

## Organizational Inertia: As a Control Mechanism for Organizational Creativity And Agility In Disruptive Environment

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**Abstract :** Covid-19 pandemic has changed business environments and has spread economic contagion rapidly, as the stringent lockdowns and social distancing, which were initially intended to cut off the spread, have instead cut off the flow of economies. With no existing experience or playbook to deal with such a crisis, the prolonged pandemic can lead to bankruptcies, despite the fact that there are cases of companies that are not only able to survive but also to increase sales and create more jobs amid the economic crisis. This quantitative research study clarifies conflicting findings on organizational inertia whether it is a better strategy to implement during a disruptive environment. 316 respondents who worked in diverse firms operating in various industry types in Indonesia have completed the survey with a response rate of 63.2%. Further, this study clarifies the roles and relationships between organizational inertia, organizational creativity, organizational agility, and organizational resilience that potentially have determinants factors on firm performance in a disruptive environment. The findings of the study confirm that the organizational inertia of the firm will set up strong protection on the organization's fundamental orientation, which eventually will confine organizations to build adequate creative and adaptability responses—such fundamental orientation built from path dependency along with past success and prolonged firm performance. Organizational inertia acts like a control mechanism to ensure the adequacy of the given responses. The term adequate is important, as being overly creative during a disruptive environment may have a contradictory result since it can burden the firm performance. During a disruptive environment, organizations will limit creativity by focusing more on creativity that supports the resilience and new technology adoption will be limited since the cost of learning and implementation are perceived as greater than the potential gains. The optimal path towards firm performance is gained through organizational resilience, as in a disruptive environment, the survival of the organization takes precedence over firm performance.

**Keywords :** disruptive environment, organizational agility, organizational creativity, organizational inertia, organizational resilience

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