The Readiness of Business Practitioners in Special District of Yogyakarta in Facing the Operation of New Yogyakarta International Airport 2019

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ABSTRACT

This research aims to measure the business practitioners' readiness level in regency/city of Special District of Yogyakarta (DIY) in facing the opportunity of the business and economic development with the operation of New Yogyakarta International Airport (NYIA) and factors to the readiness. The primary data were obtained through the survey of 170 respondents as the samples as the DIY business practitioners. The analysis tools included descriptive statistics, factor analysis and regression. The research results showed the moderate category of business practitioners' readiness in DIY in facing the operation of NYIA 2019. This was positively and significantly affected by the factors of innovation, business opportunities, optimism, socialization and cost threat. Innovation here had the most significant factor in determining the business practitioner's readiness in facing the operation of NYIA 2019; while the factors of threat of business continuity and knowledge about NYIA showed no effects statistically towards the business practitioners' readiness.

Keywords: Readiness, Business Practitioners, New Yogyakarta International Airport
JEL Classification: D820

1. INTRODUCTION

The New Yogyakarta International Airport (NYIA) has been being constructed in Temon Sub-district, Kulon Progo Regency in Special District of Yogyakarta (DIY). The new airport is planned to operate in April 2019. At the first phase (2019-2030), NYIA will have 130 hectares with the capacity of passengers reaching at 15 million people per year. The new airport uses the environmentally-friendly and airport city concept. The connectivity inter the transportation modes has been prepared to support the existence of NYIA. A number of supporting facilities have also been prepared such as retail, hotels, restaurants, offices, housings and international hospital. The development of NYIA is expected to capable of triggering the higher economic level in Special DIY. With the existence of this airport, then it can create the center of new development that can bring an effect on the area as well as other surrounding areas.

The affected community mostly has a positive perception with the development of new airport (Prianggoro, 2016). Nevertheless, there is a need to concern with the social-economic impact that can raise the conflict among the local community. A number of social-economic impact from the existence of NYIA includes: the refusal of some people to the development of NYIA, consumptive behavior of community to obtain the compensation of utilization of their land, the issue of economic sustainability of the affected community (Azizah, 2017; Kurniati, 2017).

The economic potency from the existence of NYIA can be reached if the business practitioners can use it. If the business practitioners

and local government in the location of airport development are not ready, then the local business practitioners will only be the spectators in the economic growth in the airport surrounding. Jamies Drever (in Vika, 2014) defines readiness as the *readiness to respond or react*. Readiness refers to all conditions making it ready to give the response or answer in certain way towards a situation. Rosalie and Mudambi (2003) assess the readiness of firm in three dimensons: intellectual, social, and technological.

The readiness of the business practitioners can be measured using some factors: optimism (Rosalie and Mudambi, 2003; Didi, et al., 2011; Caitlin, 2012; Taryadi and Royani, 2015), innovativeness (Didi, et al., 2011; Caitlin, 2012; Hamidizadeh and Hargaranyazd, 2014), inconvenience (Didi, et al., 2011), business opportunity (Rosalie and Mudambi, 2003; Taryadi and Royani, 2015), human resources (Taryadi and Royani, 2015) and information (Caitlin, 2012). Based upon the references above, the readiness of business practitioners in this research was measured using the factors of business opportunities, information, optimism, innovativeness, and inconvenience.

Based on the background above, this research aims to measure the level of readiness of business practitioners in Regency/City of Special DIY in facing the opportunity of the business and economic development along with the operation of NYIA and factors towards the readiness. The rest of the part of this research includes the research methods, data analysis and discussion and conclusion.

2. RESEARCH METHODS

This research used the triangulation approach. Triangulation refers to the use of more than one approach or method in one research (Jick, 1979; Hussey and Hussey, 1997: 74). The rational reason for the use of triangulation in this research is to be capable of exploring more detail about the issues taken in the research. The data used in this research was the primary data obtained from the survey of interview to the respondents as the business practitioners in regency/city of Special DIY. The population of this research was the business practitioners in Special DIY and there were 170 people used as the samples in which they have been randomly selected with the following sample frame:

a. Business practitioners included in the top five non-agricultural contributing sectors for GRDP in Special DIY, including Large Trade and Retail, Car and Motorcycle Repair; Accommodation and Beverages Provision; Construction; and Processing Industry.

b. Business practitioners in the category of medium and large industries as listed in the medium and large industry directories of the Central Bureau of Statistics of Yogyakarta and Central Java;

c. Retail franchise businesses as recorded in one population.

The sample of business practitioners in Special DIY were selected randomly from the list of Medium and Large Industries Directory, Central Bureau of Statistics of Special DIY 2017.

Several analysis tools were used in this study (triangulation of analysis tools). The analysis tools used to measure the level of readiness referred to the average score of the respondent's answer based upon the Likert scale. The classification of respondent readiness was divided as follows: score ≤2.5 was categorized as low; >2.5-3.75 was categorized as medium, and >3.75 was categorized as high. The next step was to use factor analysis to extract the factors affecting the readiness of the business practitioners (Tabachnick and Fidell, 2001: 582-583). It was then continued with the step to estimate the variables effecting the readiness of business practitioners in Special DIY by means of linear regression analysis (Gujarati and Porter, 2009).

3. RESULTS AND DISCUSSION

The readiness of business practitioners in Special DIY to face the operation of the NYIA 2019 is various. Overall, it is in the moderate category in facing the operation of NYIA 2019. The score of readiness of business practitioners in this province was 3.21. This readiness can be seen from several items. There are three highest items indicating the readiness of business practitioners in Special DIY: those already having a new marketing plan (with the score of 3.46); those having a business development strategy (with the score of 3.36); and those preparing a new business plan that has considered the existence of NYIA 2019 (with the score of 3.32). The score of anticipation of organizational/management change was in the medium category even though it had the lowest score (2.75). The business practitioners in Special DIY viewed that organizational/management changes in their business unit is not necessary to be now done.

In the construction sector, the business practitioners in Special DIY showed the highest level readiness of business practitioners in other sectors. The readiness score of the business practitioners in construction sector was 3, 48; higher than the sector of Accommodation and Beverages Sector at 3.26; Processing Industry Sector at 2.90; and the Large Scale Trading at 2.25. Business practitioners in Construction Sector, the Accommodation and Beverages Sector, and the Manufacturing Industry had a moderate level of readiness, while the Large Trade Sector had a low readiness level (see Table 1).

By region, the readiness of business practitioners in Kulon Progo were in the moderate category with the readiness score of 3.48. They were also in the moderate category with a score of 3.44. The readiness of business practitioners in Sleman Regency and Bantul Regency were in the moderate category with the scores of 3.26 and 2.90 respectively. In Gunungkidul Regency the readiness of business practitioners was is in the low category with a readiness score of 2.25. The readiness of businesses in Kulon Progo was found at the highest score; while the one in Gunungkidul was found at lowest (see Figure 1).

The results of factor analysis towards all statement items that allegedly affected the level of readiness of business practitioners in Special DIY in facing the operation of NYIA 2019 produced 7 factors. These factors were resulted from the rotation carried out using the Varimax method. The KMO value of 0.899 showed that the data adequacy used in the analysis was high. These seven factors included Innovation, Business Opportunity, Optimism,

Table 1: Readiness score of business practitioners in special district of yogyakarta

Readines	Manufacturing	Construction	Wholesale	Accomodation	Average
Prepare a new business plan	2,97	3,50	2,13	3,41	3,32
Has a development strategy	3,00	3,67	2,13	3,44	3,36
Business transformation	2,75	2,50	2,25	3,03	2,99
Improve human resources	2,97	3,83	2,25	3,31	3,26
New marketing plan	3,31	3,83	2,50	3,44	3,46
Anticipate changes in the business environment	2,97	4,00	2,38	3,35	3,29
Anticipate organizational/management changes	2,34	3,00	2,13	2,85	2,65
Average Score	2,90	3,48	2,25	3,26	3,21

Tabel 2: Regression result

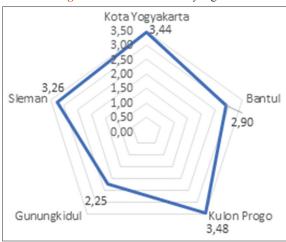| Variable	Coef	Std. Error	t	prob
(Constant)	−6.228E-17	0.043	0.000	1.000
Inovation	0.633	0.044	14.517	0.000*
Bussines oportunity	0.354	0.044	8.116	0.000*
Optimism	0.189	0.044	4.335	0.000*
socialization	0.277	0.044	6.348	0.000*
Business continuity threat	0.052	0.044	1.203	0.231
Threat of production costs	0.223	0.044	5.106	0.000*
Knowledge	0.029	0.044	0.662	0.509

a. Dependent variable: Business practitioners readiness R-squared: 0,692 F-stat: 51,953*
*Significant alfa 1%

Figure 1: Readiness score by region

Socialization, Business Continuity Threat, Cost Threat, and Knowledge.

Individually, the readiness of business practitioners in Special DIY positively and significantly was affected by the factors of innovativeness, Business Opportunities, Optimism, Socialization, and Cost Threat. At this point, the factor of innovativeness had the highest regression coefficient. The readiness of business practitioners in Special DIY in facing the operation of NYIA 2019 was found largely influenced by the factor of business innovation. Innovations carried out by business practitioners included marketing innovation, information technology innovation, and product innovation. The more the innovation made, the higher the level of readiness of business practitioners in Special DIY in facing the operation of NYIA 2019.

The factor of Cost Threat showed a positive and significant effect on the level of readiness. The existence of NYIA is expected to increase the production and non-production costs. The increase in the estimated burden has prompted some companies to change their business plans. The change in business plans and company budgets shows that business practitioners have been ready to face the NYIA 2019. Factor of socialization showed a positive and significant effect on the readiness level. The existence of socialization from the government has made business practitioners able to obtain information on the benefits of the NYIA Airport. The government has provided sufficient information regarding the development process and business opportunities in the presence of a new airport. With the socialization, business practitioners are more aware of the benefits obtained from the existence of NYIA airports enabling them to be ready to face the existence of NYIA.

Factor of optimism showed a positive and significant effect on the readiness level. The optimism of business practitioners can be illustrated by their readiness to face the risk of business competition with the existence of NYIA, their optimism that they can rapidly adapt to any changes in the operation of the NYIA and their optimism that the existence of the new airport will improve its business. The higher the optimism of business practitioners in facing the risk of business competition, the higher the level of their readiness.

Furthermore, the factor of Business Opportunity showed a positive and significant effect on the readiness level. The business practitioners were found to believe that the existence of a new airport will encourage new business opportunities, open new markets, and build the network related to information and business of business practitioners. The awareness of the business practitioners for new business opportunities affects their readiness. The factor of threat for the business continuity and knowledge had no significant effect on the readiness of business practitioners in Special DIY in facing the operation of the NYIA 2019.

The determination coefficient was found at 0.692, meaning that 69.20% of variations in the variables of business readiness can be explained by variables of factors of innovation, business opportunity, optimism, socialization, business continuity threat, cost threat and knowledge.

The F-statistic value of 51,953* and significance at alpha 1% showed that altogether the factors of innovativeness, Business Opportunity, Optimism, Socialization, Business Continuity

Threat, Cost Threat, and Knowledge had an effect on the readiness of business practitioners in facing the operation of the NYIA 2019 (see Table 2).

4. CONCLUSION

Some conclusion then can be drawn based upon the analysis and discussion that have previously presented.

1. Overall, the readiness of business practitioners in Special DIY was categorized in the moderate category in facing the operation of NYIA 2019. The three highest items indicated the readiness of business practitioners in this region in which the business practitioners have had some new marketing plans, business development strategies, and prepared some new business plans.

2. The readiness of business practitioners in Special DIY has been positively and significantly influenced by factors of innovation, business opportunities, optimism, socialization, and cost threats. The factor of innovation showed the highest effect on determining the readiness of business practitioners in Special DIY in facing the operation of NYIA 2019. The factors of business continuity and knowledge about NYIA showed no statistical effect on the readiness of business practitioners in Special District of Yogyakarta.

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