

Developing Business Start-up to Promote Job Creation: an Entrepreneurship Perspective in Pandemic Era

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Abstract

Market stagnation and employee rationalization caused by global social restrictions are problems arising from the Pandemic crisis. It caused a 6.5% increase in the global unemployment rate in 2020 and pushed down the work opportunity for the labor force. Therefore, the state needs efforts to increase the availability of job opportunities by supporting the formation of a start-up. This study aims to form a strategic model with Start-up entrepreneurship as a driver in increasing job opportunities in the Pandemic Era. This study refers data panel from GEM (Global Entrepreneurship Monitor) in 2019-2021 with 102 data from 34 countries. The testing method used is the Component-Based Structural Equation Model (CB-SEM), which shows that the Start-up Entrepreneurship variable has succeeded in becoming a total mediation variable for the relationship between Entrepreneurship Capability and Job Creation Activity and the relationship between Entrepreneurship Intention and Job Creation Activity. This study provides a body of knowledge on applying the management Labor Supply theory. The significance of the role of Entrepreneurship capability, which emphasizes a proactive attitude in creating opportunities and entrepreneurship intention through business incubation, can increase Start-up Entrepreneurship, which impacts Job Creation Activity.

Membangun Bisnis Start-up untuk Meningkatkan Job Creation: Sebuah Perspektif Entrepreneurship di Era Pandemi

Abstrak

Stagnasi pasar dan rasionalisasi karyawan yang disebabkan oleh pembatasan sosial global adalah masalah yang timbul dari krisis Pandemi. Ini menyebabkan peningkatan pengangguran sebesar 6,5% pada tahun 2020. Fenomena ini menyebabkan berkurangnya kesempatan kerja bagi angkatan kerja. Oleh karena itu, negara membutuhkan upaya untuk meningkatkan ketersediaan lapangan kerja dengan mendukung pembentukan Start-up. Penelitian ini bertujuan untuk membentuk model strategis dengan Start-up entrepreneurship sebagai penggerak dalam meningkatkan kesempatan kerja di Era Pandemi. GEM (Global Entrepreneurship Monitor) mengeluarkan data panel dari 2019-2021 yang dirujuk dalam penelitian ini dengan 102 data dari 34 negara. Metode pengujian yang digunakan adalah Component Based Structural Equation Model (CB-SEM), yang menunjukkan bahwa variabel Start-up Entrepreneurship telah berhasil menjadi variabel mediasi total untuk hubungan antara Entrepreneurship Capability dan Job Creation Activity dan hubungan antara Entrepreneurship Intention dan Job Creation Activity. Studi ini berkontribusi pada body of knowledge tentang penerapan teori permintaan tenaga kerja dalam persepektif manajemen. Signifikansi peran Entrepreneurship Capability yang menekankan pada sikap proaktif dalam menciptakan peluang dan niat berwirausaha melalui inkubasi bisnis, dapat meningkatkan Kewirausahaan Start-up, yang berdampak pada Kegiatan Penciptaan Lapangan Kerja.

JEL Classification: C31; L69; M31

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INTRODUCTION

The COVID-19 pandemic has significantly impacted various sectors, including entrepreneurship (Giones et al., 2020). The pandemic excess created social restrictions that impacted employee rationalization, limited turnover, and the challenges of reducing profits for entrepreneurs (Budd et al., 2020). However, on the other hand, technological developments that encourage economic sharing also create Start-up Entrepreneurship (Nur'afifah & Fitriani, 2019). The role of a start-up during the pandemic is more widely used to drive the economy, encourage a multiplier effect in entrepreneurs, and encourage online business, leading to job creation (Susanto et al., 2021). The formation of job creation goes hand in hand with the emergence of new ways of implementing start-up, such as the need for content for online marketing materials during the pandemic. Social media specialists, Influencers, and copywriters are various new professions created to meet the content needs of Start-up Entrepreneurship (Zysman & Kenney, 2018). Start-up Entrepreneurship also encourages online business by facilitating increased use of the internet for trade transactions and logistics business growth, increasing the creation of content creators, thereby creating a trend of new market needs that encourage market potential to become dynamic. Therefore, the study of Start-up Entrepreneurship is very crucial to be developed in a country.

There are two roots to the phenomenon of the development of start-up entrepreneurship. First, Entrepreneurship intention needs to be developed by emphasizing academic induction, opportunities originating from the social environment, and business prospects that create interest in the world of entrepreneurship (Wardana et al., 2021). In addition, the role of the government in building entrepreneurship intentions in organizing business incubation and crowdfunding can bring out new tenants in the creation of Start-up Entrepreneurship (Ghosh, 2017). Another aspect that encourages the growth of start-up entrepreneurship is entrepreneurial capability. This capability is a proactive, risk-taking, and inno-

vative attitude through skills and knowledge inherent in the entrepreneurial spirit in presenting innovation (Lumpkin & Dess, 1996). This innovation creates the business ecosystem's growth by increasing demand and supply, which causes the market to become dynamic (Putri et al., 2016).

The global recession caused by the pandemic in 2019 has been the worst economic recession since world war II. This recession caused the unemployment rate to rise by 6.5% in 2020 according to United Nation. This condition is due to changes in locked global conditions, especially from working in open public spaces. Market stagnation is one of the main causes of entrepreneur's inability to maintain their business even though there is no product demand. Conventional entrepreneurs were forced to rationalize employees, which decreased job creation activity during the pandemic (Budd et al., 2020). At the same time, online-based companies still have freedom of space and even develop rapidly, which impacts job creation activities (Tran, 2021; Al-Ali et al., 2022). Even so, some start-up can still survive during this turbulence. For example, Amazon and Facebook take advantage of the fact that they are essential services that the public has in lockdown (Dwoskin, 2020). Facebook plans to open 10,000 workers primarily to digital specialists (Ray, 2021), and Amazon saw a 15% increase in net profit from 2020.

Similarly, Gojek and Grab, as unicorns in the southeastern region, contributed to economic sharing during the pandemic, with the available delivery and delivery services requiring much workforce. However, creation of this Job Creation Activity has not been able to close the Unemployment Gap phenomenon due to the pandemic, especially for workers who have worked in established companies. They cannot switch to working in an online-based company because they do not have the specific skills needed today (Dasgupta & Murali, 2021). An alternative to these limitations is to leverage expertise to create budding entrepreneurs. The growth of a novice entrepreneur cannot guarantee the Job Creation process and even tends to inhibit the process of job creation activities.

The research gap raised is in the form of decreasing the number of jobs during the pandemic. This gap phenomenon has a root problem in three aspects: Entrepreneurship, Innovation, and Technology. First, the Entrepreneurship aspect refers to employee rationalization activities when facing business turbulence. It is caused to reduce the amount of cost burden due to financial difficulties in order bankruptcy which has an impact on reducing the global labor force participation rate in 2020 based on the International Labor Organization (ILO) Monitor by 2.2% with the definition of 81 million people in laid-off conditions and 33 million people in unemployment conditions (ILO, 2021). Second, in terms of innovation, it has a root problem where many start-up in various parts of the world have failed in business innovation during the pandemic. As survey data from Ayming Group states, 31% of start-up experience failure in innovating (Palmer, 2021). Third, in the technology aspect, there is a problem with the low level of investment, transformation, and application of digital technology in start-up businesses. This statement is supported by data on the ClickZ site that only 7% globally, especially in the New Canada-America Region, implement digital technology across the board in its business processes (Morgan, 2019).

This study aims to explore the relationship between human capital factors and start-up business creation based on research recommendations in studies (Clercq & Arenius, 2016). Clercq and Arenius build entrepreneurial capabilities with three indicators: specific skills, personally known entrepreneur, and opportunity. The opportunity described is something that already exists to make the start-up opportunity move forward. Therefore, this study further explains the creation of opportunities directly through the existence of a proactive attitude that entrepreneurs have amid business turbulence, namely the COVID-19 pandemic. The findings in this study are expected to contribute to formulating a strategic model for the development of Start-up Entrepreneurship in the face of business turbulence to improve job creation activity during the pandemic.

This study was conducted empirically by involving Entrepreneurship Capability, Entrepreneurial Intention, Start-up Entrepreneurship, and Job Creation Activity. This study was extracted from global entrepreneurship monitor data with a management perspective. The existence of this study in the body of knowledge will continue the study (Kane, 2010) by building a strategic model of job formation in the pandemic era. The originality of this study contributes to a strategic model for developing and strengthening Start-up Entrepreneurship in the face of business turbulence to increase Job Creation Activity during the pandemic.

Hypothesis Development

The study adopts the study (Decker et al., 2014), which also uses StartUp Entrepreneurship as the object of his research. The managerial perspective in this study is built by looking at the role of entrepreneurship activities in job creation in the pandemic era in labor supply theory.

Labor Supply Theory

Labour supply theory relates to applicable public regulations such as income tax, time, and working age (Pencavel, 1986). Public regulations in this theory can also be interpreted as government regulations that apply in pandemic conditions (Moser & Yared, 2021). Lockdowns and social distancing are policies in response to the pandemic issue that changed the order of labor recruitment, which directly impacted Job Creation Activities. This condition disrupts the labor market, where labor receipts are still tight even though the wage level is lacking. Even in the United States, wage levels were below the Consumer Price Index (CPI) during the pandemic (Cluver, 2022).

The constructs used to achieve Job Creation Activities in this study are Entrepreneurship Capability, Start-up Entrepreneurship, and Entrepreneurial Intention. This study refers to the study (Sartono et al., 2018), which explains the vital role of entrepreneurs in building a region's economy. However, this study does not address economic development in job creation.

The hypothesis is constructed with a conceptual model as where it appears in Figure 1.

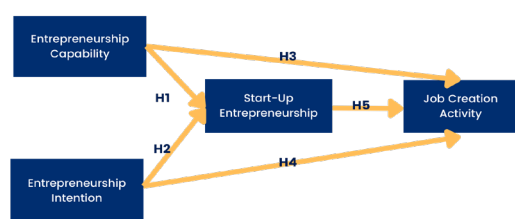


Figure 1 Empirical Model

Entrepreneurship Capability

Entrepreneurship capability is a prerequisite for entrepreneurs to grow and develop in responding to business turbulence in the pandemic era. In line with Miller's 1983 perspective, there are three main dimensions of entrepreneurial capability: proactiveness, innovativeness, and risk-taking attitude, with well-managed entrepreneurship capabilities that encourage entrepreneurship to grow into a start-up (Miller, 1983). The entrepreneurship capability is manifested in the form of skills and knowledge attached to the entrepreneur's character (Davis & Sun, 2005; Ikebuaku & Dinbabo, 2018; Lee et al., 2018). This character encourages the strong presence of innovation that creates a dynamic market and develops an entrepreneurial ecosystem.

Entrepreneurship Intention

Entrepreneurship intention is the intention and desire of individuals to realize their business ideas in establishing a start-up (Harima et al., 2021). Individuals who already intend to set up a business are called latent entrepreneurs. The intention of latent entrepreneurs can be developed through academic induction (Wardana et al., 2021) previous entrepreneur experiences, the existence of opportunities (Asante & Afum-Osei, 2019), regulations that support the climate of entrepreneurship as well, and the role of government in business incubation (Ghosh, 2017). Academics provide a role for the growth of intention through the induction of entrepre-

neurship instilled in the educational curriculum (Hameed & Irfan, 2019). The entrepreneurship curriculum arouses the potential of students to become interested as entrepreneurs by introducing the basics of their theory.

Start-up Entrepreneurship.

Start-up are popular businesses that combine entrepreneur knowledge, skills, and personality to create innovative updates using digital technology (Jesemann, 2020). Start-up have a big hand in national development as unicorns with a valuation above 14 trillion rupiahs. In addition, start-up play an active role in forming jobs to reduce a country's unemployment rate (Yasir et al., 2017) entrepreneurial opportunities, and intention toward entrepreneurship. Start-up investment inputs with great value will create a new ecosystem and market dynamics that lead to the growth of variations in new fields of work. It will reduce the large number of entrepreneurship collapses that cause employee rationalization (Roundy, 2021).

Job Creation Activity.

Job Creation is the success of entrepreneurs as agents of innovation in the movement of market dynamics (Tripathi et al., 2019). The innovations formed the increasing market competition between entrepreneurs and caused changes in business processes (Farida, 2016). This change gave rise to various needs for a new skilled workforce that became a new profession, such as 3D Modeller Designer, copywriter, and data analyst, thus supporting the Job Creation Activity. In line with the study (Malchow-Møller et al., 2011), 25% of national job creation in Denmark is formed from Start-up Entrepreneurship. Meanwhile, the old company that has been established only accounts for half of the figure.

Entrepreneurship Capability and Start-up Entrepreneurship

Establishing an entrepreneurship start-up amid a pandemic has challenges, such as market stagnation (Babina, 2020). Proactive attitude, innovativeness, and risk-taking are the abilities

that entrepreneurs must have in establishing their businesses. An entrepreneur's Proactive attitude is needed to read the opportunities that may arise amid a crisis along with the ideas to take advantage of these opportunities. This innovative idea can only be realized if the entrepreneur can calculate and take risks carefully to establish a start-up Entrepreneurship (Rezaei & Ortt, 2018) in turn, overall firm performance. Design/methodology/approach: This study examined the relationship between three dimensions of EO (innovativeness, proactiveness, risk-taking). Establishing a start-up amid a crisis also puts pressure on managerial efficiency so that the established start-up can survive by utilizing resources as optimally as possible without excessive cost overruns (Mulyana & Sutapa, 2016; Nugroho & Stoffers, 2020). Thus, Entrepreneurship Capability became the key to start-up building in the middle of crises such as the COVID-19 pandemic (Hermawan & Suharnomo, 2020).

H1: Entrepreneurship Capability has a significant effect on start-up Entrepreneurship

Entrepreneurship Intention and Start-up Entrepreneurship

Entrepreneurship intention can increase along with learning entrepreneurship in the academic curriculum that provides knowledge to latent entrepreneurs in lectures (Ben Youssef et al., 2021). Supportive environments in the academic sphere can provide knowledge and foster confidence in realizing business ideas (Anjum et al., 2021). The growing interest of latent entrepreneurs as someone who have the potential to build their own company is also supported by the existence of policies that support the creation of new businesses, such as business incubation programs and entrepreneurship capital assistance by the government (Ikebuaku & Dinbabo, 2018). A strong entrepreneurship intention will encourage latent entrepreneurs to become tenants in forming competitive start-up amid turbulence (Adekiya & Ibrahim, 2016).

H2: Entrepreneurship Intention has a significant effect on start-up entrepreneurship

Entrepreneurship Intention and Job Creation Activity

Entrepreneurial intentions are the first gateway to business processes, which can be improved by following business incubation. (Al-Mubarak et al., 2015; Kongolo, 2010) Business Incubation will produce a knowledgeable latent entrepreneur called a tenant. Knowledgeable tenants can map out problems and find the right solution when building a start-up during a pandemic (Das, 2021). Thus, start-up will create more jobs for the workforce across the country.

H3: Entrepreneurship Intention has a significant effect on Job Creation Activity

Entrepreneurship Capability and Job Creation Activity

Entrepreneurship Capability is a combination of three dimensions of entrepreneurship attached to the entrepreneurial character: proactiveness, innovativeness, and risk-taking in creating new businesses (Rezaei & Ortt, 2018) in turn, overall firm performance. Design/methodology/approach: This study examined the relationship between three dimensions of EO (innovativeness, proactiveness, risk-taking). The ability to read opportunities during crises such as pandemics is also needed to create business innovations to force the challenges of market dynamics (Ali et al., 2020). Such innovations will shape dynamic market movements that create the need for a new workforce in various professions (Babina, 2020; Cecere & Mazzanti, 2017; Chege & Wang, 2019; Hameed & Irfan, 2019). The need for new employees will create new Jobs in a country

H4: Entrepreneurship capability has a significant effect on Job Creation Activity

Start-up Entrepreneurship and Job Creation activity

Start-up Entrepreneurship is a new business that combines technology and innovation closely related to Job Creation Activity (Lowrey, 2011; Saura et al., 2019) this paper examines mainly three databases the Panel Study of Entrepreneurial Dynamics (PSED. it refers to

the needs of many skilled workers, such as UI / UX Designers, Programmers, and Data Analysts, that are mostly needed in building start-up entrepreneurship, especially technology-based ones in their business processes (Conroy & Weiler, 2016). The need for skilled labor, especially in the technology field, will open up many new jobs in a country that will balance the country's economic conditions amid turbulence such as the pandemic (Yasir et al., 2017) entrepreneurial opportunities, and intention toward entrepreneurship.

H5: Start-up Entrepreneurship has positive significant effect to Job Creation Activity

METHOD

This study used secondary data released by the Global Entrepreneurship Monitor (GEM). GEM is a global entrepreneurship survey agency based in London, England, with the Adult Population Survey (APS) instrument tool with a total sample of 2000 entrepreneurs spread globally. The use of GEM as a resource because this data aims to explore in more detail the activities of managerial entrepreneurs and their influence on the global economy (Widianto, 2019). The data used was in the form of panel data with a sample of 102 obtained from

34 countries, namely the United States, Russia, Egypt, Greece, Netherlands, Spain, Italy, Switzerland, United Kingdom, Sweden, Norway, Poland, Germany, Brazil, Chile, Colombia, South Korea, India, Iran, Canada, Morocco, Luxembourg, Cyprus, Latvia, Croatia, Slovenia, Slovakia, Guatemala, Panama, Saudi Arabia, Oman, United Arab Emirates, Israel, and Qatar. The sample is determined by the complete data (without missing data) from the data released by GEM in 2019-2022.

The Structural Equation Model (SEM) method with Partial Least Square (PLS) was used in this study which was processed using the SmartPLS application. The minimum sample number for SEM is calculated using the minimum sample theory (Hair et al., 2014). Therefore, the number of samples is at least five times the number of indicators of the variables used. The study has four indicators, so the minimum number of samples required using this calculation is 20. Thus, the sample has met the minimum amount.

Research Variable

This research discusses how Startup Entrepreneurship can build Job Creation Activities from the perspective of Labor Supply theory. Table 1 shows the research variables

Table 1. Research Variables

Variable	Abbreviation	Indicators	Reference
Entrepreneurship Capability	EC	EC is measured by indicators: Skills and Knowledge, proactive attitude, risk-taking, and innovation.	(Davis & Sun, 2005; Faghieh et al., 2019; GEM, 2020; Ikebuaku & Dinbabo, 2018; Lee et al., 2018)
Entrepreneurship Intention	EI	EI is measured by the declared intention of creating a business and self-employment business (latent entrepreneurship) within three years.	(Arafat & Saleem, 2017; GEM, 2020; Teixeira et al., 2018)
Start-up Entrepreneurship	SE	The total new business ownership measured SE.	(Chowdhury et al., 2014; GEM, 2020; Stuetzer et al., 2013; Zamberi Ahmad & Xavier, 2012)
Job Creation Activity	JCA	JCA is measured by the rate of employee participation in business growth through innovative ideas, new products, and new companies.	(Conroy & Weiler, 2016; GEM, 2020; Vixathep & Phonvisay, 2019)

The research variables used are built based on indicators in the data source, namely the Global Entrepreneurship Monitor and previous research reference sources in line with Table 1. Entrepreneurship Capability is built through indicators of skills and knowledge, proactive attitude, risk-taking, and innovation. Another entrepreneurship variable (EI) was built through the intention to build a private business for latent entrepreneurs in the last three years. The mediating variable in the form of start-up Entrepreneurship is obtained from the total number of new business owners. The Endogenous variable, Job Creation Activity, is measured from the labor participation level in business growth through innovative ideas, new products, and new businesses.

RESULT AND DISCUSSION

Data Analysis

In the early stages of the study, a convergent validity test was conducted. This test analyzed item loading, Average Variance Extracted (AVE), and Composite Reliability (CR). The CR results are shown in Table 2. Table 2 shows the items loading is more than 0.6, which meets the value recommended by (Hair et al., 2019) yet concise, overview of the considerations and metrics required for partial least squares structural equation modeling (PLS-SEM). As for the AVE threshold, the AVE should exceed 0.5 (Hair et al., 2019) yet concise, overview of the considerations and metrics required for partial least squares structural equation modeling (PLS-SEM). In this study, AVE and CR are at a value of 1,000, so it

can be accepted and stated that all constructs are reliable. The results of data processing also show that the loading factor value of each item is 1,000, which indicates a number above 0.6 (Ghozali, 2008) Table 2 shows the results of the AVE CR calculation.

The discriminant validity test was carried out by looking at the recommendations of (Henseler et al., 2015) such as partial least squares, the Fornell-Larcker criterion and the examination of cross-loadings are the dominant approaches for evaluating discriminant validity. By means of a simulation study, we show that these approaches do not reliably detect the lack of discriminant validity in common research situations. We therefore propose an alternative approach, based on the multitrait-multimethod matrix, to assess discriminant validity: the heterotrait-monotrait ratio of correlations. We demonstrate its superior performance by means of a Monte Carlo simulation study, in which we compare the new approach to the Fornell-Larcker criterion and the assessment of (partial regarding alternative approaches using the Heterotrait-Monotrait Correlation Ratio (HTMT). The results of the HTMT analysis in Table 3 show that the value is below 0.9, which means that the validity of the discriminant is determined between reflective constructs, where each indicator can represent a construct. Table 3 describes the results of the HTMT calculation.

Hypothesis Testing

Hypothesis testing in SmartPLS 3.0 includes testing the significance of direct and indirect effects and the magnitude of the effect of exogenous variables on endogenous variab-

Table 2. Items Loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE)

Latent Variable	Indicators	Loadings	CR	AVE
Entrepreneurship Capability	PC	1.000	1.000	1.000
Entrepreneurship Intention	EI	1.000	1.000	1.000
Start-up Entrepreneurship	TEA	1.000	1.000	1.000
Job Creation Activity	EEA	1.000	1.000	1.000

Sumber: SmartPLS 3.0 Processing Result (2020)

les Figure 2 shows the calculation results in the full model, and Table 4 shows the significance values of the constructs analyzed using

SmartPLS 3.0 software with the bootstrapping technique. Here are the test results: Table 4 explains the results of hypothesis testing.

Table 3. HTMT Testing Value

Construct	Entrepreneurship Intention	Entrepreneurship Capability	Job Creation Activity	Start-up Entrepreneurship
Entrepreneurship Intention				
Entrepreneurship Capability	0.575			
Job Creation Activity	0.101	0.124		
Start-up Entrepreneurship	0.584	0.529	0.059	

Sumber: SmartPLS 3.0 Processing Result (2020)

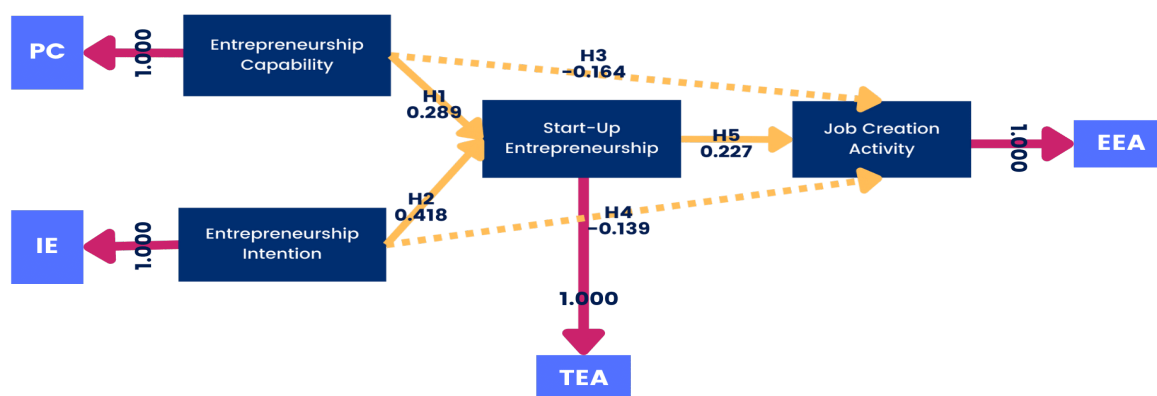


Figure 2 Full Model

Table 4. Hypothesis Testing value

Hypothesis	R/ship	Original Sample (O)	Sample Mean (M)	T-Statistics	P Values	Decisions
H ₁	EC→TSE	0.289	0.284	3.372	0.001	Supported
H ₂	EI→TSE	0.418	0.420	3.945	0.000	Supported
H ₃	EI→JCA	-0.139	-0.134	1.163	0.245	Not Supported
H ₄	EC→JCA	-0.164	-0.160	1.178	0.239	Not Supported
H ₅	TSE→JCA	0.227	0.221	2.171	0.030	Supported

Sumber: SmartPLS 3.0 Processing Result (2020)

Discussion

Based on the results of research that has been carried out, hypothesis 1 is accepted, Entrepreneurship Capability has a significant effect on Start-up Entrepreneurship with a value of 0.289. This statement aligns with the research (Tsolakidis et al., 2020). The ability to be entrepreneurial is needed to build a start-up that can survive in business turbulence, especially during a pandemic, related to problem-solving and product development. The ability of a start-up to survive is closely related to the managerial abilities possessed by entrepreneurs so that it can reduce the number of mistakes that cause start-up failure during the building phase (Tsai et al., 2016). From the perspective of labor theory, explaining the increasing need for innovation requires skilled workers phenomenon in human capital management. Therefore, Entrepreneurship Capability is needed to develop excellent Start-up Entrepreneurship amidst turbulence. Entrepreneurship Capability cannot be separated from the proactive, innovative, and risk-taking attitude possessed by entrepreneurs who can map solutions to problems. Mapping solutions and creating opportunities during crises allows start-up to continue generating profits despite dynamic market conditions.

Hypothesis 2 is accepted. Entrepreneurship Intention has a significant effect on Start-up Entrepreneurship with a 0.418 value. This result aligns with the study (Anjum et al., 2021; Das, 2021; Koe et al., 2012). The perspective of Entrepreneurship Intention in this study refers to sufficient knowledge on establishing a new business, represented by individuals who intend to build new businesses called latent entrepreneurs. A latent entrepreneur needs to increase their knowledge about entrepreneurship by taking entrepreneurship classes in an academic environment. It will strengthen the entrepreneurship intention of latent entrepreneurs. The entrepreneurship class usually gives a chance to the latent entrepreneur to do business incubation under the direction of an experienced entrepreneur. This business incubation will encourage latent entrepreneurs to create their start-up. The role of business incubation

in developing start-up is also essential, especially in developing start-up in developed countries such as the United States, Germany, and Russia (Tsaplin & Pozdeeva, 2017). Academic induction and business incubation are related to labor supply in planning the required labor needed to provide projections on start-up development during the pandemic.

Hypothesis 3 was rejected. Entrepreneurship intention has no significant effect on Job Creation (Adekiya & Ibrahim, 2016). The intentions and experiences of latent entrepreneurs will not be enough to form Job Creation Activities in times of crisis, such as a pandemic. The intention must be proven by forming a start-up in a competitive market. The study (Mohamed et al., 2012) explained that latent entrepreneurs who attend business incubation lectures are not effective enough in providing more insight to students to deepen the formation of new businesses. This statement contrasts with (Hameed & Irfan, 2019), who states there is a significant relationship between providing entrepreneurship materials to latent entrepreneurs to reduce unemployment and create new jobs.

Hypothesis 4 was rejected. Entrepreneurship Capability has no significant effect on Job Creation Activity. Entrepreneurship Capability needs a media to build Job Creation Activities such as start-up (Babina, 2020). Innovation refers to disruption and incremental innovation. It will significantly impact start-up establishments and increase labor needs and Job Creation. The knowledge and ability of entrepreneurs to manage a business will not be enough if an entrepreneur cannot create a start-up that can survive amid the turbulence of the pandemic. The existence of agility start-up will be able to create jobs that can meet the number of a country's labor force. This statement contrasts with the study (Cecere & Mazzanti, 2017; Naudé, 2016), which said Entrepreneurship Capability significantly affects Job Creation Activity.

Hypothesis 5 is accepted. Start-up Entrepreneurship significantly affects Job Creation Activity with a 0.227 value, as studied (Kane, 2010; Malchow-Møller et al., 2011). The forma-

tion of new labor needs that arise from start-up entrepreneurship will expand employment opportunities in a country (Chassamboulli & Peri, 2014). Establishing a start-up is a collaboration between business, technology, and innovation that will create jobs in various professions that have not existed before. Job Creation Activity will reduce the unemployment rate through the growth of various start-up during a crisis. It will create the growth and stability of a country's economy with various new jobs.

CONCLUSION AND RECOMMENDATION

This study's novelty is building a new model of Start-up Entrepreneurship as a mediator of Entrepreneurship Capability and Intention to encourage Job Creation Activity. This research contributes to the body of knowledge by building novelty in the form of Start-up Entrepreneurship into a full mediation variable from the variables of Entrepreneurship Capability and Entrepreneurship Intention toward Job Creation Activity by applying Labor Supply Theory.

The market conditions of industrial products are stagnating, and many cases of employee rationalization are due to social distancing and business restrictions, resulting in increased unemployment during the pandemic in various countries. This condition is the same as labor supply theory which states the relationship between the policies implemented by the government and the process of demand for labor in a country.

The establishment of Startup Entrepreneurship amid turbulence helped break up market stagnation and encourage the creation of new jobs. Proactiveness, innovativeness, and risk-taking are attached to the character of entrepreneurs to establish start-up that has the resilience to create new jobs. Another aspect is building an entrepreneurship intention through entrepreneurial experience. This experience is built from academic induction and business incubation that gives new insights to entrepreneurs in forming start-up that has endurance amid turbulence. A start-up that survives and has strong competitiveness will create job crea-

tion opportunities in a country. The managerial implications of this research are that entrepreneurs can increase the endurance of Startup Entrepreneurship through increasing skills and knowledge to create Job Creation Activities.

This study uses 32 countries as samples representing the Americas, Europe, Africa, and Asia, so the existing implementation can be generalized as the basis for further research. However, a deeper understanding can be obtained by completing a sample such as the Australian continent. The data used from the study is the result of data from APS. GEM has two survey institutions, namely APS and NES. Therefore, further studies can use NES as a data source to get a new perspective on the development of Start-up Entrepreneurship globally.

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