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**PROBLEMATIZING FIT AND SURVIVAL: TRANSFORMING THE LAW OF  
REQUISITE VARIETY THROUGH COMPLEXITY MISALIGNMENT**

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### **ABSTRACT**

The law of requisite variety is widely employed in management theorizing, and is linked with core strategy themes such as contingency and fit. We reflect upon requisite variety as an archetypal borrowed concept. We contrast its premises with insights from institutional and commitment literatures, draw propositions that set boundaries to its applicability, and review the ramifications of what we term “complexity misalignment.” In this way, we contradict foundational assumptions of the law, problematize adaptation- and survival-centric views of strategizing, and theorize the role of human agency in variously complex regimes.

**Keywords:** requisite variety; complexity; institutional work; commitment; adaptation; fit; contingency; survival; choice; determinism; isomorphism; agency

Management theorists, following a systemic approach in exploring the social realm, often explain phenomena and their complexity through an analogical reasoning that builds on patterns observed in natural, mechanical, and, in general, non-socially constructed systems. A pertinent example is the “law of requisite variety” (LRV) (Ashby, 1956), which was constituted at the evolving crossroads of cybernetics and biology (reformulated as requisite complexity; Boisot & McKelvey, 2006). The law posits that a system’s viability is dependent on its capacity to confront an external variety (complexity) with an internal one. Specifically, for survival, an organization’s internal and external variety/complexity should (at least) match. Despite the intuitive appeal of the LRV, we argue that mimetic representations of laws originating in other fields may require alternative conceptualizations and a careful drawing of boundary conditions (Suddaby, Hardy, & Huy, 2011). However, two premises of the LRV are mirrored as major assumptions in much of management theorizing. First, “survival” appears as an intrinsic goal of any organization; second, an organization’s “adaptation/adaptability” (i.e., its configurative capacity for internal representations that match external variety/complexity) is seen as the exclusive means for that survival. We conceptualize the notion of “complexity misalignment” to contradict those foundational management premises.

The LRV is portrayed as a doctrine and reflects core management discourses (e.g., fit and contingency). In this sense, the law is not an apparatus for peripheral theorizing, but, rather, a widely employed yet “transposed” generalization, the foundations of which are essentially associated with key themes that define the management research agenda. This centrality of the gist of the LRV for management is our source of problematization (Alvesson & Sandberg, 2011) with our motivation being: (a) to critically engage with the LRV and its tenets, following our scholarly reflection upon its (mis)appropriation in management, and (b) to effect a dialogue about the role of human agency amid complexity. Accordingly, we follow a dialectical scrutiny of this cross-paradigmatic law and its borrowed premises, enabled and

guided by institutional and commitment discourses, and we contribute to the field in three ways. First, we enrich the scholarly vocabulary by introducing new complexity concepts, while fleshing out the theorizing value of conscious (non)dealings with perceived complexity. Second, we explicate how agency may be exercised amid opposing complexity regimes, a core management concern that is largely under-theorized. Third, by drawing boundary conditions, we challenge deterministic, isomorphic, and teleological assumptions that dominate discussions of adaptation and survival in the literature.

We start with a review of “requisite variety” as an employed notion in management theorizing. The LRV—perhaps as a result of its verisimilitude and parsimony—has long been taken for granted by management scholars (see below). Empirical substantiation, though, is strikingly scarce. This disconnect between the premises of a widely employed law and actual experience is attributable to various reasons. It may, for example, be due to the excessive use of simulations in studying complexity; or the analytical convenience that the law’s succinct articulation offers to scholars who unquestioningly adopt it; or the as-yet-unresolved challenge of operationalizing and objectively measuring complexity (Cannon & John, 2007; Garud, Gehman, & Kumaraswamy, 2011). However, it is definitely *not* due to the law being universally confirmed. In fact, despite its wide appeal, studies that could (dis)confirm the LRV’s foundational assumptions are seriously absent from the management literature.

Essentially, management studies that adopt the law articulate the validity of their arguments upon the premise of its a priori applicability. The LRV has thus become an analytic proposition; a canonical statement that is conceptually appealing yet not empirically validated. We argue that such cognitive closure perpetuates contestable assumptions. As Powell observes, “All analytic propositions are, by definition, true,” and, thus, they preclude shedding light on theoretically meaningful yet “unexplainable empirical anomalies” (2001: 882, 885). This prompted us to ask: Could there be organizations that might be configured at

low (high) internal/high (low) external complexity and yet still survive contrary to the LRV? If “yes,” what are the enabling factors that explain such schemas, and why do scholars underestimate this possibility and promote the view of mortality for non-isomorphic gestalts?

Next, we discuss the law and how management interpreters use its premises. We then develop the organizing concept that provides structure to our study—what we call “complexity misalignment.” We anchor agentic acts in and illustrate (non)dealings with perceived complexity, blend our own arguments with institutional and commitment insights, and draft propositions that delineate boundaries to the law’s applicability. We then explicate the contribution, limitations, and further research potential of our study and conclude with remarks on the nature of law-like generalizations in management theorizing.

#### **REQUISITE VARIETY AND ITS APPROPRIATION IN MANAGEMENT**

A main management premise is that external dynamism requires organizations to be adaptive. During this pursuit, the paradox of finding a balance between efficiency (which requires internal stability) and effectiveness (which requires external adaptability) emerges (Thompson, 1967). Therefore, the variety of a system must be able to regulate the variety with which it is confronted or more succinctly, “Only variety can destroy variety,” as Ashby famously noted (1956: 207). This is known as the “law of requisite variety.” What stands out as pertinent for our study is an organization’s ability to *adapt* to external variety through *matching* representations (Lord, Hannah, & Jennings, 2011; Ndofor, Sirmon, & He, 2011). The need to develop requisite levels of variety in order to *survive* raises an important question: “What if the organization’s variety (complexity [our input]) is either too much or too little?” (Lewis & Stewart, 2003: 32). If it is too much, the organization wastes resources; if it is too little, it is exposed to greater risk. Therefore, the goal is to *match* internal and external variety/complexity through *adaptation* (reflecting notions of fit, determinism, and

isomorphism; Tan, 2007; Uhl-Bien, Marion, & McKelvey, 2007; Peteraf & Reed, 2007). Organizations in the “fit” quadrants of a 2×2 landscape will survive; those in the “unfit” ones will not. Another thesis, widening the scope of applicability, posits that internal variety/complexity must be *at least as great* as the external one in order that organizations can cement their *adaptability* in the light of unexpected external variety/complexity (reflecting notions of dynamic capabilities, evolutionary fit and adaptive capacity; Barreto, 2010; Kor & Mesko, 2013; Weigelt & Sarkar, 2012).

For example, in leadership studies, the value of *adaptability* (Lord et al., 2011) and emergent self-organization (Marion & Uhl-Bien, 2001) is explained through *matching* internal/external complexity; In competitive strategy and corporate governance, studies caution that a narrow scope of actions in a complex setting renders simpler firms, since they violate the LRV in this way, unable to *react* to change (Kim, Burns, & Prescott, 2009; Ndofor et al., 2011); In management learning, effective outcomes are only possible if the amount of variation in inputs to a system is *matched* and *met* by equally diverse learning process options (Lengnick-Hall & Sanders, 1997); In family business theorizing, firms must increase internal variety *in line with* external one in order to avoid decline (Moore, 2009); In marketing, firms must be able to reconfigure internal diversity since the latter must *reflect* external uncertainty (Wollin & Perry, 2004); in operations management, requisite variety translates into slack resources that allow a firm to *adapt* to hypercompetitive environments (Kristal, Huang, & Roth, 2010). Indeed, requisite variety is utilized in many more management fields: in the role of intuition (Dane & Pratt, 2007) and dissent (Dooley & Fryxell, 1999) in managerial decision making; subgroups in work teams (Carton & Cummings, 2012); exploratory learning and innovative capacity (McGrath, 2001); top management teams’ (Boone, van Olffen, van Witteloostuijn, & de Brabander, 2004) and multifaceted aspects of organizational diversity (Harrison & Klein, 2007); the entrepreneurial orientation/performance link (Lumpkin &

Dess, 1996); organizational learning (Weigelt & Sarkar, 2009); human resources architecture (Lepak & Snell, 1999); total quality management (Sitkin, Sutcliffe, & Schroeder, 1994); organizational identities (Pratt & Foreman, 2000); and business survival (Singh, 1997)—as well as in the theorizing process itself (Godfrey, 2005; Lado, Boyd, Wright, & Kroll, 2006; Lewis & Grimes, 1999; Weick, 2007). Overall, the nomenclature of management-cum-complexity scholars implies how the LRV is used in management theorizing:

**The centrality of environmental determinism and isomorphism.** Notions of survival/decline and “matching” are interwoven in a self-perpetuating vocabulary that promotes the centrality of environmental determinism. Non-isomorphic configurations that do not arrange internal representations in a way that matches external complexity will inevitably trigger suboptimal performance (Walters & Bhuian, 2004).

**The intrinsic teleology and exclusive efficacy of adaptation.** Essentially subscribing to the teleology of survival, management authors portray “adaptation” as the inherent means toward that goal. This follows a logic that permeates much of the complexity phraseology (mirrored in concepts such as “adaptive tensions” (Boisot & McKelvey, 2010) or “complex adaptive systems” (Eisenhardt & Piezunka, 2011)): Organizations must or intrinsically tend to adapt to external pressures. An implied, unwarranted passivity accepts the complex external environment as it is, with organizations portrayed as effortless adaptive machines that seek to internally match it. Adaptation, thus, appears as a *sine qua non* of proper strategizing, with internal variety serving the purpose of attaining survival (Ashmos, Duchon, & McDaniel, 2000). In this sense, requisite variety becomes the cornerstone that conceptually legitimizes the act of adaptation to a given or dynamic external environment (Bigley & Roberts, 2001). Otherwise, reducing internal variety diminishes the ability of organizations to adapt to change (Barge & Oliver, 2003)—an option that is seen as inherently detrimental.



**Analytical assumptions on measurability.** Employment of the law implies that there is a perceptible external complexity that can be matched through adapted representations. Accordingly, the relevant literature reifies complexity and portrays it as a countable entity whose given state can be calculated through cognitive means. Despite insightful advances in measuring complexity (see Lloyd, 2001), we do not subscribe to this view. Complexity may be understood as an empirical tendency (e.g. as high or low) but it has neither a fixed state to measure and match (given its inherent perturbations and hence, its ephemeral state) nor is there room for exclusively rational, effortful measurement. The latter assumption ignores the routine infusion of strategizing with emotions and visceral feelings, too (Hodgkinson and Healey, 2011). Thus, the efficacy of accurately measuring and, moreover, resiliently responding to complexity is not only debatable but is also paradoxically proliferated within a field (complexity) in which consensus on issues of measurement is still unattained.

**An undue outside-in perspective.** The resource-based view and capability literatures notwithstanding, management-cum-complexity studies are largely marked by an “outside-in” perspective. The reference point in determining configurations of internal and external complexity is, predominantly, the latter. Organizations are portrayed as having to respond to external complexity by subsequently setting up matching internal configurations or higher ones for adaptability purposes. Voluntary choice is discredited as a source of managerial (in)action in dealing with complexity. Such a stance, though, contrasts with the enduring “choice vs. determinism” debate (Bedeian, 1990; de Rond & Thietart, 2007; Hrebiniak & Joyce, 1985) as well as the sensemaking processes that enable organizations to become shapers or reproducers of their surroundings (Boisot & Child, 1999; Weick, 1979).

**The neglected role of human agency.** Several complexity realms (chaos theory or dissipative structures) and concepts (self-organizing systems or naturally emergent order) privilege system-level explanations at the expense of shedding light on micro underpinnings.

Thus, who initiates and organizes the emergence of those aggregate outcomes (Child & Rodrigues, 2011)? Here, the interplay between actors and structures as well as actors' traits (e.g., their reflexive capacity) are neglected (Archer, 1995; Giddens, 1984). This lack of understanding about actors called to configure matching representations has sidelined the role of agency in coping with complex regimes. However, without an understanding of human intervention, how can we subscribe to the etiology for and assess the causal efficacy of adaptation (actors' conscious choice) as the normative implication of the LRV?

**The uniformly dark side of complexity.** Reifying complexity as an ontologically distinct and measurable entity entails an unwarranted meaning: the collective scholarly voice skews toward a uniformly "dark" side of complexity. External complexity is inherently detrimental, and, thus, organizations internally need to consciously do something *against* it ("defeat it," Uhl-Bien et al., 2007; "destroy it," Benbya & McKelvey, 2006; "regulate it," Surie & Hazy, 2006). Otherwise, they are subject to decline and, ultimately, mortality.

**A superficial embrace of the law.** Most studies merely use the law as a rule of thumb that justifies analytical results and supports methodological choices, or as a passing reference that solidifies conceptual justifications and hypotheses building related to matching and survival. However, they hardly challenge the axiomatic properties of the law.

**Theory-building architecture.** We contend that this superficial way of employing the law has led to a significant absence of boundary conditions and scope of applicability. These are integral elements of proper theorizing (Corley & Gioia, 2011), which brings us to a theory-building oxymoron: studies base their plausibility on a law of requisite sufficiency that itself lacks the requisite characteristics necessary to being sufficiently qualified as a law.

Certainly, complexity is a field with fine contributions. It helped us to comprehend co-evolution, emergence and non-linearity (Ceja & Navarro, 2011); to reflect upon how order emerges out of chaos (Stacey, 1992); and to shed light on the exponential consequences that

initial conditions have on embodied meta-structures (Baum & Silverman, 2001). Thus, it constitutes a field with a heritage as well as a contemporary and future value. In this sense, the LRV, as a foundational cornerstone of the complexity discourse, is one of the inspiring theories that management has borrowed. Yet, we remain skeptical about its appropriation. Table 1 reflects this skepticism as well as echoing the law's contribution. It illustrates how the LRV—as a transposed theory—has impeded as well as advanced management theory.

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Insert Table 1 about here  
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Table 1 is not an attempt to capture the pros or cons of complexity theories. It summarizes our thoughts on how the LRV is appropriated in management and on the subsequent theorizing implications for our field. It reminds us that the LRV—despite complexity's privileged position to stress the limitations of prescriptive organizational configurations (given its focus on unpredictability; Dougherty & Dunne, 2011)—has been used to unduly legitimate an inordinate emphasis on organizational change and adaptation to match some type of measurable, perceptible complexity. Not only is the implementation of such a recommendation arguably undoable, but there seems little theoretical justification for this emphasis on matching contingency. This ignores much of the strategy's legacy, too, which recognizes the role of equifinality in supporting multiple strategies for reaching the same, desired end (e.g. survival). While, below, we use the institutional and commitment literatures as a segue into why non-isomorphic strategies would be pursued volitionally, clearly, the LRV perspective neglects studies that conceptualize purposefully misaligned strategies. For example, an organization that commits to the current institutional bulwark in the face of added complexity is indicative of the Miles and Snow (1978) defender strategy; the high internal complexity firm seeking to overturn its more placid environment echoes the features described in the prospector; and, perhaps arguably, the analyzer is the LRV

candidate. In this sense, the LRV perspective views organizations as either analyzers or reactors, and truly makes little accommodation for the enactment of different positions. Thus, we point out that strategy's own heritage is not consistent with the one right contingency perspective that the LRV promotes (*cf.* Doty, Glick, & Huber, 1993)<sup>1</sup>.

Certainly, adopting axiomatic principles that contradict the legacy of strategy does not imply that the LRV is universally non-applicable. As implied in Table 1, several contexts lend themselves to matching complexity as a priority. For example, organizations seeking to safeguard their historically gained legitimacy (e.g., dominant political parties), ones with central positions in a stratified field (e.g., market leaders), or ones with privileged access to institutional gatekeepers (e.g., MNEs and governments in developing countries) may reasonably align themselves with structural properties, thus affirming the LRV. Therefore, we do not render the law as universally non-applicable, promoting one more, yet reverse, canonical judgment. Rather, we seek to expand its explanatory scope by conceptualizing non-applicability zones, in the belief that setting boundaries makes theories "more powerful and more precise" (Adner & Levinthal, 2004: 83). We thus question the unconditional adoption of the LRV. Perhaps, this has taken place because of the indifference of non-social sciences authors and Ashby "in dealing with social systems. It is only their later interpreters who made the arching leaps which the founders never cared to make" (Zeleny, 1986: 270).

### CONCEPTUALIZING COMPLEXITY MISALIGNMENT

Our epistemological stance toward a law of limited empirical scrutiny does not allow us to claim knowledge (i.e., is it the case?) or understanding (i.e., why is it the case?) of its applicability (Lipton, 2001). We sought an alternative explanation that could be conceptually contrasted against it, drawing upon dissimilar literature fields. The desideratum was to identify a meaningful vocabulary that could help us frame arguments, articulate their

explanatory power, and identify potential zones of imperfection for the law (Morton, 1990; Tsang & Ellsaesser, 2011). Specifically, we sought to identify potential causes for its non-applicability, since these differentiate “between the occurrence and non-occurrence of what they explain” (Lipton, 2001: 43). We theorize upon non-isomorphic configurations—high (low) internal/low (high) external complexity—and conceive factors that enable their emergence. We conceptualize these configurations as representing “complexity misalignment,” which we define as “disproportionate degrees of complexity found within and outside a focal organization.” “Complexity misalignment” is our mode of revisiting the LRV drawing upon the “institutional work” and “commitment to the status quo (CSQ)” literatures.

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 Insert Table 2 about here  
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We argue that complexity misalignment may be a necessary condition for transformation or reproduction, notwithstanding an end goal of survival. Notably, diverse contingencies evoke complexity misalignment. The latter reflects complex/less complex organizational schemata in relation to external complexity, which challenges the monosemantic and unambiguous nature of the LRV’s interpretations and much of management scholarship. Specifically, we conceptualize two misaligned modes of how organizations may engage with complexity. “Complexity amplification” refers to internally configuring an organization’s processes in more complex ways than would be implied by an ordered regime. This would be necessary for environmental enactment. “Complexity disregard” refers to internally configuring an organization’s processes in less complex ways than would be suggested by a chaotic regime. A focus on effective complexity can be consciously chosen as a result of managerial discretion. Thus, our propositions below show that complexity can be embraced or disregarded, too, depending on institutional stimuli or individual characteristics. On the one hand, complexity amplification is desirable, as this can pave the way for institutional

shift. On the other hand, complexity can be disregarded, as it may be too crude and it becomes unwieldy for an organization to even pretend to be efficiently dealing with its “messiness.” The latter may apply to all organizations, and, thus, other factors will determine survival—not the ability of any given organization in a sector to cope with crude complexity.

For example, who can argue that SMEs, family firms, or MNEs that survive for generations are or consciously become isomorphic/adapt to their complex environments? Can't their sustainability be attributed to reasons such as chance (de Rond & Thietart, 2007), luck (Parnell, Dent, O'Regan, & Hughes, 2012), or phronesis (Tsoukas & Cummings, 1997)? Management interpretations of the LRV are thus based on assumptions of calculative rationality and isomorphic intentionality such that “high performance emanates from effective strategizing, strategy execution and managerial excellence” (Parnell et al., 2012: S104). However, studies (e.g., Denrell, 2005; Parnell & Dent, 2009; Parnell et al., 2012) concretely challenge this view, which stems from unwarranted expectations for *observed* causality in “proper” business theorizing. Luck, chance, prudence, and such media toward a goal are seen as elusive, resulting in a modernist's quagmire. The latter's instruments do not normally care to capture the nature, strength, and directionality of these elusive terms since they are unobserved causes of an unknown effect. As a result, complexity misalignment is a priori, widely yet unjustifiably regarded as fatal for an organization by the LRV interpreters.

**Adaptation/Adaptability.** We challenge the mono-dimensional view of aligning organizations' policies with external pressures through market-driven practices, environmental scanning, conformity, legitimacy, or an overly “adaptationist” view of strategizing. The latter view dominates management and complexity discourses (Cannon & John, 2007; Child & Rodrigues, 2011). We do not deny the value of environmental determinism or isomorphism. Yet, we remain skeptical about their labeling as an *inevitable* pursuit while portraying organizations as aspirational enactors or committed reproducers of

non-isomorphic routines. Moreover, we remain incredulous regarding the notion of “adaptability,” or the extensive repertoires of an organization (i.e., its higher internal variety/complexity) that allow it to deploy adaptive responses to unexpected external complexity. While the concept may be useful in many respects, it still underplays the goal and possibility of *enforcing change* or *doing nothing* against perceived complexity (irrespective of any capacity or not to adapt). Organizations are still seen as oriented toward better ways of coping with high external complexity (e.g., through internal slack), but not as agents of change or as agents committed to a familiar status—just as better adaptors.

Overall, we demonstrate that seeing adaptability as the sole roadmap toward survival ignores equifinality as well as strategy’s own heritage. Contrary to core management and complexity conventions, we do not portray organizations as determined to mechanistically adapt to a structural legality, nor cognitive agents (managers) as inherently seeking to arrange internal representations of an external reality for purposes of survival. Rather, we articulate a constant interplay of creative predispositions and purposive action in a context of prevailing logics (e.g., institutional or moral); an interplay of cognition and feelings that challenges a representational view of organizing and shows that organizations may incessantly strive for transformation or reproduction, not adaptation, as the means for survival.

**Organizational Survival.** We focus on survival as the perceived upshot in the LRV, and we extend arguments in order to discuss an underresearched observation: organizational survival, decline, deliverance, or death are contingently perceived and attempted, and are ultimately linked to human cognition and agency (Greenwood & Suddaby, 2006b). They can all be gestalts of organizational (not)being in an existential space. The voluntary choice of what organizations want to become in this space implies that survival does not constitute an inherent pursuit, nor disappearance an inherent goal to avoid. For example, disappearance may reflect prescience and intention leading to organizational deliverance, and not a passive

death as a result of managerial inefficiency (Greenwood & Suddaby, 2006b). Non-survival may be consciously chosen since it serves a wider strategic goal or idiosyncratic pursuits of a socially constructed system—a fine point that the LRV and most management scholars do not capture. Instead, their foundational assumptions are firmly embedded within natural systems, and, correspondingly, the intrinsic goal of survival. As a result, the mechanistic nomenclature of Ashby's interpreters (partly derived from Ashby's mathematical formalism) engenders an intrinsic teleology: it promotes adaptation or adaptability (the *means*) as necessary and sufficient conditions for the supposedly inherent purpose of survival (the *telos*).

We do not feel comfortable with the unidirectionality of teleology towards survival for organizations. Instead, we argue for a situated teleology that acknowledges the multiple states of (not)being that can be intentionally pursued. Teleological orientations may include deliverance, prosperity, virtue, meaningfulness, legitimacy or social change, and may be achieved through morphing, phronesis, restructuring, conformity, or foresight (Crockett, 2005; Greenwood & Suddaby, 2006b; Solomon, 1992). Therefore, multiple antecedents, such as individuals' egocentric or ethical predispositions, collective deontological orientations, professional standards, market pressures, or economic concerns (Bowie, 2000; Etzioni, 2003) challenge survival-centric organizational purposes. Contrary to the teleological determinism implied by an exclusive focus on survival, we urge for a multiparadigmatic understanding of organizational teleology and the strategies that best serve any given purpose (if any).

**An Ashbyan View of Organizing.** Certainly, survival may be a desirable end state. Thus, Ashby was legitimately concerned with survival and adaptation (and not with other teleological alternatives and means) simply because this is a fair focus. Under such a light, the previous paragraphs may appear to be unfair to Ashby. Accordingly, we elucidate that we challenge an "Ashbyan" view on organizing and not Ashby himself. Ashby's oeuvre may promote survival as an intrinsic goal, but, given his indifference in socially constructed



organizations, his arguments cannot be scrutinized through a management lens such as ours. Even if we problematize the insistence on adaptive behavior as a prerequisite for survival, we distance ourselves from challenging Ashby's view, since we do not examine if this applies to other, non-socially constructed (e.g., biological or mechanical) systems. This concern was Ashby's, but is not ours. Here, we are only interested in Ashby's interpretations that relate to management theorizing, and we argue that an "Ashbyan" view of organizing is paramount.

### **Human Agency and the Complexity Discourse**

A common thread permeates our discussion of the LRV against the institutional and commitment literatures below: the role of human agency amid distinct complexity regimes. Agency—as a process conditioned by the past, oriented toward the future, and informed by the present (Emirbayer & Mische, 1998)—can yield multiple arrangements. An iterative view may translate into mimicry and repetition of routines. However, the schematization of experiences may also inflict critical deliberation and perceived need for change inspired by past misfortunes and propelled by a situated opportunity. Similarly, a projective view may translate into disruptive and imaginative transformation. However, it may also consolidate conservative action in light of unpredicted consequences. A practical-evaluative, present-oriented view (which contextualizes the prior two) can, thus, yield any aligned or misaligned configuration, depending on how imaginative, capable, and bold the actors are.

We understand agency as neither the result of habitual judgment nor of rational purposivity and calculative action toward future optimization. We understand it as the cognitive and emotional interplay between past, present, and future orientations situated within varying structural complexities. Importantly, we note that agentic choices are exercised in bounded ways. We may generally perceive agency as an ability and will to act, but *we make sense of agency also in terms of agentic inability*: agents may be reflexive actors

yet they do not possess any predictive ability, nor can they fully access and reliably process accurate information. They may project themselves into “possibilities of being” (Emirbayer & Mische, 1998: 986), but they do so in a social context of ambiguity that is inherently associated with an uncertain process of “becoming” or “maintaining.” What cements this uncertainty is the complexity of the socio-historical structures that condition agentic action (Delbridge & Edwards, 2008; Mutch, 2007; Mutch, Delbridge, & Ventresca, 2006).

This observation, which stresses the limitations of agency, is important for a discussion of agency in the context of complexity (*cf.*, limitations in managing variety (complexity) were also a theme of Ashby’s work). A main assumption is that, out there, there is a sort of perceptible complexity that, as soon as it is measured, lends itself to rational responses. If that were the case, then, the practical-evaluative element of agency (Emirbayer & Mische, 1998) would be relatively straightforward. Agents would make normative judgments among known alternatives rationally responding to the calculated complexities of their inhabited structures. We contend that this is unmanageable. Choices may be based on a capacity and will to act, but such agentic characteristics never manifest themselves optimally, due to structural constraints and actors’ limitations. Agency is conditioned by chance, inaccurate access to information, emotional commitments, powerful others, and so on. For example, chaotic regimes aggravate cognitive constraints because of unpredictability (Mitchell, Shepherd, & Sharfman, 2011). Similarly, ordered regimes may reduce motivation to act due to the stagnation associated with rigid norms (Mainemelis, 2010). We argue, though, that such constraints do not inherently weaken the role of agency; they just diminish the likelihood of its optimal or desirable manifestation (which is, in any case, a utopian pursuit). On the contrary, we contend that, exactly because of these constraints, agency is ubiquitous and results from a critical deliberation upon the inevitable constraints of order and chaos.

**Agency and complexity amplification.** We highlight the role of agency in disrupting institutionalized practices in an ordered regime. Organizational agents initiate and actively participate in the implementation of non-isomorphic change, thus challenging deterministic views that promote the matching contingency as the exclusive strategizing perspective. Our conceptualization of complexity amplification is a demonstration of how actors may shift their agentic logic and exercise mediating influence upon their “problematic” settings.

We claim that the contexts that actors inhabit—no matter how compelling they may seem to be—have been relationally produced by humans, and can again change by them (Battilana, Leca, & Boxenbaum, 2009; Delbridge & Edwards, 2008). We do not limit our understanding of agency in terms of upward conflation, though (i.e., that people are powerful enough to orchestrate structural parts; Archer, 2000; Mutch, Delbridge, & Ventresca, 2006). We draw parallelisms with Archer’s (1995) morphogenesis, accepting its analytical logic and ontological caveats. According to this perspective, the past has endowed us with structured, emergent properties with which actors interact in enabling and constraining terms (Mutch, 2007). We do not see emergent structures as historically separate and intrinsically given. Certainly, they have been shaped through a trajectory of relations between structure and actors. Archer’s (2003) stratified ontology, though, which analytically separates actors and structures, helps us to “frame the historical conditioning of logics without disembedding actors from the social world” (Delbridge & Edwards, 2013: 928–929). In this interplay between subjective personal properties and objective structures, actors are seen as reflexive participants who can change established orders. Structural conditioning and agentic interests, collaborative schemes, moral orientations, personal histories, cognition, and visceral jolts ignite “internal conversations”—inner dialogues related to who we want to become, what are our ultimate concerns, and which is (or should be) our *modus vivendi* (Archer, 2003). In turn, such conversations enable action toward structural elaboration (Mutch, 2007).

Viewing our “complexity amplification” thesis through a morphogenetic lens translates as follows: internal conversations deliberately lead to intraorganizational complexification, the latter being the reflexively chosen leverage to overcome structural constraints and pursue change. Complicating oneself is a promising agentic means to circumvent institutional arrangements that would otherwise call for an unwelcomed compromise. Our discussion around institutional work below shows that the latitude of employed agency does not inherently justify isomorphic pursuits. Especially when the goal is as broad as survival, enactive agency sprung from reflexive deliberation can help us achieve goals in multiple, equifinal ways, which undermine the predictive validity of the matching contingency approach (*cf.* Gresov & Drazin, 1997) by being reasonably misaligned.

**Agency and complexity disregard.** We show the role of agency in sustaining organizational logics in a chaotic regime. Organizational agents become the enablers of reproduction by consciously disregarding the pressures to actively navigate a complex structure. While, often, such complexities are portrayed as unavoidable pressures toward adaptation, we identify conditions that render such assertions moot. Actors, following Emirbayer and Mische’s (1998) practical-evaluative dimension of agency, must possess the capacity to make a judgment among alternative trajectories of action and as a response to emergencies, dilemmas, and ambiguity. In the context of external complexity, this capacity arguably becomes bounded. The need for ontological security urges individuals to reproduce internal structures and commit to “the known and the given” (Mutch, 2007: 1130).

This quest for order and continuity does not merely act as an emotional gatekeeper. It has cognitive and existential implications, which translate into confidence that one is doing the right thing and allow a sense of consistent identity amid change (Emirbayer & Mische, 1998). This is a typical agentic act of intentionality simply because the actor might do otherwise but not chooses to do so (Giddens, 1984). The more complex the regime, the more mutable the

situation, the more indeterminate and more likely the nonrepeatability of its manifestations (Nussbaum, 1986). Such a complexity does not lend itself to universal prescriptions and unambiguous modes of acting; only room for situated judgment manifested, in our case, in disregarding complexity as a result of self-efficacy—the ignition of human agency—and the understanding that agency is not deployed in a “blank slate” format but in a context where people have commitments that reproduce structures (Hitlin & Elder, 2007). Such commitments may stem from pre-determined lines of activity or personal biographies, and imply that agency does not come to the surface only when actors encounter, for example, an economic challenge or projected change that requires action contrary to social expectations (Suddaby & Viale, 2011). It also appears following a motivation to secure our ontological position, to project the authenticity of our actions, and to legitimize our identity and status.

#### **INSTITUTIONAL WORK AND COMMITMENT TO THE STATUS QUO:**

##### **BOUNDARY CONDITIONS AND PROPOSITIONS**

A holistic review of complexity theories is not within the remit of this paper. We focus on LRV as a pivotal law within the complexity discourse, and construe propositions that act as boundary conditions by integrating insights from institutional and commitment theories with Boisot and McKelvey’s (2010) regimes of external complexity (from chaotic (high) to ordered (low)). Our propositions do not treat these conditions as an idiosyncratic “noise” that must be controlled. Rather, they are the platforms upon which the scope of the applicability of the law can be re-set and a wider dialogue can commence. This logic is in line with Boisot and McKelvey’s (2010) attempt to reconcile diverse perspectives in complexity science by suggesting zones of organizational responses on a landscape of varying regimes of complexity (from low to high). This “spatial” approach is engendered in our propositions.

### **Institutional Work As a Boundary Condition: Complexity Amplification in an Ordered Regime**

Institutional theory portrays actors as agents. While institutional theory emphasized stasis and continuity, change-oriented behaviors are also cemented as a desirable outcome behind agency practices (Suddaby, 2010a). Entrepreneurship research, too, associates itself with change. The evolution of these two previously disparate yet currently converging fields raised the “paradox of embedded agency” (Holm, 1995; Seo & Creed, 2002): How can embedded actors circumvent or ignore normative schemas of their institutional environment and engage themselves in actions that defy or challenge learned and shared standards? In this study, the answer is relatively straightforward: if an external environment of low complexity does not fit with an organization’s aspirations or performance potential, then creating an internally complex organization is a prerequisite for a desired disruption. Enactive agency will unfold since institutions are subject to change and not just constraints to organizational pursuits.

Collectively, institutional theory suggests that organizations systematically and consciously aim to preserve or re-shape their contexts (Hargrave & Van de Ven, 2006). This is attempted (and, perhaps, achieved) through the process of institutional work; that is, the intentional effort towards maintenance, disruption, or creation of new institutions (Lawrence & Suddaby, 2006; Lawrence, Suddaby, & Leca, 2011). While organizations may choose to emulate institutional arrangements, conformity may prove to be an unwelcome compromise when juxtaposed with organizational aspirations (Lepoutre & Valente, 2012). Conformity in an institutionalized setting may serve the purpose of legitimacy (DiMaggio & Powell, 1983; Scherer, Palazzo, & Seidl, 2013), but any chronic deficiencies of such a setting may also impede the operational efficiency of an aspiring organization. Thus, such an organization may intentionally depart from (or not participate in) institutional embeddedness, and

decouple itself from institutional arrangements while pursuing alternative praxis (Lawrence, Suddaby, & Leca, 2009; Seo & Creed, 2002; Suddaby, Seidl, & Lê, 2013).

Consequently, an organization proceeds to institutional entrepreneurship (DiMaggio, 1988), actions that represent an interest in altering the established norms through mobilizing and leveraging resources (Hargrave & Van de Ven, 2006; Maguire, Hardy, & Lawrence, 2004). This attempt for change is based upon a belief: own capacity and organizational interests can yield superior rewards in a transformed context. The new landscape can facilitate organizational aspirations while the “constrained” one yields suboptimal returns. This deviance breaks away from the view of institutions as stable patterns of repeated events (Dacin, Goodstein, & Scott, 2002; Greenwood & Suddaby, 2006a; Lawrence & Suddaby, 2006). A non-isomorphic view explores conditions that facilitate disruption and transformation through power relations, political activism, network struggles, and ideological contradictions (Batjargal, Hitt, Tsui, Arregle, Webb, & Miller, 2013; Hargrave & Van de Ven, 2006; Holburn & Vanden Bergh, 2008; Maguire & Hardy, 2006; Rojas, 2010). An important point to note is that such an attempt is likely to take place in an unfavorable setting: institutions tend to reward conformity, to reinforce continuity, and to maintain the status quo through, rituals, routines, or punitive action (Dacin, Munir, & Tracey, 2010; Garud, Hardy, & Maguire, 2007). Thus, arguably, many such settings—replete with coercive and normative pressures—may present low complexity. For an aspiring organization, this means that the pursuit of change may unfold in a hostile environment, given this contrived complacency.

Research on institutional work, though, shows that internal processes not only circumvent conventional norms, but also reconfigure the external environment. Certainly, challenging conventional institutional wisdom requires reflection and bold decisions that are risky, costly, and utterly uncertain (Lawrence et al., 2011; Pache & Santos, 2010). The latter is inevitable, though, for an actor who does not seek support and legitimacy, but, rather, seeks to disrupt

the status quo (George et al., 2006; Lawrence et al., 2009). This is based on a hope for returns, which are in line with an underutilized resource capacity. In other words, the cognitive structures of an organization may not translate into conforming attitudinal stances and behaviors that are aligned with a placid institutional context. Rather, decision makers may morph their actions hoping for an ideally “other” institutional framework, irrespective of socially constructed norms. Therefore, agency, as a contingently constructed intervention, may be led by habit or critical judgment; commitment or aspirations; familiarity or novelty-seeking predispositions. It creates landscapes of multiple shapes that are dictated by actors’ capacity (power) and willingness (interest) to transform or maintain the context in which they are embedded (Emirbayer & Mische, 1998; Townley, 2002; Zilber, 2007).

In this section, our focus is on organizations that deploy institutional work for a desired change. This creates the need to configure internal processes and intraorganizational linkages in more complex ways that appear antithetical to the stability and complacency of an external environment of low complexity. Making sense of these rigid externalities through the same conforming lenses would not allow a sought-after institutional change. One can reasonably argue, therefore, that organizations operating in unfavorable environments of low external complexity are not likely to match this complexity with their internal one. Instead, such organizations will seek to challenge the dominant logic (Lawrence & Suddaby, 2006). Thus:

*Proposition 1: The more contradictory the institutional arrangements with an organization’s interests and needs in an external environment that leans toward an ordered regime (low external complexity), the more complex the institutional work that needs to be intraorganizationally deployed (high internal complexity) in order to initiate and enable institutional disruption and/or creation. Hence, the lower the likelihood that the LRV (complexity) is confirmed in such conditions of complexity misalignment.*



Organizations may lack legitimacy, too. This lack is a boundary condition that we expect to be part of amplifying complexity i.e., the higher such an organization's inclination to mobilize resources toward change or disruption. Certainly, this mobilization is not automatically generated but constructed through complex organizational efforts (Suddaby, 2010a). Moreover, no matter how it is internally constructed, its gist needs to be externally communicated so as to be translated into something useful (Lok, 2010; Smets et al., 2012). This is achieved through tactics such as e.g. discursive strategies, which stand out as pertinent in the institutional literature (Creed, Scully, & Austin, 2002; Hardy & Maguire, 2010; Maguire et al., 2004). The term "discursive strategies" refers to a systematic narrative that favorably interferes with the social constructions that shape institutions (Munir & Phillips, 2005; Phillips, Lawrence, & Hardy, 2004; Suddaby & Greenwood, 2005). These strategies are manifested through, for example, building and narrating conceptual arguments that are pro-institutional change. This is necessary, since institutional work is a relational pursuit (Delbridge & Edwards, 2008). An interaction with influential "others" requires a framing of arguments that can gain a wider consensus (Greenwood, Suddaby, & Hinings, 2002; Khan, Munir, & Willmott, 2007; Suddaby & Greenwood, 2005). Mobilizing resources (e.g., regular articles in the press) aims to "define the grievances and interests of aggrieved constituencies, diagnose causes, assign blame, provide solutions, and enable collective attribution processes to operate" (Snow & Benford, 1992: 150). A Systematic building of an argumentation that "fits" with the values, expectations, or aspirations of "others" (Suddaby & Greenwood, 2005) builds the legitimacy required to gain acceptance. This is more likely to inflict collective actions that can enact deviation and change (Wijen & Ansari, 2007).

Broadly speaking, this can be inculcated in two ways (see Lawrence & Suddaby, 2006): First, by specifying the "how" and "why" behind the fallacies of current arrangements (e.g., disassociating established practices from their moral foundations); second, by using a

constructive vocabulary that promotes the variegated benefits of an alternative institutional logic. This allows powerful stakeholders to perceive the attempt for change as meaningful and worthwhile. The interplay between societal, industrial, and organizational actors' activities can inspire new institutional constellations, which enjoy wider acceptance (Wright & Zammuto, 2013). In turn, a cohort of "convinced" stakeholders can orchestrate actions and configure networking schemes that can enact desired change (Battilana et al., 2009). Further, achieving this status (that induces internal complexity) may be attempted in a low-complexity, rigid environment that is more likely to enable an aspirational actor to proceed to action and pursue valued interests (Oliver, 1992; Smets, Morris, & Greenwood, 2012). Thus:

*Proposition 2: The lower the organizational legitimacy compared to established institutional logics in a field that leans toward the ordered regime (low external complexity), the more complex the institutional work that needs to be intraorganizationally deployed (high internal complexity) in order to initiate and enable institutional disruption and/or creation. Hence, the lower the likelihood that the LRV (complexity) is confirmed in such conditions of complexity misalignment.*

Institutionally embedded actors are neither motivated to change nor open to alternative arrangements (Greenwood & Suddaby, 2006a). Greenwood and Suddaby (2006a) frame less embedded actors as peripheral players who are eager to dislocate themselves from established arrangements. This tendency to strive for change stems from their weak connection with more central organizations, their weak resource endowment, their disadvantageous position and the misaligned interests with central actors who have legitimate power to enact change but do not choose to do so (Sherer & Lee, 2002; Seo & Creed, 2002). Therefore, "low embeddedness combined with high interest dissatisfaction explains why actors might be motivated to consider change" (Greenwood & Suddaby, 2006a: 29). Such loosely embedded actors seek to disrupt stasis and continuity making a match between internal and external

complexity unlikely. Complex efforts of multiple, interacting individuals within such organizations seek to articulate multiple arguments, coordinate thinking, orchestrate actions, communicate institutional work, and monitor its effects (Lawrence & Phillips, 2004; Lawrence & Suddaby, 2006; Smets et al., 2012; Suddaby & Greenwood, 2005). A relevant rhetoric is employed to achieve change outcomes navigating through existing and new, related and unrelated frames, which may simultaneously impede and facilitate a focal actor's institutional work (Creed et al., 2002; George et al., 2006; King & Soule, 2007). The need for such complex internal processes is aggravated because the goal of "frame breaking" while convincing about the value of something novel is utterly demanding (Suddaby & Greenwood, 2005): it requires altering established mindsets and challenging the conventional wisdom of an institutionally embedded audience in a context of low external complexity. Thus:

*Proposition 3: The more loosely embedded an organization in an external environment that is punctuated with a few dominant organizations and leans toward an ordered regime (low external complexity), the more likely the organization will pursue or experience complexity misalignment due to the complex institutional work that needs to be intraorganizationally deployed (high internal complexity) in an attempt to disrupt those established institutional arrangements or create new ones. Hence, the lower the likelihood that the LRV (complexity) is confirmed.*

### **Commitment to the Status Quo As a Boundary Condition: Complexity Disregard in a Chaotic Regime**

Literature insights demonstrate that stable environments habitually privilege dominant organizations. In turn, the latter are in favor of maintaining existing arrangements (DiMaggio, 1988; Levy & Scully, 2007). This is partly due to the fact that, despite any external condition, there is no perceived need for a powerful actor who enjoys benefits to internally reconfigure

processes and activities; rather, they are keen to maintain conditions as they currently stand (Geletkanycz & Black, 2001; Hambrick, Geletkanycz, & Fredrickson, 1993), indicating a certain “counter-entrepreneurship.” This conservative mindset is not only adopted in relation to institutional arrangements, but also in relation to intraorganizational configurations. Building on this core logic of conservation, Hambrick et al. (1993) conceptualized a top management team’s “commitment to the status quo” as a key concept that explains the tendency of, for example, the CEO toward no novel praxis, and is defined as the “belief in the enduring correctness of current organizational strategies and profiles” (Hambrick et al., 1993: 402), even in conditions of significant turbulence. Given the centrality of the management team in an organization’s strategic decisions, such a stance is highly influential for its self-positioning in relation to its environment (Geletkanycz, 1997; Kor & Mesko, 2013). Thus:

*Proposition 4: The higher a CEO’s or top management team’s CSQ (low internal complexity) in an external environment that leans toward a chaotic regime (high external complexity), the more likely the organization will not configure their internal processes or actions in complex ways, i.e., the more likely the organization will pursue or experience complexity misalignment. Hence, the lower the likelihood that the LRV (complexity) is confirmed.*

Building upon Proposition 4, we promote four “sub-conditions” aggravating high CSQ in chaotic regimes and consequently, the likelihood for complexity misalignment. Specifically, while CSQ may be seen as a rigidity that negatively influences performance (McClelland, Liang, & Barker, 2010), there is empirical evidence demonstrating that firms with high CSQ may be superior performers (Geletkanycz, 1997; Hambrick et al., 1993). In the midst of decidedly mixed findings, researchers have explored conditions that act as antecedents to CSQ or moderate its effect on performance. For example, several authors (Geletkanycz & Black, 2001; Hambrick & Fukutomi, 1991; Musteen, Barker, & Baeten, 2006) have studied a

CEO's organizational and industry tenure, or enduring success and past performance, as sources of overconfidence and legitimate power that render strategic change, pursuit for innovation, and intraorganizational novelty (i.e., sources of internal complexity) less necessary (Henderson, Miller, & Hambrick, 2006; Simsek, 2007). As Geletkanycz (1997) notes, the longer the tenure, the higher the possibility that CEOs accumulate a certain "industry wisdom," which reduces openness to change and consolidates the belief about the validity of established routines and strategies. Thus:

*Proposition 4a: The longer a CEO's or top management team's organizational and/or industry tenure, the more likely there will be high CSQ, which will promote misalignment in high complexity environments.*

This belief is further reinforced as long as executives perceive the firm's competitive position as satisfactory and the company experiences sustainable levels of desired performance (Geletkanycz & Black, 2001). Thus:

*Proposition 4b: The more enduring a focal organization's performance, the more likely there will be high CSQ, which will promote misalignment in high complexity environments.*

We see management as a context-dependent and -constrained field (Whetten, 2009; Poulis, Poulis, & Plakoyiannaki, 2013). Nevertheless, our focus on context and on the organization as a collective conceptualization does not neglect a fundamental observation: individuals make up the organization. Despite the anthropomorphic qualities that we, scholars, routinely attribute to organizations, the "organization" is an aggregation, which always has individuals at the epicenter of its construction. Our focus on this elementary fact (i.e., the human agent and his/her traits) is backed up by a simple reason: assuming the CEO and his/her personality out would ignore his/her centrality in organizational decision-making. Indeed, the relevant literature promotes "core self-evaluation" as a key concept aggravating

CSQ. Core self-evaluation is a broad personality characteristic that encompasses first-order constructs such as self-esteem, generalized self-efficacy, emotional adjustment or stability, and locus of control (Johnson, Rosen, & Levy, 2008; Judge, Erez, Bono, & Thoresen, 2003; Judge, Locke, & Durham, 1997). More specifically, CEOs and top management teams with high core self-evaluations are “well adjusted, positive, self-confident, efficacious, and believe in their own agency” (Judge et al., 2003: 304). This is because first-order constructs of core self-evaluation essentially reflect own perceptions of “self-worth [and] ability to perform and cope successfully within an extensive range of situations . . . to feel calm and secure . . . [to believe] that desired effects result from one’s own behavior rather than by fate or others” (Chang, Ferris, Johnson, Rosen, & Tan, 2012: 83). An imposed or voluntary yet tight integration of the management team around a confident and narcissistic CEO may reveal an idiosyncratic “communicatively”-orientated internal conversation within the executive group. Such integration may reinforce CSQ as a result of robust individual underpinnings i.e., CEO’s personality traits. Thus:

*Proposition 4c: The higher a CEO’s or top management team’s core-self evaluations, the more likely there will be high CSQ, which will promote misalignment in high complexity environments.*

Hence, self-justified discretion is expected to be deployed under such conditions of narcissism and optimism. At the same time, it is expected that the sustainable performance noted in Proposition 4b will act as an enabling condition for both “core self-evaluation” and “managerial discretion” by boosting the former and legitimizing the latter. This multifactorial picture leads to a question: Why should we change what we do here? Moreover, the latitude that the CEO enjoys to maintain or change decisions and strategies at large (Hambrick & Finkelstein, 1987) will increase and legitimize discretion in complex environments (Peteraf & Reed, 2007). This is partly due to the inherent ambiguity in the means–end relationship

regarding the “appropriateness” of decision making (Finkelstein & Hambrick, 1996). Time is limited, information becomes unwieldy to process, resources do not allow costly analyses (Hambrick, Finkelstein, & Mooney, 2005), and, thus, decision makers are almost automatically driven toward decisions that are based on “what has worked for them before, what they find familiar or comfortable, and what fits their cognitive schema” (Hambrick et al., 2005: 478); in essence, increasing their CSQ. Therefore, ambiguity skews responsibility towards the person in charge, especially when he/she is characterized by high core self-evaluations and feels confident that he/she is the right person for the right decisions. Thus:

*Proposition 4d: The higher the degree of managerial discretion, the more likely there will be high CSQ, which will promote misalignment in high complexity environments.*

Disequilibrium and velocity are often seen as negative conditions. Internal stability is preferred since not all actors are equally skilful or sufficiently willing to exploit the opportunities and tackle the challenges that institutional disruption or market turbulence generates (Shane & Venkataraman, 2000). That is, an entrepreneurial orientation is associated with deviation from established norms, which requires complex organizational arrangements—a practice that many firms simply avoid (McClelland et al., 2010). Consequently, a non-entrepreneurial mindset is embraced by actors who, for example, have been historically privileged in a setting (Garud et al., 2007). This stance of “no action” is further reinforced if more actors—especially ones with a central, powerful position—have been equally privileged (Lounsbury & Glynn, 2001; Aldrich & Fiol, 1994). Such an industry becomes stratified with dominant players (e.g., reputable or large firms) occupying a central, “elite” position in the industry’s network (Phillips & Zuckerman, 2001). Greenwood and Suddaby (2006a) note that this centrality reflects the ability to sustain prevailing logics, due to aligned interests in a favorable environment. In turn, this leads to a hegemonic culture of preservation and stability. Of course, we acknowledge that logics are subject to fluidity and

reconfiguration, too. For example, this hegemony or dominant hierarchy may be dispersed and diluted if diverse, powerful actors want change toward multiple paths. Then, the disruption and the challenge to maintain conditions that have accounted for superior performance may be higher. Network heterogeneity may engender conflicting goals that is unlikely to accommodate all contradictory expectations. Therefore, continuity may (not) be the desired outcome, depending on each actor's perspective and dominance. Thus:

*Proposition 5: The more the privileged organizations in an external environment that leans toward a chaotic regime (high external complexity) and the more central and powerful the position of a privileged organization, the higher its CSQ and the less the likelihood of configuring internal processes and actions in complex ways (low internal complexity). Hence, the less the likelihood that the LRV (complexity) is confirmed in such conditions of complexity misalignment.*

### **CONTRIBUTION**

Following a dialectical interrogation of a cross-disciplinary law and consistent with Alvesson and Sandberg's (2011) problematization logic, we not only identified, but also articulated and challenged deterministic, isomorphic and teleological assumptions that cut across the management literature. To our knowledge, this is the only study that has used such means to do so. Yet, we did not provide a critique of the array of studies that normatively use the LRV in order to simply dispel its shortcomings. The ultimate objective was to revitalize debates (e.g. choice vs. determinism) and themes (e.g. strategy and the environment) as well as open up new possibilities for concept development (e.g. complexity misalignment) and novel theorizing (e.g. human agency in complex regimes). Assisted by institutional and commitment discourses, we crafted propositions that can inspire a wider dialogue related to core management themes and the LRV's main tenets. In particular, we problematized



adaptation and survival-centric views of strategizing by theorizing the plausibility of non-mimetic, non-isomorphic action that defies the typical urge to match external imperatives.

The “choice vs. determinism” debate –especially during the 1980s (Astley and Van de Ven, 1983; Hrebiniak and Joyce, 1984; Hrebiniak & Joyce, 1985)- has framed strategic decisions under the banner of adaptation<sup>2</sup>. Our study promotes a few unconventional theses related to this framing. First, choice may not be understood irrespectively of the orientation of an organization. What the latter wishes to become or why it wishes to reproduce itself are powerful explanations of action. Therefore, our focus on idiosyncratic interests allows us to revisit the explanatory utility of adaptive and contingency perspectives (see also Edwards & Meliou, 2015; Hesketh & Fleetwood, 2006). By explaining how actors connect with complexity, we demonstrate that it is not the environment per se that shapes adaptive or not action; a legacy that permeates management scholarship. Rather, it is the mediating reflexive judgment of decision-makers that does so; a point that opens up a largely uncharted theorizing territory related to currently elusive or obscure themes of core importance (e.g. unexplainable performance differences and unnoticed, divergent managerial acts).

Certainly, we do not deny that the environment constrains and informs choice (Bedeian, 1990; de Rond & Thietart, 2007). Yet, this choice does not only translate into adapting to environmental demands. This may be the case when e.g. market stratification, power inequalities or institutional pressures call for isomorphic action (DiMaggio and Powell, 1983; Tushman and Romanelli, 1985). However, environmental features may just be a backdrop to radical resource mobilization when the orientation is visionary or the aspirations are unconventional; strategic choice may translate into mere inertia when the orientation has risk-reducing overtones. Therefore, our study highlights the value of researching qualitatively distinct types of the relationship between strategy and the environment. For example, the latter may indeed dictate choice in typical deterministic terms (such as leading to adaptation).

However, it may also simply influence choice as a conceptual springboard (e.g. shaping consciousness for change); it may be a legitimizing vehicle for choice (e.g. overwhelming external complexity may solidify organizational apraxia); it may be a “multi-colored” reference point for choice (e.g. aspects of the environment to avoid or others to be inspired from); or may simply inform choice in an interplay with inducements from within (e.g. building identity aspirations upon industry norms). We urge for a frame-breaking vocabulary that complements and advances current foci on matching and isomorphism. In doing so, we call for revisiting the “choice/determinism” debate through neglected social, discursive and critical paradigms (*cf.* Eggers & Kaplan, 2013; Holt & Sandberg, 2011).

This more nuanced understanding of the strategy/environment relationship becomes even more important in the context of complexity theories. There, Ashby’s legacy and assumptions related to adaptation and survival are so prevalent that they constitute the underpinning nomological network of the entire field. For example, complex adaptive systems theorists seek to understand the behavior of individual agents in order to surmise systemic survival. Yet, this is done assuming that agents adapt their own behaviour to how others in the population behave (Burnes, 2005). Apparently, such an “adaptationist” approach neglects the possibility for organizations to be e.g. complex recursive systems that continually reproduce themselves (Houchin & Maclean, 2005). The complexity literature, thus, routinely privileges the deterministic role of the environment in shaping choices and largely neglects equally influential individualistic concerns. Instead, our study sees strategizing also as an exercise of reflection and inner deliberations, as the outcome of transformational or reproduction orientations, and as the mirror of self-interests and needs. Hence, we revitalize the “choice vs. determinism” debate by situating it within a complexity perspective.

Specifically, we introduce three concepts that enrich the complexity vocabulary: (1) complexity misalignment, which includes (2) complexity amplification in an ordered regime

and (3) complexity disregard in a chaotic regime. These conceptualizations represent novel misaligned instances of imaginative distance from current arrangements and others that suppress transformative action, and, instead, reinforce habitual manifestations of agency. We, thus, enlarge the scope of theorizing by anchoring agentic acts within antithetical complexity regimes. More specifically, we show that chaos and order trigger conscious choices shaped by thoughts and feelings and we frame a) internal complexification as the projective mechanism to override structural constraints and pursue change—in this case, internal complexity is not an unintended amalgamation of routines and processes, but the deliberate way through which enactive agency manifests itself; b) complexity-aggravated constraints as the impetus of conscious no praxis through an iterative orientation—in this case, external complexity is not a detrimental constraint, but the enabling platform for intentionality and discretionary non-action. Such conceptualization of how agentic acts unfold in regimes that constrain (e.g., due to unfavorable institutional arrangements) or enable (e.g., due to an actor's position) discretion also allows us to complement repertoires of dealings with complexity (e.g., complexity reduction, absorption, mediation, penetration; Boisot, 2000; Boisot & Child, 1999; Child & Rodrigues, 2011) while elaborating upon situated action.

Furthermore, we portray complexity misalignment not only as a volitional pursuit, but also as a viable strategizing principle. Up to this point, this misalignment has not been seen as a conscious act but, rather, as a detrimental choice that is devoid of prudence and contextual awareness. Our theses challenge this convention in the complexity literature where aspects of human intervention such as action, intentionality, or choice are sparingly used and are often seen as non-rational (Child & Rodrigues, 2011). Thus, we make an important claim that *agency matters in complexity*. Yet, we know little of *how* agency is exercised in respective contexts. This is surprising given that the word “complex” features as the common adjective that describes our world's structural properties and the fact that the “agency/structure” debate

is one of the most enduring in social sciences. This “how” element is also the main distinguishing feature in the ontological “battle” between dualism- (e.g., Archer’s morphogenesis) and duality-centric<sup>3</sup> (e.g., Giddens’s structuration) perspectives on the agency/structure *problématique*. Yet we do not know how these analytical logics are employed in varyingly complex realms (exceptions include Mutch, 2007 and Jarzabkowski, 2008). We flesh out (non)dealings with chaotic and ordered structures as our contribution to the “how” question. Thus, we respond to calls on how diverse contexts support (or conduce to) certain agentic orientations (Emirbayer & Mische, 1998), the conditions under which forms of intentionality emerge (Lawrence et al., 2011), and the need to provide coherent accounts of agency related to both change and maintenance (Delbridge & Edwards, 2007).

Through our complexity amplification thesis, we complement studies (e.g. Padgett & Powell, 2012), which emphasize the role of networks in the emergence of organizational novelty<sup>4</sup>. In line with empirical cases that demonstrate the efficacious agency of various individuals, we situate agentic acts in a wider structural and relational context; albeit, our focus is more microfoundational in nature (i.e., the actor; organizations or individuals within them). Contrary to much of the relevant theory, we do not consider individuals’ role as a reductionist approach nor individual pursuits as epiphenomena to social processes. We, rather, see agency as a building block of structural shape (Mutch et al., 2006). We, thus, contribute by highlighting “choice and constraint, individual spontaneity and social patterning” (Hitlin & Elder, 2007: 173) as well as the morphogenetic properties of human action and interaction. In fact, ours is one of the few studies that integrate the relational nature of agency with individual traits (Delbridge & Edwards, 2008; Suddaby & Viale, 2011). Throwing the spotlight on both in a context of complex regimes allows us to question purist approaches that either devalue structural relevance or adopt a “downward” ontology that privileges structural over agentic explanations. We, thus, caution that agency is never

fully voluntary, personalized or unleashed nor the structural effects wholly deterministic (Delbridge & Edwards, 2007), especially in a complex setting (Delbridge & Edwards, 2013).

Blending institutions, agency and complexity is important given the scholarly interest in “institutional complexity”. Two features are worth-noting. First, institutional complexity is defined as multiple logics that co-exist, or as “collision”, “incompatibility”, and “contradiction” in co-existing logics (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Pache & Santos, 2010; Smets & Jarzabkowski, 2013); conceptualizations that are different to what complexity normally refers to (e.g. the emergence of order out of chaos). Second, institutional complexity is associated with identity aspirations i.e., what an organization wishes to become by dealing with perceived complexity and not with its adaptive response given what the organization actually is (Kodeih & Greenwood, 2014). Our “amplification” and “disregard” theses echo this “inside-out” perspective and contrast the routine view of complexity as leading to “outside-in” responses. Overall, this multivocality reflects the field-laden understanding of complexity, which elongates the breadth of its applications. Thus, in order to comprehend complexity, we must contextualize the discourse. In order to make it practically relevant, we must explicate the role of agency in experiencing and addressing its situated manifestations. However, the discourse has instead bifurcated along micro/macro lines, has emphasized causal externalities in the exercise of agency, or has portrayed agents as unreflexive receivers of structural constraints (Delbridge & Edwards, 2013). We believe that we contribute in bridging such fragmentation.

### **LIMITATIONS**

Misaligned configurations highlighted herein are not exhaustive, and arguments in the propositions are not conclusive. Other concepts can be also used to discuss the law’s applicability. Certainly, too, we acknowledge that several change or commitment-oriented

organizations may not survive. Thus, we do not seek to privilege agency as the sole antidote to the strains that variously complex regimes generate. In doing so, we distance ourselves from overvalorizing agency (MacKay & Chia, 2013), echo caution on the overemphasis on success stories, transformative capacity or power (Lawrence et al., 2011), and do not see organizations as “hypermuscular institutional entrepreneurs” (Lawrence et al., 2009: 1). We frame agency only as an *effort* for change or reproduction (echoing the definition of institutional work) noting that its efficacy can only be a posteriori assessed. Therefore, our study is limited to arguments that conceptually justify survival prospects under conditions of complexity misalignment; whether organizations will eventually survive is an empirical question that can only be tackled through further research.

#### **FUTURE RESEARCH**

First, we urge for research in relation to the LRV’s main tenets: adaptation and survival. We stress the need to critically assess the causal efficacy of adaptation as a strategizing choice for varying teleological scenarios. Relevant questions may include how and under which conditions does adaptation (not) contribute to survival, prosperity, meaningfulness, or virtue? When is it preferable compared to conscious non-isomorphic pursuits? The disciplinary convention that adaptation is an inherent corporate ideal could be put under scrutiny, and future research could examine a context-laden counterargument (i.e., the conditions under which such an act yields suboptimal returns in light of varied orientations).

We also recommend reflection upon the agency/complexity nexus. Currently, the understanding of how complex spaces shape and are shaped by agentic orientations is strikingly limited. When is complexity an unmanaged constraint that overshadows agency and its change-enabling potential? Under which conditions might complexity solidify morphostatic orientations? For example, following our amplification thesis, we call for

research on institutional genesis amid complexity. While the focus on the effects of logics is developed, relatively little is known about the morphogenetic properties that pre-date the rise of institutions (Delbridge & Edwards, 2008; Greenwood, Oliver, Sahlin-Andersson, & Suddaby, 2008). For example, what are the so-called “initial conditions” that govern the rate of change toward a new order (with sensitivity to these conditions being a defining feature of complex adaptive systems)? Are they pre-existing institutional logics or structural conditions at the inception of an institution? Are they preconditions that exist as memories whose legacy has spillovers to new, founding conditions (Houchin & Maclean, 2005)? We contend that analytical dualism can address potential conflation and shed light on such ontologically important questions that are of relevance to both institutional and complexity theories. Here, human intervention and interaction should have a key explanatory role. Institutions are social constructions (and not naturally occurring mechanisms) whose logic is contingently perceived, transmitted and used by interested people (McPherson & Sauder, 2013). Consequently, individual and collective manifestations of agency should be at the epicenter of institutional creation. Nevertheless, relevant knowledge is still rudimentary (Lok, 2010).

The value of institutional work and CSQ is not confined to disciplinary silos. Rather, they “extend and integrate theoretical conversations across subcommunities of scholars and varied sources of management scholarship” (Suddaby, 2012b: 8). In the future, other concepts can also enrich theorizing in the sphere of complexity. We expect varying findings especially if misaligned configurations are conceived across management domains. Inspired by the idiosyncrasies of their fields, scholars can assess the performance potential of such configurations. For example, this paper presents an opportunity to provoke a wider dialogue around the LRV, including current debates about adaptability in complexity leadership studies. In this way, we will put the LRV in an empirical context and surmise when and why (non)-isomorphic schemas can be reasonably pursued. Overall, we urge management-cum-

complexity theorists to blend non-complexity concepts into their narrative through a cross-pollination logic. This logic is somehow lacking and engenders the threat, for complexity, of dislocating itself from management research, occupying a marginalized, parochial branch of no further importance for theorizing. What aggravates this threat is the lack of a research programme with real-life insights, without which, complexity applications run the risk of being seen as witchcraft (McKelvey, 1999); a conjecture (Houchin & MacLean, 2005); or as a metaphor (Lissack, 1999) where contradictions prevail (Corning, 2002).

Finally, we join authors (e.g., Oswick, Fleming, & Hanlon, 2011) who caution about the universality of theories transferred from non-socially constructed into the organizational realm. We drew upon a paradigmatic case in point to demonstrate this. In turn, we urge for research that showcases how other borrowed theories are appropriated, and how they advance or impede the advancement of the management field (in line with Table 1 and Whetten, Felin, & King, 2009). Given the wide use of borrowed theories in management, similar studies can extend and refine our vocabulary, and, consequently, the boundaries of our understanding.

### **CONCLUDING REMARKS**

The LRV is not an empirical generalization drawn from observed regularities in social systems. We see it as the articulation of a conceptually appealing relation between properties of two systems (organizations' internal/external variety/complexity). However, law-like generalizations are associated with the regularities that observed systems possess, since these mediate the relation between a law and predictability (Holt & Holt, 1993), the latter being a cornerstone of scientific rationality. Hence, given the lack of empirical observations, the term "law" is inherently problematic. Second, given the lack of methods that can measure complex properties of social systems, and the resulting inability to capture periodicity and regularity, how can one claim "prediction" and "determinism" (both reflecting modernist orientations



and law-generating assumptions in natural sciences)? Third, unlike physical systems, social systems cannot be subject to physical determinism, as we cannot explain or determine future states as being based on past ones. We can only achieve that (epistemic determinism; Hunt, 1987) if we know the laws governing the nature of change within that system. However, how can we know these without empirical demonstrations of their periodicity or regularity? Thus, we return to aforementioned points, perpetuating a vicious circle of theoretical inappropriateness or misleading articulation of conceptually appealing ideas.

Newtonian “laws” contrast our contingently constructed world (Tsoukas, 1998; Tsoukas & Hatch, 2001). Lado et al. (2006) have cautioned about this rigidity, while pointing to the threat, for management, in becoming ideological when it denies contradictions, tensions, and deviations from a universal norm as opportunities for refined theorizing. This is not management-specific; boundary conditions are often not set or researchers make sense of a theory by limiting it with their own simplified conceptualizations (Ragin, 1992). We, thus, caution about the so-called “paradigmatic theories,” explanatory devices that become a convention in a discourse (Whetten, 2009). Pinpointing that, unlike natural systems, prescriptions are less applicable in complex, unobservable settings where human agency prevails (Suddaby, 2010b) should not be treated as a disciplinary “nuisance” that challenges the “decontextualized ideal” of modernism (Toulmin, 1990) and positivism as its epistemological reflection (Boisot & McKelvey, 2010). Rather, shedding such light can help us to conceptualize the reasons behind discretionary organizational becoming or reproduction and their effects. Essentially, it helps us assess the usefulness of human agency—which is what management, as a field of inquiry, studies at large (Greenwood & Suddaby, 2006b).

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**TABLES**

**TABLE 1**

**The Appropriation of the LRV in Management**

	How Has Application of the LRV Impeded the Advancement of Management?	How Has Application of the LRV Facilitated the Advancement of Management?
<i>The centrality of environmental determinism and isomorphism</i>	It unduly prioritizes deterministic and isomorphic schemas as a prerequisite for survival.	It serves as a heuristic rule that stresses the value of strategy/environment coalignment and fit.
<i>The intrinsic teleology and the exclusive efficacy of adaptation</i>	It promotes teleological determinism toward survival and ignores equifinality by limiting strategizing to an exclusive efficacy of adaptation.	It promotes the undeniable value of adaptation as a structure- and context-sensitive strategy.
<i>Analytical assumptions on measurability</i>	It treats complexity as a measurable entity subjected to rational deliberation and effective matching representations.	It opens up promising avenues to capture complexity dimensions in meaningful terms for organizations.
<i>An undue outside-in perspective</i>	It promotes an image of organizations as pure reactors or passive recipients of external imperatives.	It sensitizes scholars to the influence of structural conditions on the configurative capacity of decision makers.
<i>The neglected role of human agency</i>	It privileges system-level explanations at the expense of understanding humans' acts that may themselves construct the external properties that the LRV studies and suggests to match.	It has generated a rich understanding on how aggregate structural components may co-evolve in non-linear ways.
<i>The uniformly dark</i>	It portrays complexity as an	It alerts scholars and practitioners to

<i>side of complexity</i>	inherently detrimental feature, with structural congruence being the prudent compromise.	the often unwieldy challenges of managing complex settings.
<i>A superficial embrace of the law</i>	It theorizes upon non-empirical arguments and thus, delimits the complexity of the social world.	It has facilitated theory development by allowing scholars to build upon a succinctly articulated law that is applicable in many cases.
<i>Theory-building architecture</i>	It ignores the possibility of boundary identification for the supposedly one right matching contingency.	It further “legitimizes” insightful strategy domains such as contingency theory and organizational adaptation.

**TABLE 2**  
**The LRV and Complexity Misalignment**

		Organizational complexity	
		High	Low
Environmental complexity	High	Complexity alignment (LRV)	Complexity disregard through CSQ
	Low	Complexity amplification through institutional work	Complexity alignment (LRV)

**Authors' bio**

**Konstantinos Poulis** ([poulisk@hotmail.com](mailto:poulisk@hotmail.com)) is a senior executive in professional services, while holding visiting posts in several universities. He earned his Ph.D. from Manchester Business School. His research seeks to revisit theorizing conventions and, ultimately, to develop concepts that enhance understanding of organization-wide phenomena.

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1 We are grateful to one of the reviewers for these insights.

2 Adaptation itself is a variably defined buzzword across the business literature.

3 Duality is reflected in a dominant strategy wording such as “intextricably interwoven relationship”, “indispensably linked”, or the “constitutive interdependence” between strategy and the environment (e.g., see Bedeian, 1990). This nomenclature is useful as long as methodological implications (related to the value of analytical dualism) are clarified. However, without this clarification, it engenders a threat for conflation that blurs explanations of causation (e.g., it may mask the role of choice in strategizing). Perhaps, such wording (and its prevalence) is ‘responsible’ for the deterministic overtones that pervade much of management thought.

4 Studies that borrow concepts from the sciences are often preoccupied with a ‘forward’ trajectory i.e., a focus on morphogenesis and field formation and how these eventually result to institutionalized structures and practices through distributed agency, collective sense-making and boundary-crossing initiatives. Certainly, Padgett & Powell’s edited collection provides numerous such illustrations that are of value and interest to scholars of emergence through their multiple autocatalytic networks. However, we caution that a focus on ‘becoming’ should not underplay the similarly insightful, theorizing importance of morphostatic pressures and reproduction orientations.