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Effect of Entrepreneurial Development on Employment Creation in Japan

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Abstract

Entrepreneurship development plays a considerable role in all modern economies. High cases of unemployment all over the world have necessitated entrepreneurial development. Thus, the study examined the effect of entrepreneurial development on employment creation in Japan. The study adopted the descriptive research design. The target population was 297 entrepreneurs based in Tokyo. The collection of the data was done using questionnaires. The study purposively picked the respondents. The analysis of the data was done using descriptive and inferential statistics. The study findings showed that entrepreneurial development is positively and significantly related to employment creation (β=0.875, p=0.002). The study concluded that when entrepreneurial development increases by one unit, employment creation will increase by 0.875 units while holding other factors that influence employment creation constant. The entrepreneurial development efforts play an important role in employment creation. Entrepreneurship activities in Japan have created employment in areas. The growth of entrepreneurship brings about the creation of supplementary businesses that provide raw materials like power and other industrial services like product packaging, marketing, insurance, micro-finance institutions and banks, logistics and communication. Entrepreneurship brings about income empowerment in a country. The study recommended that the government try to raise the number of entrepreneurial development training centers in Japan to enroll many jobless young people. Financial policies should suit small and medium-scale investments in entrepreneurship activities with potential. Entrepreneurship education ought to be given top priority beginning with primary to the tertiary level curriculum. It is also recommended that there is a need for sustained initiatives by government and non-government institutions towards creating entrepreneurship programs to come with proper activities, achieve comprehensive development, and create employment opportunities.

Keywords: *Entrepreneurial Development, Employment Creation, Tokyo, Japan*

1.0 Introduction

Entrepreneurship development plays a considerable role in all modern economies. Entrepreneurship is influenced by the country where it operates and the area where it is found (Ratten, 2020). High cases of unemployment all over the world have necessitated entrepreneurial development. Japan is among the countries in the world with its culture, original civilization and background. The nation is found in Asia Continent, not far from Korea and China, and it is an innovation-driven country. It is also regarded as one of the most developed countries in Asia and the world at large. Even though there is growth in the economy and the government's interest in enhancing entrepreneurship, the entrepreneurship levels in the country are at relatively lower levels compared to other nations such as Taiwan and Korea (Cho & Lee, 2018). Entrepreneurship is a source of job creation (Lukeš, Longo & Zouhar, 2019). This is because entrepreneurial activities have been discovered to have the ability to affect a country's economy and its individuals' lifestyles. According to Dhahri and Omri (2018), entrepreneurship executes different functions in businesses, society and general growth. All factors of production might be unproductive and ineffective without entrepreneurship development.

High incidences of unemployment worldwide have necessitated entrepreneurial development (Zemtsov, 2020). Most significantly, the young people are the ones who will drive development and transformation. They are an essential aspect of a country's industrial development and growth. Individual entrepreneurs and entrepreneurial groups reveal the resources, innovations and trading opportunities which make economic growth possible. Undoubtedly, entrepreneurs are the first to find the opportunities and possible economic value of new resources; they effectively bring those opportunities into existence in economic terms and broaden the job opportunities available for exploration by the youth (Boudreaux, Nikolaev & Klein, 2019). Entrepreneurship activities in Japan have created employment in areas like agriculture/agro-allied, solid minerals, logistics, information and telecommunications, hotels and tourism sectors, and building and construction (Edgington, 2018). By developing new enterprises, entrepreneurs create more value in the market, which leads to more economic activity registered as an increase in national income. These new enterprises additionally call for labour and develop new job opportunities that equivalently increase national income.

Hakanen and Rajala (2018) noted that in a properly organized country, the growth of entrepreneurship brings about the creation of supplementary businesses that provide raw materials like power and other industrial services like product packaging, marketing, insurance, micro-finance institutions and banks, logistics and communication. Concurrently, other entrepreneurs sprout out to add value to the by-products produced by the leading company. Entrepreneurship provides a dependable source of income earning, not just for the entrepreneur and labour, but for various other factor inputs (Kraus, Palmer, Kailer, Kallinger & Spitzer, 2018). Given the long-run focus and the growth potential of entrepreneurial activities, the entrepreneur and all income earners from entrepreneurial tasks become more financially independent and positive when facing life's difficulties. It may, consequently, be specified that entrepreneurship brings about income empowerment in a country. Lack of job opportunities is among the significant causes of social vices like fraud, kidnapping, armed robbery, poverty, prostitution, terrorism and political thuggery.

Thus, the study sought to examine the effect of entrepreneurial development on employment creation in Japan.

2.0 Literature Review

Hemmert, Cross, Cheng, Kim, Kotosaka, Waldenberger and Zheng (2021) performed a study to assess the entrepreneurship development of Hong Kong and contrast its performance with the other top nations in the near locality, primarily China and Taiwan. The GEI method was applied, where the GEI method concentrates more on quality-associated institutional and personal elements of entrepreneurship. In addition, we utilized a novel feature of the GEI, the penalty for bottleneck PFB strategy, to develop induction of which entrepreneurial components need to be dealt with and how much initiative is required to lighten the Hong Kong bottleneck. Hong Kong's entrepreneurial performance is reasonably modest contrasted to other nations in the near locality, specifically in personal factors. Hong Kong's entrepreneurial profile strengths are in the institutional attributes (e.g., country risk), while the instability in the profile back to individual factors (e.g., population perception and inspiration). The nation has different essential bottlenecks in its performance opportunity understanding, start-up abilities, and networking pillars. The GEI information utilized in the research covers 2010-2020. Hong Kong should concentrate on the bottlenecks of opportunity perception, start-up skills, and networking to enhance its entrepreneurial performance by creating an education policy that puts more effort into entrepreneurship. The study recognizes the risk facets of Hong Kong's performance by utilizing a novel approach incorporating individual and institutional factors in one model. Additionally, the usage of (PFB) to find which entrepreneurial elements ought to be attended to.

Cho and Lee (2020) researched the impact of entrepreneurship development on employment creation with key data inputs from Gangwon, South Korea. Two types of entrepreneurship, cutting-edge and replicative, are considered to contribute to the debate through the lens of binary logit regression evaluation. A sample of 331 entrepreneurs was chosen using a simple random sampling method and was evaluated using descriptive statistics and binary logit regression. Regardless of the role of entrepreneurship in employment creation in a nation such as South Korea, the number of jobless young people continues to be relatively high in the third quarter of 2019. The literature on the entrepreneurship-employment nexus is scanty mainly because of information restrictions and the inadequacy of proper quantifiable procedures for entrepreneurship. The outcome indicated that around 79.7% of the sampled entrepreneurs had used one or more individuals, recommending that entrepreneurship growth has caused a decrease in unemployment. The outcome indicates that innovation, education and start-up capital have a favourable and substantial effect on business development. The findings highlight the demand for sustained initiatives by government and non-government institutions towards creating entrepreneurship programs to make activities and achieve comprehensive development.

Chowdhury, Audretsch and Belitski (2019) research evaluated the effect of entrepreneurship growth entrepreneurs in creating earnings and employment by examining ten states of the U.S.A. Using stratified and simple random sampling, a sample of 300 entrepreneurs who took part in various business tasks was considered for the research. Descriptive statistics, OLS regression and ANOVA analysis were used. From the empirical outcome, a favourable and considerable effect is

noted on income generation by entrepreneurship growth program, while an adverse effect is noted on employment creation. The research concluded that most of the entrepreneurs in these states are operating small micro firms without a plan for development within the shortest possible period since most entrepreneurs run their businesses separately without utilizing any labour. This is because of factors like business capacity, low funding, decreased rate of return and reduced profit. There is a need for policymakers to educate the current (small, micro and medium) ventures on the advantages of broadening their long-term operations, suggesting stipulation of employment opportunities.

Amjad, Rani and Sa'atar (2020) research investigates the entrepreneurial development and employment creation in Singapore between 2010 and 2020. The research is postulated on the fact that the high rate of lack of employment among young people has been regarded as an issue of public concern to the society mainly that usually expected white collar jobs after learning are not forthcoming. Each year, many learners complete their studies in learning institutions without compatible opportunities or spaces for suitable employment. Thus, it appears the only choice is entrepreneurial programs. The research utilized primary and secondary data from 400 participants through a questionnaire dispersed among three purposively chosen Regions: East, Central and North Regions. A total of 200 surveys were correctly filled out and returned for evaluation with the help of an ideal statistical analysis tool such as the chi-square study method. Four hypotheses were created and examined using SPSS; the outcome indicated proof of the impact of entrepreneurial development, which leads to job creation for the jobless young people in the Central Region. This is not without some accompanying obstacles, given the high number of jobless people in the Region. Furthermore, the research suggested that the government needs to boost the number of entrepreneurial growth-based training centres in Central Region to enrol many jobless youths. Additionally, it was noted that one of the obstacles militating against entrepreneurial growth is the lack of proper statistics on the jobless people in the Central Region; this has, in one way or the other, prevented programs focused on employment generation with entrepreneurial growth in the Region. It is suggested that correct statistics of the unemployed youths ought to be determined to enable professionals to develop a stable entrepreneurial development programme to deal with the need of the unemployed, specifically the young people in the Central Region.

Recke (2019) noted that unemployment had been a central problem in the German economy. Subsequently, Germany's government adopted numerous techniques and programs for entrepreneurial growth to deal with the unemployment issue. Globally, entrepreneurship has been adjudicated to have the ability to create jobs. Undoubtedly, several literatures reveal that entrepreneurship has been related to the generation of self-employment. They also disclose that a few researches have been performed on entrepreneurship in growing countries, specifically Germany, thus the need for further study. Therefore, the research examined entrepreneurial development and employment creation in Hamburg, Germany. The research specifically analyzed the capability of small and medium ventures (SMEs) to create employment in Hamburg. The research embraced a survey study style. The research participants were 500 registered SMEs in Hamburg, listed by the National Association of SMEs. A simple random sampling strategy was utilized to choose twenty city government regions in Hamburg and a sample size of 150 SMEs.

The decision of the research region was anchored on the size and concentration of SMEs. The study tool was a self-developed and verified questionnaire. A total of 550 copies of the survey were carried out with a reaction rate of 80.4%. Data were analyzed by making use of descriptive and inferential statistics. Results revealed a substantial relationship between self-employment and the acquisition of professional skills. Additionally, there was a substantial connection between business collaboration formation and the acquisition of managerial abilities. Similarly, there was a considerable relationship between family business formation and acquisition of technical abilities with inheriting ventures. Additionally, there was a substantial connection between government employment training programmes and self-employment. On top of that, among the SMEs in Hamburg, baker shops (99), service centres (85), petty trading (75) and barbing (59) created more job opportunities than others. The research concluded that vocational skills and government training created employment with SMEs in Hamburg, Germany. In addition, business development improved the acquisition of managerial and technical skills. The research suggested that government and SMEs should concentrate on creating ventures that create more employment. On top of that, the government ought to provide appropriate training for entrepreneurs. At the same time, business owners, in turn, should give enough and continuous training for staff members to improve their technical skills.

Liu, Ye and Feng (2019) study analyzed the effects of small-scale entrepreneurship growth on employment creation in China. Survey data collection was carried out utilizing an online survey. The participants in the research were 92 entrepreneurs in Guangzhou, China, who had a direct and accountable role in the daily functions of the entrepreneurial enterprises. The data evaluation technique employed was descriptive statistics and correlation evaluation using SPSS 20. Against usual ideas, the research findings reveal an unimportant influence of small-scale business ventures on employment creation in China. This recommends that small-scale business ventures cannot play a considerable role in the economic development, job creation and poverty reduction in the study of China. While small business ventures in China are expected to be essential tools to address joblessness, the goal has not happened due to several difficulties. By outlining these difficulties, the study also gave tips for developing a durable small-scale business sector in China.

3.0 Research Methodology

The study adopted the descriptive research design. The target population was 297 entrepreneurs based in Tokyo. The collection of the data was done using questionnaires. The study purposively picked the respondents. The analysis of the data was done using descriptive and inferential statistics.

4.0 Research Findings and Discussion

The findings were presented in sections.

4.1 Correlation Analysis

The study conducted correlation analysis to examine the association between the variables. The study findings on the correlation analysis are presented in Table 1.

Table 1: Correlation Analysis

		Employment Creation	Entrepreneurial Development
Employment Creation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Entrepreneurial Development	Pearson Correlation	.671 **	
	Sig. (2-tailed)	.000	1.000

The correlation results from Table 1 indicate that entrepreneurial development was positively and significantly related to employment creation (r=.671, p=.000). This concurs with Recke (2019), who reported that government and SMEs should concentrate on the creation of ventures that create employment more. Hakanen and Rajala (2018) noted that in a properly organized country, the growth of entrepreneurship brings about the creation of supplementary businesses that provide raw materials like power and other industrial services like product packaging, marketing, insurance, micro-finance institutions and banks, logistics and communication. Concurrently, other entrepreneurs sprout out to do value addition to the by-products produced by the primary company. Entrepreneurship provides a dependable source of income earning, not just for the entrepreneur and labour, but for various other factor inputs (Kraus, Palmer, Kailer, Kallinger & Spitzer, 2018). Given the long-run focus and the growth potential of entrepreneurial activities, the entrepreneur and all income earners from entrepreneurial tasks become more financially independent and positive when facing life's difficulties. It may, consequently, be specified that entrepreneurship brings about income empowerment in a country. Lack of job opportunities is among the significant causes of social vices like fraud, kidnapping, armed robbery, poverty, prostitution, terrorism and political thuggery.

4.2 Regression Analysis

This section consisted of model fitness, variance analysis and coefficient regression. The results presented in Table 2 show the model's fitness.

Table 2: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441a	0.241	0.209	0.0000071

The results from Table 2 depicts that entrepreneurial development was discovered to be satisfactory in explaining the employment creation in Japan. This was supported by the coefficient of determination, also known as the R square of 0.241. This implies that entrepreneurial development explains 24.1% of the variations in employment creation in Japan.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.47	1	29.47	214.61	.000b
	Residual	40.51	295	0.1373		
	Total	69.98	296			

The results in Table 3 indicate that the overall model was statistically significant. The results show that entrepreneurial development is good predictor in explaining the employment creation in Japan. This was supported by an F statistic of 214.61and the reported p-value of 0.000 which was less than the conventional probability significance level of 0.05.

Table 4: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.487	0.051		9.486	0.114
Entrepreneurial development	0.875	0.142	0.548	6.142	0.002

Based on the presented in Table 4, it was noted that entrepreneurial development is positively and significantly related to employment creation (β=0.875, p=0.002). This was supported by a calculated t-statistic of 6.142, which is larger than the critical t-statistic of 1.96. The findings indicated that when entrepreneurial development increases by one unit, employment creation will increase by 0.875 units while holding other factors that influence employment creation constant. Cho and Lee (2020) articulated that there is a need for sustained initiatives by government and non-government institutions towards creating entrepreneurship programs to come with proper activities, achieve comprehensive development, and create employment opportunities. Entrepreneurship is a source of job creation (Lukeš, Longo & Zouhar, 2019). This is because entrepreneurial activities have been discovered to have the ability to affect a country's economy and its individuals' lifestyles. According to Dhahri and Omri (2018), entrepreneurship executes different functions in businesses, society and general growth. All factors of production might be unproductive and ineffective without entrepreneurship development. Hakanen and Rajala (2018) noted that in a properly organized country, the growth of entrepreneurship brings about the creation of supplementary businesses that provide raw materials like power and other industrial services like product packaging, marketing, insurance, micro-finance institutions and banks, logistics and communication. Concurrently, other entrepreneurs sprout out to do value addition to the by-products produced by the primary company. Entrepreneurship provides a dependable source of income earning, not just for the entrepreneur and labour, but for various other factor inputs (Kraus, Palmer, Kailer, Kallinger & Spitzer, 2018).

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5.0 Conclusion and Recommendations

The study concluded that entrepreneurial development is positively and significantly related to employment creation. The findings indicated that when entrepreneurial development increases by one unit, employment creation will increase by 0.875 units while holding other factors that influence employment creation constant. Unemployment has been regarded as one of the main issues facing numerous countries, particularly young people. To address this issue, various measures and programmes are embraced by Japan's national and regional governments. Some of the measures and programmes of government were to be highly involved in the entrepreneurial development training programme to create employment. The entrepreneurial development efforts play an important role in employment creation. The government should try to raise the number of entrepreneurial development training centres in Japan to enrol many jobless young people. Financial policies should suit small and medium-scale investments in entrepreneurship activities with potential. Entrepreneurship education ought to be given top priority beginning with primary to the tertiary level curriculum. This will assist in informing people on the importance of entrepreneurship from a young age, hence, helping minimise the high rate of reliance on government jobs that are insufficient. It is also recommended that there is a need for sustained initiatives by government and non-government institutions towards creating entrepreneurship programs to come with proper activities, achieve comprehensive development, and create employment opportunities.

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