youngsters to start or advance their career. The research basically aims to find the relationship between social capital and career advancement of young business graduates in china. The social capital is analyzed through three independent variables namely Family Networking, Friends Networking and Professional Networking. Social capital is not the similar kind of capital (e.g. economic, human resource capital) to produce products and services in the business world but rather it is of a different kind. Social capital is the capital that is possessed through family, formal and informal relationships with the wider community, society and inside and outside of the social span of an individual or inside or outside an organization through peer relationships and relationships with suppliers and buyers. This research is based on the theory of Coleman (1988) because that theory provides the actual foundation for the hypothesis of this research in a more logical way than any other theory on social capital. But the conceptual framework of this study was guided by Coleman (1990), Bourdieu (1985) and Lin (1999). The research was quantitative in nature and the data was collected from the 251 business bachelor degree students of three universities of china namely: Guangxi University, Guangxi University of Finance and Economics and Guangxi University for nationalities through judgmental sampling. The data was then analyzed through the SPSS spearman and Pearson correlation. It was found at the end that respondents were much sure about getting help from their immediate family than any outsider; therefore two-thirds of them chose more than 50% category regarding the close family being helpful. It is quite contrast when they were asked about getting help from professional networking, most of them almost similar in number as above chose less than 50% category. But when asked regarding the classmates being the helpful source for career advancement, the most respondents gave mixed responses but there were one-third of them who chose less than 50% category. Interestingly, when asked about the connections with top management by family close relatives and the friends, the more responses were less than

50%. Finally, when inquired from the participants regarding the professional networking through formal and informal events being helpful, the more responses were less than 50%, share of those events in career advancement, but with the exception of connections being made during the internship where the contribution could went upto 75%. It was indicated at the end that there is a relationship between family, friends and professional networking and the social capital in China, although the friends and professional networking have weak relationship with the social capital but, the family networking got moderate influence on the social capital than the other two. However, surprisingly, the whole three when combined has also found to be correlated with the notion of social capital.

**Keyword:** Social Capital, Family Networking, Friends Networking, Relationship, Quantitative, Business Graduates

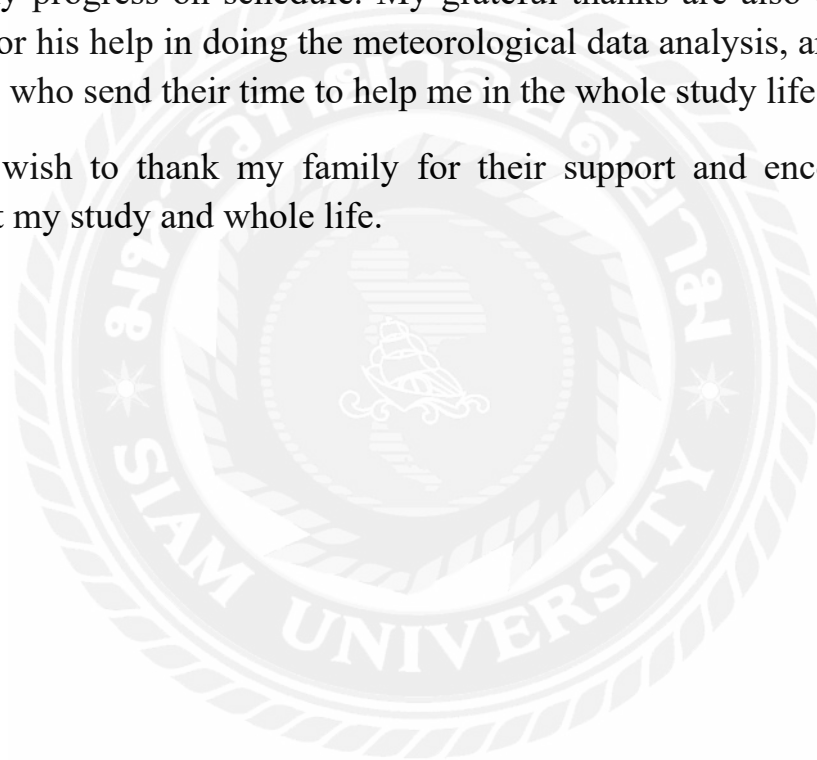


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# Contents

Abstract.....	<b>Error! Bookmark not defined.</b>
Acknowledgement .....	<b>Error! Bookmark not defined.</b>
Contents .....	1
List of Table.....	3
List of figures.....	4
Chapter 1 .....	<b>Error! Bookmark not defined.</b>
1.1 Introduction: .....	<b>Error! Bookmark not defined.</b>
1.2 Chinese Context: .....	<b>Error! Bookmark not defined.</b>
1.3 Problem Statement: .....	<b>Error! Bookmark not defined.</b>
1.4 Main Theory of this Research:-.....	<b>Error! Bookmark not defined.</b>
1.5 Hypothesis: .....	<b>Error! Bookmark not defined.</b>
1.6 Objectives of the Study:-.....	<b>Error! Bookmark not defined.</b>
1.7 Three Independent Variables:- .....	<b>Error! Bookmark not defined.</b>
1.7.1 Family Networking:.....	<b>Error! Bookmark not defined.</b>
1.7.2 Friends' Networking:.....	<b>Error! Bookmark not defined.</b>
1.7.3 Professional Networking:.....	<b>Error! Bookmark not defined.</b>
1.8 Significance of Study: .....	<b>Error! Bookmark not defined.</b>
1.9 Scope of Study: .....	<b>Error! Bookmark not defined.</b>
1.10 Limitations of Study:-.....	<b>Error! Bookmark not defined.</b>
Chapter 2 Theory & Related Research.....	<b>Error! Bookmark not defined.</b>
2.1 Background of the study:.....	<b>Error! Bookmark not defined.</b>
2.2 Social Capital Definitions: .....	<b>Error! Bookmark not defined.</b>
2.3 Social Capital Theories: .....	<b>Error! Bookmark not defined.</b>
2.4 Social Capital in China:.....	<b>Error! Bookmark not defined.</b>

2.5 Role of Family Networking for the young business graduates in their career advancement in china .....	<b>Error! Bookmark not defined.</b>
2.6 Role of Friends Networking for the young business graduates in their career advancement in china .....	<b>Error! Bookmark not defined.</b>
2.7 Role of Professional Networking for the young business graduates in their career advancement in china .....	<b>Error! Bookmark not defined.</b>
2.8 Conceptual Framework of the study.....	<b>Error! Bookmark not defined.</b>
Third Chapter.....	<b>Error! Bookmark not defined.</b>
3.1 Research Methodology:.....	<b>Error! Bookmark not defined.</b>
3.2 Research Design: .....	<b>Error! Bookmark not defined.</b>
3.3 Research Type:.....	<b>Error! Bookmark not defined.</b>
3.4 Unit of Analysis: .....	<b>Error! Bookmark not defined.</b>
3.5 Data Type: .....	<b>Error! Bookmark not defined.</b>
3.6 Data Collection Instrument: Questionnaire .....	<b>Error! Bookmark not defined.</b>
3.6.1 Linkert Scale:.....	<b>Error! Bookmark not defined.</b>
3.7 Sampling Design: .....	<b>Error! Bookmark not defined.</b>
3.7.1 Sample Size: .....	<b>Error! Bookmark not defined.</b>
3.8 Data Analysis Method:.....	<b>Error! Bookmark not defined.</b>
3.9 Validity and Reliability of the Research:.....	<b>Error! Bookmark not defined.</b>
3.9.1 SPSS Reliability Test:.....	<b>Error! Bookmark not defined.</b>
Chapter 4: Data Analysis .....	<b>Error! Bookmark not defined.</b>
4.1 Descriptive Statistics .....	<b>Error! Bookmark not defined.</b>
4.2 Inferential Analysis: .....	<b>Error! Bookmark not defined.</b>
4.2.1 Hypothesis Testing: .....	<b>Error! Bookmark not defined.</b>
4.2.2 Hypothesis 1: .....	<b>Error! Bookmark not defined.</b>
4.2.3 Hypothesis 2: .....	<b>Error! Bookmark not defined.</b>
4.2.4 Hypothesis 3: .....	<b>Error! Bookmark not defined.</b>
4.2.5 Hypothesis 4: .....	<b>Error! Bookmark not defined.</b>

4.3 Results & Discussion:..... **Error! Bookmark not defined.**

Chapter 5: Conclusion..... **Error! Bookmark not defined.**

5.1 Conclusion..... **Error! Bookmark not defined.**

References:..... **Error! Bookmark not defined.**

## List of Table

Table 1: Explaining number of respondents ..... **Error! Bookmark not defined.**

Table 2: Explaining the value of Alpha or the reliability test value ..... **Error! Bookmark not defined.**

Table 3:- Explaining the number of respondents selected different options in Question 1 **Error! Bookmark not defined.**

Table 4- Explaining the number of respondents selected different options in Question 2 **Error! Bookmark not defined.**

Table 5: Explaining the response from different respondents through range of options in Question 3 **Error! Bookmark not defined.**

Table 6 Explaining the response from different respondents through range of options in Question 4. **Error! Bookmark not defined.**

Table 7 Explaining the response from different respondents through range of options in Question 5. **Error! Bookmark not defined.**

Table 8 Explaining the response from different respondents through range of options in Question 6 **Error! Bookmark not defined.**

Table 9 Explaining the response from different respondents through range of options in Question 7 **Error! Bookmark not defined.**

Table 10 Explaining the response from different respondents through range of options in Question 8 **Error! Bookmark not defined.**

Table 11 Explaining the response from different respondents through range of options in Question 9 **Error! Bookmark not defined.**

Table 12 Explaining the response from different respondents through range of options in Question 10 **Error! Bookmark not defined.**

Table 13 Explaining the response from different respondents through range of options in Question 11 **Error! Bookmark not defined.**

Table 14 Explaining the response from different respondents through range of options in Question 12 **Error! Bookmark not defined.**

Table 15 Presenting Relationship between family networking and career advancement of young business graduates in china by using Pearson Correlation test ..... **Error! Bookmark not defined.**

Table 16 Presenting Relationship between family networking and career advancement of young business graduates in china by using Spearman Correlation test ..... **Error! Bookmark not defined.**

Table 17 Presenting Relationship between friends networking and career advancement of young business graduates in China by using Pearson Correlation test ..... **Error! Bookmark not defined.**

Table 18 Presenting Relationship between friends networking and career advancement of young business graduates in china by using spearman Correlation test ..... **Error! Bookmark not defined.**

Table 19 Presenting Relationship between professional networking and career advancement of young business graduates in china by using spearman Correlation test ..... **Error! Bookmark not defined.**

Table 20 Presenting Relationship between professional networking and career advancement of young business graduates in china by using spearman Correlation test .....**Error! Bookmark not defined.**

Table 21 Presenting Relationship between social capital as a whole and career advancement of young business graduates in china by using Pearson Correlation test .....**Error! Bookmark not defined.**

Table 22 Presenting Relationship between social capital as a whole and career advancement of young business graduates in china by using spearman Correlation test .....**Error! Bookmark not defined.**

## List of figures

Figure 1: Conceptual Framework of the study ..... **Error! Bookmark not defined.**

Figure 2 : Explaining research design for this study ..... **Error! Bookmark not defined.**

Figure 3 Explaining different frequency of sample population selected different options for Question 1.**Error! Bookmark not defined.**

Figure 4: Explaining different frequency of sample population selected multiple options for Question 2..... **Error! Bookmark not defined.**

Figure 5 Explaining different frequency of multiple options selected by the sample population**Error! Bookmark not defined.**

Figure 6 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 7Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 8Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 9 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 10 Explaining different frequency of multiple options selected by the different sample population..... **Error! Bookmark not defined.**

Figure 11 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 12 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 13 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**

Figure 14 Explaining different percentages of multiple options selected by the different percentage of sample population..... **Error! Bookmark not defined.**





## Chapter 1

### 1.1 Introduction:

This study is based on the role of social capital and how it is contributing in career advancement (e.g. getting job with ease) of young business graduates going to pass in near future from three Chinese universities, Guangxi University, Guangxi University of Finance and Economics and Guangxi university for nationalities. The social capital is analyzed through three independent variables namely Family Networking, Friends Networking and Professional Networking. Social capital is not the similar kind of capital (e.g. economic, human resource capital) to produce products and services in the business world but rather it is of a different kind. Social capital is the capital that is possessed through family, formal and informal relationships with the wider community, society and inside and outside of the social span of an individual or inside or outside an organization through peer relationships and relationships with suppliers and buyers. It is well defined by the three great academics of this field. Bourdieu (1986), Coleman (1988), and Putnam (1993). Bourdieu (1986) argued that social capital is approached by making sustainable relationships and networks of connections especially those among respectable groups with important inventory of economic and cultural capital. It is also seen that by different means, his approach of social capital was profoundly influenced by Marxist sociology. Therefore, He argued that “economic capital is basic cause of all other kinds of capitals”. While Bourdieu emphasized that networking with outside respectable groups is the center of the social capital and it is feasible between the structures, Coleman (1988) argued the opposite, he defined the idea of social capital as a “different kinds of bodies that all consist some aspect of social structures and support certain actions of those involved, whether personal or corporate and or within the structure”. He mentioned that social capital and human capital is not the same. The first one is relational, cemented in social structure and possessed public good characteristics, however the other one is simply personally involved in nature. Putman (1993) gave a new insight into the concept of social capital while studying the role of it in regional governments of south and north Italy during 1950 to 1990. He found that strong civic engagement forces the respective government to perform and thereby increase the chance of economic and social development. Trust on government bodies creates the environment where community and government work together for shared prosperity. In his book *Bowling Alone*, Putnam (2000) mentioned that “the central tenet of social capital is that social networks are valuable and that is why, social contacts are having effect on the productivity of individuals and groups (pp. 18-19).” He further elaborated that social capital as “connections those involved individuals and hence, making social networks and the form of mutual dependence and trustworthiness that is bound to arise from them” (Putnam, 2000: 19). It is similar to Putnam (2000), Fukuyama (1995) has found the connection between trust, social capital and national economic success. Therefore, he argued that

social capital is the capability of individuals to do any task together for mutual benefit in groups and organizations (Fukuyama, 1995: 10). That leads to the first approach of the giving the idea of social capital in new form as weak tie theory (Granovetter, 1973), that focused on the power of the social link that is employed by a person in the process of locating a job. Granovetter (1973) mentioned that chains with the members of a social circle are probably having tough features (maintained as emotionally powerful, more often and including different types of relationships e.g. friendship, advice, and coworker). The kind of information got by any one participant of the circle is most probably to be either shared swiftly or expendable as already possessed by the other members. However, those chains that reach outside of one's social circle are most probably to be having weak connection (i.e., not emotionally powerful, scarce, and are limited to one restricted type of relationship) rather than strong. According to Granovetter (1973), weak chains are often become a bridge between densely interconnected social circles and thus provide a source of peculiar information and resources. That is why; Granovetter (1973) found that weak ties are the key than the strong ties because of having kind of information about job openings for the kind of job incumbents, those are to likely interviewed.

## **1.2 Chinese Context:**

The context is very important as the social capital depends on the individuals and the structure supported by culture, societal norms and the state philosophy. China has one of the oldest and high power distance culture in the world where individuals prefer to follow the higher authority than the formal rules. It has the shape similar to a coconut where the entry of non-Chinese is almost impossible. Social structure and social capital are interconnected and therefore, institutional theorists have stressed on the historical deep involvement of social structures and processes. Hence, it implies that, those nations having their own understanding of social and economic organization, and therefore it becomes difficult to differentiate them from their own cultural heritage. Therefore, it is seen in China, for instance, the basic building block of Chinese respect for hierarchy and the family social cohesiveness is founded upon the relational norms advanced by Confucius and judicial codes as those produced during the Tang Dynasty<sup>2</sup> (Gernet, 1982). That is why; the institutionalized relational logic handmade a society whose transactional order is based on social obligation to supreme authority and to the family instead of the legislations meant to guard any person (Child & Warner, 2003). It is also true that, the value of social capital was well identified in China before the idea got familiarity in the West. However, the focus was mainly on the individual perspective of it rather than the collective feature of social capital (Chan, 2009). Guanxi or instrumental-personal ties are considered to be essential in Chinese society in terms of the social resources within social networks that one can approach and utilize. However, little attention has been given to social capital at the collective level until that time. Hence, the influence of becoming a member of social groups on the overall social and economic

development in China is yet unknown (Walder, 1986). But it is a fact that, Guanxi provides superior treatment to the individuals in an exchange, in the form of easy access to limited resources, swift and fast access to limited information, credit delivery, and also having safeguard from external competitors (Lee et al, 2001). Western scholars have looked at Guanxi as similar to networking, that is, a form of social capital that has the potential to be converted into economic, political, and symbolic (prestige and status) assets (Ying et al, 2006). However, the Chinese concept of Guanxi is actually different from this mainly due to the notion of reciprocal obligation and indebtedness. Guanxi is a system for Chinese people to take rendering (favours) through which obligation and indebtedness is embedded and there is no time limit for repayment (Gold et al, 2002).

### **1.3 Problem Statement:**

The Chinese economy is moving slowly with just more than 6% and less than 7% and export is also reduced up to some extent. But, Chinese government is also absolutely disturbed with the huge unemployment in the country and by not measuring the exact number of unemployed people in the country. According to Fathom consulting group London survey results (2016); the unemployment rate is not 4% but most probably 12.9%. So, the huge unemployment rate with more than 7 million graduates annually passing out is seriously a point of concern for the young business graduates going to apply for jobs in China. Therefore, this study will analyze the role of social capital that could be used by those young graduates to grab the position of their interest not just by talent but by networking. This study will pave a path for young business graduates to inform their potential graduates in the future about their job possibility through networking. China is very good example of where closed bonded nature of the relationships provide the opportunities to the individuals to seek possibilities, exploit them and achieve their individual goals.

### **1.4 Main Theory of this Research:-**

This research is based on the theory of Coleman (1988) because that theory provides the actual foundation for the hypothesis of this research in a more logical way than any other theory on social capital. Coleman (1988) described social capital as one kind of social form that supports certain doings of actors whether persons or corporate actors-within that form. Coleman has taken a middle position between two theoretical traditions e.g. the functionalist perspective of social action which is restricted by social structure and the second one was rational theory which guides that actors' goals are decided by utility-maximizing following of his/her self-interest (Coleman, 1988, p. 95). Coleman social capital is productive, i.e. it is employed in a way so that those involved could gain specific goals those are not possible to achieve without it. That is why; it has a clear instrumental objective. It is when compared to Bourdieu; Coleman has defined social capital as a collective resource used by actors who are objective-oriented. Social capital

requires an element of deep involvement in social structure. That was an idea, taken by Coleman from Granovetter (1985) but it can also be seen in Bourdieu's social space as defined by actors' positions. It can be seen like Bourdieu; Coleman has perceived social capital as essentially residing in the social structure of relationships among people. That angle of a perspective makes it separate from its both predecessors financial and human capital (Tzanakis, 1993). According to Coleman (1998), whether conceptual tools, efficient at the individual level, are better to be employed in order to make the so-called micro-macro transition (i.e. extend beyond the family to greater aggregates and collectivities). Social capital, despite its less tangible character has shared its features with the financial capital as an ease of making the micro-macro transition. Social capital has given value to those aspects of social structure that become resources, which then are used by the goal-seeking actors. Hence, social capital can be used conceptually at both the micro and macro levels without requiring a separate theory of social structure working at the two levels of inquiry.

### **1.5 Hypothesis:**

H1= whether there is a relationship between family networking and career advancement of young business graduates in China?

H2= whether there is a relationship between friends' networking and career advancement of young business graduates in China?

H3= whether there is a relationship between professional networking and career advancement of young business graduates in China?

H4= whether there is a relationship as a whole between social capital and career advancement of young business graduates in China?

### **1.6 Objectives of the Study:-**

1. To find out the impact of family networking on the job opportunities or career advancement for the young business graduates in China
2. To find out how friends' network of an individual young business graduate can help him/her to find a job or advance their career in China
3. To find out how networking through same field persons or attending professional events help the young business graduates to advance their career in China
4. To find out how social capital with its weak ties and strong ties could help the young business graduates to find job opportunities or career advancement possibilities in China

### **1.7 Three Independent Variables:-**

1. Family Networking
2. Friends' Networking
3. Professional Networking

### **1.7.1 Family Networking:**

Family networking is a process of making connections with those who are directly having relation with you or those could possibly recognize you because of your immediate relationship. The example could be if your cousin is married to a girl and his brother meets you, he could recognize you as a far brother of his brother-in-law. By that means, if you know more people and more people know what you do, it could possibly help you to find a better employment in the near present or in the future. Interestingly, this is connected with the increasing role of China's higher education; it is then found out that the difficulty in employment opportunities of university graduates has produced a social problem presently (Di, 2011). Yan (2016) argued in his newspaper article that, there are 7.65 million graduates passed in 2016. He further explained by referencing to research report on 2016 graduates released by one job hunting website in china, 52.11 percent of graduates found employment or started their own business. At a particular point in time, employment rate of university graduate is declining. A survey from Social Survey Institute of China has given the data in 2009 that showing that the aggregate employment rate of university students was 35.6 %. Therefore, the family social capital matters as china is a closed society and the relationships matters in Chinese context. Social capital theory describes that the primarily stock of family social capital is taken from the interpersonal web of connections of parents and relatives founded on trust, social skills, social status, and characters. This social capital has derived through two ways: within the family and the outside of the family. The social capital within the family implies the social interactive network created by parents' social resources and relatives' connections (Di, 2009). Family is "the one form of class 'fate'" because of the collective or inter dependent decision-making among family individuals on their labor market activities has made family "a key unit of strategic action that is followed within the class structure". In other words, the socioeconomic statuses of family members are bound to be affected by family background in two ways. First, family has an authority to make a decision about the original position of a person in the social stratification system and those effects on his or her likelihood of social mobility through social capital another shared resources. Secondly, a person's success is affected by the family's strategy in maximizing the well-being of the family as a whole (Erikson & Goldthorpe, 1992:233).

### **1.7.2 Friends' Networking:**

The definition of networking is "the exchange of information or services among individuals, groups or institutions; specifically: the cultivation of productive relationships for employment or business" (Merriam-Webster Dictionary, 2012). The friends' networking is the easy way to get information about job market through those who already had it or through those who are searching more extensively than you. Your friends' network sometimes is wider and easily accessible than family network. For

example, you still have a contact of your friend studied with you in school, then in college and then in university. Networking could be served as a most important strategy almost at every point of one's career development. Some individuals, whom you know, can support you to evaluate your skills and interest or to find out industries and work functions and their connections with academic fields; to learn about challenges and opportunities, the skills required, the jargon, and the trends in specific fields; and they possibly could facilitate you to focus upon your career or job options. As, when you talk to people, you get information, advice, and referrals. Therefore, since nearly 80 percent of all jobs are not advertised, you know about opportunities those otherwise always go unnoticed. Hence, the more contacts you have, the likelihood that, you are to uncover the hidden job market (Hunter, 2009).

Therefore it is observed that, networking is done for the sole objective of career development that suggests, chatting with friends and acquaintances about your future objectives, your interests, and your dreams. Hence, many people actually have learned about job openings through friends, relatives, or others whom are considered to be their personal network, and because each person in your network has a network of his or her own, your potential contacts are bound to grow rapidly. This is essential because more often than not, recruiting managers would rather talk to a potential candidate whom was recommended by someone they know or already employ. That is why, even if a job is not currently available, networking can guide to informational interviews those could facilitate you to not only learn about possible career paths, but also of nice exposure for you to be considered as a potential candidate when a future position is vacant. An informational interview is not considered similar to a job interview by all means, but it is probably the most productive form of networking (US labor department document, 2012). A powerful network is similar like money in the bank. The network can guide you to create visibility, connect you with influencers, and that opens up doors of fresh opportunities. Building and nurturing a network is one of the most favorable things you should be doing in order to support your career advancement. But, yet then, our networking efforts are just social, hasty, and as a result are ineffective. You make friends and connections, however, these people may not always be in a position to support you further your career or most importantly, they may not be willing to speak for you (Marcus, 2014).

### **1.7.3 Professional Networking:**

Professional networking means any network that consists of those people working for the same industry, same profession or similar kind of operations. Suppose, if you are business graduate specialized in finance then the professional body where all finance professionals meet would be of interest to you to find out the latest news about the profession and introduce yourself for getting advice from your seniors. Network researchers have explored a broad range of kinds of knots. That includes communication

knots (such as who talks to whom, or who gives information or advice to whom), formal knots (such as who reports to whom), affective knots (such as who likes whom, or who trusts whom), material or work flow ties (such as who gives money or other resources to whom), proximity knots (who is spatially or electronically close to whom), and cognitive knots (such as who knows who knows whom). Network researchers have differentiated between strong connections (such as family and friends) and weak connections (such as acquaintances) (Granovetter, 1973, 1982). This distinction has involved different aspects including affect, mutual obligations, reciprocity, and intensity. Strong connections are particularly important when a person is keen to find socio emotional support and often extend a high level of trust. Weak connections are more noticeable when individuals are seeking peculiar information from someone outside their regular frequent contacts. This information could involve new job or market opportunities (Katz et al, 2004). Networking is the way of forming relationships and alliances. It is a strong tool in beginning as well as progressing in your career. The real bottom line of networking is to systematically find out and connect with individuals who can support your career endeavors. This can be in the form of information about career fields, referrals to other professionals, advice on a particular career path or in finding job or internship leads (Binghamton University, 2014). It is all about developing meaningful two way relationships with individuals who can support you in your career development and your search for work experience or employment. Networking is also a great aisle to find out more about what is involved in different jobs and what it's really like working for specific organizations. It is not about finding directly for job opportunities initially but, it is about creating the links and connections that would place you in the best position to learn about and take advantage of opportunities. It is also evident that, with the emergence of social media, networking is not just about who you know but, it is now also about who knows you. A professional LinkedIn profile and presence on relevant groups, or an active (and appropriate) Twitter account could give you an added advantage and help you stand out from the crowd (University of York, 2015).

### **1.8 Significance of Study:**

The importance of social capital is increasing day by day as more employers turn towards those employees whom they know directly or indirectly. Adams (2012) argued in her article in Forbes magazine that top most employers hire those whom they like. It means their background, living style or may be some activities like playing golf is of more interest to employers than the GPA on the CV. Therefore, in this world of interconnectedness, the right person you know at the right time and at the right place matters than ever before. Connections matter as we move towards high ladder in our life, it matters more and more whom we know and have we made the repo with that connection to be used for any personal or professional goals in the future. Therefore, this study will analyze the opinion of the young graduates going to pass soon or already



recently completed their coursework and waiting for their degree in order to find out, how they value the social capital in their job search. What kind of networking is more important for them? So by that means, this study will show the different path of finding a job to new young business graduates in China.

### **1.9 Scope of Study:**

The social capital concept is so wide; it is not possible for this study to cover all the aspects of social capital like family background, social status, and economic wellbeing of individuals and so on. Therefore, this study will only analyze three networking methods namely family networking, friends' networking and professional networking in order to find out how these can determine the career advancement of young business graduates in China for the selective universities. The china itself is a very big country and it is not possible to ask all the young business graduates about their opinion. Therefore, this study will only cover selective universities in order to analyze the topic at hand.

### **1.10 Limitations of Study:-**

1. It will only cover three variable of social capital so the other variables affecting career advancement e.g. lack of skills, talent is not covered by the study.
2. It will only focus on young business graduates and not include the graduates from other faculties
3. The data acquired by this study can't be generalized to whole china but on particular geographical region due to its small size
4. This study is limited by the financial resources of the individual making this research
5. The study will only get a small population sample because of geographical remoteness and the nature of the research

## Chapter 2 Theory & Related Research

This chapter will focus on the scholarly works done by other scholars in the field of social capital and its role in the career advancement for the young graduates. It is important to review the literature because it guides you how much work has already been done and how this study would contribute into the field of social capital. Social capital is really important for getting job or advancing one's career as it is mentioned by Xue(2008) on her study on immigrants in Canada and why they are at disadvantage of finding a job, education attainment and health service acquisition because of having less social capital than natives(Aguilera 2003; Sanders, Nee & Sernau 2002). Literature review is also defined as "critical analysis of a segment of a published body of knowledge through summary, classification, and comparison of prior research studies, reviews of literature, and theoretical articles" (University of Wisconsin Writing Center, 2008). This research will use the past studies done on social capital generally, theories and definitions of social capital, social capital in china and the works specifically related to the three independent variables of this research, Family networking, Friends networking and Professional networking.

Young business graduates according to the researcher usually find it hard especially if they are from lower or middle class to get a job after their graduation because of two reasons. One is the sophisticated skills needed to perform certain operations in the industry are not acquired through academic theology but by the experience. Second, their class determines mostly their social structure and by that means, the less information of the opportunities and familiarity with those who have them. It is also well articulated in one news article that china will have 7.65 million graduates in 2016 with the GDP growth rate of 6.6 by IMF October 2016 forecast. Sharma (2014) mentioned this two years earlier in his article that china and India are facing huge challenge of unemployment. China, in a month of July 2014 had a record of 7.26 million graduates, more than seven times the number 15 years ago. He argued that unemployment among new graduates six months after leaving university is officially around 15%. Even that conservative estimate means over a million new Chinese graduates will be jobless. According to the professor Joseph cheng in his article he emphasized that the real unemployment rate would be closer to 30%, it means that some 2.3 million would be unemployed in 2014 graduation cohort alone. The employment in china shrunk by 4.5 percent(y-o-y) basis as manufacturing activities are on decline since 2010(Morrison, 2015).). Therefore, there is an emergence of "Ant Tribes" in china and why they are called so because they live in buildings together, share their rooms, beds and bathrooms as mentioned by Chinese sociologists who are worried about those very big numbers of young graduates searching jobs in big cities of china e.g. 100,000 only in Beijing (Jacobs, 2010). This could also be manifested by the official purchasing managers' index (PMI) stood at 49.4 in January

2016, compared with the previous month's December reading of 49.7 and when it is below the 50-point mark that automatically separates growth from contraction on a monthly basis. It is the weakest index reading since August 2012. Meanwhile, the official non-manufacturing PMI fell to 53.5 in January 2016 from December's 54.4 as reported by National Bureau of Statistics (NBS). The services index remained in expansionary territory highlighting continuing strength that has helped china weather the sharp slowdown in manufacturing (Reuters, 2016). The situation is already sensed by the Chinese state council in its 2015 report when they mentioned that China has begun transition towards a "new normal" as economic reforms progress and that is why, priority is on maintaining stable growth and ensuring ample employment while pursuing reforms (Zhang, 2015). Therefore, this research will analyze the role of social capital in the career advancement of young business graduates because this could help young graduates to find their way in order to seek employment in this tough market situation. This study would seek empirical evidence by which, it could be recommended to those young business graduates not to just study but to make necessary investment and involvement in their family, friends and professional network.

**This chapter is divided into six main parts namely;**

- 2.1 Background of the study
- 2.2 Social Capital Definitions
- 2.3 Social Capital Theories
- 2.4 Role of Social Capital in China
- 2.5 Role of Family Networking for the young business graduates in their career advancement in china
- 2.6 Role of Friends Networking for the young business graduates in their career advancement in china
- 2.7 Role of Professional Networking for the young business graduates in their career advancement in china
- 2.8 Conceptual Framework of the study

### **2.1 Background of the study:**

It is quite the obvious fact by declared by IMF world economic outlook(WEO)in its October (2016) report that global growth is estimated at 2.9 percent in the first half of 2016, slightly weaker than in the second half of 2015 and lower than projected in the April 2016 WEO. The recent weak momentum is mostly a product of softer activity in advanced economies. China is no different and as being the second largest economy according to GDP per capita after the United States, the global slowdown affects it a lot. China's demographics and its class structures have been changed because the lower class has come into middle and middle has gone into upper class but, the situation in the future is not as bright as it was in the past. Lam et al (2015) argued that the country's demography and labor dynamics are changing, after benefitting in past decades from

ample cheap labor. So far, the labor market appears to be resilient, even as growth slows, driven in part by expansion of the services sector and also the migrant flows with possible labor hoarding in overcapacity sectors may also help explain this situation. Yet, while the latter two factors help serve as shock absorber, contributing to labor market stability in the short term but when they persist, they may delay the needed adjustment process, contributing to an inefficient allocation of resources and curtailing productivity gains. Unemployment and social unrest are connected as this could be seen from the examples of middle eastern countries where civil unrest started due to economic recessions and huge unemployment e.g. MENA region.

This is also well documented by Cai & Chan(2009) when they argued that in an immense developing country like China, “keeping the rice bowls” that literally means “holding on to the job to bring food home” has for centuries been an important issue that has become even more critical at present, and likely in the years to come. Mass unemployment has drastically increased the volume of labor disputes and mass protests in late 2008, as many factories have closed down. Facing closures, some factory owners fled without paying their laid-off workers the required compensation and/or wage arrears (Zhan, 2008). Moreover, mass urban unemployment tends to carry the seeds of social unrest as well as the possibility of political destabilization (Solinger, 2007).The International Labour Organization (ILO) estimated there to be 74.5 million unemployed young people aged between 15 and 24 worldwide at the end of 2013, although the number of idle youth is much higher (ILO 2013a). The World Bank estimates there to be 621 million currently inactive young people around the world (WB 2012). They are called hittistes (“those who lean against the wall”) in Tunisia, freeters (an amalgam of the English “free-lance” and the German Arbeiter) in Japan, or just NEET (“not in education, employment, or training”) in international labor statistics. A lost generation of the disillusioned, unemployed, and underemployed form the recruitment pool for unrest in many countries of the world. They have been among the driving forces of the “Green Revolution” in Iran in 2009 and of the “Jasmine Revolution” in the Arab world in 2011, and have also been significantly involved in the protest activities in crisis stricken Spain (Austin 2011; Haouas et al. 2012; Kraushaar 2012; Sánchez 2012; Boughzala 2013). Therefore, it is necessary for the young graduates to find jobs or finding self-employment by using their social capital and it is also necessary for the government to create as many as possible in order to avoid the social unrest in the country. Therefore this research will fill the knowledge gap of how by using social capital, an individual can find employment or be self-employed by gaining enough knowledge and experience from his/her family members, friends or professional acquaintances. Self-employment provides a window into China s economic change and growth. Before the 1978 reforms, the self-employed accounted for less than 1 percent of the urban labor force and it was near zero in the collectivized rural country side. Then China’s industrial and agricultural sectors were monopolized by the Communist party state. However, in the initial stage of the reforms,

self-employment was the very first of non-state economic forms to emerge and grow and during the later reforms. It became the cradle of the Chinese market economy and capitalism. Today, the non-state sector is several times the size of the state sector in terms of both labor force and economic output. It is accounted for 18 percent of urban jobs in China (Xie 2014).

The concept of social capital draws attention to the effects and consequences of human sociability and connectedness and their relations to the individual and social structure. The concept is not really new as some scholars trace the theoretical underpinnings of the social capital notion back to thinkers of the nineteenth century (Adam & Rončević, 2003; Putnam 1993). When, people use their collective resources to achieve collective goals and objectives especially in their survival time by living in a communal setup (Breuskin, 2012). But, the concept is revitalized by using it in a different way that family, friends and professional sphere creates an opportunity for individuals to achieve their respective goals but by that means, individuals have to invest in the network first. Young business graduates according to the researcher usually find it hard especially if they are from lower or middle class to get a job after their graduation because of two reasons. One is the sophisticated skills needed to perform certain operations in the industry are not acquired through academic theology but by the experience. Second, their class determines mostly their social structure and by that means, the less information of the opportunities and familiarity with those who have them. Therefore, this research will analyze the role of social capital in the career advancement of young business graduates and seek empirical evidence by which, it could be recommended to those young business graduates not to just study but to make necessary investment and involvement in their family, friends and professional network.

## **2.2 Social Capital Definitions:**

The concept of social capital is quite complex in nature because it is defined by different scholars in different ways as this is the social science subject so, it is bound to have various definitions. The concept of social capital as it is perceived today derives primarily from the scholarly works of Pierre Bourdieu, James S. Coleman and Robert Putnam (Portes 1998; Kriesi 2007). However, there is no agreement on the nature of social capital within the literature (Ostrom 2001). The fact that social capital has been put forward as a concept unifying the disciplines of economics, sociology and political science, contributes to the existence of many different forms of social capital (Grootaert & van Bastelaer 2001, 4). There could be different definitions of social capital by economists, sociologist and psychologist and others, but it could possibly be generalized on two levels individual and organizational or societal. This research will mainly focus on individual level. It was Lyda J. Hanifan in 1916, who is credited with introducing the concept when he said that “I do not refer to real estate, or to personal property or cold cash, but rather to that in life that tends to make these tangible substances count for most in the daily lives of

people: namely good will, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit, the rural community” (Hanifan 1916), p130). It was then after Hanifan in 1970s (Loury 1977), the eighties (Bourdieu 1980; Coleman 1988), the nineties (Burt 1997; Fukuyama 1999; Knack and Keefer 1997; Putnam, Leonardi and Nanetti 1993) and the last decade (Dasgupta 2005; Esser 2008; Fafchamps 2006; Sen 2003; Woolcock and Narayan 2000). This research would focus on some of the famous definitions and concepts by some most famous scholars and one of them was Bourdieu in 1980s. He was the French sociologist who defined social capital the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu 1985, p. 248; 1980). Although, he was the one who was interested in the ways in which society is reproduced, and how the dominant classes retain their position. Therefore, he wrote a most famous book “Distinction (1984)” in which he explored the ways by which the trappings of middle-class taste and cultivation are used by people as cultural signifiers, as they seek to identify themselves with those ‘above’ them on the social ladder, and to demonstrate their difference from those ‘below’. It was Bourdieu who used social capital concept in order to highlight the inequality in the society (Gauntlett, 2011). So Bourdieu used social capital on societal level indeed but he did mentioned individual benefits of social capital as well. Although, Bourdieu provided very good insight about social capital on societal level broadly, his main focus of society as the collection of individuals so his unit of analysis was individual rather than collective. What Bourdieu (1985) missed waste linkage of social capital with economics; it was Coleman (1990) who once collaborated with Bourdieu in 1989 combined the idea of sociology with economics. Coleman linked social capital with economics, but in a different way, he sought to combine the insights of sociology and economic theory, seeing social capital as a way of making sense of the overly rational and individualistic models of traditional economics. In particular, he used it to give a human and more collective social face to rational choice theory, which seemed to offer a grand predictive model of how things work, but although less helpfully because it saw people more like ants in an ant farm, than as citizens in a civilization.

Therefore, Coleman defined social capital as it is the economic stream that flies in the face of empirical reality but actually the persons’ actions are shaped, redirected, constrained by the social context; norms, interpersonal trust, social networks, and social organization are important in the functioning not only of the society but also of the economy (Coleman, 1988: 96). He highlighted the difference between social capital and human capital. He further elaborated that social capital is relational, embedded in social structure, and had public good characteristics: “Unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons (Coleman 1990: 302).” The structure of relations could help establish obligations between social actors, create a trustworthy social environment, open channels for information, and set

norms and impose sanctions on forms of social behaviors (Coleman, 1988: 102-104). For Coleman, social structure becomes social capital when an actor effectively uses it to pursue his interests (Coleman 1990: 305). Then, it was Fukuyama (1995) who gave this idea of trust being related with economic prosperity. He mentioned that “A nation’s prosperity and competitiveness hinge upon a single, pervasive, cultural trait: the level of trust present in the society and this depends on “the crucible of trust” -social capital’ (1995: 7, 33).

He distinguished the low trust societies from high societies and gave examples of high-trust societies as Japan, Germany and the United States characterized by the development of large-scale corporations out of family firms through the medium of “rich and complex civil society” (1995: 130). Low-trust societies are those of China, Italy and France, the first two characterized by the restriction of trust, and thus enterprise, to the ‘family’; the latter by the destruction of a rich civil society by a centralizing state. Bourdieu, Fukuyama (1995) and Coleman (1988) all emphasized the role of individual and organizational social ties in predicting individual advancement and collective action. Furthermore, Putnam (1993) emphasized on the level of trust and trust being the main element of performance at collective and individual level. He analyzed the governance structure of northern and southern Italy and found that strong involvement of civic engagement with government institutions can increase performance of administration and that is why northern Italy administration was found better than southern Italy administration. He defined social capital therefore as “Features of social organizations, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions” (Putnam 1993:167). He argues that social capital is a “moral resource.” and he considered social capital to reflect primarily a system of values, especially social trust (Putnam, 1993, p169). Civic networks may enhance social life, but this “social connectedness” is distinct from and secondary to moral values (Uslaner, 1996a). It could also be seen that both social capital and connectedness are important for what they produce. Communities with strong positive values (including trust in others) and ties that bind people to one another will have more powerful norms of generalized reciprocity and cooperation. Trust as a moral resource leads us to look beyond our own kind. It means that we downplay bad experiences and cooperate even when we are not sure that others will oblige (Uslaner, Whiteley, 1996; Wuthnow, 1997; Mansbridge 1997). Trust makes for a vibrant community in several ways and it promotes cooperation (Putnam, 1993, 171).

### **2.3 Social Capital Theories:**

There are different theories provided by Bourdieu (1986), Coleman (1988) and Putnam (1993). This research has already covered those approaches partially but it can now compare these and other different theories related to sociology and economics and how they are connected. Putnam (1993) gave the new dimension to the research on social

capital when he found a strong correlation between measures of civic engagement and government quality across regions in Italy. After that many authors have followed the Putnam, some have done research on sociology; others compared a factor of trust with economics. For example, Knack and Keefer (1997) found that a one-standard deviation increase in a survey-based measure of country-level trust increases economic growth by more than one-half of a standard deviation. LaPorta et al. (1997) argued that across countries, a one-standard deviation increase in the same measure of trust increases judicial efficiency by 0.7 of a standard deviation and reduces government corruption by 0.3 of a standard deviation. Goldin and Katz (1999) argued that social capital in the American Midwest facilitated the rise of the high school. Initially, it was Bourdieu (1986) who gave a theory on social capital by saying that social networks are not a natural given and must be constructed through investment strategies oriented to the institutionalization of group relations, usable as a reliable source of other benefits. Bourdieu's definition makes clear that social capital is decomposable into two elements: first, the social relationship itself that allows individuals to claim access to resources possessed by their associates and second, the amount and quality of those resources. Throughout, Bourdieu's emphasis is on the fungibility of different forms of capital and on the ultimate reduction of all forms to economic capital, defined as accumulated human labor. Hence, through social capital, actors can gain direct access to economic resources (subsidized loans, investment tips, protected markets); they can increase their cultural capital through contacts with experts or individuals of refinement (i.e. embodied cultural capital); or, alternatively, they can affiliate with institutions that confer valued credentials (i.e. institutionalized cultural capital).

It was Loury (1977, 1981) before Bourdieu who was the economist by profession gave first time the economic dimension of the social capital in a more clear way. He came upon the term in the context of his critique of neoclassical theories of racial income inequality and their policy implications. Loury argued that orthodox economic theories are too individualistic, focusing exclusively on individual human capital and on the creation of a level field for competition based on such skills. It is a fact that legal prohibitions against employers' racial tastes and implementation of equal opportunity programs would not reduce racial inequalities by themselves. When Loury did his research on black labor and its connections and whether it is possible for black youths to gain same opportunities as white ones, he found that it is not possible because of two reasons, first it is the inherited poverty of black parents, which would be transmitted to their children in the form of lower material resources and educational opportunities; second, the poorer connections of young black workers to the labor market and their lack of information about opportunities.

Coleman (1988) begun his analysis with theory of rational action, in which each actor has control over certain resources and interests in certain resources and events, then social capital constitutes a particular kind of resource available to an actor. Therefore, he further



elaborated social capital and defined it by its function. He said that social capital is not a single entity but variety of different entities, with two elements in common: they all consist of some aspect of social structures. They all facilitated certain actions of actors, whether persons or corporate actors but they are within the structure. It is like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible. It is like physical capital and human capital, social capital is not completely fungible but may be specific to certain activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others. But unlike other forms of capital, social capital inheres in the structure of relations between actors and among actors. It is not lodged either in the actors themselves or in physical implements of production. Because purposive organizations can be actors (“corporate actors”) just as persons can, relations among corporate actors can constitute social capital for them as well (with perhaps the best-known example being the sharing of information that allows price-fixing in an industry. Coleman focused on social capital as being embedded within the structure and it is used on both levels individual and corporate, he was the one who differentiated social capital from human capital. Although Bourdieu and Coleman gave good insights about social capital, it was Granovetter(1973) provided the definition of weak ties and strength of those weak ties. He mentioned in his strength-of-weak-ties theory, which illuminates the potential effects of social network ties on creativity, has gained particular prominence. According to this theory, networks saturated with “weak” ties, social relationships, which are typified by infrequent interaction, short history, and limited (emotional) closeness, are particularly valuable to the production of creative ideas because they allow for enhanced access and exposure to socially distant pockets of information, information that is likely to be novel and, therefore, likely to spur the combinatory process underlying the production of creative ideas (Brass, 1995; Perry-Smith & Shalley, 2003). Indeed, the creativity benefits that flow from large networks of predominantly weak ties have recently been documented. For instance, Perry-Smith (2006) found a positive link between the number of weak-tie acquaintances in scientists’ networks and scientists’ creativity. Similarly, Zhou, Shin, Brass, Choi, and Zhang (2009) showed that an increasing number of weak ties coincided with elevated levels of creativity in a sample of technology employees. Although Granovetter (1973) covered the weak ties but he lacked to mention the strong ties that he covered in his later stage in 1984. Granovetter (1984) mentioned that weak ties and strong ties both are important depending on the social structure and the information needed. For example, for professional purposes, weak ties are more beneficial than strong ties but on the matter of social acceptance in one’s social circle, strong ties can benefit. Economic and social benefits also differ while having strong and weak ties. It was Coser(1975) who mentioned that strong ties are like *Gemeinschaft* and if you are in, that means you may never become aware of the fact that your life does not actually depend on what happens within the group but on forces far beyond your

perception and hence beyond your control. The *Gemeinschaft* may prevent individuals like you from articulating your role in relation to the complexities of the outside world. Indeed, there may be a distinct weakness in strong ties" (p. 242). Coser (1975) then elaborated the cognitive ramifications of this conundrum: when he mentioned "In a *Gemeinschaft* everyone knows fairly well why people behave in a certain way, therefore, little effort has to be made to gauge the intention of the other person (p. 254). After Granovetter (1973, 1984) there was Lin (2001) who gave the social capital the way forward necessary for the current context. He defined why social capital works because it has four factors necessary *namely, Information, Influence, Social credentials and Reinforcement*. Individuals engage in interactions and networking in order to produce profits. Generally, three explanations can be offered as to why embedded resources in social networks will enhance the outcomes of actions. The one is, it facilitates the flow of information. In the usual imperfect market situations, social ties located in certain strategic locations and/or hierarchical positions (and thus better informed on market needs and demands) can provide an individual with useful information about opportunities and choices otherwise not available. Such information would reduce the transaction cost for the organization to recruit "better" (be it skill, or technical or cultural knowledge) individuals and for individuals to find "better" organizations which can use their capital and provide appropriate rewards. Second, these social ties may exert influence on the agents (e.g., recruiters or supervisors of the organizations) who play a critical role in decisions (e.g. hiring or promotion) involving the actor. Some social ties, due to their strategic locations (e.g structural holes) and positions (e.g. authority or supervisory capacities), also carry more valued resources and exercise greater power (e.g. greater asymmetry in dependence by these agents), in organizational agents' decision making. Third, social ties resources, and their acknowledged relationships to the individual, may be conceived by the organization or its agents as certifications of the individual's social credentials, some of which reflect the individual's accessibility to resources through social networks and relations e.g. his/her social capital. It could be analyzed that "Standing behind" the individual by these ties reassures the organization (and its agents) that the individual can provide "added" resources beyond the individual's personal capital, some of which may be useful to the organization. Finally, social relations are expected to reinforce identity and recognition. Being assured and recognized of one's worthiness as an individual and a member of a social group sharing similar interests and resources not only provides emotional support but also public acknowledgment of one's claim to certain resources(Lin, 2001). He further explored that there are two theoretical approaches to describing the process of how social capital is expected to produce returns. In one process, social capital is conceived in terms of its capacity – the pool of resources embedded in one's social networks- and the expectation is that the richer or greater the capacity, the better the return. Thus, the description entails the linkage between accessed social capital and its expected return. In another approach,

social capital is defined in terms of its actual use in production and the expectation is that the better the capital used the better the return. This description focuses on mobilized social capital. Accessed social capital estimates the degree of access to such resources or the extent to which a potential pool of resources capable of generating returns is available in the networks to the actor (Lin, 2005). This research will thereby use the Lin (2001) as the main theory of this research with addition as Lin(2005) because that both suits the scope and objectives of this research.

#### **2.4 Social Capital in China:**

The culture in most Asian countries is collective in nature and it is driven by the philosophy of Confucius since almost 2,000 years. Confucianism was an ideology of Confucius-a famous philosopher that shaped the social, ethical and political aspect of Chinese cultures. It focused on the conduct and practices of people in daily life. It is a complex set of ethical and moral rules that dictate how a person relates to others. It plays a key role in forming the norms of social morality which influence the culture in personal, familial, and social relationships (Huang & Gove, 2012). According to that ideology, Chinese cultures value the collectivist ideology which affects family functions and behaviors (Lu and Shih, 1997). There are five basic relationships that are core for Chinese cultures: father-son, emperor-subject, husbandwife, elder-younger, friend-friend and three out of those occur in the family as proposed by Confucius (Chang & Holt, 1991). Chinese cultures strongly propagate that one should strive to expand the prosperity and vitality of one's family. (Lu & Shih, 1997; Miller & Yang, 1997).It is clear that family is in the center of an individual's life and everyday existence (Huang & Gove, 2012). As social capital definition mentioned that it is a capital that is embedded in network or connections or structure of connections. It is important to know how people are connected in Chinese culture. One way is Guanxi that literally means 'interdependent relationship', 'having a concern with something or someone' or 'having a bearing on something' (LRICSSA 1981: 401). In the context of discussions of relations between individuals in friendship and political or economic relationships the term indicates carefully constructed and maintained relations between persons which carry mutual obligations and benefits. While it is used in popular parlance Guanxi is increasingly treated as an analytical category (Chiao 1982).Guanxi is a Chinese word recognized especially in Asian business cultures including Korea and Japan. In Chinese, Guan refers to a "door", or to "close up" with those inside a group whereas Xi can be interpreted to mean a joined chain. Thus, Guanxi can be translated to mean relationships or connections between people and groups. In the basic sense, guanxi is similar to Bordeaux's notion of social capital, which "is the aggregate of the actual or potential resources which are linked to possession of a durable network, which provides each of its members with the backing of the collectively-owned capital, which entitles them to credit, in the various senses of the word"(Mellor, 2010). Gold et al (2002) suggest that in "the case of China,

guanxi capital is generally accumulated with the intention of converting it into economic, political, or symbolic capital.”<sup>9</sup> (p7), such symbolic capital can be as important as the others, such as in the conversion of guanxi into face (mianzi) or sentiment (renqing). In Chinese dominated societies, people use the word Guanxi to refer to someone who is well connected, knows a lot of people and can get things done not necessarily through the formal channel. Guanxi involves personal connections between individuals in their formation and maintenance of long-term relationships which follow implicit social norms which seem to be purely local in their sense if not meaning. These norms include xinyong (trustworthiness), mianzi (face), renqing (norms of interpersonal behavior), reciprocity and obligation (Qi, 2013). There are usually two types of Guanxi that are distinguished based on expressive and instrumental ties respectively (Hwang 1987: 949–53). These are ‘primary’ and ‘extended’ Guanxi, the first one is characterized by moral obligations and emotional attachments and by the stable mutuality between people within networks over a long period and thereby called favor-seeking Guanxi. While the second one refers to a strategy for forming advantageous relationships (Yan 1996: 226–9) so, it could be used for rent seeking behavior thereby called rent-seeking Guanxi. This distinction between favor-seeking and rent-seeking Guanxi is fundamental while investing your time and resources because failure to recognize may lead to serious confusion and problems in the future. Guanxi is the way of forming social capital in china as Bourdieu (1985) defined social capital as “Tapping into the potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu 1985, p. 248; 1980) and it is also a way to form a network or join a network for different purposes as Lin (2001) mentioned that information, influence, social credentials and reinforcement play their part for an individual who is connected with the network for a particular purpose. Guanxi is a system of forming relationships formal and informal in china, so it is needed to be understood in order to gain what is needed from the embedded resources. Although, it has some negative attributes like bribery and corruption, that are needed to be considered as well. In abstracting Guanxi from its Chinese context it is necessary to identify both its Chinese cultural elements and its general properties which have universal relevance. The wide prevalence of Guanxi in Chinese society and its overtly explicit form are historically explicable in the context of an absence of institutionalized forms of assurance, such as law and the practices of civil society that developed in Europe and other western societies since the late eighteenth century (Hamilton 1990). The ubiquity of Guanxi in Chinese social relationships means that an associated concept renqing, in which interpersonal behavior has an important normative dimension of obligation in giving and returning favors, must also be considered. The morally infused mutual exchange carried by renqing is the dynamic force behind Guanxi. Three separate aspects of renqing can be identified: first it entails the ‘emotional responses of an individual’ to their situation; it is understood as a ‘resource that an individual can present to another person, as a gift in the course of social

exchange'; and finally, it includes the 'social norms by which one has to abide in order to get along well with other people' (Hwang 1987: 953–4). A person who receives a favor or assistance from another thereby has a sense of indebtedness to the assisting person (Bian 1994: 972). In such a situation it is not necessary that the favor be immediately returned. At some future time, when a need arises, the debt in question may be called in. In this sense a mutual exchange of favors (renqing) entails obligatory reciprocity (huibao). In Guanxi relations, then, renqing and huibao operate as mechanisms which regulate social, political and business exchanges and can function as emotional and instrumental resources in the sense of debt and pay return (Qi, 2013).

This could be understood by the above discussion that, the young graduates in order to form the social capital has to give favors and then wait for receiving favors when the time comes. It could be possible to help a family member, close friend or any other acquaintance and then wait for the reciprocity or ask for it when you need it. Social capital is formed in china in the form of giving and receiving favors whether monetary or non-monetary in nature. Although, it could be seen recently the decline of social capital in china as we have seen this when Putnam(1995) wrote in "Bowling Alone" about the US declining of social capital whether it's in personal or professional area. He found that it's due to number of reasons like using technology, having less financial freedom as compared to their predecessors. But interestingly, the young generation of America is interested in small groups, social movements (Putnam, 1995) and environmental protection campaigns. China's population has also faced the declining of social capital because of income inequality as this could be evidenced from the western societies in their first era of industrialization in 16<sup>th</sup> and 17<sup>th</sup> century and then after second wave of industrialization as well. This is argued by Bartolini&Sarracino(2015) in their research on increasing income equality and its impact on well-being and consequently the happiness. They found China mirrors the stylized facts typical of all industrial revolutions. These processes are associated with extensive erosion of social capital and rapid changes in people's values. For example, urbanization is a well-known cause of erosion of social capital in rural areas. It is also to be evidenced that between 100 and 200 million Chinese urban immigrants, lost a large part of their safety net related to their community. These phenomena, well-known to development economists (Polanyi, 1968; Williamson, 1995) clearly show the decline of Chinese social capital and the upsurge of materialism. In this context, the transition to capitalism in China appears to have exacerbated the destruction of safety net associated to the decline of shared values and networks (Bartolini&Sarracino, 2015).Shek (2010) on the other hand, reviews several studies relating the quality of life in China to macro societal conditions, family and individual quality of life. He found that individual materialism is on the rise and that somehow defines the quality of life in china. Steele and Lynch (2013a)also show that life satisfaction in the past two decades became increasingly dependent on individualist factors rather than collectivistic ones. The value shift of Chinese people has been the

object of various studies on materialism. Podoshen, Li, & Zhang (2011) examined the rise of materialism and conspicuous consumption in post-revolution China. They found by using survey that significant differences in both materialism and conspicuous consumption with Chinese young adults scoring higher in both variables. This is quite opposite of what, Schaefer, Hermans, and Parker (2004) had found few years ago when Chinese teenagers are found to be less materialistic than teens in both Japan and the United States. This suggests a very quick spread of materialism in China. This seems also to be true for mature adults as Wei and Talpade (2009) also found that overall Chinese mature consumers are more materialistic than their American counterparts. A research by IPSOS found that the share of Chinese people agreeing that “I measure my success by the things I own” was the largest (71%) among the 20 countries analyzed by IPSOS. But this doesn't mean that Chinese young graduates can't benefit from social capital. Social capital is still useful for Chinese graduates in order to find employment or do business or to get a higher position in their career as Shen (2015) evidenced in his article that graduate students are using Guanxi (a Chinese social capital) to get a good job as one of the respondents mentioned in the article that “I made it all the way through the resume selection process and written exams to the last round of interviews, but was eliminated during the physical examination. It is to be speculated that someone else used *guanxi* to get the job, but i was unable to prove that this had been the case”. However it is also true that Chinese economy has slowed down and it is moving towards new normal but at the same time, there is a huge influx of graduates that can make things worse because those young graduates if remained unemployed can cause social and political unrest in the future, so therefore social capital could be used as an alternative by the young graduates. Although, Guoying (2014) mentioned that “Some college graduates may use personal *guanxi* to get a job, however, it is impossible for all of them to use their connections to gain a good job. So it seems like a pseudo-proposition because *guanxi* cannot change the supply and demand relationship in China's job market”. It was also experienced by Gold et al (2002) when they interviewed the Chinese young graduates and then they mentioned that it is a fact that young people lacking *guanxi* and disparaging its use but nonetheless, they did not totally discount the effectiveness of *Guanxi*. For example, Gold et al (2002) mentioned in their book on social connections in china while talking about a young office worker in Beijing who noted that most of the people in her office were “relatives of the boss” and they were there because of only reason and therefore she felt that, she had little opportunity for advancement and wanted to move to the company's Shanghai office (8/9/98). In another example in the book, another respondent a graduate student was headed to Shenzhen and he turned down a potentially attractive job offer at a research institute because he believed that the work unit was parochial (and by extension, unprofessional). He highlighted also that it is not possible to get promotion and reach at higher position in the organization without *Guanxi* and that is why, he couldn't join that organization (7/17/98). The similar sort of experience was mentioned by another graduate

student in Shenyang when she spoke about her tiresome nature of guanxi in her previous job. She mentioned that “There were some 200 employees at this school, though only about 70 of them were actually teachers and the rest were just hired through Guanxi”. She elaborated further that “You had to be careful not to offend (dezui) means especially those people having guanxi with high class or top management of the school. In that situation, everything becomes difficult, e.g. like baoxiao (getting reimbursed for work expenses). She also mentioned in the book that she didn’t like to hang out with those people but she had no choice because of the social and economic pressure “There was pressure to hang out with these people to maintain good relations. I was just a young woman. I didn’t feel like I should have to waste time playing card and mahjongg with such people” (7/7/98)”. Social capital in China is important for young graduates in order to compete in the race where there is more than 7 million are the participants but there is a flip side of that as well. Sometimes, there is negative social capital that could be avoided as it is true that greater participation in social networks provides more opportunities for participants and communities but this implies that there is a trade-off between features such as community solidarity and individual freedom and that also creates barriers to meritocracy, while at the same time suggesting that increases in social capital also enable opportunities for pursuing negative or anti-social ends. Olson (1982) mentioned that it is possible that professional associations, trade unions and trade associations sometimes hinder the economic opportunities of members by placing obligations and restrictions on their activity and other forms of limitations or negative externalities have been observed in much the same way as positive effects (Haynes, 2009).

## **2.5 Role of Family Networking for the young business graduates in their career advancement in China**

Families are often considered as an excellent example of thick and cohesive social capital. Some scholars intuitively compare strong ties inside the family to weak ties outside the family. In their perspective, social capital benefits are supposed to be equally shared among family members because the family is defined as a cohesive and homogeneous group (Carlo & Widmer, 2009). The two social capital theorists who represented approaches in which families were the core in their conceptions of social capital were Coleman (1988) and Bourdieu (1984) they both were concerned with the links between individuals and small groups, notably families, and wider social organizations and institutions. While Coleman was concerned with social consensus and control, however, Bourdieu was more anxious with class-based power conflicts. However, families are often regarded as a wellspring of social capital generation or destruction. Some scholars center families and treating them as the main focus of their arguments, while others decenter them and acknowledge them as a key source of social

capital but then shift their focus elsewhere. The most detailed treatment of the dynamics of family life and processes of social capital was contained in Coleman's body of work (including 1988a, 1990; 1991, 1997 & 1988). That is why; it is good to give it some extended attention here. Coleman described social capital as largely a hidden-hand 'by-product' that 'inheres in the structure of relations between persons and among persons' (1990, p.302), and its value lies in facilitating both the actions of individuals to realize their interests, as well as in 'the provision of public goods, which are not in the interest of any individual to produce alone, but it is are of benefit to many' who are the members of the group (1988, p.392). The structure of social relations between people consists of mainly three main forms, the first form is high levels of 'obligations and expectations' in which people 'do things' for each other; from their action, they expect that trust will be repaid so that, in due course, they will benefit from the 'cost' of their helpful action. Individuals in social structures with high levels of obligations outstanding at any time have more social capital on which they can draw' (1997, p.85). The second form is when there is 'information potential'. Social relations provide social capital in the form of the acquisition of information from others that enable one to act on a knowledgeable/ rational basis. The third form of social capital according to Coleman consists of 'norms and effective sanctions'. Here, social ties constitute as a means for social control through the generation and sustenance of norms of approved social behavior and the sanctioning of disapproved behavior. This third form of social capital leads people to act in the interests of collective 'public' good and not just self-interest (Edwards et al, 2003). Social capital through family networking is important in a sense that trust to the outsider is quite difficult than having trust who knows and you know him/her for decades. It is also argued by Simmel (1908), who considered trust to be one of the most important integrative forces of society. As such, it was considered as a key element of social capital (Coleman, 1988). Trust is defined as a hypothesis on others' future behavior, grounding practices, and actions, and as a mid-point between total knowledge and absence of knowledge of others (Carlo & Widmer, 2009).

However, Fukuyama (1995) was able to distinguish between 'high-trust' and 'low-trust' societies based on people's general readiness to form associations outside the obligations of family or the compulsion of the state. He argued that under this scheme such obviously different societies as the United States and Japan are both seen as 'high-trust' given their propensity for forms of voluntary association, including (and especially) private businesses. They differ on the other side from societies like China or Italy where trust is considered low but where family networks have counted as the basis for not only social but economic life as well. He also notes that these generalizing schema need to be qualified in various ways, but his argument was intended to work at a macro-scale, where levels of trust indicate a broad social (in fact, national) character. Education and class status both are correlated as the students from higher class and with the university having higher rank get better paying jobs as Breen and Gold thorpe (1999) highlighted the role



of merit in mobility processes, concluding that children of disadvantaged class origins have to display far more merit than children of more advantaged origins in order to attain similar class positions. More recently, despite relationships weakening over time, Devine and Li (2013) report persistent significant relationships between class origins and both education attainment and class destinations. It could also be perceived that numerous theoretical contributions have sought to model the influence of networks on labor market outcomes (Montgomery, 1991; Calvo-Armengol, 2004 and 2006; Calvo-Armengol and Jackson, 2004; Casella and Hanaki, 2005). This also forms a good chunk of a wider body of search theory literature aiming to model job seeking behavior (Stigler, 1961 and 1962; Pissarides, 2001). The definition of network suggests that it represent informal channels of job search including employee referrals and social connections (Rees, 1966) and is one important element of social capital (Loury, 1977; Coleman, 1990). These channels are considered to be among the most productive and low cost methods of generating job offers (Holzer, 1988). Ioannides & Loury (2004) outlined the widespread use of networks and also illustrate the complexity of assessing their role in job searches, including significant variation in the usage and productivity of networks between job seekers. The usage and effectiveness of networks depends on the characteristics of the individual, the nature of their contact (Lin, 2001), their relationship with the contact (Granovetter, 1973, 1974 and 1995). Empirical work on the role of networks in providing job search advantages can be found in international research on the extent to which children are employed in the same organizations as their parents. Specifically in Canadian and Danish labour markets, the transmission of employers from father to son is found to be positively associated with paternal earnings, rising distinctly and sharply at the top of the father's earnings distribution (Bingley, Corak and Westergård-Nielsen, 2011). Corak and Piraino (2010) also find that almost 70% of the sons of top percentile fathers have at some point worked for a firm that also employed their fathers and they highlight the significant incidence of family based succession in CEOs in the US. Using Swedish data, Kramarz And Skans (2006) also find that family networks play an important role in the transition from work to employment (Macmillan et al, 2013). China's social capital is called "Guanxi" as it is mentioned before and Chinese students especially those who went abroad can use their family Guanxi in order to get jobs as this is mentioned in the article by Lin (2013) that Guanxi also appears to be important for obtaining a job in most industries in China, because students must have connections in order to be granted an interview. While the majority of the sea turtles interviewed who sought work with Chinese employers were able to use guanxi, mostly through family connections to find work, a few were unable to obtain employment because their guanxi had essentially disappeared while they were studying in America. Networking is an important aspect of one's career as this is defined by Nardi (2000) that "It's not what you know, it's who you know". This common expression is the basis for understanding the importance of networking as a strategy for career development and exploration. It is also true that

everyone has a network, even if you don't realize it, and when it comes to job searching, this network may be just as important as your skills and experience. A personal network is that group of people with whom you interact every day e.g. family, friends, and parents of friends, friends of friends, neighbors, teachers, bosses, and co-workers. It could be experienced that with these people, information and experiences are exchanged for both social and potential professional reasons. Networking occurs every time you participate in a school or social event, volunteer in the community, visit with members of your religious group, talk with neighbors, strike up a conversation with someone at the store, or connect with friends online. Therefore, Networking is defined as *"It is the planned process by which one becomes known to people who can provide information about job openings, leads, personal contacts and start-up companies, and who have the power to hire"*. According to Cornell University's Career Center, 80% of available jobs are not advertised. These jobs are often referred to as the "hidden job market." In fact, according to *Quintessential Careers*, one out of every 12 informational interviews results in a job offer. This is a remarkable number considering the fact that research indicates that only one in every 200 resumes (some studies put the number even higher) results in a job offer. When networking for the purpose of career development, it's important not to seem desperate or "bothering" people for a job. Though networking is an important skill, and one that can certainly be taught, it rarely is because of the fact that some of us are "naturals" and some of us are not naturally outgoing and don't have the spirit to connect to people around us (Salvatore, 2014). Social capital held by the business university graduates through their family plays a key role in finding a good opportunity for them as Di (2011) mentioned that any university student can gain social capital from the social position of parents. Parents are the most direct social capital for university student as the overall social status of relatives of parents and the social network formed by parents' social connections and their social capital actually determines the social capital of university student to a great degree. In the era of information network, the possession of information capital can increase the social capital in a sense that, the information network circulation includes the flow of information and the exchange of knowledge in a circular way. The circulation can help to get useful information and achieve the exchange of network resources and that exchange of information will generate a sense of trust, realizing the circulation and proliferation of information. It is very useful for any university student to make best use of social capital in job hunting. He further elaborated that the family social capital of university student is originated from the main social capital stock that is held by the parent family before entering the university. Therefore, Social capital theory shows that the primitive accumulation of family social capital is derived from the interpersonal network of parents and relatives based on trust, social skills, social status, and characters. This social capital comes through two ways: It is acquired within the family and also outside of the family. The social capital within the family includes the social interactive network formed by parents' social resources and

relatives' connections. In China, people value relations and the composition of the network needs time and test of morals and characters. The establishment of the network needs dedication and satisfaction. This network is the contribution of affections and the test on morals. It is very essential in Chinese traditions, as the university student gets along with family members and relatives, he or she is under the influences of norms recognized by the social network. The university student can look after the supports and comforts from the social capital when there is a pressure of graduate employment (Di, 2011). It is not only your individual knowledge, education and skills that matter but it also counts who knows you and who is known by you as it is mentioned by Adler (2016) on his research on role of networking in finding jobs and he found that around 85% of critical jobs are filled via networking of some sort, being highly networked is essential for both the job seekers and for those seeking them. It starts by recognizing no one is average, using the backdoor to find jobs in the hidden market and being different. It ends with hiring better people and getting better jobs. The networking role is increased as ABC news report marked 80% of jobs being taken through networking in 2012. It was also mentioned by Gaag(2005) that It is not enough for one to have control over personal resources but one's social background has also been considered an important determinant of success in life: genetic factors and resources of parents in their various forms all shape individual outcomes. It is also important to consider that influence on the accomplishment of individual actions is not only provided by the family of origin alone. However, theoretically, all other people with whom one is acquainted can influence the outcomes of individual actions: other kin, friends, acquaintances, neighbors, and colleagues together form a context in which individuals pursue their goals. Social capital exists by virtue of the presence of social relationships: they are the 'channels' through which social resources may become available from one individual to another. Usually, interaction with others is regarded as pleasant, stimulating, or comforting; it is considered one of the basic requirements of overall human well-being (Lindenberg, 1996).

In the social networks and social capital literature, network members are referred to as 'alters', whereas the focal actor under consideration is referred to as 'ego', social relationships are generally indicated as "socialties" denoting any kind of social relationship in any context between two network members of any kind (Wasserman & Faust, 1994:18). Family networking means the people knows you because of having close relationship with either of your member directly and indirectly and that makes things easier for young business graduates if they know someone in the family having business links or top management acquaintances. This could also be found that existing ties can also be a good source of new ties as relationships often show transitivity (Wasserman & Faust, 1994:165) because "friends of friends will be friends". When this idea is extended to social capital, alters not only give access to their personal resource collections, but also form a stepping stone to their social networks and social capital. The collection of alters that forms this 'second order network' (Boissevain, 1974) is theoretically much larger

than the collection of alters personally known by ego, and may therefore be especially important in terms of power, influence, and information. This leads to the idea that 'alters at distance two' can also be part of ego's social capital (Sik, 1994). It is important to introduce here the concepts of bonding capital and bridging capital is useful in analyzing functional differences in social capital. Gittel & Vidal (1998) firstly differentiated the concepts of bonding capital and bridging capital. Bonding capital mainly refers to networks of kin and friends in which people are more homogeneous in terms of their socioeconomic status, while bridging capital refers to networks of people with more heterogeneous backgrounds (Putnam, 2002). Putnam (2002) further argued that bonding capital was largely inward looking, and aimed at promoting interests within group members. In contrast, bridging capital was considered to be outward looking, and took both private and public interests into account. While social capital of family is useful in nature but the empirical evidence doesn't clarify as Zhang (2010) did research through National Survey of Families and Households (NSFH) wave 1 (1987-1988) and wave 2 (1992-1994) and found that bridging capital affects individual long-term economic well-being, while bonding capital does not show such an effect. The findings also argue that economic well-being has a significant impact on individual bridging capital accumulation over time, but generally does not affect individual bonding capital. So, it could be said with some certainty that family networking is important but it is just not enough for economic well-being and economic well-being is directly or indirectly connected with the job security for middle class.

## **2.6 Role of Friends Networking for the young business graduates in their career advancement in china**

Friends usually are the ones who knows you whether closely or by far, but they are the ones those can help you in your personal and professional life whenever necessary. The network is defined as the one that consists of a set of actors or nodes along with a set of ties of a specified type (such as friendship) that link them. The ties interconnect through shared end points to form paths that indirectly link nodes that are not directly tied. That is why, the pattern of ties in a network yields a particular structure, and nodes occupy positions within this structure (Borgatti & Halgin, 2011). It is also true indeed; a person who has a network can place people at different nodes as per their importance and closeness with the individual. This reinforces the idea of Granovetter (1973, 1985) of weak and strong ties. Granovetter found during his research that most people find jobs through their personal contacts whether weak or strong in nature. Granovetter emphasized that weak ties are more beneficial in landing you a good job than strong ties because of several reasons and one of them is informational advantage (Granovetter 1973, Yakubovich 2005). This idea is further explored by Greenberg & Fernandez (2016) on MBA graduates job search in USA and they found that social ties whether weak or strong can benefit you to get a job that is not possibly through any other means but the

compensation may be less than the market. It is very important to differentiate here between groups and networks because it is not group of friends who can help you better than the network of friends. The group is usually the one having some form of existence of boundaries. Even though it is hard to recognize that boundaries and those may be also fuzzy or uncertain (e.g., there are part-time members, cannabis, conflicting views of what the group is, etc.), the distinction between insiders and outsiders is an important part of the group concept. However, networks do not have “natural” boundaries (although, of course, we are free to study natural groups, in which case the group boundaries determine our nodes). They don’t need to be connected also because a disconnected network is one in which, some nodes cannot reach certain others by any path, meaning that the network is divided into fragments known as components. For example, suppose that there is a freshman class at a university and we focus to find whether they are friends or not. Initially, it may be that none of the freshmen is friends with any other, defining a maximally disconnected network with as many components as nodes. Over time, friendships begin to develop and the number of components may reduce rapidly. Eventually, it is possible that all the actors are connected in a single component in which every node can be reached from every other by at least one path (even if very long). Thus, by allowing the network to be disconnected, we can trace the evolution of connectivity within it (Kahler 2009, p. 104).

Society can be viewed as a market in which people exchange all variety of goods and ideas in pursuit of their interests. Certain individuals or certain groups of people, do better in the sense of receiving higher returns to their efforts while others don’t because of lack of intelligence or connection. While, some enjoy higher income and are more quickly become prominent, others lead less important projects. The interests of some are better served than the interests of others. The human capital explanation of the inequality is that the people who do better are more able individuals; they are more intelligent, more attractive, more articulate, and more skilled. Social capital is the contextual complement to human capital. The social capital metaphor is that the people who do better are somehow better connected, it could also be said that certain people or certain groups are connected to certain others, trusting certain others, obligated to support certain others, dependent on exchange with certain others, therefore benefitting each other in broader sense (Burt, 2000). It is wisdom born out of our experience that in order to gain membership to exclusive clubs requires inside contacts, in a similar fashion, close competitions for jobs and contracts are usually won by those with “friends in high places.” It is also quite evident that whenever we fall upon hard times, we know it is our friends and family who constitute the final “safety net.” Intuitively, then the basic idea of “social capital” is that when one’s family, friends and associates constitute an important asset that, one can called upon in a crisis, enjoyed for its own sake or leveraged for material gain(Woolcock, 2000).

This is the digital era so it is possible in this era to use the virtual space to make connections or keep up-to dated regarding the old ones. Social network sites (SNSs) such as such as Friendster, CyWorld, and MySpace allow individuals to present themselves, articulate their social networks, and establish or maintain connections with others. These sites can be oriented towards work-related contexts (e.g., LinkedIn.com), romantic relationship initiation (the original goal of Friendster.com), connecting those with shared interests such as music or politics (e.g., MySpace.com), or the college student population (the original incarnation of Facebook.com) (Ellison, Steinfield & Lampe, 2007). Online SNSs support both the maintenance of existing social ties and the formation of new connections. It is also found through much of the early research on online communities that individuals using these systems would be connecting with others outside their pre-existing social group or location, liberating them to form communities around shared interests, as opposed to shared geography (Wellman, Salaff, Dimitrova, Garton, Gulia, & Haythornthwaite, 1996). This could also be proved from the survey conducted by Princeton Survey Research Associates International in November 2010 among a sample of 2,255 adults, SNSs are used increasingly to keep up with close social ties; the average user of an SNS has closer ties and is half as likely to be socially isolated as the average American. But finally, Facebook users are more trusting, having closer relationships and are much more politically engaged than the average American. Internet users can gather more support from their social ties than those who do not use internet (Brenner, 2013; Hampton et al., 2011). It is good for individuals who use social capital because it allows a person to draw on resources from other members of the networks to which he or she belongs. These resources can take the form of useful information, personal relationships, or the capacity to organize groups (Paxton, 1999). It is good to have access to individuals outside one's close circle provides access to non-redundant information, resulting in benefits such as employment connections (Granovetter, 1973). Moreover, social capital researchers have found that various forms of social capital, including ties with friends and neighbors and are related to indices of psychological well-being, such as self-esteem and satisfaction with life (Bargh & McKenna, 2004; Helliwell & Putnam, 2004). Thanks to the technology, now it is possible to keep friends even those are at the distant through social media networks and then using them for several reasons e.g. employment. Therefore, the Internet has been linked both to increases and decreases in social capital. For example, Nie (2001) argued that Internet use detracts from face-to-face time with others, which might diminish an individual's social capital. However, this perspective has received strong criticism (Bargh & McKenna, 2004). Moreover, some researchers have claimed that online interactions may supplement or replace in-person interactions, mitigating any loss from time spent online (Wellman, Haase, Witte, & Hampton, 2001). Indeed, studies of physical (e.g., geographical) communities supported by online networks, such as the Netville community in Toronto or the Blacksburg Electronic Village have concluded that computer-mediated interactions have had positive effects on community interaction,

involvement, and social capital (Hampton & Wellman, 2003; Kavanaugh, Carroll, Rosson, Zin, & Reese, 2005).

The Chinese social capital is “Guanxi” as discussed before and there has been considerable documentation concerning the use of guanxi to acquire power, status, and resources in China (Whyte and Parish 1984; Gold 1985; Yang 1986). Guanxi is a key variable in Walder’s (1986) “party clientelism” model of authority structure in the Chinese workplace. Lin and Bian (1989) also analyze guanxi as a mechanism to explain status transmission from the older to younger generation. They have described the use of guanxi in the employment process, according to their study in 1988 Tianjin, 42.3 percent of the respondents reported that “someone” helped them to get their first jobs. When they were asked whether “someone” provided help when they changed their jobs recently, 52.1 percent of the respondents said that this was the case. Therefore, they concluded that guanxi is extensively used in job placement and job mobility processes. China has the bureaucratic labor market and only there is one element that can allow “Guanxi” to intervene and that is self-interest of bureaucrats and others. It is different than Western labor market, In china particularly, the labor value is not measured by economic variables such as skill, experience, or education, but by the ability of individuals to access power or influence, which in turn affect one’s status attainment outcomes. Especially in urban China in the 1980s, when one waited for an assignment or wished to change jobs, one expected to use personal networks effectively to achieve the best outcome. Guanxi accessed could include direct social ties such as relatives, coworkers, neighbors, classmates, teachers and students, masters and apprentices, and people from one’s hometown (Bian, 1994). The university also provides a good opportunity for students to enlarge their social capital in china as Di (2011) argued, it is also seen that when a student starts the university life, he or she begins the process of forming social capital. The higher education is a socialization process in which university students accept Chinese traditional cultures and change their values. Meanwhile, the university supplies a platform for university students enlarging their social capital. He further elaborated that there are usually two extremes in university. Students in one extreme completely disappear themselves in the study and they don’t care about the outside world except their bookish life. They become less confident and shy while handling classmates and social relations. They don’t possess the resources of social capital and they also pay no attention to the accumulation of social capital. Most of them will choose to take the entrance exams for postgraduate schools, because the job-hunting pressure kills their confidence in employment. Students on the other extreme are just involved in making close bond relations with their fellow friends and don’t pay much attention to study and the attainment of good grades. The both extremes actually loose, the ones who are in middle, those who got moderate and acceptable grades and also enjoy making connections or accumulating social capital, they actually get good jobs at the end or use their network for future career growth and development (Di, 2011)

## **2.7 Role of Professional Networking for the young business graduates in their career advancement in china**

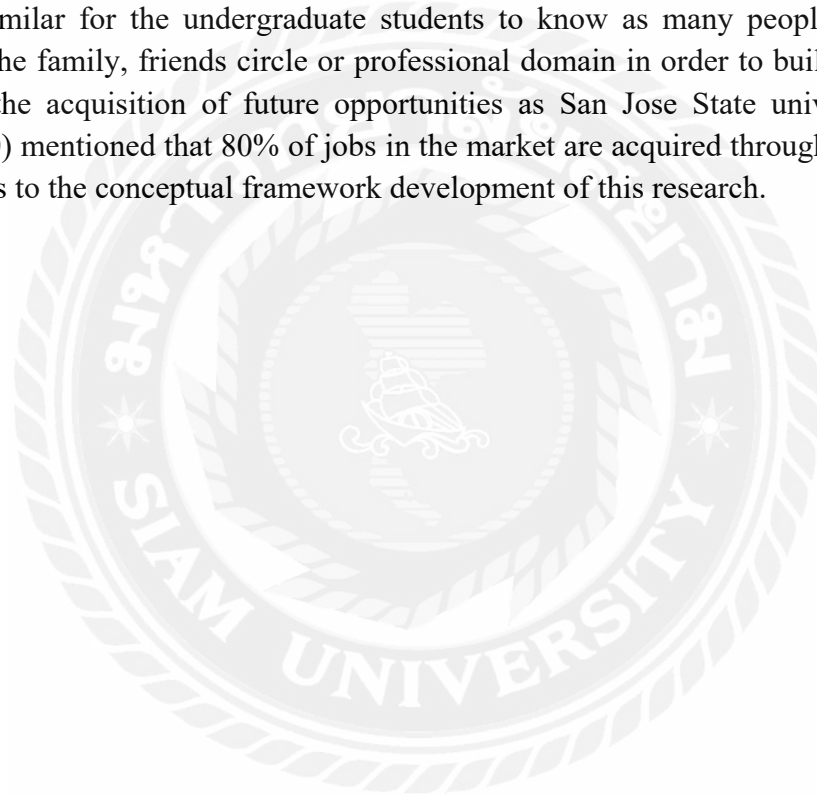
Networking is one of the most essential career development and job search tools that is often overlooked by students and job hunters. Networking involves developing and maintaining connections with individuals, then mutually benefitting from this developed relationship. Networking, in relation to career development means creating a well-developed network that provides you a support system that is needed to enhance your career or future career growth ambitions (Networking manual, Albany University, 2014). There are different kinds of networks that are used by an individual for personal and professional development as network researchers have examined a broad range of types of ties. These include communication ties (such as who talks to whom, or who gives information or advice to whom), formal ties (such as who reports to whom), affective ties (such as who likes whom, or who trusts whom), material or work flow ties (such as who gives money or other resources to whom), proximity ties (who is spatially or electronically close to whom), and cognitive ties (such as who knows who knows whom). Networks are typically multiplex, that is, its actors share more than one type of tie. For example, two academic colleagues might have a formal tie (one is an assistant professor and reports to the other, who is the department chairperson) and an affective tie (they are friends) and a proximity tie (their offices are two doors away) (Katz et al, 2004). This is also interesting to know that why individuals need to create network for career or professional development because they already have the formal education and the credentials needed to make the move. This “why” notion is elaborated by different network theories like self-interest theories of social exchange or dependency, theories of mutual or collective interest, cognitive theories and theories of homophiles. Because the self-interest theory is widely used, therefore it would be important to briefly explain that theory and this also fits the scope of this research. The proponents of self-interest theory assume that people form dyadic and group ties in order to maximize their personal preferences and desires. The rational self-interest school within network research can be traced back to the work of sociologist James Coleman (1988). Individuals consider the creation of ties as an investment in the accumulation of social resources or “social capital. It is understood from the self-interest perspective that individuals expect to deploy this social capital (Coleman, 1988, 1990; Lin, 2001) and reap returns on their investment in the form of opportunities from which they can profit. It is also argued by Burt (1992, 1997, 1998, and 2001) in the form of “structural holes” in a network that provides an opportunity for individuals to invest in their social capital. Individuals fill a structural hole when they make efforts to connect two or more others who are not directly connected. The return on their investments accrues from their ability to “broker” the flow of knowledge and information between those who are not directly connected. So, it is possible for young business graduates to form links with someone that is in middle and knows the employer/employers that is/are waiting to fill their company positions and they



get hired by that way. This is also defined by social network theory; when it says that social network consist of a number of individuals each with a set of attributes or characteristics of their own. It is then based on their connections; the relationships build a distinct pattern. Social network theory usually provide three characteristics of the network, first it has centrality. It means if you are at the center, you can access the people near the center and also those who are far from it. It also means how much of the network pattern is extended from one or two individuals at the center of the connections (Freeman, 1979) is centrality. That is why, it is possible for a person with centrality can “reach lots of other people in the network either directly or indirectly” (Kilduff and Tsai, 2003). Second it has embeddedness, means how connected an individual is in the local network and how her/his actions might potentially impact others. But it is also important to understand that, increased embeddedness in instrumental (career-related) and support (personal) networks can contribute positively toward retention because people are likely to afford positive rewards (information, challenging assignments, career-building opportunities, etc.) to those they feel close to but, the downside of a high degree of embeddedness is that people might only talk to the same type of people and have very little access to new and innovative information in order to enrich their knowledge and experience about the wider professional community (Krackhardt, 1992; Krackhart and Hanson, 1993). This could be overcome by using weak ties that can mitigate over-embeddedness in a local network. Weak ties normally defined as those social relationships that were once established but might not be used as often as local connections that are frequently used because of their closeness and proximity (Granovetter, 1973, 1983). The third characteristic according to social network theory is density. Density relates to the number of ties in a network and a network with many connections is a highly dense web of those connections and it is said to be a dense network while the one with only a few connections has low density. A high density network is the one that eventually results in less access to new ideas and information because there is no or less structural holes, everyone can access the other one through different means and ways so, the outsider in the group is almost restricted (Hansen, 1999; Dombrow and Higgins, 2005; and Prell et al 2008). Low density offers gaps in ties, or structural holes in the network, providing opportunities to access new resources and new information when bridged and the outsider can place into that structural hole and gain benefit from it (Garland & Alestalo, 2014). Networking is not just essential on personal level but it is more important on professional level because it can lead you towards greener fields if used properly. That is why, young business graduates should know in advance before doing professional networking whom to talk to and who is the right person to get information from. It is quite essential that before contacting anyone, decide on what kind of information or assistance you would like and can expect from the people you meet, e.g.(Information on a career, referrals to specific job openings, advice on the best strategies to break into a career , a secondary contact). It is also argued by Reed

college networking handout (2009) that whether you are networking through advice, referrals or possible job leads, it's most likely you'll be conducting that activity in one of three ways: first it is through purposeful personal contact done by phone, email, business letter, online networking sites, or in person; second it is at a function or an event designed for "schmoozing" or mingling with other professionals; and last but not the least, by happenstance. In all cases, you wanted to be ready to achieve the maximum results from the action. Because if you are ready, you may be surprised to know, for example on the record of getting internships on flights back to school after holiday break through conversations with the stranger in the next seat or maybe you are working in a room at a social event, then surprisingly initiate a purposeful personal contact with someone, or seize an opportunity that presents itself, all this can happen and you can get the maximum if you are fully prepared to get the opportunity. Network is the set of connections so, it is important to know what makes it a tie or connection. There are usually two kinds of ties as argued by Laumann et al. (1983) when he mentioned that network theorists tend to focus on two basic types: states and events. States have continuity over time while, this is not to say they are permanent, but rather that they have an open-ended persistence. Examples of state-type ties include kinship ties (e.g., parent of), other role-based relations (e.g., friend of or boss of), cognitive/perceptual relations (e.g., recognizes or knows the skills of), and affective relations (e.g., likes or hates). State-type ties can be dimensionalized in terms of strength, intensity and duration. In contrast, an event-type tie has a discrete and transitory nature and can be counted over periods of time. Examples of event-type ties include e-mail exchanges, phone conversations, and transactions such as sales or treaties signed. Cumulated over time, event-type ties can be dimensionalized in terms of frequency of occurrence (e.g., the number of e-mails exchanged). Both state-type ties and event-type ties can be seen as roads or pipes that enable (and constrain) some kind of flow between nodes. Flows are what actually pass between nodes as they interact, such as ideas or goods. Hence two friends (state-type social relation) may talk (event-type interaction) and, in so doing, exchange some news (flow). It is perceived that university students while doing networking for professional reasons can use both types of ties, state and event. For example, they can meet someone while travelling that is on the managerial position in some big company or they get the email or social media account to approach to the big business shot. University students can also use teachers for their professional networking purpose as Di (2011) mentioned that university teachers have a huge social network. The level of university teachers' social capital is much higher than that of university students' social capital by all means because of their interactions with different stakeholders at different levels. There is also one more benefit of getting good relationship with teachers because it can improve the communication skills of students and at the same time, they can also extend the chain of social capital, getting more information and more development opportunities. This also confirms the assertion of Lin (1999) about networking that the value of networking in a particular perspective is seen

as lying in its ability to harness resources held by other actors and increase the flow of information in a network. Furthermore, a network can exert more influence on its social and political surroundings than individual actors (Lin, 1999). This is also argued while exploring the professional identity development for PHD students and understanding the idea of socialization. Weidman et al. (2001) defined socialization as the process by which persons acquire the knowledge, skills, and dispositions that make them more or less effective members of their society” (p. 4). They argued that throughout the socialization process, graduate students acquire necessary information by way of communication strategies to aid in their transition. It is also supported by the previous research on doctoral education and has shown that the doctoral student experience is the first stage of socialization to the faculty career (Austin, 2002; Austin &McDaniels, 2006). This is somehow similar for the undergraduate students to know as many people as possible whether in the family, friends circle or professional domain in order to build their social capital for the acquisition of future opportunities as San Jose State university career center (2010) mentioned that 80% of jobs in the market are acquired through networking. This leads us to the conceptual framework development of this research.



## 2.8 Conceptual Framework of the study

The conceptual framework of this study is guided by Coleman (1990), Bourdieu (1985) and Lin (1999). Bourdieu (1985) argued in his book that social capital is embedded in the network when he mentioned that social capital means actual or potential resource which is linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Coleman also complemented that idea by defining the difference between human and social capital and suggesting that unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons. It was Lin (1999) who mentioned and gave the idea of network theory by saying that the value of networking is gauged when its resources harnessed collectively by the actors are used effectively and thereby increase the flow of information in a network. Furthermore, a network can exert more influence on its social and political surroundings than individual actors. This leads us to depict the conceptual framework of this study as follows:

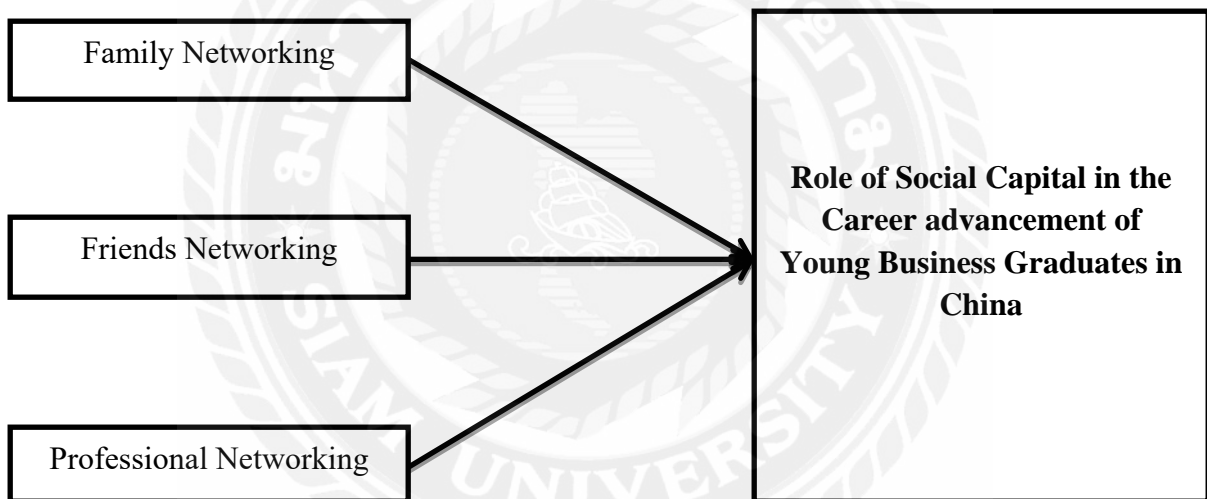


FIGURE 1: CONCEPTUAL FRAMEWORK OF THE STUDY

## Chapter 3

### 3.1 Research Methodology:

This chapter will describe the research methodology of this study with the basic philosophy, data collection method and data analysis tool, that are used to conduct this study holistically. Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. Research methodology guides us during the research about various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods/techniques but also the methodology (Kumar, 2011). There are two main elements in research, research philosophy and research approach and they both are inter-related to each other. There are different philosophies and approaches in research as termed as ontology, epistemology, and axiology although they could have a common theme with they are different in their meaning and emphasis. According to Ritchie and Lewis's (2003) there is ontological perspective that includes realism; materialism, critical realism, idealism and relativism; and the epistemological perspective include positivism and interpretivism. While Saunders et al.'s (2009) and Guba & Lincoln (1994) indicate a perspective that views philosophies (i.e. positivism, realism, interpretism, and pragmatism) from an ontological, epistemological, axiological stance. Although research methodology follows the research philosophy and lead towards research approach, research methods are determined based on the overall research methodology. The research methods are the tools used to collect specific types of data, there are two main types of research methods generally quantitative and qualitative. Quantitative research aligns with the positivist paradigm, whereas qualitative research most closely aligns itself with the naturalistic paradigm. Quantitative research is a formal, objective, deductive approach to problem solving. In contrast, qualitative research is a more informal, subjective, inductive approach to problem solving. (Williams, 2011). This research is quantitative in nature and reason for using quantitative approach is to provide generalizations and objective evidence of the issue at hand. That is why; this research has used realistic ontology, objectivist epistemology and quantitative methods to understand the impact of social capital on the career advancement of young business graduates in China.

This research follows following methodological steps:

- 3.1.1 Select a Problem
- 3.1.2 Design Research Questions or Hypothesis
- 3.1.3 Collect Descriptive data on the Problem

3.1.4 Choose questionnaire to collect data about the problem.

3.1.5 Repeat the data collection and revision cycle

3.1.6 Data Analyze using SPSS software

3.1.6 Finalize the results and conclusion

### **3.2 Research Design:**

Burns and Grove (2003:195) define a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. Parahoo (1997:142) describes a research design as “a plan that describes how, when and where data are to be collected and analyzed”. Polit et al (2001:167) describes research design as “the researcher’s whole mechanism for responding to the research question or testing the research hypothesis”. Research design is considered as the logic or master plan of a study that sheds light on how the study is necessary to be carried out. It exhibits that how all main components of the research study, the samples or groups, measures, treatments or programs, etc., are working collectively in an endeavor to address the research questions. Research design is very same to as architectural plan. The research design is perceived as realization of a logic in a collection of procedures that optimizes the validity of data for a under consideration research issue. Mouton (1996, p. 175) mentioned that the research design serves to "plan, structure and execute" the research to maximize the "validity of the findings". It has given directions from the underlying philosophical assumptions to research design and data collection. Yin (2003) has added further that “informally a research design is an plan of action for reaching from here to there, where ‘here’ is considered as the initial set of questions to be answered and ‘there’ is some set of (conclusions) answers” (p. 19). The research design of this study is shown in Fig 2 on the next page.

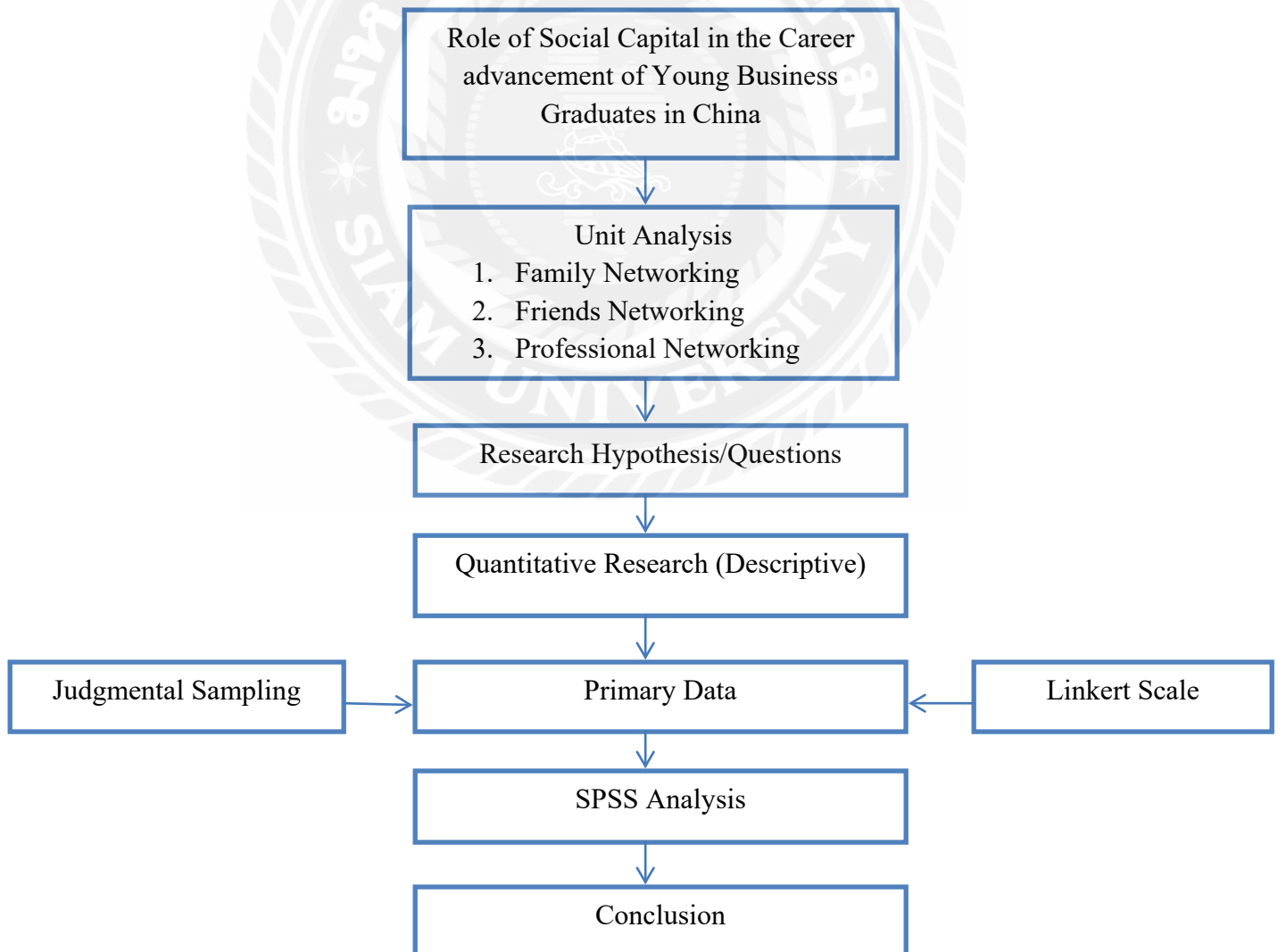
### **3.3 Research Type:**

This research type is quantitative and descriptive in nature considering the fact that the research problem would analyze the role of social capital in china for the career advancement of young business graduates in terms of family networking, friends networking and professional networking. The topic is not possible to analyze and properly investigated through qualitative means, that is why quantification becomes the only way out to understand the phenomena at hand. The data gathered through questionnaires will highlight the importance of social capital formation for the young business graduates and how it can help them in their career advancement in this very competitive job market situation. The data gathered then will be used through SPSS to analyze and extract final inference and also to provide some descriptive analysis as well.

### **3.4 Unit of Analysis:**

The word ‘unit of analysis’ is simply narrated as “an object that was analyzed in a scientific research in a particular time frame”, It is essential to be familiar with the unit of analysis of the research as it has an important role in any research endeavor. This may not seem such a significant problem at first since mostly; the appropriate unit of analysis in a study is pretty obvious. The units of analysis of studies may be classified into fewer categories or levels (Individual, Group, and Organization). It is not considered very important to do so, but indeed, it may help to see the hierarchical relations between the units of analysis and the possibilities, one can choose for his/ her study (Dolma, 2010). *This study has analyzed the problem on the group level that is why; the units of analysis for this research are Family networking, Friends Networking and Professional Networking.* These all variables are used to understand the social capital formation of young business graduates in Chinese context during their study time and how that social capital could be used for the career advancement after their graduation.

### Research Design



### **3.5 Data Type:**

The data type used in this research is primary; mainly there are two types of data sets that are used in research field primary and secondary. Primary data is the one that is collected for the first time and is always given in the form of raw materials and in its originality. This type of data requires the usage of statistical methods for the need of analysis and interpretation. However, secondary data is the one, that is already been collected by someone and have passed through the statistical mechanism. They are usually refined form of the raw material data form, when statistical methods have applied already on primary data that turned out to be secondary data at the end. The data type in the research is decided based on the overall philosophy and methodology of the research. As this research is descriptive quantitative in nature, that is why, primary data is the most suited method for data collection of this research (IWH, 2015)

### **3.6 Data Collection Instrument: Questionnaire**

The data collection tool used in this research is questionnaire because this tool suits the philosophy of this research considering the fact that questionnaires are the comfortable tools to gather primary data and analyze them through statistical software. The questionnaire was first made in English and then it was translated into Chinese for better understanding of the subject by the respondents in Chinese universities. The questionnaires were self-administrated in nature. The major advantages of using a questionnaire is data entry and tabulation that can be easily done with many computer software packages like SPSS, Excel and so on. Questionnaires are familiar to most people, nearly everyone has had some experience of completing questionnaires and they generally do not make people apprehensive.

The researcher usually doesn't sit down at one point in time and produce a significant questionnaire in an arbitrary fashion. But, He/she has to ponder upon considerably about the exact nature of the data, that individual think to collect before starting framing the questions or statements. That is why after careful consideration, the questionnaire of this research has been drafted.

#### **3.6.1 Linkert Scale:**

A psychometric response scale has initially used in questionnaires to get individual's preferences or degree of agreement with a statement or set of statements. They are a non-comparative scaling technique and are one-dimensional (only measure a single trait) naturally. Participants are asked to give idea of their degree of agreement with a

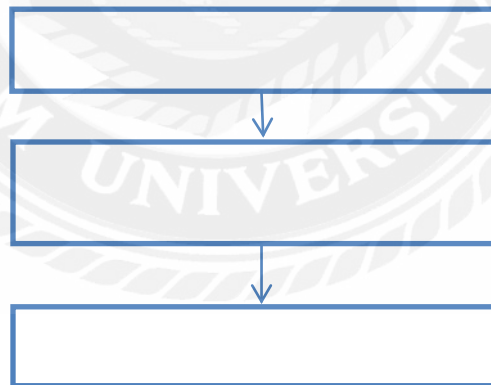


provided statement by the means of an ordinal scale. Variations: Most commonly seen as a 5-point scale taking range from “Strongly Disagree” on one side to “Strongly Agree” on the other side with “Neither Agree nor Disagree” in the middle; however, some scholars have advocated the use of 7 and 9-point scales which have added further granularity. Sometimes a 4-point (or other even-numbered) scale is employed to generate an impassive (forced choice) measure where no indifferent option is possible. Every level on the scale is given a numeric value or coding, usually starting at 1 and incremented by one for each level (Bertram, 2007).

### 3.7 Sampling Design:

A sample means to select units from a pre-determined population. It is seen in survey research that, a sample is a small representatives or persons or households from the resident population in private households. Survey researchers consider the chosen individuals or participants are representing the wider population of interest. The main idea is to find aneutral, representation of the population under investigationthat could beutilized to get knowledge regarding the behavior/attitudes of the targeted population. Sampling methods in survey research are classified as probability or non-probability. Probability methods are those including random sampling, systematic sampling, and stratified sampling, or a mix of all these methods. In non-probability sampling, members are selected from the population in some nonrandom manner. Therefore, this is quota or judgmental sampling (Teddlie & Yu, 2007).

The research is based on following sampling design:



This research has chosen the above sample design as shown in Fig 3 because it seems most suitable and simple. Although, there is a finite population indeed but it is very huge and the sampling design can't be selected as stratified or cluster or systematic sampling considering the fact that questionnaire designed for this research didn't suit these sampling procedures and then the data collection was also an issue of concern. Hence,

this research has selected to use non-probabilistic sampling design because of the large population, cost and time constraint.

*Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected.*

The type of non-probabilistic sampling technique used in this research is Judgmental sampling because it suits the objectives of this research and convenient to use by the novice researcher. It is more commonly known as purposive sampling. In this type of sampling, subjects are chosen to be part of the sample with a specific purpose in mind. With judgmental sampling, the researcher believes that some subjects are fit for the research compared to other individuals. This is the reason why they are purposively chosen as subjects. This approach is used when a sample is taken based on certain judgments about the overall population.

### **3.7.1 Sample Size:**

The sample size of this research is 251 as the sampling design is judgmental in nature; therefore the researcher has chosen only those respondents that are familiar with the subject at hand. The respondents chosen were the ones those either studying bachelor degree in business/finance/commerce or already completed their graduate studies recently this year 2016. The selected respondents were taken from three universities from China, Guangxi University, Guangxi University of nationalities and Guanxi University of finance and economics due to time concern and financial constraints.

### **3.8 Data Analysis Method:**

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names in different business, science and social science domains. Qualitative data analysis is non-statistical means the approach methodologically is initially guided by the concrete material at hand. However, in quantitative research, the sheer approach to data is statistical and took place in the shape of tabulations. However, Final outcomes are usually descriptive in nature and conclusive only within the numerical framework. It is often narrated that quantitative research is “objective” vs. qualitative is “subjective.” (Bihani & Patil, 2014)

The analysis of this study has involved, summarizing the chunk of data that had collected and then showing the results in a way that communicates the most important findings or features.

The SPSS software is chosen as a data analysis method for this research. SPSS is software that gives an opportunity to the researcher to find correlation, descriptive analysis and t-test etc. This is the tool used by the many researchers making their research in quantitative field.

### 3.9 Validity and Reliability of the Research:

The principles of validity and reliability are fundamental cornerstones of the scientific method. Together, they are at the core of what is accepted as scientific proof, by scientist and philosopher alike. Reliability means that how a certain research to some extent is free from error and therefore produces consistent results (i.e. the consistency of a measurement procedure). For example, if a measuring device procedure regularly selects the same value to people or objects with similar outcome, the instrument is said to be reliable (Thanasegaran, 2009). Validity is elaborated as “the degree to which [a test] has measured what it supposed to measure” (Gregory, 1992, p.117). Then, the measure is only justified if it measures what it is considered accurate, and does in a way, that is without mistakes including other factors. The focus here is not necessarily on scores or items, but rather inferences made from the instrument i.e. the behavioral inferences that one can extrapolate from test scores is of immediate focus. In order to be valid, the inferences made from scores need to be “appropriate, meaningful, and useful” (Gregory, 1992, p. 117). That is why, this research has used the instrument that has the reliability result above 70% (as shown in the tables (1&2) below) and is acceptable on minimum standard by all social science research professionals. Validity refers to the extent to which a questionnaire or test measures what it supposed to measure, that is why, it is to be said with certainty in this case, the questionnaire is reliable and thereby the research is valid.

#### 3.9.1 SPSS Reliability Test:

**Case Processing Summary**

		N	%
Cases	Valid	251	100.0
	Excluded	0	.0
	Total	251	100.0

TABLE 1: EXPLAINING NUMBER OF RESPONDENTS

#### Reliability Statistics

Cronbach's Alpha	N of Items
.752	14

TABLE 2: EXPLAINING THE VALUE OF ALPHA OR THE RELIABILITY TEST VALUE

The above result of Alpha shows that the instrument is reliable as the value is more than 70%. The validity and reliability are connected because if this questionnaire is reliable then it implies that the research is valid and the instrument used will have same results if replicated by any other third party in the future.



## **Chapter 4: Data Analysis**

This research was the quantitative research and used questionnaire as the data collection tool to get primary data in order to provide descriptive analysis and make final inference. Data analysis basically is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. According to Shamoo and Resnik (2003) various analytic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data”. Quantitative data analysis is a systematic approach to investigations during which numerical data is collected and/or the researcher transforms what is collected or observed into numerical data. It often describes a situation or event; answering the 'what' and 'how many' questions you may have about something. This is research which involves measuring or counting attributes (i.e. quantities).

**This chapter is divided into following four sections:**

- 4.1 Descriptive Statistics question by question (SPSS)
- 4.2 Inferential Analysis by SPSS
- 4.3 Results & Discussion

### **4.1 Descriptive Statistics**

Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data. That is why; this section will try to evaluate how respondents respond to major questions related to independent and dependent variables in the survey.

#### **Question 1:**

What percentage do you think that your family member or any close relative who have strong ties with you can help you get a job/start a business/get a promotion?

### Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	52	20.7	20.7	20.7
50%	76	30.3	30.3	51.0
51-75%	58	23.1	23.1	74.1
100%	62	24.7	24.7	98.8
0%	3	1.2	1.2	100.0
Total	251	100.0	100.0	

TABLE 1:- EXPLAINING THE NUMBER OF RESPONDENTS SELECTED DIFFERENT OPTIONS IN QUESTION 1

What percentage do you think that your family member or any close relative who have strong ties with you can help you get a job/start a business/get a promotion?

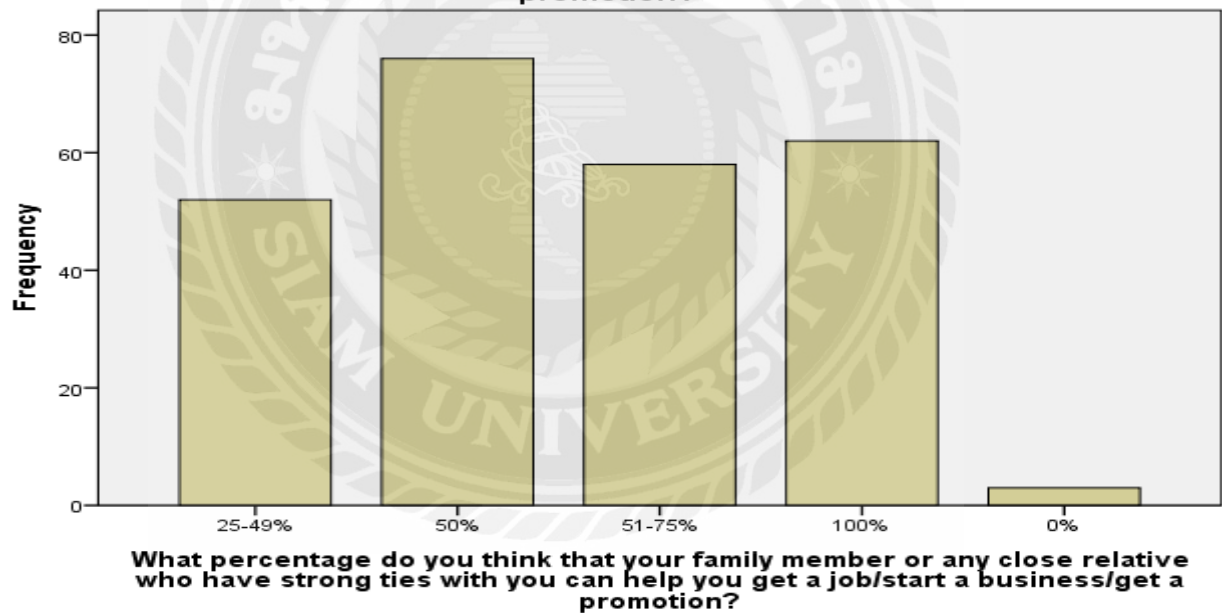


FIGURE 1 XPLAINING DIFFERENT FREQUENCY OF SAMPLE POPULATION SELECTED DIFFERENT OPTIONS FOR QUESTION 1.

Explaining different frequency of sample population selected different options for Question 1.

The above two graphic representations from SPSS show that most of the graduate students in the sample almost 80% believe that family networking can help them more than 50% in their search for a job/doing a business/getting a promotion, their family networks actually can help them secure a job/start a new business or get a promotion after getting a job.

**Question 2:**

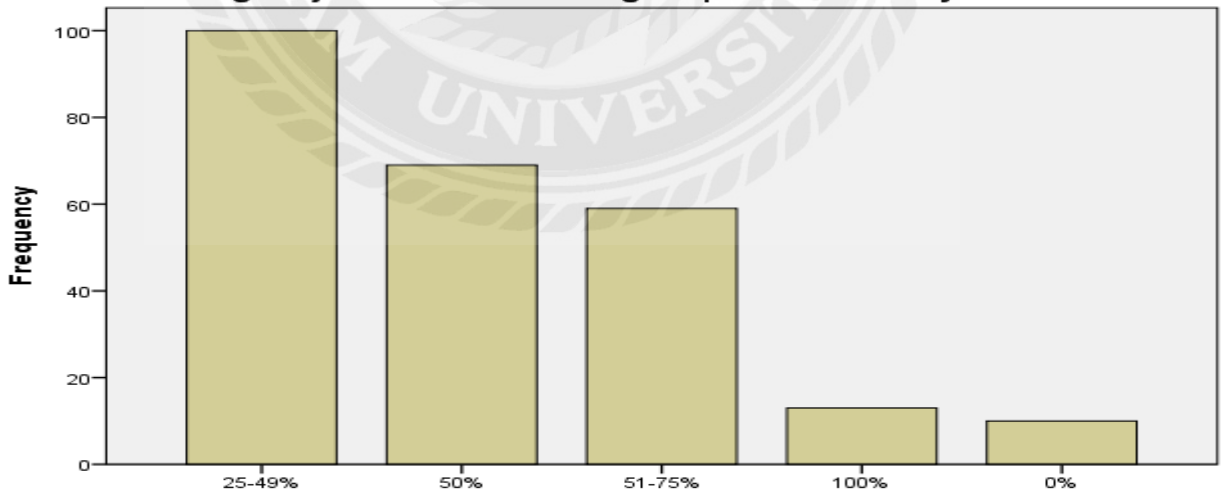
What percentage do you think that those relatives or family members having top management positions in different public/private organizations can help you to get a job/start a business/get a promotion easily?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	100	39.8	39.8	39.8
50%	69	27.5	27.5	67.3
51-75%	59	23.5	23.5	90.8
100%	13	5.2	5.2	96.0
0%	10	4.0	4.0	100.0
Total	251	100.0	100.0	

TABLE 2- EXPLAINING THE NUMBER OF RESPONDENTS SELECTED DIFFERENT OPTIONS IN QUESTION 2

**What percentage do you think that those relatives or family members having top management positions in different public/private organizations can help you to get a job/start a business/get a promotion easily?**



**What percentage do you think that those relatives or family members having top management positions in different public/private organizations can help you to get a job/start a business/get a promotion easily?**

**FIGURE 2: EXPLAINING DIFFERENT FREQUENCY OF SAMPLE POPULATION SELECTED MULTIPLE OPTIONS FOR QUESTION 2.**

The above two graphic representations from SPSS show 51% of the respondents agree that family members having top positions in different public and private organizations can help them 50% or more in order to secure a job/do a business or get a promotion. While on the other hand almost 40% believe that their help could be less than 50% but more than 25% in the overall process.

**Question 3:**

What percentage do you think that strong ties with family members/close relatives with their own business can help you in your career advancement after graduation?

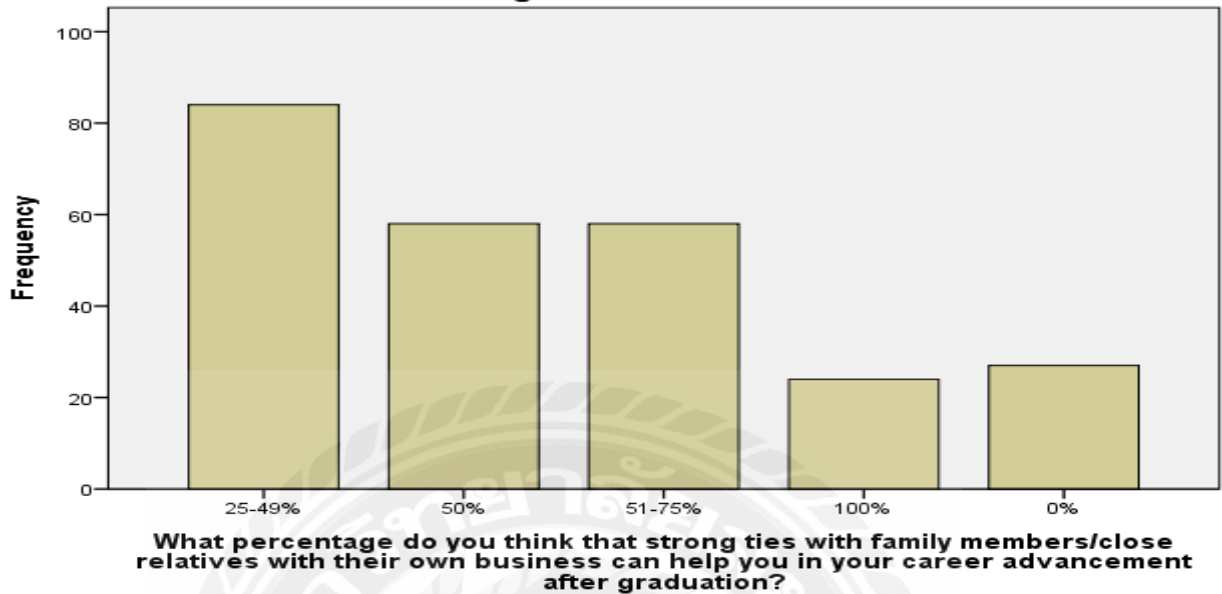
**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	84	33.5	33.5	33.5
50%	58	23.1	23.1	56.6
51-75%	58	23.1	23.1	79.7
100%	24	9.6	9.6	89.2
0%	27	10.8	10.8	100.0
Total	251	100.0	100.0	

**TABLE 3: EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 3**



**What percentage do you think that strong ties with family members/close relatives with their own business can help you in your career advancement after graduation?**



**FIGURE 3 EXPLAINING DIFFERENT FREQUENCY OF MULTIPLE OPTIONS SELECTED BY THE SAMPLE POPULATION**

The above two graphical representations above presents that there are 46% respondents believe that strong ties with those family members having their own business can help them 50% or more in their career progress. While 33% percent populace pointed out that they can help less than 50% but more than 25%. However 10.8% believe that they can't help at all and 4% trust them to provide 100% help in their career success after graduation.

**Question 4:**

What percentage do you think that your classmates or those studying in your university can help you get a job/start a business/get a promotion after getting a job?

## Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	83	33.1	33.1	33.1
50%	70	27.9	27.9	61.0
51-75%	75	29.9	29.9	90.8
100%	14	5.6	5.6	96.4
0%	9	3.6	3.6	100.0
Total	251	100.0	100.0	

TABLE 4 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 4.

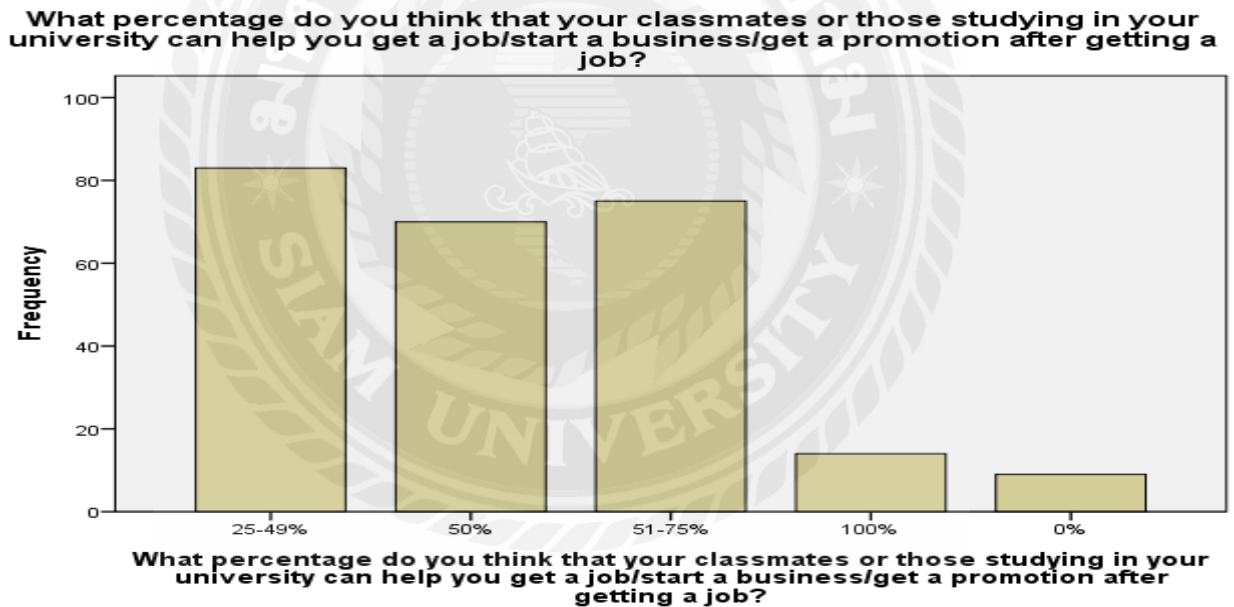


FIGURE 4 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION

The above two figures gave the mixed results of the respondents idea about whether their classmates can help them in their career advancement or not. There are 145 out of 251 believe that they can get help 50% or more in their career from their classmates, while on the other hand, 83 pointed out, they will get help less than 50%, 14 out of 251 trust their

classmates to help them 100% in their career advancement, while only 9 out of 251 had no trust that their classmates can actually play any role in their career advancement at all.

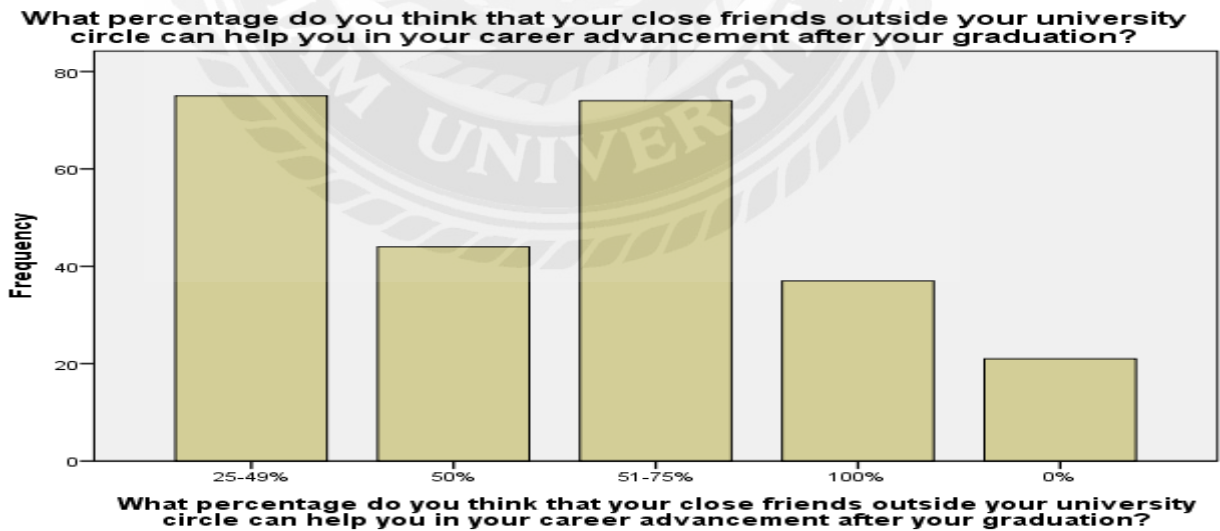
**Question 5:**

What percentage do you think that your close friends outside your university circle can help you in your career advancement after your graduation?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	75	29.9	29.9	29.9
50%	44	17.5	17.5	47.4
51-75%	74	29.5	29.5	76.9
100%	37	14.7	14.7	91.6
0%	21	8.4	8.4	100.0
Total	251	100.0	100.0	

**TABLE 5 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 5.**



**FIGURE 5 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above two graphical representations described that 118 respondents out of 251 trust their close friends outside their university to help them in their career 50% or more. While 75% believe that they can help less than 50% but more than 25%. However, there are 37 out of 251 pointed put to have absolute 100% help in their career progress from their close friends. There were also 21 who are going to get 0% help from their close friends in their career progress after graduation.

**Question 6:**

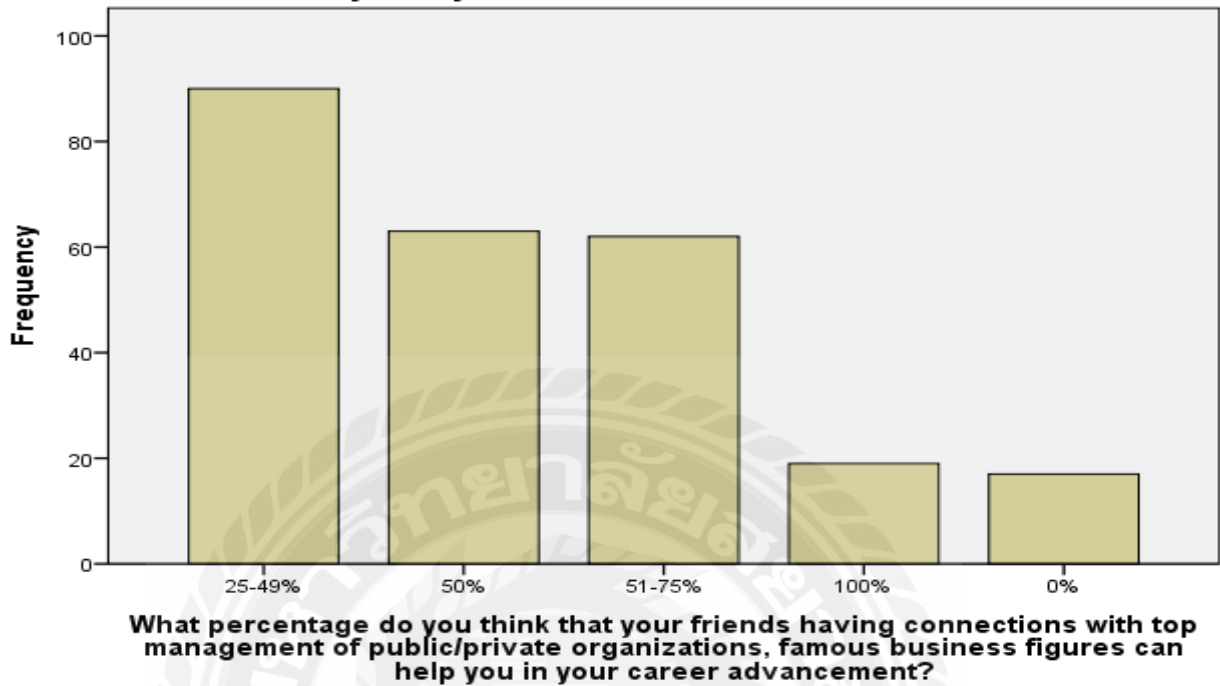
What percentage do you think that your friends having connections with top management of public/private organizations, famous business figures can help you in your career advancement?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	90	35.9	35.9	35.9
50%	63	25.1	25.1	61.0
51-75%	62	24.7	24.7	85.7
100%	19	7.6	7.6	93.2
0%	17	6.8	6.8	100.0
Total	251	100.0	100.0	

**TABLE 6 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 6**

**What percentage do you think that your friends having connections with top management of public/private organizations, famous business figures can help you in your career advancement?**



**FIGURE 6 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above two figures shows that there are 90 respondents out of 251 trust that they can get help less than 50% if their friends having connections with the top brass of any public or private organization. While 125 out of 251 trust that they can get help from 50 to 75%. On the other hand, there are 19 respondents who made the point of getting 100% help if their friends are having that connection. While 17% argued to have 0% support even if their friends are well connected.

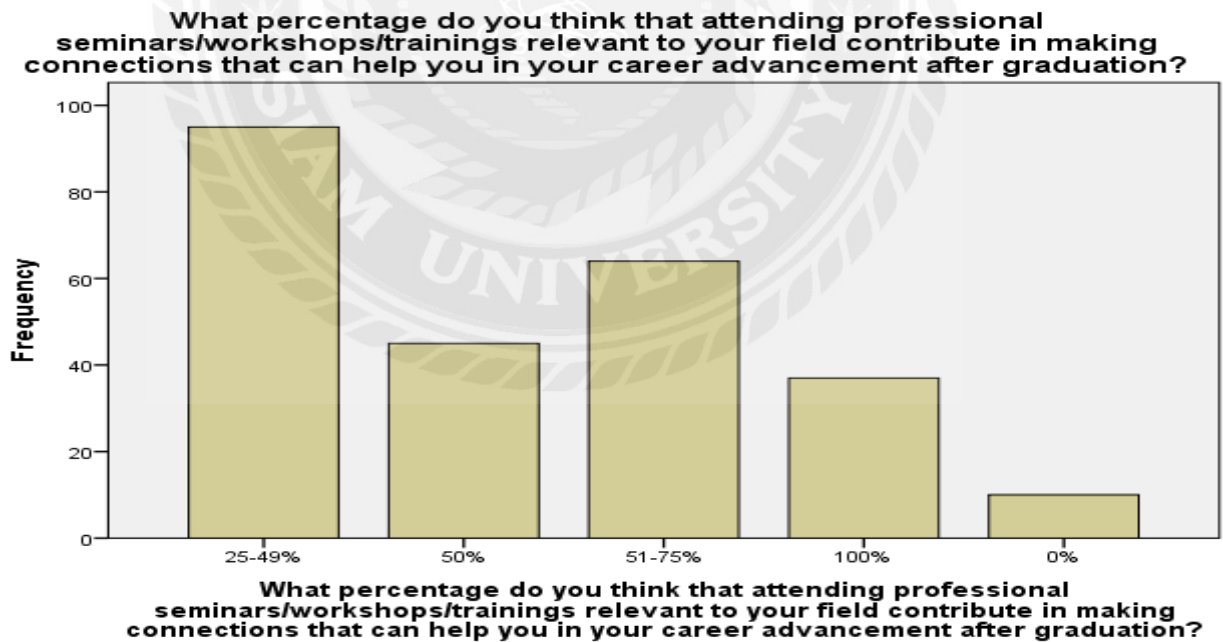
**Question 7:**

What percentage do you think that attending professional seminars/workshops/trainings relevant to your field contribute in making connections that can help you in your career advancement after graduation?

### Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	95	37.8	37.8	37.8
50%	45	17.9	17.9	55.8
51-75%	64	25.5	25.5	81.3
100%	37	14.7	14.7	96.0
0%	10	4.0	4.0	100.0
Total	251	100.0	100.0	

TABLE 7 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 7



**FIGURE 7 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above statistics manifest that there are 95 out of 251 believe that attending professional formal events can help them less than 50% but more than 25%. While, there are 109 trusts to having help from these events in the range of 50-75%. There are 37 to get 100% support from these events and 10 out of 251 are suggesting to get 0% help from these events in their career progress and development.

**Question 8:**

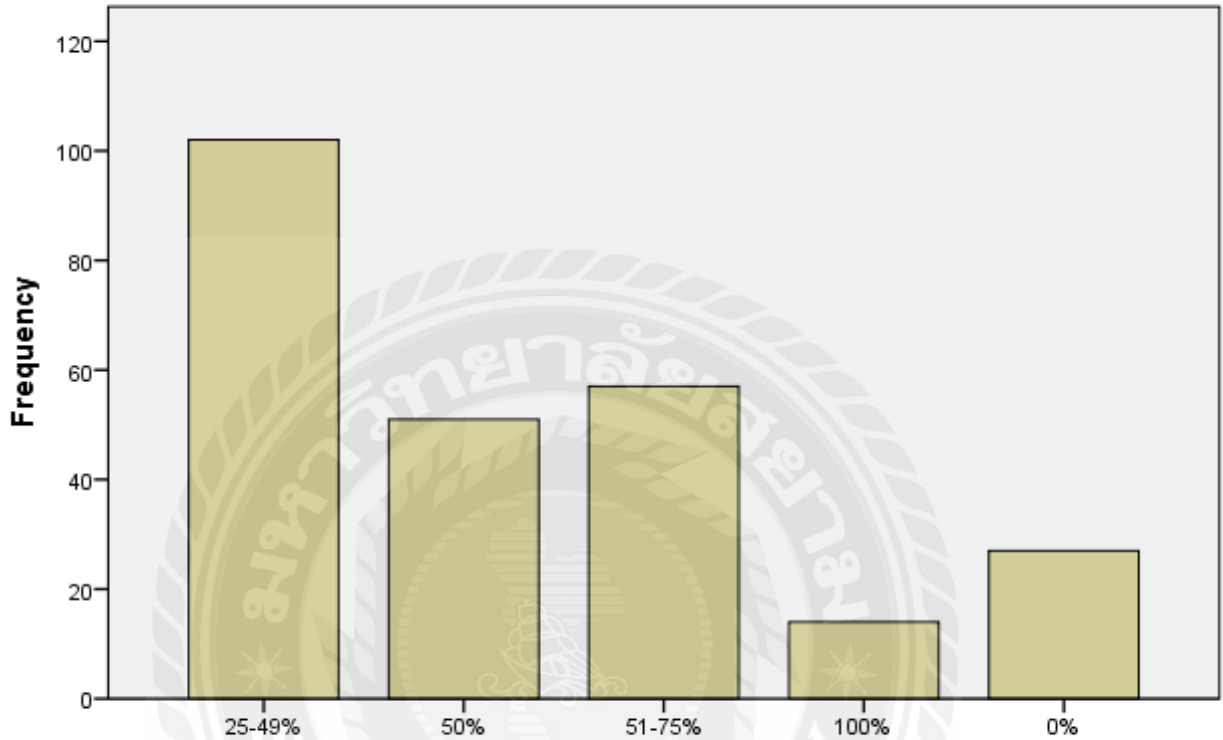
What percentage do you think that attending professional networking informal events like dinners, luncheons, meet ups during your study can help you in your career advancement after graduation?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	102	40.6	40.6	40.6
50%	51	20.3	20.3	61.0
51-75%	57	22.7	22.7	83.7
100%	14	5.6	5.6	89.2
0%	27	10.8	10.8	100.0
Total	251	100.0	100.0	

**TABLE 8 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 8**

**What percentage do you think that attending professional networking informal events like dinners, luncheons, meet ups during your study can help you in your career advancement after graduation?**



**What percentage do you think that attending professional networking informal events like dinners, luncheons, meet ups during your study can help you in your career advancement after graduation?**

**FIGURE 8 EXPLAINING DIFFERENT FREQUENCY OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT SAMPLE POPULATION**

The above two figures show that there are 102 who are confident to get 25-49% support from informal networking, while there are 108 respondents believe to get 50% and more than 50% but less than 75% help for their career from informal professional networking like luncheons and so on. But there are 14 to get 100% and 27 out of 251 to get 0% support from those informal professional events.

**Question 9:**

What percentage do you think that it is valuable to make important connections during internship/internships in order to get help from them for your career advancement after graduation?

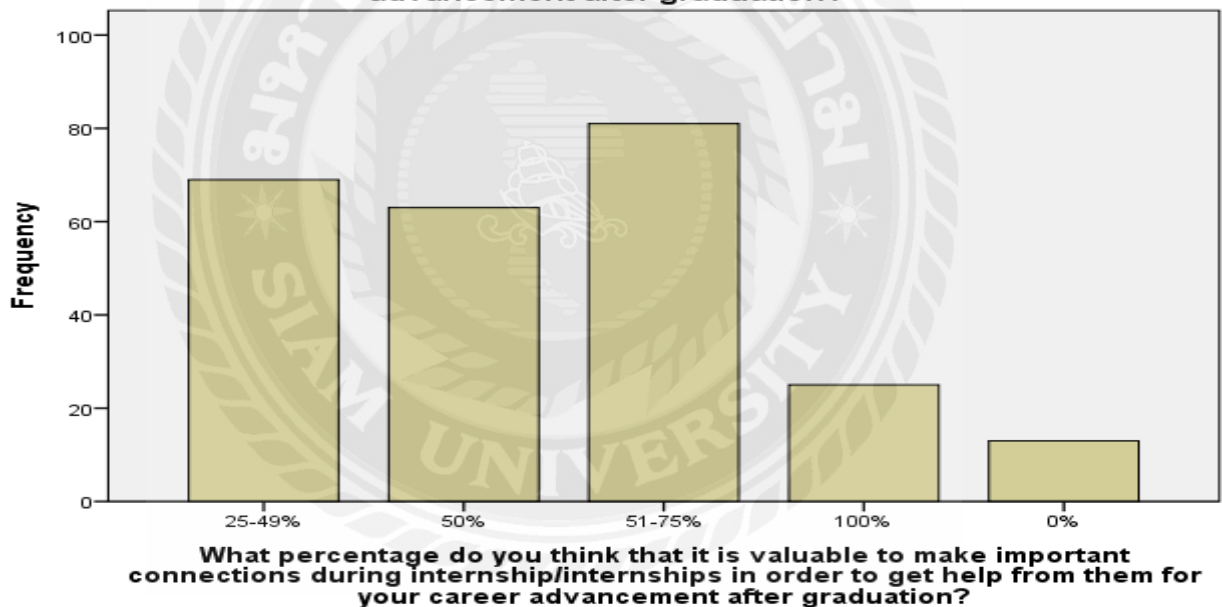
**Frequency Table**



	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	69	27.5	27.5	27.5
50%	63	25.1	25.1	52.6
51-75%	81	32.3	32.3	84.9
100%	25	10.0	10.0	94.8
0%	13	5.2	5.2	100.0
Total	251	100.0	100.0	

**TABLE 9 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 9**

**What percentage do you think that it is valuable to make important connections during internship/internships in order to get help from them for your career advancement after graduation?**



**FIGURE 9 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above two figures show a different tendency than the previous questions in which, there are 144 respondents out of 251 to believe that connections made during internship would help them in their career advancement 50 and in the range of 50-75%. While, 69 out of 251 trust that they can get support from those connections less than 50%. However, 25 out of 251 believe to get 100% support while, 13 get nothing from those connections for their career advancement.

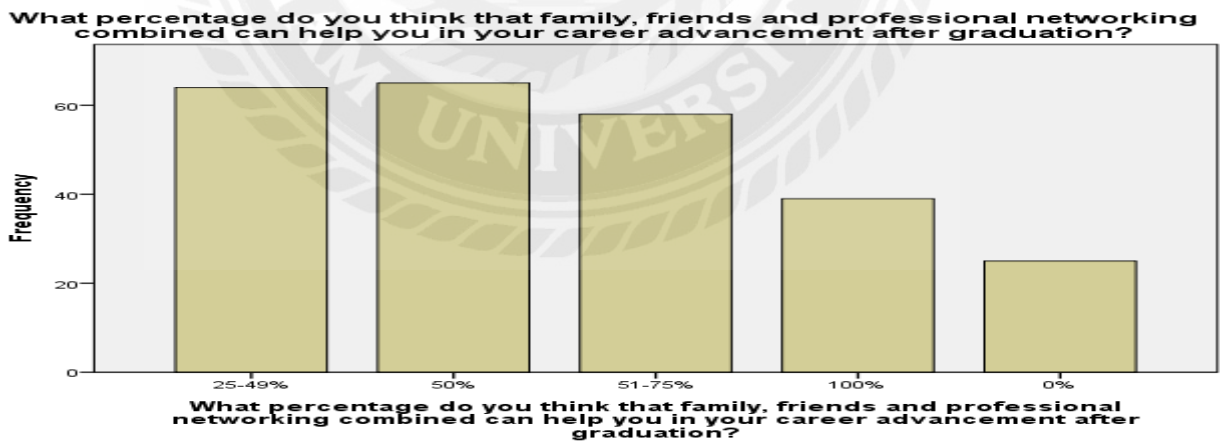
**Question 10:**

What percentage do you think that family, friends and professional networking combined can help you in your career advancement after graduation?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	64	25.5	25.5	25.5
50%	65	25.9	25.9	51.4
51-75%	58	23.1	23.1	74.5
100%	39	15.5	15.5	90.0
0%	25	10.0	10.0	100.0
Total	251	100.0	100.0	

**TABLE 10 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 10**



**FIGURE 10 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above graphical representations show that slightly less than 50% total respondents 123 out of 251 supported the idea that family, friends and professional networking can help for career advancement 50% or more than 50% but upto 75%. Although, there were

39 respondents to get 100% support for their career from these networking endeavor and 25% to get zero support even if they do involved in those networking.

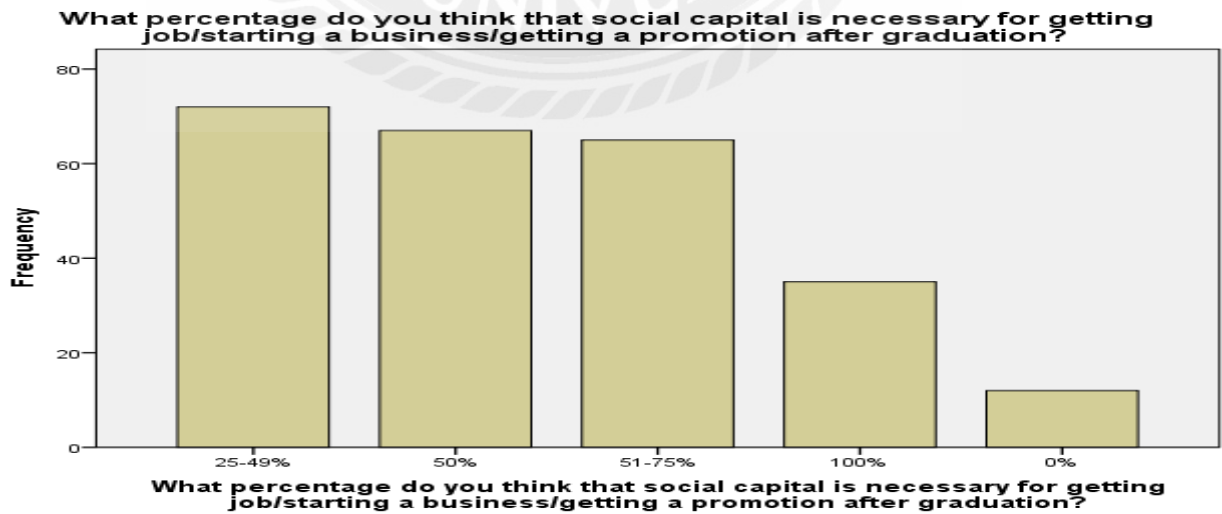
**Question 11:**

What percentage do you think that social capital is necessary for getting job/starting a business/getting a promotion after graduation?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	72	28.7	28.7	28.7
50%	67	26.7	26.7	55.4
51-75%	65	25.9	25.9	81.3
100%	35	13.9	13.9	95.2
0%	12	4.8	4.8	100.0
Total	251	100.0	100.0	

**TABLE 11 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 11**



**FIGURE 11 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above graphical representations show that 132 respondents out of 251 intend to get 50% or more but upto 75% help for their career advancement by using social capital as mentioned above. But there are 72 respondents nodded to get less than 50% but more than 25% support and 12 respondents to get no support, while 35 will use social capital 100% to move in their career after graduation.

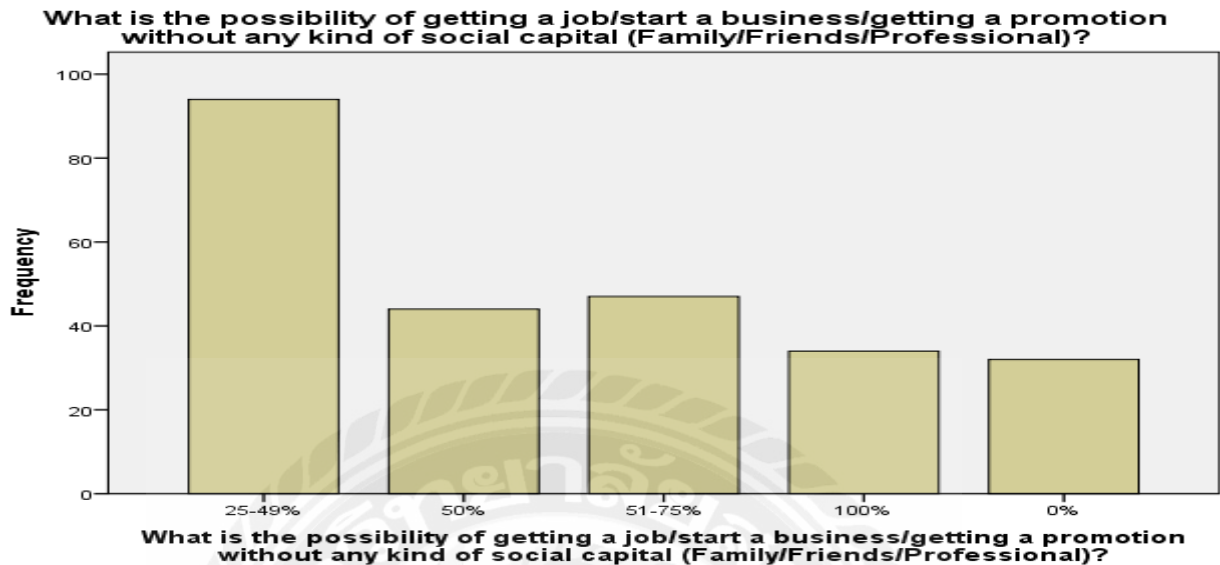
**Question 12:**

What is the possibility of getting a job/starting a business/getting a promotion without any kind of social capital (Family/Friends/Professional)?

**Frequency Table**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-49%	94	37.5	37.5	37.5
50%	44	17.5	17.5	55.0
51-75%	47	18.7	18.7	73.7
100%	34	13.5	13.5	87.3
0%	32	12.7	12.7	100.0
Total	251	100.0	100.0	

**TABLE 12 EXPLAINING THE RESPONSE FROM DIFFERENT RESPONDENTS THROUGH RANGE OF OPTIONS IN QUESTION 12**



**FIGURE 12 EXPLAINING DIFFERENT PERCENTAGES OF MULTIPLE OPTIONS SELECTED BY THE DIFFERENT PERCENTAGE OF SAMPLE POPULATION**

The above graphical representations the interesting figures like there are 94 respondents, the maximum in numbers believe that they have less than 50% chance to progress in their career without social capital. There are 44 respondents believe that they have 50% change of getting job/doing business or getting a promotion without social capital. There are 47 less than 20% from total respondents who believe to have a chance 50-75% of getting a job or any other career opportunity without social capital. There were also 34 respondents who intend to move in their career after graduation without any social capital and there were 32 to get nothing without using social capital of any kind.

#### **4.2 Inferential Analysis:**

Descriptive statistics consist of methods for organizing and summarizing information, while in contrast to descriptive statistics; inferential statistics consist of methods for drawing and measuring the reliability of conclusions about population based on information obtained from a sample of the population. (Weiss, 1999). Inferential statistical analysis involves using information from a sample to make inferences or estimates about the population. Inferential analysis can help determine strength of relationship within your sample. In other words, the researcher can assess the strength of the impact of the independent variables on the outcomes (dependent variable). However, Descriptive statistics includes the construction of graphs, charts, and tables, and the calculation of various descriptive measures such as averages, measures of variation, and

percentiles. While on the other hand, inferential statistics includes methods like point estimation, interval estimation and hypothesis testing which are all based on probability theory (Isotalo, 2012).

**4.2.1 Hypothesis Testing:**

The research will test following hypothesis in order to understand the intrinsic value of education phenomena.

**4.2.2 Hypothesis 1:**

H1=whether there is a relationship between family networking and career advancement of young business graduates in China?

**Pearson Correlations**

		Relationship1	Dependent
Relationship1	Pearson Correlation	1	.504**
	Sig. (2-tailed)		.000
	N	251	251
Dependent	Pearson Correlation	.504**	1
	Sig. (2-tailed)	.000	
	N	251	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 13 PRESENTING RELATIONSHIP BETWEEN FAMILY NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING PEARSON CORRELATION TEST**

**Spearman Correlations**

		Relationship 1	Dependent
Spearman's rho	Relationship1 Correlation Coefficient	1.000	.520**
	Sig. (2-tailed)	.	.000
	N	251	251

	Dependent	Correlation Coefficient	.520**	1.000
		Sig. (2-tailed)	.000	.
		N	251	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 14 PRESENTING RELATIONSHIP BETWEEN FAMILY NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING SPEARMAN CORRELATION TEST**

The above two correlation tests conclude that there is a moderate kind of relationship between family networking and career advancement of young business graduates in china as shown in the tables 15&16.

#### 4.2.3 Hypothesis 2:

H2=whether there is a relationship between friends' networking and career advancement of young business graduates in China?

#### Pearson Correlations

		Relationship2	Dependent
Dependent	Pearson Correlation	1	.275**
	Sig. (2-tailed)		.002
	N	251	251
Relationship2	Pearson Correlation	.275**	1
	Sig. (2-tailed)	.002	
	N	251	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 15 PRESENTING RELATIONSHIP BETWEEN FRIENDS NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING PEARSON CORRELATION TEST**

### Spearman Correlations

			Relationship2	Dependent
Spearman's rho	Dependent	Correlation Coefficient	1.000	.290**
		Sig. (2-tailed)	.	.001
		N	251	251
	Relationship2	Correlation Coefficient	.290**	1.000
		Sig. (2-tailed)	.001	.
		N	251	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 16 PRESENTING RELATIONSHIP BETWEEN FRIENDS NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING SPEARMAN CORRELATION TEST**

The two tests above manifest that there is a very weak relationship between friends networking and career advancement of young business graduates in China shown in the Table 18&19 above.

#### 4.2.4 Hypothesis 3:

H3=whether there is a relationship between professional networking and career advancement of young business graduates in China?



### Pearson Correlations

	Relationship3	Dependent
Relationship3	Pearson Correlation	1
	Sig. (2-tailed)	.315**
	N	.001
		251
Dependent	Pearson Correlation	.315**
	Sig. (2-tailed)	.001
	N	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

TABLE 17 PRESENTING RELATIONSHIP BETWEEN PROFESSIONAL NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING SPEARMAN CORRELATION TEST

### Spearman Correlations

	Relationship3	Dependent
Spearman's rho	Relationship3	Correlation Coefficient
		1.000
		.335**
		Sig. (2-tailed)
		.001
		N
		251
	Dependent	Correlation Coefficient
		.335**
		1.000
		Sig. (2-tailed)
		.001
		N
		251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

TABLE 18 PRESENTING RELATIONSHIP BETWEEN PROFESSIONAL NETWORKING AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING SPEARMAN CORRELATION TEST

The above two test Pearson and spearmen are used to test the hypothesis between professional networking and career advancement of young business graduates in china.

The tests found to have the weak relationship between professional networking and career advancement of young business graduates in china as shown in Table 19& 20.

#### 4.2.5 Hypothesis 4:

H4=whether there is a relationship as a whole between social capital and career advancement of young business graduates in China?

#### Pearson Correlations

		Dependent	Whole
Dependent	Pearson Correlation	1	.160 <sup>*</sup>
	Sig. (2-tailed)		.011
	N	251	251
Whole	Pearson Correlation	.160 <sup>*</sup>	1
	Sig. (2-tailed)	.011	
	N	251	251

\*. Correlation is significant at the 0.05 level (2-tailed).

TABLE 19 PRESENTING RELATIONSHIP BETWEEN SOCIAL CAPITAL AS A WHOLE AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING PEARSON CORRELATION TEST

#### Spearman Correlations

		Dependent	Whole
Spearman's rho	Dependent		
	Correlation Coefficient	1.000	.186 <sup>**</sup>
	Sig. (2-tailed)	.	.003
	N	251	251
Whole	Correlation Coefficient	.186 <sup>**</sup>	1.000
	Sig. (2-tailed)	.003	.
	N	251	251

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 20 PRESENTING RELATIONSHIP BETWEEN SOCIAL CAPITAL AS A WHOLE AND CAREER ADVANCEMENT OF YOUNG BUSINESS GRADUATES IN CHINA BY USING SPEARMAN CORRELATION TEST**

The two tests above Pearson and Spearman describes that there is a very weak relationship between social capital as a whole and the career advancement of young business graduates in china as shown in Table 21 & 22.

### **4.3 Results & Discussion:**

This research basic presumption was that the social capital play a vital role in the career advancement of young business graduates as it was also experienced on the ground by one way or the other. Therefore, the three independent variables family networking, friends networking and professional networking in terms of social capital were chosen in order to see their relationship with the career advancement of young business graduates in china. This research also shed light on the previous important studies on social capital by Bourdieu (1988), Coleman (1990), Granovetter (1973, 1984), Putnam (1993) and Fukuyama (1995). Bourdieu (1986) mentioned that the social networks are not a naturally given entity but must be constructed through investment strategies oriented to the institutionalization of group relations, usable as a reliable source of other benefits. He further explained that social capital the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu 1985, p. 248; 1980). The second one worth mentioning here was Coleman (1988) who gave the interesting sometimes complementary, sometimes contradictory definitions of social capital. As he argued that it is the economic stream that flies in the face of empirical reality but actually the persons’ actions are shaped, redirected, constrained by the social context; norms, interpersonal trust, social networks, and social organization are important in the functioning not only of the society but also of the economy (Coleman, 1988: 96). This was somewhat a different approach than Bourdieu who was concerned about how social inequality is manifested and how the different classes separate them from each other by certain socio-economic factors. But he also complemented Bourdieu while mentioning that social capital is relational, embedded in social structure, and had public good characteristics. He thereby wrote in this research “Unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons (Coleman 1990: 302).” Before Bourdieu and Coleman it was Granovetter (1973, 1984) who gave the hint of these structures in his research on strong ties and weak ties and how they benefit individuals. To fill in this equation of social capital, strong ties and weak ties, the question of what glues the structures, networks and relationships was filled by Putnam (1993) with the idea of trust being at the core. Putnam did his research on the governance of southern and northern Italy and found that the civic engagement play a key role in

reinforcement of governance style in northern Italy. Fukuyama (1990) differentiated between high trust and low trust and mentioned trust as being having different levels of society actually define societal behavior, norms and conduct. He argued that societies based on people's general readiness to form associations outside the obligations of family or the compulsion of the state. Therefore, under this scheme the United States and Japan are both seen as 'high-trust' given their propensity for forms of voluntary association, including (and especially) private businesses. They differ on the other side from societies like China or Italy where trust is considered low but where family networks have counted as the basis for not only social but economic life as well. This leads us to interpret the results of our research. It was found during our research that most of the respondents believe that family networking is going to play the essential role in their career advancement rather than professional and friends networking. It was also mentioned by Granovetter (1973) that strong ties can play the major role in the closed and traditional societies but where the societies are more open, the weak ties are bound to replace the previously taken place of strong ties. This can be manifested when asked from our research participants that how far the person in your family having strong ties with you can help you acquire a job/start a business/get a promotion, more than two-thirds of the respondents nodded their heads in 50% and more than 50% option. This compared to when asked about the classmates being the helpful source for career advancement, the most respondents gave mixed response but there were one-third who choose less than 50% help but while asking about close friends outside the university circle, there were more answers for 50% and more than 50% category. Interestingly, when asked about the connections with top management by family close relatives and the friends, the response was similar less than 50%. The respondents when inquired about the professional networking through formal and informal events, the response was less than 50% share of those events in career advancement with the exception of connections being made during the internship where the contribution could went upto 75% as believed by the respondents. Finally, when inquired about the combined effect of these three on the career advancement, more than two-third respondents choose 50% and more than 50% contribution of all three in their career advancement. Surprisingly, when asked about is the social capital necessary for career advancement, the response was quite similar indeed. Lastly, the most respondents were agreed that without social capital, the chance of career advancement is less than 50%. When finding the relationship between family networking and career advancement of young business graduates in china by using two correlation tests, it was shown to have moderate strength of relationship between the two components, which reinforced the idea of family being the core of social capital in china. However, while inquiring about the relationship between friends networking and the career advancement of young business graduates in china, it was found to have very weak relationship between the two components as this could also be manifested in the individual questions statistics regarding friends networking. Finally, the relationship

between professional networking and career advancement of young business graduates in china found to be in weak strength. It is now then concluded by one way or the other that social capital is bound to play a key role for the young business graduates in china and the possession of that capital could be acquired through family networks or professional networks rather than friends' networks.



## **Chapter 5: Conclusion**

### **5.1 Conclusion**

The research was started with the notion of finding the value of social capital in the career advancement of young business graduates in china. It was conducted by analyzing social capital in terms of family networking, friends networking and professional networking. The research was quantitative in nature because of the fact that, the topic chosen has the broader consequences and the generalization was necessary. The questionnaire was ultimately used and got 251 respondents from three prestigious universities of china and found their views about the three research components through 12 questions in total. The research also reflected upon the previous works of distinguished scholars namely Bourdieu (1986), Coleman (1990) and others. They all mentioned that social capital is embedded, this is different from the physical and human capital as it was seen before and it is also different from intellectual capital. This is the capital that is possessed through the networks, through the participation of social activity and through making a web of individuals having similar background, interests and other factors that bring them together for each other. It is not possessed by a single individual and it is collected and possessed by individuals connected through a spider like web. It was found during analysis of the respondents' answers that most of the respondents give more value to the family networking than the friends and professional networking for the career advancement after graduation. Interestingly, it was probed during descriptive analysis when asked from the respondents regarding the contribution of close relative or family member support for the graduates in their job acquisition, starting a business or getting a promotion and most of the respondents chose 50% and more than 50% contribution of close relatives in their career endeavor and that shows how strong ties are important for young business graduates in china. China as being the society of low trust and this seems quite justified and normal as this was argued by Fukuyama (1995) in his research on low trust and high trust societies. While asking regarding the close relatives connections with top management can help graduates in their career advancement, the contribution found to be less than 50% by most respondents and this was the case while connections with the top management by friends as well. This implicates that weak tie is not that much influential in china as strong tie with the exception of the response of one question when respondents chose 50% and more than 50% value to the connections made during their internship period and their contribution for the career advancement of young business graduates. While, It was found that professional internship can play a key role in the career advancement of young business graduates in china after graduation and this was the only exception in the questions regarding professional networking those shows less than 50% response from the respondents and this exception may be because of the professional environment in which graduates show their talent and skills. The relationship

when analyzed through SPSS tests between family networking and the career advancement of young business graduates was also found with moderate strength and the descriptive statistics also depicts that respondents chose 50% and more than 50% option for family networking and their impact on career advancement. However, the relationship of friends and professional networking with the career advancement of young business graduates in china was found to be of very weak and weak nature respectively. In conclusion, it could be narrated with some sort of certainty that there is a relationship between social capital and career advancement of young business graduates in china but that social capital has more roots in family networking or in other words strong ties play a key role in the career advancement for young business graduates in China than the weak ties as friends and professional networking are considered the weak ties in the social capital paradigm.



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