



Agentic Misfit: An Empirical Demonstration of Non-Matching Human Agency amid Complexity

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	<p>cornerstone of this matching contingency logic and it has served to legitimize a wide range of fit decisions in e.g., leadership, organizational learning or corporate governance. Inspired by organizational vignettes inhabiting antithetical complexity regimes, we introduce a novel concept, which we label as 'agentic misfit'. In this way, we deconstruct deterministic assumptions related to environmental fittingness, we challenge teleological orientations in the fit literature and, we flesh out the viability of non-matching human agency amid complexity.</p>

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3 **Agentic Misfit: An Empirical Demonstration of Non-Matching Human Agency**
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5 **amid Complexity**
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Abstract

Alignment of organizations with external imperatives is seen as a sine qua non of proper organizing and strategizing by many fit and complexity scholars. Any deviation from this management mantra engenders organizational decline and, ultimately, mortality. We put this axiomatic principle under empirical scrutiny and use the law of requisite variety as our organizing principle to do so. The law is an iconic cornerstone of this matching contingency logic and it has served to legitimize a wide range of fit decisions in e.g., leadership, organizational learning or corporate governance. Inspired by organizational vignettes inhabiting antithetical complexity regimes, we introduce a novel concept, which we label as ‘agentic misfit’. In this way, we deconstruct deterministic assumptions related to environmental fittingness, we challenge teleological orientations in the fit literature and, we flesh out the viability of non-matching human agency amid complexity.

Keywords

Strategy, strategic choice, organizational design, identity, human agency, requisite variety, complexity theory, fit, agentic misfit, case study

Introduction

Complexity and human agency are inextricably intertwined with the essence of management studies. On the one hand, complexity is the archetypical means to describe structural properties in and around organizations. Our markets, organizational arrangements, networks and, overall, ‘environments’ are characterized as complex as ever by management scholars (Boisot & McKelvey, 2010). On the other hand, management scholarship investigates the ability of humans to organize structures and processes through purposeful action. Human agency and its usefulness is what management research largely studies (Greenwood & Suddaby,

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3 2006). Therefore, works couched in e.g. a process tradition (e.g. Garud, Gehman &
4 Kumaraswamy, 2011), simple rules in strategizing (e.g., Sull & Eisenhardt, 2015), institutional
5 perspectives (e.g. Greenwood & Suddaby, 2006), microfoundations (e.g. Barney & Felin, 2013)
6 or methodological approaches (e.g. Lorino, Tricard & Clot, 2011) have rightfully made the
7 conceptual connection between human agency and complexity.
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15 However, “in many cases attention is directed towards systemic qualities in a manner that
16 implies little scope for significant human intervention” (Child & Rodrigues, 2011, p. 803). As
17 latter authors note, individuals’ power, intentions, orientation or cognition are often neglected
18 or considered irrational to be applied in complexity settings thus, begging an answer on who
19 initiates commercial, political and organizing action therein (Anderson, 1999). This
20 prioritization of the ‘systemic’ rather than the ‘agentic’ leaves complexity theories with a lacuna
21 of studies “on how purposive action taken by key organizational actors may buffer, and even to
22 some extent shape, external systems” (Child & Rodrigues, 2011, p. 804). Rather, complexity
23 studies most often see the external environment either i) as a constraint to human action or ii)
24 as the impetus for adaptive action. Therefore, an ‘outside-in’ perspective has often led to an
25 ‘action void’ or an overly adaptationist view of managing amid complex regimes (Child &
26 Rodrigues, 2011). Especially in fit/matching studies, the centrality of environmental
27 determinism and the causal efficacy of adaptation are paramount (Poulis & Poulis, 2016).
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44 We problematize those perspectives by empirically connecting four themes: the *law of*
45 *requisite variety* (LRV; Ashby, 1956) which is articulated as the need for organizations to
46 internally match external variety/complexity (Boisot & McKelvey, 2010). The law acts as the
47 ancestral cornerstone of *fit-as-congruence* studies, which associate environmental matching
48 with enhanced performance. We claim that this fit logic that the LRV has spawned is the main
49 doctrine in *complexity* realms, which promote the exclusive efficacy of adaptation as the prudent
50 organizational choice. Nevertheless, we claim that fittingness in complex settings is
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3 theoretically mono-dimensional. Those settings are conducive to multiple manifestations of
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5 *human agency*, which enable non-adaptive possibilities for action, too.
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8 We negate neither the conceptual appeal, parsimonious articulation and theorizing
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10 potential of the LRV nor fit's zones of applicability. However, empirical substantiation is
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12 seriously lacking before the law can be used as a doctrine. Motivated by this observation, we
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14 identified a sharp contrast between LRV's premises and our fieldwork experience: in the course
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16 of a research project, we identified surviving organizations of misaligned (LRV-disconfirming)
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18 internal/external complexity; an observation, which we understand as the result of *agentic misfit*.
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20 The latter is a novel empirical concept that challenges entrenched assumptions in fit and
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22 complexity theorizing and constitutes the nucleus of our study.
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26 Therefore, we contribute in three ways: First, we showcase that un-critically embracing
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28 borrowed concepts such as the LRV entails shortcomings that call for empirical scrutiny. Thus,
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30 we refine an iconic concept that is not empirically supported and largely misconceived. Second,
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32 we challenge the centrality of fit-as-congruence in organisational scholarship and its
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34 concomitant adaptive imperative as the exclusive means for superior performance. Instead,
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36 through agentic misfit, we promote human agents' reflective judgment as the medium that
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38 shapes (non)matching action. In turn, by questioning the one right matching contingency that is
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40 the conceptual cornerstone of the LRV, we also challenge normative assumptions related to
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42 non-survival prospects of misfit organizations. Third, by fleshing out agentic misfit, we
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44 empirically document practically-laden and viable ways of dealing with complexity ('enactment
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46 through disruption' and 'quiescence through prescience') that the literature has not captured yet.
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48 Contrary to fit studies, these dealings elucidate that variably complex regimes induce
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50 possibilities for action that can be reasonably misaligned with external imperatives. Thus, we
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52 make an important claim that human agency matters in complexity studies contrary to its
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54 undertheorized status or its treatment as an irrational, non-viable pursuit'.
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We structure the paper as follows: we critically approach the law's tenets and argue that fit is LRV's 'translation' into management research. We discuss main complexity themes, which emulate this matching logic and we introduce agentic misfit as an alternative understanding of organisational acts. Thus, we express our disagreement with the one right adaptationist approach that fit and complexity scholars promote and we set empirical boundaries to LRV. We explain our methodology by building upon Tsoukas and Hatch's (2001) second-order complexity and we present findings from eight misfit cases inhabiting sectors of high (maritime logistics) and low (drug retailing) complexity. We conclude with implications for organizational theorizing.

Requisite Variety and Fit in Organizational Scholarship

The LRV (Ashby, 1956) is a quintessential foundation of complexity thinking and has an impact across domains as wide as biology, engineering, or information systems. In management studies, scholars use it i) to stress that mortality is engendered in organizations which do not possess sufficient internal variety ii) to support empirical findings, build hypotheses or justify methodological choices (see Poulis & Poulis, 2016). According to the former perspective, an organization needs to possess properties which are as complex as the properties of the system against which it attempts to cope with. Otherwise, organizations will decline and perish.

Specifically, management research utilizes requisite variety in two normative ways: (1) to stress the need for matching environmental contingencies through adaptation (Boisot & McKelvey, 2010); (2) linking this with an organization's survival prospects e.g., through the mediating effect of gaining competitive advantage (Lepak & Snell, 1999) or avoiding managerial inertia (Ferrier, 2001). Therefore, according to LRV interpreters, non-matching implies: i) either internal arrangements are more complex than external contingencies (thus, wasting strategic capability and accumulating useless slack) or ii) internal arrangements are less complex than external contingencies (thus, exposing the organisation to risk from volatility and

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3 turbulence). The need to respond to complexity through requisite internal complexity is
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5 ‘textbook knowledge’ and a central element of management research (Schneider, Wickert &
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7 Marti, 2017, p. 199). Thus, it is of particular interest to fit scholars due to the ‘poor’ survival
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9 prospects of non-matching organizational configurationsⁱⁱ.
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14 ***Fit as the conceptual offspring of the LRV***

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17 The modern reincarnation of the LRV is fit-as-congruenceⁱⁱⁱ, which occupies a celebrated
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19 position in management studies and is understood as the alignment of internal arrangements
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21 with environmental imperatives. Lack of fit is seen as the antecedent of failure (Carmeli,
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23 Gelbard & Gefen, 2010) and the ‘road to disaster’ (Heracleous & Werres, 2015). It leads
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25 organizations into unviable zones (Godsiff, 2010) and results to “inefficiencies, substandard
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27 performance, and the potential death of the organization” (Perez-Nordtvedt et al., 2008, p. 785).
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29 Consequently, in order to avoid collapse, organizations’ goal should match internal/external
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31 complexity, with the latter determining the ‘fitting’ degree for the former (Lynn, 2005). This
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33 uni-directional view dominates the management discourse and legitimizes environmental
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35 determinism in organizational action. Moreover, echoing fit-related remarks, complexity
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37 scholars also note that ‘a system must possess complexity equal to that of its environment in
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39 order to function effectively’ and achieve fitness (Uhl-Bien et al., 2007, p. 301). Thus, the
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41 relevance of fit is paramount across many themes that constitute management scholarship.
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47 After a burst in the 1960s-80s and a decline thereafter, fit theories are now revitalized
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49 (Van de Ven, Ganco & Hinings, 2013). This is logical since the concept permeates management
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51 studies’ legacy. Fit is the common denominator across themes as wide as the configuration
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53 tradition, contingency theory, industrial organization, population ecology, adaptive capacity,
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55 dynamic capabilities, McKinsey’s 7-S etc. (Volberda et al. 2012; Carmeli et al., 2010).
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57 Essentially, fit-as-congruence implicitly reflects LRV’s appropriation by management scholars.
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3 Its orthodoxy is rarely challenged, which has led fit authors to claim that higher performance
4 emanates ‘only to the extent that there is fit between the environmental imperatives and the
5 strategy being deployed’ (Katsikeas, Samiee & Theodosiou, 2006, p. 867).
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10 We disagree with such dogmatism without negating zones of LRV applicability and
11 hence, fit. In turn, we chose the LRV to promote our disagreement given the law’s relevance to
12 fit studies. Problematizing its core thesis, we pose a question: given a perceived external
13 complexity, should managers configure their internal environment in ways that fit the said
14 complexity? Viable cases where misfit is noted imply that the LRV is disconfirmed. Thus,
15 boundary conditions can be sketched. To the best of our knowledge, this is the first empirical
16 study that explores this conditioning, which is particularly interesting given the LRV’s
17 association with core management themes.
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31 **Complexity Science(s)**

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33 Complexity studies is not a homogenous field but a heterogeneous amalgamation of foci
34 and themes (Burnes, 2005). For example, complexity may be understood as the exponential
35 consequences that sensitivity to initial conditions may generate (see chaos theory; Thietart &
36 Forgues, 1995) or as the co-existence of multiple logics in a field (see institutional complexity;
37 Delbridge & Edwards, 2013). This heterogeneity is inevitable given the ontological and
38 epistemological diversity associated with complexity research (Maguire et al., 2006). As such,
39 the resultant multi-vocality might be seen as healthy pluralism. However, a striking
40 inconclusiveness has also made complexity being seen as a non-scientific exercise (Poulis &
41 Poulis, 2016).
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54 Given this inconclusiveness, we understand complexity in parsimonious terms and adopt
55 the definition in Maguire et al. (2006, p. 166): “A complex system is a whole comprised of a
56 large number of parts, each of which behaves according to some rule or force that relates it
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3 interactively to other parts". Therefore, complexity comprises variety of and interactions
4 between elements including human (e.g. managers) and non-human (e.g. departments) actors or
5 socially constructed (e.g. institutions) and naturally occurring (e.g. climate) forces. The higher
6 the variety and the interactions, the more complex the industry or the more complex the
7 organization and vice versa. Consequently, (lack of) fit implies that there is (mis)alignment
8 between those noted external and internal complexity levels.
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17 This parsimonious understanding lends itself to a human agency framing that may
18 revitalize the fragmented complexity discourse and implies a focus on organizational decision-
19 makers' agency. We certainly acknowledge the value of sub-fields such as chaos theory,
20 complex adaptive systems or dissipative structures, which are interested in complexity as a
21 general property of structures (Maguire et al., 2006). However, traditions of complexity therein
22 largely focus on how wider structures *self-organize* and *emerge* following agents' interactions
23 at lower levels of analysis and/or through inputs from the external environment (*ibid*; Chiles,
24 Meyer and Hench, 2004). Therefore, the scholarly effort is to formalise generalizable rules and
25 patterns for whole systems. This focus is fair enough. However, it offers limited regard about
26 the organizations' agency^{iv} in the making of observed patterns (Child and Rodrigues, 2011;
27 Heylighen, Cilliers & Gershenson, 2006).
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42 We acknowledge that several complexity studies explore agentic nuances (e.g.
43 intentionality in entrepreneurial ecosystems; Roundy, Bradshaw & Brockman, 2018). However,
44 most complexity fields demonstrate a Newtonian quest for generalisation and prediction of a
45 system's orderly or emergent arrangements without a commensurate effort to elucidate the role
46 of human agency in these arrangements. Given complexity studies' origins in cybernetics, this
47 lack of attention to human agency is unsurprising. Cybernetics seeks to identify general laws
48 that govern systems (Schneider et al., 2017) and not to explain the situated specificities of their
49 becoming. That is a fair focus for cybernetics. Nevertheless, organizing-wise, focusing on
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3 aggregate conceptualizations that aim to understand system-level developments impedes
4 clarifying agentic underpinnings. However, organizational research *is* those underpinnings to a
5 large extent. After all, complexity is not a system's objective property irrespective of the agent
6 in it or observer of it. Rather, "it is determined by the position, perspective and purpose of those
7 who seek to describe it" (Maguire et al., 2006, p. 166). Therefore, a neglect of those agentic
8 themes not only does it oppose the essence of management scholarship's orientation and scope
9 but also ignores a fundamental premise of complexity theories.

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Given these limitations of 'traditional' complexity-cum-management studies to elucidate
human agency, we adopt Tsoukas and Hatch's (2001) second-order complexity (see
Methodology). Second-order complexity allows us to surmise the complexity of an organization
or of an external environment and thus, identify fit/misfit decisions. However, we do so through
organizational decision-makers' eyes (hence, the human agency framing) and not through an ex
post observation of any objective systemic property (e.g. the self-organization of an industry)
or of a systemic outcome (e.g. the eventual order of an organizational arrangement). Moreover,
we differentiate ourselves from a typical approach related to the 'how' of agency in complexity
theories: according to our working definition, interactions across elements induce complexity.
However, as noted earlier, in the complexity literature, what stands out as pertinent in the course
of those interactions is the constraint of responding i.e., a systemic actor is forced to "adjust its
behaviour to that of other agents' (Burnes, 2005, p. 78-79).

Therefore, first, systemic properties such as order or emergent self-organisation assume
higher analytical and hence, theorising importance in several complexity studies. Consequently,
the role of agency assumes an, at best, secondary role. Second, even when agentic contributions
are acknowledged, they are mostly limited to an adaptationist approach, which emulates the
matching logic of the LRV and fit-as-congruence. In the same way that natural subjects do,
organisational systems continuously adapt to one another and their environment through

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3 increasing internal complexity (Uhl-Bien et al., 2007). Otherwise, they become obsolete and
4 die. This Darwinian adaptation/survival nexus that is unreflectively borrowed from the Sciences
5 is so prevalent in complexity studies that it constitutes “the underpinning nomological network
6 of the entire field” (Poulis & Poulis, 2016, p. 518). However, this ignores the possibility that
7 organisations may e.g. strive to reproduce themselves (Poulis & Poulis, 2016), enact complexity
8 through their choices (Goh & Pentland, 2018) or simply ignore others without being committed
9 to an adaptive imperative (Heylighen et al., 2006). Consequently, the contemporaneity of the
10 adaptive task masks not only non-responsive possibilities for action but also agents’ past
11 experiences and future orientations that may make contemporary fit an unwelcome compromise.
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26 **Introducing Agentic Misfit**

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28 Given this popular understanding of complexity as a property of structures that constrains
29 action, we sought instead to theorise the value of a ‘miniscule’ focus on ‘*agentic misfit*’, which
30 we define as *decision-makers’ deliberate choice to arrange their organizations’ internal*
31 *environment in ways that are not congruent with the external one.* The literature so far mono-
32 dimensionally considers such instances of misfit as disastrous (Heracleous & Werres, 2005) and
33 as indicative of managerial inability due to e.g. high costs (Strong & Volkoff, 2010), poor team
34 outcomes (Maruping & Agarwal, 2004), efficiency loss (Perez-Nordtvedt, Payne, Short &
35 Kedia, 2008), or low trust and high conflict (Burton, Lauridsen & Obel, 2002). In turn, such
36 unfortunate instances of misfit ought to be rectified through more adaptation (Sia & Soh, 2007).
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49 For us though, agentic misfit is not an act of irrationality or inability. It is not the result of
50 poor managerial judgement, myopic environmental scanning techniques, or substandard
51 configurational abilities. Rather, it is a conscious managerial choice and the result of a reflective
52 modus vivendi, which engenders existential concerns and thoughtful self-awareness. Hence, it
53 is ‘agentic’. Even more so, it is ‘agentic’ because misfit is deliberately chosen against a
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3 visualized pool of fitting possibilities. Instead of promoting emulation, conformity, legitimacy-
4 seeking, compliance or compromise as archetypical instantiations of fit, we show that agentic
5 misfit prioritizes entrepreneurial flexibility and stems from aspirational ethics. It solidifies the
6 authenticity of one's legacy against a volatile world. Thus, notwithstanding other fitting options,
7 it epitomizes practical wisdom against complex and ordered regimes.
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15 For reasons of balance, we emphasise that fit-as-congruence is a rational choice that is
16 expected in many contexts. Thus, we do not seek to portray agentic misfit as a canonical or
17 inherently prudent outcome of decision-making. In fact, it is a bold and risky choice, which can
18 be though logically expected in certain contexts and by certain organizations. For example, as
19 we empirically showcase, entrepreneurial, aspirational or innovation-driven organizations in
20 stagnant industry contexts may be prone to agentic misfit (Koch et al., 2017; Eghenter, 2018).
21 On the contrary, organizations oriented towards legitimacy-seeking by external audiences
22 (Patala et al., 2017) or ones infused with mimetic tendencies (Lieberman and Asaba, 2006) may
23 not be ideal candidates for misfit actions. Moreover, organizations whose identity is based on
24 conservative norms or act as symbolic gatekeepers of traditions in volatile industries (Raynard,
25 Kodeih and Greenwood, 2019) may exhibit agentic misfit, too. On the contrary, organizations
26 which occupy a central, beneficial position in a stagnant industry (McKague, Zietsma and
27 Oliver, 2015) or organizations, which lead structural changes in volatile sectors (Kalpokaite and
28 Radivojevic, 2019) may be better off with a fit approach. Overall, such a balanced approach is
29 in line with requisite advances in management scholarship. For example, one may consider
30 institutional entrepreneurs (Greenwood & Suddaby, 2006) or social movements (de Bakker et
31 al., 2013) as opposed to bureaucratic organizations (e.g. state-owned enterprises; Chiu, 2006).
32 One may also juxtapose creative organizations (e.g. a theater or an advertising agency; Jones et
33 al., 2016) against safety-driven and high-reliability entities (e.g., a nuclear plant or the army;
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3 Leveson et al., 2009) etc. to realize that both fit and misfit may be promoted depending on focal
4 contexts and idiosyncratic circumstances.
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8 Therefore, agentic misfit is not an ex ante mechanistic choice that is arbitrarily taken by
9 managers. It is not a monolithic decision of one or a team of managers without prior consultation
10 with external agents or without reflection upon resources and constraints. Apparently, such a
11 simplistic representation would ignore emergent phenomena, conflicts, tensions, contextual
12 contingencies etc. (Kornberger, Leixnering and Meyer, 2018; Delbridge, 2007). If we ignore
13 these nuances, we also contradict ourselves in terms of what we critiqued previously i.e. the
14 lack of focus on agency in complexity studies. Thus, as we demonstrate, agentic misfit takes
15 place iteratively and following reflection upon multiple temporalities of action. It is realized
16 following assessment of fitting or less fitting alternatives and amalgamates into something
17 concrete only after a conscious evaluation of the nuances associated with such a bold decision.
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31 To the best of our knowledge, this is the first empirical concept across the complexity and
32 fit literatures that explicitly captures purposeful acts of internal misalignment as viable modes
33 of organizing and strategizing. Consequently, it represents a drastic departure from conventional
34 wisdom which promotes calculative intentionality towards optimal matching. It equips our
35 theorizing arsenal with an enhanced understanding that lack of congruence is not an ‘accident’.
36 Rather, it can be a fortunate instantiation of prudence. In this way, we open up a wide realm of
37 research opportunities to understand its performance consequences and the conditions that
38 enable its deployment in organizations.
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49 Thus, agentic misfit i) challenges fit as a monolithic antecedent to higher performance ii)
50 questions the term ‘adaptive’ in complexity definitions iii) conditions the LRV. It indicates that
51 (mis)fit is not something that externally happens to organizations. Rather it is a choice from
52 within, which engulfs past experiences and future aspirations into present concerns. As such, it
53 implies that the external environment is not the habitually constraining impetus of ‘appropriate’
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3 organizing and strategizing. Rather, internal features (e.g. agents' ethos, experiences,
4 teleological orientations) may also drive meaningful action. Even if the external environment is
5 utilized to visualize alternative possibilities, it does not necessarily induce adaptive behaviors
6 intra-organizationally. Rather, agentic misfit leads to variable and viable (in)action.
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12 This non-matching manifestation of human agency is also a segue that moves us away
13 from the core focus of complexity studies i.e., the collective structures that complexity
14 generates. Such a system-level focus has generated many insights but has also led to agentic
15 foundations being neglected or ill-conceived. We assert though that the role of minutiae in
16 collective outcomes should be a concern of complexity scholarship. Especially in archetypical
17 social aggregation theories such as complexity, disaggregating explanations from concerns such
18 as agentic misfit essentially “obfuscates explanation by hiding the actual mechanisms,
19 processes, and actors that lead to the emergent outcome” (Barney & Felin, 2013, p. 147).
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31 Fragmented yet insightful agentic perspectives show that organizations can be proactive
32 contextual shapers or consciously depart from structural arrangements and survive perfectly
33 well. Organizations may morph their environments (Greenwood & Suddaby, 2006) or
34 consciously adopt no response to external contingencies (Poulis & Poulis, 2016). Quiescence is
35 a conscious choice that reflects moderation and restraint coupled with a deep knowledge of
36 competitive dynamics amid conflicting institutional demands (Pache & Santos, 2010).
37 Organizations may even choose to silently disappear, should this serve strategic concerns or
38 address mutating externalities (Greenwood & Suddaby, 2006). These choices also challenge
39 how scholars portray complexity itself. Many organizations (precisely, authors writing about
40 them) do not perceive complexity as a desirable opportunity, nor are they willing to embrace it.
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54 Rather, they perceive it as something detrimental that must be matched to avoid decline.
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56 We acknowledge that matching is a legitimate orientation both under stable and changing
57 conditions. Barriers to this pursuit such as bounded rationality or incentive conflict need to be
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3 often tackled through requisite configurations (Gulati, Lawrence & Puranam, 2005; Weigelt &
4 Sarkar, 2012). However, we do not subscribe to the etiology of increasing internal complexity
5 as the *exclusive* need to do so. Rather, actors may foresee a possibility and mobilize resources
6 that may enact it into reality or simply consolidate apraxia towards organizational reproduction.
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8 Therefore, a wide array of options are open: the external environment may be actively resisted,
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10 ignored through quiescence or reenacted through mobilizing resources and due to e.g.
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12 organizational identity and self-identification concerns (Kodeih & Greenwood, 2013). This
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14 discussion allows us to reframe a major management dualism: Is adaptation and, in extent,
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16 organizing and strategizing a result of environmental determinism? Alternatively put, should
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18 external complexity be ignored or circumvented as a result of agentic misfit?
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28 **Methodology**

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30 We employ eight purposefully selected cases of agentic misfit combining instruments
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32 such as interviews, documentation, and observation (Eisenhardt & Graebner, 2007). Cases
33
34 include four organizations from the shipping industry as archetypical of high external
35
36 complexity and four cases from the drug retailing sector as representing low external complexity
37
38 (all in Greece). Based on an iterative process through secondary data, pilot interviews and
39
40 discussions with peripheral informants (Poulis, Poulis, & Plakoyiannaki, 2013), we identified
41
42 primary cases (Table 1).
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49 **Sources of data**

50
51 Documentation (e.g., board minutes in shipping cases and promotional material in drug
52
53 retailing cases) and direct observation helped us contextualize interview responses, identify
54
55 relevant themes for exploration, and cross-check accuracy of primary responses. For example,
56
57 observation in shipping cases confirmed the leader's centrality or the prevalence of the
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3 organisation's legacy (e.g. formalization of seating arrangements during board meetings or old
4
5 photographs of founders/owners as material symbols on office walls).
6

7
8 Initially, we conducted interviews with peripheral informants and pilot respondents: First,
9
10 all interviewees agreed on the complexity of the two sectors. This enabled the identification of
11
12 misfit cases i.e., shipping firms with low (SH1,SH2,SH3,SH4) and drug retailing firms with
13
14 high (DR1,DR2,DR3,DR4) *internal* complexity. Figure 1 showcases this complexity typology
15
16 which includes instances of both fit and misfit. All quadrants reflect legitimate goals to pursue
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18 and their performance consequence (survival) does not mono-dimensionally emulate the LRV
19
20 doctrine of the one right matching contingency (see Discussion).
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28 INSERT FIGURE 1 HERE
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35 Second, respondents enabled identification of thematic areas for subsequent interviews.
36
37 For example, peripheral informants helped us understand the complex framework governing
38
39 shipping (high external) and the simple organizational setup and family-centric ethos (low
40
41 internal) of traditional shipping firms. They pinpointed the protective framework in drug
42
43 retailing and the new generation of pharmacists who foresaw additional possibilities by moving
44
45 beyond it. Therefore, we organized primary interviews accordingly.
46
47

48
49 Third, preliminary interviews pinpointed paradigmatic cases for further inquiry:
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- 51
52 - Shipping-wise, respondents signposted firms, which follow simple rules
53
54 through low internal complexity (Sull & Eisenhardt, 2015). Access was enabled
55
56 through those early respondents and by the fact that the Greek managed fleet is
57
58 the world's largest. Hence, several relevant firms could be readily identified.
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3 - Drug retailing-wise, we were informed on pharmacists who pursued
4 business studies and collaborated with cosmetics firms with a bold objective: to
5 disrupt a stagnant industry. Hence, a new generation of drug professionals became
6 well-versed in advanced sales methods and marketing techniques.
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13 Selection of cases was not dictated by a quest for replication or representativeness. Rather,
14 we selected paradigmatic misfit cases with preliminary informants helping us in identifying and
15 accessing those cases. Therefore, a form of selection bias was inevitable since the non-matching
16 organization was our pre-selected empirical unit. This focus was desirable since the purpose
17 was neither to select LRV-confirming organisations nor to achieve sample heterogeneity.
18 'Matching' cases are arguably plenty and certainly well represented in the literature. Therefore,
19 any such focus would have a reduced marginal utility.
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29 A main selection criterion was the organisations' survival record. In order to safeguard
30 that misaligned practices are not detrimental, selected cases demonstrate at least ten years of
31 market presence. All four shipping firms operate for more than 50 years while sampled
32 pharmacies operate for 20-30 years. Across both settings, we interviewed upper echelons
33 respondents since others might not be able to reflect upon complexity. These primary interviews
34 resulted to transcripts of 314 pages and included i) the CEO/Managing Director and
35 departmental directors in shipping firms ii) pharmacy owners and their store managers i.e., their
36 immediate subordinates. In total, we conducted 14 interviews in shipping cases and 8 interviews
37 in drug retailers (Table 1). Our organizing principle was the generic distinction between external
38 and internal complexity and we sought to explain how and why each case's characteristics
39 induce agentic misfit. Similar cross-case findings were identified, which was expected
40 following our aforementioned sampling strategy.
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10 *Capturing complexity*

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12 Given the temporal stability of organizational fields, capturing complexity is highly
13 challenging (Tsoukas & Dooley, 2011). To tackle this, we employ Tsoukas and Hatch's (2001)
14 second-order complexity i.e., we make sense of complexity through decision-makers' voices
15 and 'ask managers how they see their organization's environment and the challenges it poses'
16 (Schneider et al., 2017, p. 201). Focusing on the perceptions of those who cope with complexity
17 is chosen because managers shape the phenomena we study. We treat decision-makers as
18 reflective participants whose judgement mediates the relationship between actual choice and the
19 objective structures they connect with. After all, for an abstract aggregation as complexity then,
20 "every organization perceives its own distinct environment" as situated in a relevant system
21 (Schneider et al., 2017, p. 184).
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35 We used the two features in our working definition of complexity as our interview guides:
36 the diversity and interactions between agents (Maguire et al., 2006). Despite the numerous
37 meanings associated with 'complexity', "most definitions attribute its emergence to
38 combinations or interactions among heterogeneous elements" (Garud, Gehman &
39 Kumaraswamy, 2011, p. 738). Therefore, "complexity results from the interaction between the
40 components of a system" (Cilliers, 1998, p. 2) and a market or an organization is complex
41 because "they are diverse and made up of multiple interconnected elements" (Chiva, Grandio
42 & Alegre, 2010, p. 119). Thus, in line with Wright & Nyberg (2017), we coded data by having
43 two sensitizing principles in mind: *Variety* is the foundational platform of capturing complexity
44 and indicates the number of elements in an organization's internal or external environment. It
45 answers the question of 'how many' (e.g. employees or departments for internal variety or
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3 suppliers and customers for external variety). *Interactions* within or across entities ‘upgrade’
4 variety to complexity. Externally, within-interactions mean e.g. alliances between competitors
5 or intra-organisationally, how resources are interlinked through cross-functional teams
6 (Schneider et al., 2017). Externally, across-interactions e.g. mean how different institutions or
7 legal frameworks govern the rate of change in a sector or intra-organisationally, the extent of
8 collaborative complexity with partners (Schneider et al., 2017). The higher the variety and the
9 interactions within and across entities, the more complex the internal or external environment^{vi}.

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19 Having achieved this portrayal for both internal and external complexity, we then
20 surmised whether there is a matching empirical tendency or not. Capturing complexity this way
21 avoids the utopian pursuit and the pitfalls of any measurable match i.e., we did not ask
22 interviewees to reify or quantify complexity for matching purposes. We were only interested
23 whether there is a perceived mismatch between internal/external complexity. This was identified
24 in both sectors through the meanings that organizational respondents and peripheral/pilot
25 informants ascribed to their experiences. Their views helped us position sectors and cases across
26 a bipolar empirical tendency: high or low complexity. In turn, we mapped cases in misaligned
27 configurations of high (low) internal / low (high) external environments (Figure 1).
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42 **Presentation of Findings**

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44 We first demonstrate the high external complexity of shipping and low external
45 complexity of drug retailing. This is the initial springboard to then showcase that antithetical
46 intra-organizational arrangements take place due to idiosyncratic pursuits of selected cases. We
47 illustrate this by using indicative quotes, which may not be exhaustive but, nevertheless, they i)
48 illustrate the imbalance between internal/external complexity ii) shed light on enabling
49 conditions for those non-matching configurations.
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High external complexity in shipping

Shipping is a highly complex industry with a plethora of interacting players punctuating the field (Lützhöft, Grech & Porathe, 2011). This is logical given that 90% of world trade takes place by sea. Shipping organizations act against a complex and uncertain environment due to numerous events ranging from regulatory change related to safety and the environment, infrastructural diversity in the world's ports, and adverse weather, up to numerous ship sizes and changing patterns of trade and sea routes (Justice et al., 2016). Thus, the sector is characterised as an unpredictable, volatile, cyclical and international environment (Goulielmos, 2002) where a large number of agents interact in obscure, non-linear and intractable patterns (Caschili & Medda, 2012). What makes our chosen context even more complex is that Greek-owned shipping is the largest in the world (circa 20% of the world's tonnage).

INSERT TABLE 2 ABOUT HERE

Low internal complexity in shipping: Quiescence through prescience

Our shipping cases are archetypical examples, which disregard the complexity they encounter. They do so not because they do not acknowledge it. Rather, drawn by their past experiences and accumulated practical wisdom, they disregard it because of its overwhelming nature. This is a conscious managerial choice, which comes from prescience and a copious understanding that quiescence should be exercised in such a regime. As long as a comfortable market position is secured then, maintaining the status quo is a priority against a complex context.

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3 ***‘Traditional ship owners exist as they were 100 years ago and they will still exist after***
4 ***100 years in the future, exactly as they are now. They do not change their ethos, practices***
5 ***and ideas. We are one of them’ (Finance Manager in SH1)***
6
7
8

9 A mindset of preservation is associated with an owner who takes decisions. A certain
10
11 commitment to the status quo is aggravated by his/her past successes, his/her centrality in
12
13 securing cargo (i.e., the revenue stream for shipping companies) and a long-standing, traditional
14
15 way of doing things that can be traced back to the industry’s family-centered background.
16
17

18 ***‘My subordinates cannot help me; they do not have the relevant information and ability***
19 ***to do that. This is an one-man-show in exactly the same way it used to be since the beginning***
20 ***of the industry’ (CEO in SH3)***
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24 Below, we detail manifestations of low complexity. As can be surmised, all pinpoint to an
25
26 inherent simplicity, which constitutes a conscious choice irrespective of the turbulence of the
27
28 sector. For example, despite the huge shortage in competent seafarers, which has given rise to
29
30 multiple nationalities onboard, these firms insist on a traditional way.
31
32

33 ***‘Our ships carry the Greek flag. This means that Officers on the ship must be Greek –***
34 ***without exception... it is carried forward as a legacy from the founders of the company and***
35 ***it has to be respected’ (Technical Manager in SH4)***
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39 The traditional nature of the sector i.e., a legacy from the past that continuously protrudes
40
41 into the present is a staple element of decision-making and organizational arrangements that is
42
43 never ignored.
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45

46 ***‘Our organizational structure and decision-making processes are quite simplistic.***
47 ***Departments are and remain separate, each one specializing in what they do... we are a***
48 ***traditional ship owning company; that is our mentality and this mentality is a standing***
49 ***element in shipping’ (Chartering Manager in SH1)***
50
51
52

53 This iterative leverage from the past permeates all aspects of operations including human
54
55 resource management practices, modes of decision-making, susceptibility to innovation etc.
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58 ***‘There is no external recruitment at any level of the hierarchy unless an emergent***
59 ***situation calls for it. We employ our seamen and our office employees when they are young***
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3 *and we promote them within the organisation. All directors in the company have been*
4 *working here for more than 15 or 20 years... (CEO in SH3)*
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8 Moreover, this legacy of keeping things as they are has served the company well enough
9
10 and this success record is an omnipresent factor dictating present action.
11

12 *‘Shipping firms, and especially traditional shipping firms do not wish to shake out the*
13 *market. If one makes competitive moves that change the status quo, someone else will*
14 *definitely retaliate, since many of us have the size to affect market structure. Why then initiate*
15 *such a process?’ (CEO in SH2)*
16
17

18
19 At this stage, we put forward our first propositions:
20

21 *P1a: Agentic misfit in complex regimes is more likely in organizations that enjoy a*
22 *sustainable market status in accordance with their expectations and cemented beliefs. Such*
23 *organizations will proceed with acts of quiescence through prescience i.e., they will disregard*
24 *external complexity and commit to reproducing existing internal arrangements in an effort to*
25 *maintain this status.*
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33 *P1b: In such cases of agentic misfit, adaptation is neither desirable nor preferable and*
34 *the law of requisite variety is unlikely to be predictive of organizational acts.*
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40 ***Low external complexity in drug retailing***

41
42 Drug Retailing in Greece is a low complexity sector. Its highly protected nature, the
43 predetermined number of owners and their limited interactions, the extremely low
44 entrepreneurial risk, or the minimal technology usage in a pharmacy make it a stagnated field
45 (Dounas, 2008) and perhaps the most well-regulated industry in the country (Venizelos, 2018).
46
47 The State not only unilaterally approves new drugs but also centrally fixes their pricing as well
48 as drug wholesalers’ and retailers’ profit margin (Yfantopoulos, 2008). Legislation also dictates
49 a certain number of stores per geographical area and population figures that must be owned by
50 specific licensed individuals (Zacharakis, 2014). Therefore, there is no possibility for e.g. a
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3 super market to sell drugs in its premises. For these reasons, the sector can be safely
4
5 characterized as one of extremely low complexity and lack of competitive intensity in terms of
6
7 price setting, locational choices, product diversification etc.
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14 INSERT TABLE 3 ABOUT HERE
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21
22 ***High internal complexity in drug retailing: Enactment through disruption***

23
24 Our drug retailing cases are characteristic cases of agentic misfit against their ordered
25
26 regime. External context was simply a platform for enactive agency. It was neither a setting for
27
28 matching pursuits nor a constraint that calls for adaptation as an unwelcome compromise.
29
30 External imperatives may be acknowledged but the impetus for action is intra-organizational.
31
32

33 ***Yes, I fully understand that other stores see themselves as mere sellers since there is no***
34 ***peer pressure to do otherwise... They act by the rules imposed by the Ministry. Well, I am glad***
35 ***that I am not one of them! (Owner in DR3).***
36
37

38
39
40 The organizations' ethos, competence and idiosyncratic aspirations led them to enact a
41
42 new code of practice through disruption of the status quo. Hence, instead of emulating existing
43
44 arrangements, our cases chose intra-organizational arrangements that oppose the stagnated
45
46 regime in the country.
47
48

49 ***Yes, of course we became more complex following all these initiatives. But we also***
50 ***became better and this is what we inherently wanted. If someone wants to change things they***
51 ***do not agree with, they have to try harder. And we are all proud that we made it. – (Owner in***
52 ***DRI).***
53
54

55
56 An increased internal complexity is evident in several activities. Cross-functional
57
58 meetings where advances in one's own work are presented, practices such as staff peer
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3 assessment, systematic feedback, relationship-building and engagement with customers are
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5 standing elements of the 'deviant' culture in sampled drug retailers.
6
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8 ***We employ salesmen, pharmacists, cosmetologists, a secretary, an accountant, myself,***
9 ***my wife... We organize meetings, we train each other on a wide array of things ranging from***
10 ***pharmacological properties of drugs to our salesmen and sales techniques to our pharmacists.***
11 ***We attend external seminars, too and we are trying to establish closer relationships with the***
12 ***University that will help us enhance our skills e.g. on marketing tactics or customer service***
13 ***(Owner in DR4)***
14
15

16
17 We made an attempt to document the reasons for those non-conventional acts.
18
19 Conventional wisdom would dictate that these are costly and thus, unnecessarily complex. They
20
21 move over and above formal Ministry directives and are not justified by the protected market
22
23 status. Hence, why should organizations proceed to misaligned actions, which require extra
24
25 effort, costs and commitment? Simply selling drugs would appear as a rational, fitting choice.
26
27

28
29 ***We envisioned this store with a purpose in mind and we are determined to support this***
30 ***vision. Yes, it definitely requires a non-conventional mindset but the ultimate objective is to***
31 ***change the way our pharmacies serve the public. We do not see ourselves as sellers of drugs;***
32 ***we educate people on drug usage, personal care, healthy lifestyle... (Owner in DR4).***
33
34

35
36 Visions, aspirations and expected rewards translate into a pursuit for enactment through
37
38 disruption. Decision makers therein do not wish to proceed to something in addition to what is
39
40 being offered. They want to disrupt current arrangements so that actual change of regime is
41
42 implemented.
43
44

45 ***We wish the society to perceive us as an aid to their daily concerns. Not as an alternative***
46 ***offering but rather as the characteristic example of how a completely new establishment***
47 ***stemming from private initiative should be a standard of excellence that the country needs***
48 ***(Owner in DR2).***
49
50

51
52 Following collective (but uncoordinated) activities, a new generation of pharmacists
53
54 changed the business model of pharmacy management and consequently, the way the public
55
56 sees drug retailing. This became possible through their training in business management which
57
58 took place in leading schools of the country.
59
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4 *Following initiatives such as ours, pharmacies are not mere selling points of prescribed*
5 *drugs any more. They became something more, which I label as an enhanced retailing*
6 *experience. Following my marketing classes, I realized what ‘experience’ means for a*
7 *customer; something that I have never thought of before... well, at least in this way.*

8 *(Store Manager in DR4).*
9

10
11 A main takeaway is that external imperatives are a backdrop for reflective judgement.
12
13 They are not constraints calling for adaptation. Rather, constraints are actively deconstructed so
14
15 that a new possibility is enacted. This is a striking difference compared to the dominant
16
17 treatment of complex structures as impediments to voluntary action or, at best, as platforms for
18
19 compromised adaptation. Intraorganizational drivers related to founders’ aspirations, skills or
20
21 ethos generate mechanisms of amplifying internal complexity. Thus, we propose:
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23

24
25 *P2a: Agentic misfit in ordered regimes is more likely in organizations that identify a*
26 *discrepancy between internal features (their aspirations, ethos, skillset) and external structures*
27 *(stagnant market, institutional and societal forces). Such organizations will be inclined to*
28 *proceed with non-matching action and strive to enact a new setting through disruption.*
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34 *P2b: In such cases of agentic misfit, adaptation is neither desirable nor preferable and*
35 *the law of requisite variety is unlikely to be predictive of organizational acts.*
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41 ***Insights across cases*** 42

43 In shipping cases, the complex environment did not induce matching, adaptive practices.
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45 Actors, drawn from past experiences and enabled by their market status, preferred to disregard
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47 complexity's overwhelming nature. In drug retailing cases, the ordered environment did not
48
49 enable conformity and simplicity. Actors, inspired by a creative ethos and driven by their
50
51 aspirations, preferred to disrupt established norms by complexifying themselves. Overall, the
52
53 consequentiality of complexity was not limited to an adaptive imperative. Actors, due to their
54
55 skills, risk orientation or practical wisdom utilized complexity in variegated ways that do not
56
57 conform to a fitting logic. Therefore, using complexity as the driver of a solely adaptive
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3 response ignores not only the multiple manifestations of human agency but also management
4 studies' own heritage: the role of equifinality i.e., the diverse paths towards an end and the value
5 of proactive organizing where external imperatives play a less important role. Thus, we
6 propose:
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12 *P3a: Acts of agentic (mis)fit are simultaneously retrospective, contemporaneous and*
13 *teleological i.e., they are inherently linked with an organization's and its members' past, present*
14 *as well as an eventual purpose and what is to be achieved in the future.*
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18 *P3b: Temporalities of action related to (mis)fit decisions imply that adaptation following*
19 *only contemporary fit imperatives may be neither desirable nor preferable and the law of*
20 *requisite variety is unlikely to be predictive of organizational acts.*
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28 These findings problematize fit theorizing, which assumes that organizations relentlessly
29 seek to become superior performers through adaptation. Certainly, such a focus is fair enough.
30 However, it also under-estimates many organizations' less maximalistic or non-conventional
31 aspirations. Our cases show that deterministic *adaptation* of organizations to an external
32 environment is *neither a necessary nor a sufficient condition for survival*. Survival can be
33 achieved through e.g. non-conformity and deviant responses. Enactment or quiescence,
34 disruption or prescience are also successful, non-adaptive modes of organizing. Most
35 importantly, they appear to be prudent choices in an environment that seemingly calls for
36 matching representations. An organization's adaptive capacity may be one of its great virtues.
37 Yet, it may also be a stumbling block to unimagined possibilities or may obscure a wider
38 understanding of how organizational success is defined.
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55 Therefore, complexity is not only a constraint. Rather, it acts as a conceptual springboard
56 that enables actors to either circumvent or disregard their environment's constraining properties.
57 Overall, complexity induces the visualization of alternative possibilities. It drives actors to
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1
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3 imagine agentic misfit's transformative or reproduction potential. Hence, it is a catalyst for the
4
5 deployment of non-adaptive agency. As shown, this tendency is aggravated in particular
6
7 circumstances, which allows us to propose:
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11 *P4: Agentic -as opposed to deterministic- explanations of organizing and strategizing*
12
13 *become more theoretically and practically relevant when there is drive for high structural*
14
15 *(environmental) change or high structural (organizational) maintenance. In such cases, the law*
16
17 *of requisite variety may not be predictive of organizational acts.*
18
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20 21 22 23 **Discussion of Findings**

24
25 Following aforementioned findings, Figure 1 is 'updated' to Figure 2. Therein, we
26
27 demonstrate boundary conditions for the LRV and its zones of (non)applicability: a zone of
28
29 agentic misfit (reflected in grey Quadrants A and C) and a zone of deterministic fit (Quadrants
30
31 B and D; see examples further below). Thus, Figure 2 indicates that human agency in
32
33 complexity has two orientations: matching and non-matching^{vii}. Therefore, without negating
34
35 LRV-confirming instances, we illustrate our problematization in relation to i) the exclusive
36
37 LRV-confirming instances, we illustrate our problematization in relation to i) the exclusive
38
39 efficacy of fit-as-congruence ii) the adaptationist oeuvre in complexity-cum-management
40
41 studies iii) the LRV's monolithic appropriation in management. Thus, Figure 2 summates our
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43 contribution.
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51 INSERT FIGURE 2 HERE
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58 Figures 3 and 4 represent our empirically grounded models and exemplify the gist
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60 embedded in our propositions. They reflect that variably complex environments do not

necessarily translate into an inherent constraint or an adaptive compromise as LRV, fit or complexity theorists suggest. Instead, those environments induce instances of agentic misfit and illustrate why the LRV might not apply:

- Quadrant A is where our shipping cases reside. As illustrated in Figure 3, agents act against the backdrop of their past experiences, which consolidate action to a simplistic imperative. Present conditions that enable them to visualize specific possibilities for action include a reflection upon the overwhelming nature of their complex environment and intra-organisational concerns such as their commitment to the status quo or their non-maximalistic goals. So, instead of emulating external complexity internally, these conditions led organisational actors to disregard it through prescience. Therefore, this LRV-disconfirming engagement with complexity demonstrates agentic misfit's potential to enable organisational reproduction in a complex regime.

INSERT FIGURE 3 HERE

- Quadrant C is where our drug retailing cases reside. As seen in Figure 4, agents are driven by their future aspirations for environmental enactment. Present conditions that enable them to visualize possibilities for action include a reflection upon the stagnant nature of their ordered regime, which is misaligned with their aspirations, personal ethos and skillset. Therefore, instead of compromising to an adaptive imperative and simplistic internal arrangements that accord with the low complexity of their sector, they opted to build up an internal structure that induces the possibility of

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3 environmental enactment. They sought to complexify themselves so that the
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5 transformative potential of their agentic misfit can be realized.
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12 INSERT FIGURE 4 HERE
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20 - Quadrants B and D in Figure 2 denote LRV-confirming cases and reside in the
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22 zone of fit-as-congruence. For example,
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- 24
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26 i) Quadrant D: multinational corporations (MNCs) in corrupted, emerging
27
28 economies (EE) may likely choose a matching orientation following coercive
29
30 and normative pressures (Spencer & Gomez, 2011). In fact, complying to
31
32 corruption through matching may be a ‘necessity for being competitive’
33
34 (Collins, Uhlenbruck & Rodriguez, 2009, p., 89). Thus, relationship with a
35
36 powerful local network may suffice to facilitate congruence with such
37
38 markets and manage the arbitrariness and pervasiveness of corruption
39
40 (Rodriguez, Uhlenbruck & Eden, 2005). On the contrary, incongruent
41
42 responses to corruption imply non-matching arrangements that are an
43
44 unnecessary waste of vital resources (see Jensen, Li & Rahman, 2010).
45
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49
50 ii) Quadrant B: a luxury goods firm addressing to affluent customers cannot
51
52 ignore a complex market that is punctuated with aggressive competitors
53
54 (Kapferer, 2014). Thus, requisite levels of internal complexity that match the
55
56 pressing demands for a superior value that justifies excessive prices appears
57
58 as the only prudent choice (Tynan, McKechnie & Chhuon, 2010). If luxury
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3 firms do not complexify themselves through e.g. sophisticated, adaptive
4 marketing strategies (Donzé & Fujioka, 2015) they may decline and perish.
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9 Our section on agentic misfit, our findings and the configuration of cases in the four Quadrants
10 open up some major empirical questions for management research: Why certain industries
11 would be likely to exhibit agentic misfit and others not? What characteristics might be able to
12 predict that? We try to offer some relevant insights below.
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19 As shown, drug retailing cases are proactive contextual shapers and morph their
20 environments through civic action and identity work (Creed, DeJordy, & Lok, 2010). They did
21 not compromise to an established norm nor emulated external arrangements since conformity
22 impeded their operational potential. Thus, they chose to ignore structural standards (Seo &
23 Creed, 2002) and committed irreversible resources for something new (Välinkangas & Carlsen,
24 2019; Walker, Schlosser & Deephouse, 2017). Therefore, contexts where instances of agentic
25 misfit are more likely are the ones that are simultaneously characterized by two features: a
26 stagnant state of being (e.g. due to a rigid regulatory framework) and, at the same time, ones
27 where entrepreneurial agency and disruption is likely to enhance value (e.g. societal welfare
28 through an innovative offering). Thus, major ‘candidate’ contexts include regulated, protected
29 industries, which provide sub-optimal services to customers and lend themselves to disruption.
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46 On the other hand, shipping cases, drawn from past experiences, pursued simpler forms
47 of organizing. Their orientation was acceptable profitability and preservation of traditional
48 norms. Thus, they consciously adopted no response to external contingencies yet survive
49 perfectly well. Certain conditions privilege such dominant organisations, which are in favour of
50 maintaining existing arrangements (Greenwood & Suddaby, 2006). Their choice for ontological
51 continuity reflects a deliberate attempt to maintain or an indifference in altering their inhabited
52 contexts. Therefore, instances of misfit are also likely in industries, which are highly volatile
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3 and whose inherent uncertainty is seen as an identity threat by organizational agents.
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5 Preservation of traditional norms, maintaining authenticity, safeguarding one's ontological
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7 security, paying tribute to a glorified past are reasons that may enable misfit. They may
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9 consolidate a conscious decision to avoid fitting with external, volatile contingencies
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11 irrespective of any economic orientation.
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16 Certainly, deploying agentic misfit may not be a prudent choice in other industries and
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18 circumstances. For example, i) in contexts where external legitimacy is sought after (e.g. new
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20 ventures in mature fields; Kislov, Hyde & McDonald, 2017), ii) when compromises are
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22 necessary (e.g. in contested or corrupted settings; Jenkins & Delbridge, 2016) iii) whenever
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24 emulation promises better outcomes (e.g. adopting practices of prestigious others; Jones &
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26 Massa, 2013) iv) when public conformity is anticipated (e.g. in political or institutional arenas;
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28 Song, 2019) or v) when normative compliance is expected (e.g. collaboration in traditional
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30 realms; Hibbert & Huxham, 2010) then, in such cases, fit-as-congruence is a more likely
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32 scenario. It is important to re-emphasize though that abovementioned fit/misfit scenarios are
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34 inextricably related to organizations themselves, too. This is because the same industry feature
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36 may lead to both fit and misfit choices across organizations inhabiting the same industry and
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38 depending on e.g. their leaders' orientation or beliefs, organizational structures, resource
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40 endowment, employees' skill sets etc.
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48 Only a future empirical program can map organizations along zones of fit/misfit and
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50 elucidate the environmental contexts or agentic conditions, which enable either option. At this
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52 stage, our data only allow us to assert that any answer cannot ignore i) the purposefulness and
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54 identity of focal organizations ii) the receptiveness of the wider context to disruption and
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56 desirable change or its susceptibility to maintenance and conservatism. Given these nuances,
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58 our findings extend scholarly discussions in three ways: First, by conceptualizing agentic misfit,
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3 we showed that external complexity is not necessarily constraining and consequential in its
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5 adaptive sense. Rather, it may simply be a platform for reflective judgement that signposts actors
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7 towards visualized possibilities. Thus, through our misfit framing, we challenge one of the most
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9 celebrated and enduring ‘dualities’ in management: adaptation as the prerequisite for survival
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11 (Burnes, 2005). Second, by fleshing out “quiescence through prescience” and “enactment
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13 through disruption” as qualitatively distinct modes of engaging with complexity, we move away
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15 from a myopic ontological reification of environmental complexity in the literature i.e., as a
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17 given entity that can be accurately measured and one that should be internally matched
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19 (Katsikeas, Samiee & Theodosiou, 2006). Thus, we empirically refine an iconic law such as the
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21 LRV and extend the explanatory breadth of (mis)fit scholarship. Third, by promoting a
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23 chronological ordering of future aspirations, past experiences and present concerns for an
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25 understanding of (mis)fit decisions, we illustrate the value of integrated temporalities of action
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27 against a contemporary fit orientation i.e., the norm in relevant research. Thus, we alert scholars
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29 that a merely synchronic fit task may generate erroneous insights (Garud et al., 2011; Poulis &
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31 Poulis, 2018; Kodeih & Greenwood, 2013; Poulis, 2020).
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39 **Conclusion**

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42 We connected theoretical strands that revolve around a central management mantra: the
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44 efficacy of fit in complex regimes. While this quest for fit is recognized in certain contexts, we
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46 showcased zones of non-applicability, which remain largely underrepresented or considered
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48 irrational in the literature. To the best of our understanding, this is the only empirical study that
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50 frames this choice vs. determinism dilemma and hence, (mis)fit within a complexity
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52 perspective. We situated human agency amongst environments that actors i) inherited and
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54 sustained or ii) problematized and strived to enact and we showed that their agency was
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56 channelled through means other than adaptation. Importantly, we chose to discuss agentic misfit
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3 through the LRV since the law has been used exactly for that reason across both stable and
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5 complex settings: to serve as a rule that solidifies the efficacy of matching i.e., a main, recurrent
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7 theme in management scholarship, which nullifies the role of human agency towards
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9 environmental transformation or organizational reproduction.
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Short Bios

Konstantinos Poulis is a Senior Lecturer at Middlesex University and a senior executive in the field of professional services. His work revolves around philosophy of science applications in business and management research and appears in journals such as the *Academy of Management Review* and *Academy of Management Perspectives*. He holds a Doctorate from the University of Manchester.

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Professor Paul Jackson is a member of the Business Economics and Strategy Group, and was previously Doctoral Programme Director and Head of Division for Marketing, International Business & Strategy at Manchester Business School. He has published widely in the areas of the psychological impact of unemployment, work design and employee effectiveness, organisational change, teamworking, employee engagement and statistical research methods.

ⁱ A dialogue on human agency raises teleological (i.e., survival-centric) and deterministic (i.e., adaptation-centric) issues that pervade the organisational discourse. However, it is not new (e.g. see Schreyögg, G. 1980. Contingency and choice in organization theory, *Organisation Studies* 1/4, 305-326). The important point though is that this dialogue *in complexity studies* i) prioritizes the systemic rather than the agentic or ii) limits human agency to an adaptive imperative following a constraining role of the environment. Similarly, *in fit studies*, i) human agency is limited to a matching pursuit and ii) other orientations are seen as disastrous. We clarify these points in the sections on 'Complexity Science(s)' and 'Introducing Agentic Misfit'.

ⁱⁱ In this study, we do not tackle Ashby's own work. Rather, we are interested only in the way his law is appropriated within management studies and specifically, its modern reincarnation of internally matching external contingencies. This is an important observation since Ashby might fundamentally disagree with the LRV appropriation by fit scholars.

ⁱⁱⁱ Fit is a polyvalent concept (see Volberda et al., 2012). So we focus only on its most used facet ('fit-as-congruence') and given congruence's identification with the LRV.

^{iv} At this point, we clarify that we do not seek to offer a radical reification of 'the organization' as an agent in anthropomorphic terms. Nevertheless, we acknowledge the centrality of its decision-makers (managers therein) in terms of taking conscious, agentic choices.

^v Not all shipping firms adopt the low complexity logic that our sampled cases do. In fact, many others emulate their external complexity with complex internal processes. Similarly, other drug retailers are quite simplistic and hence, in line with the low complexity of their sector. Nevertheless, such fit cases are not our focus.

^{vi} As Lengnick-Hall and Beck (2005, p.744) note, "complexity arises from the number of different elements that comprise a system, the nature of the interactions among the elements, and how tightly they are coupled". Therefore, during data analysis, we focused on the variety of elements and their interactions in order to capture second-order complexity but we excluded interactions that produced no results or considered insignificant by respondents (even if they did exist i.e., loosely coupled interactions).

^{vii} We do not seek to eulogize human agency but we do explicate its transformative or reproductive potential amid complexity.

Table 1: Sources of data

	Number	Average duration	Details
Direct observation	17	35m and 2h15m respectively	Direct observation (x14) before and after several of the primary interviews Participation in board meetings of shipping firms (x3)
Documentation	n/a	n/a	Board minutes, emails with various stakeholders, promotional leaflets, information material, TV screen displays, social media content, ship management agreements, governmental gazette describing regulatory framework of drug retailing, educational courses material
Interviews			
Peripheral informants	9	1h45m	i) firms offering professional services to the shipping sector (two crew management companies and two hull & machinery insurers) ii) two pharmacists, two marketing academics, a lawyer specializing in the health sector
Pilot cases	3	50m	One shipping company: two interviews with the Operations and Technical Managers One drug retailer: One interview with the owner
Case SH1	4	1h15m	CEO, Finance Manager, Operations Manager, Chartering Manager
Case SH2	3		CEO, Operations Manager, Marine Manager
Case SH3	3		CEO, Operations Manager, Technical Manager
Case SH4	4		Managing Director, Operations Manager, Technical Manager, Chartering Manager
Case DR1	2	1h25m	Owner, Store Manager
Case DR2	2		Owner, Store Manager
Case DR3	2		Owner, Store Manager
Case DR4	2		Owner, Store Manager
	Total: 34		

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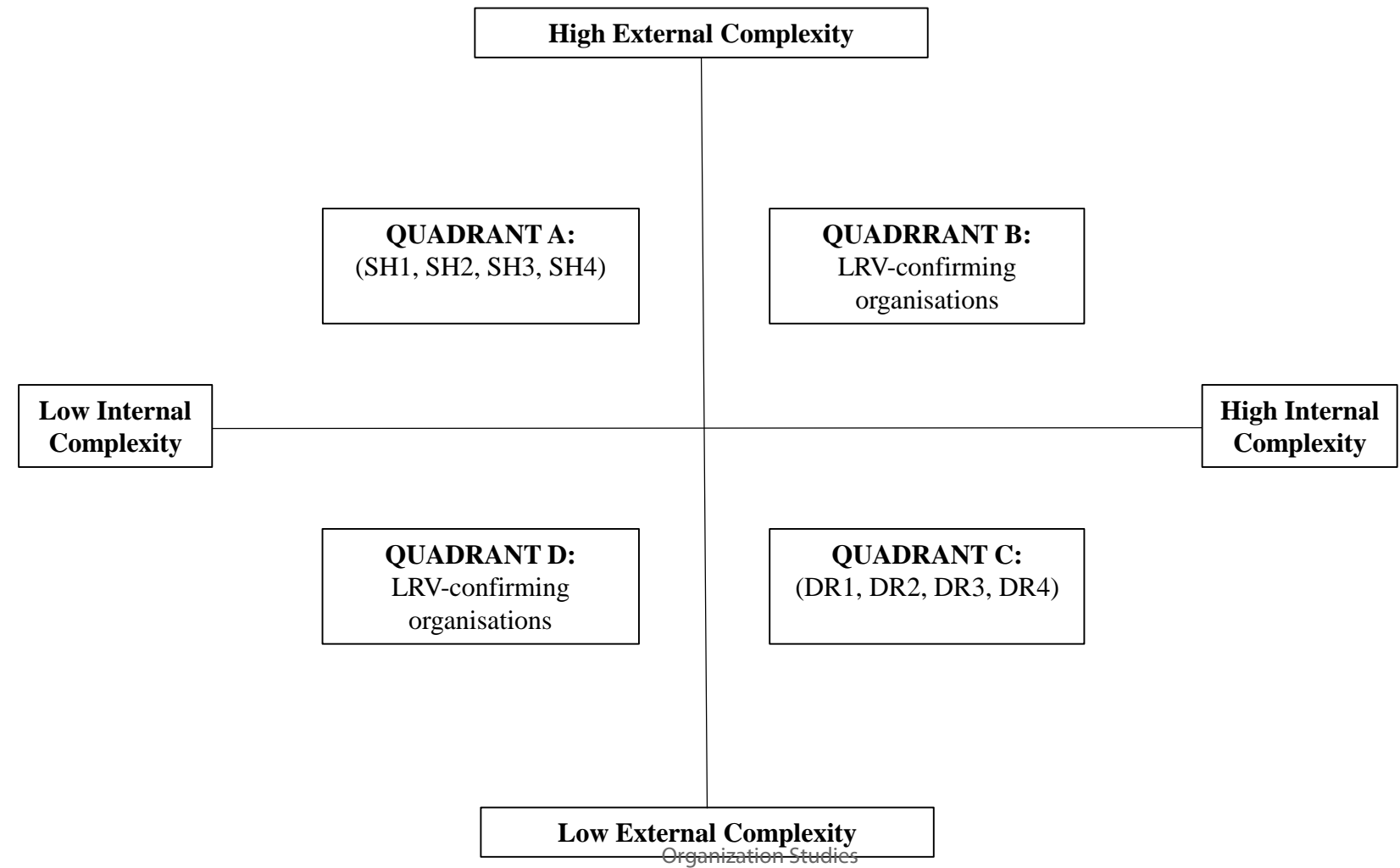
Table 2: Indicative quotes - shipping

SHIPPING CASES (S1, S2, S3, S4)				
High External Complexity		<i>Quiescence through Prescience</i>	Low Internal Complexity	
(Variety of external forces)	<i>The number of people, institutions, regulations in shipping is often unmanageable. I have worked in another industry before and I can tell the striking complexity of shipping compared to e.g. professional services... We have more than 50 suppliers for each of our ships - Finance Manager in SH1</i>		(Variety of internal forces)	<i>We have a given number of departments for the last 30 years with clearly defined roles and responsibilities... no one intermingles in other's tasks - Operations Manager in SH3</i>
(Interrelatedness within entities)	<i>... Take workers' unions as an example. They have their own internal conflicts between e.g. dockers and seamen. However, these internal issues affect us both operationally and cost-wise – Operations Manager in Pilot Case 1</i>		(Interrelatedness within entities)	<i>... each vessel is a community of its own to be honest. In fact, we discourage any close link even if we cannot possibly eliminate it due to the prevalence e.g. of social media... - CEO in Crew Management firm as peripheral informant</i>
(Interrelatedness across entities)	<i>Let me give you a not so hypothetical example: A shipping company may have a long-standing chartering agreement with a company transporting goods to e.g., Australia. As soon as one of its vessels calls at an Australian port, employees in port authorities or in firms providing port services are on strike following relevant mobilization by unions ... We are doomed! Our ship may be stranded there for a month! - CEO of SH2</i>		(Interrelatedness across entities)	<i>We do have the necessary relationships with others e.g. obligatory collaboration with a classification society but nothing more than those. There are many 'celebrity' owners and firms in our sector [laughs] - you know how it is in the country- which have high publicity. However, we are not like that. – CEO in SH3</i>

Table 3: Indicative quotes - drug retailing

DRUG RETAILING CASES (DR1, DR2, DR3, DR4)				
Low External Complexity		Enactment through Disruption	High Internal Complexity	
(Variety of external forces)	<i>The Ministry through its local administrative units imposes specific restrictions to the establishment of new pharmacies according to population metrics and specific priority rules apply such as e.g. the age of prospective owner or maturity of his/her license – Lawyer as peripheral informant</i>		(Variety of internal forces)	<i>I remember when I was young and used to help my uncle. He literally did everything himself and my assistance was limited to manual parts of the job like filling empty bottles with his prepared medicines or packing the ready-made product and giving it out to the customer. Now, we have cosmetologists, sales teams, in-house accountants... – Owner in DR2</i>
(Interrelatedness within entities)	<i>There is no competitive analysis since prices for drugs are determined by the state, So, no one e.g. asks 'how much should I price it in relation to competitor X'? Prices are known beforehand and are the same for everyone – Owner in DR1</i>		(Interrelatedness within entities)	<i>We meet every Friday before closing time and everyone participates... we discuss all major events of the week such as peculiar requests, complaints received, how these were handled plus a sales report every month – Store Manager in DR1</i>
(Interrelatedness across entities)	<i>Pharmacies in the country could establish collaborations with Universities, Research Institutes, pharmaceutical companies and even civil associations to promote several commercial and non-commercial interests such as awareness against the use of non-prescribed antibiotics. They simply do not do that! ... The reason is that they do not need to do it – Marketing Academic as peripheral informant</i>		(Interrelatedness across entities)	<i>We joined an educational initiative funded by ... {a supplier} which enabled us to get advanced knowledge on sales and marketing. We embraced the opportunity of this University scheme and we got the most out of it... We changed following our training and we changed the model of doing business, too... Yes of course this made things more complex for us. But rightly so. - Store Manager in DR2</i>

Figure 1: Sampled cases



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Figure 2: Zones of LRV (non)applicability and (mis)fit

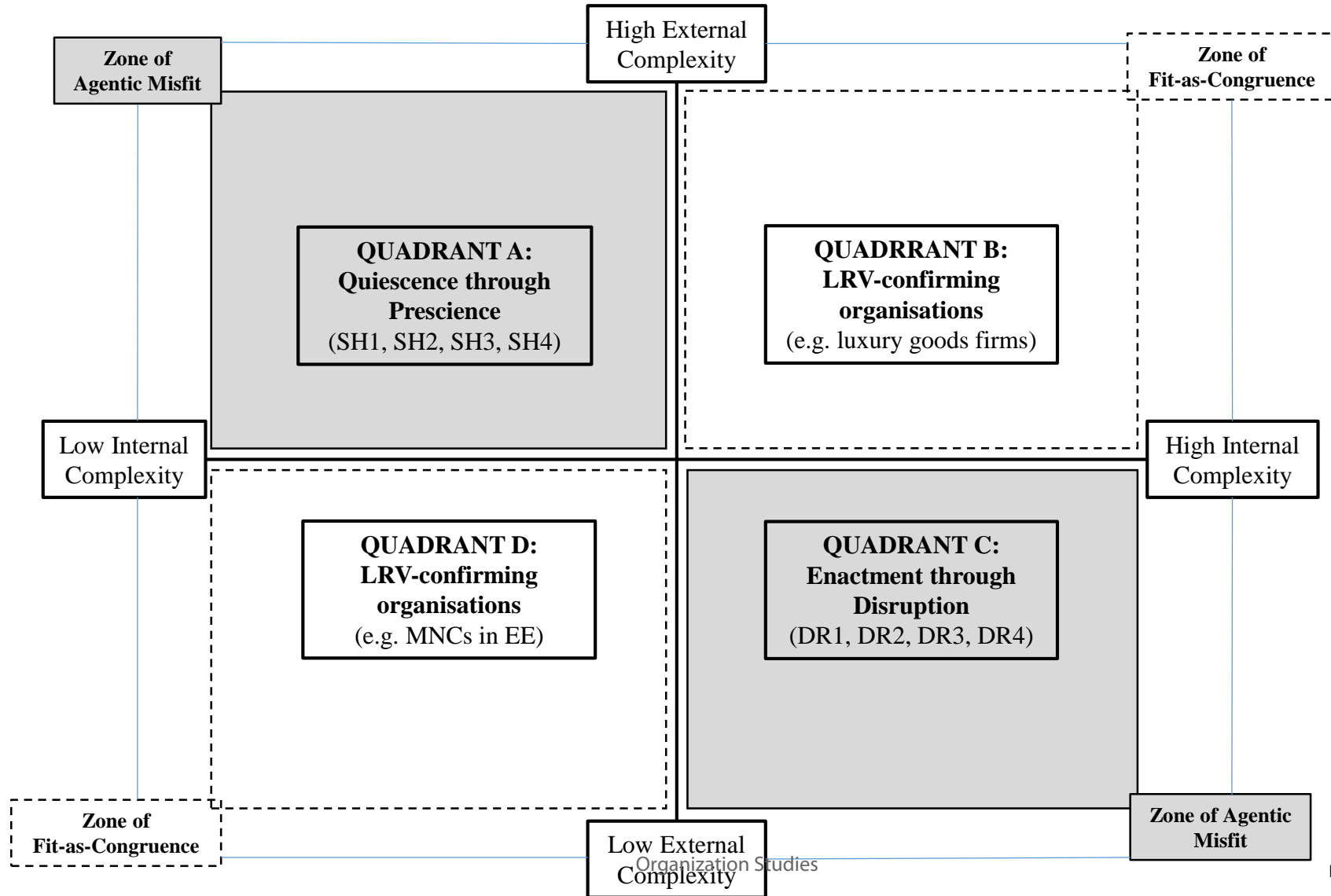
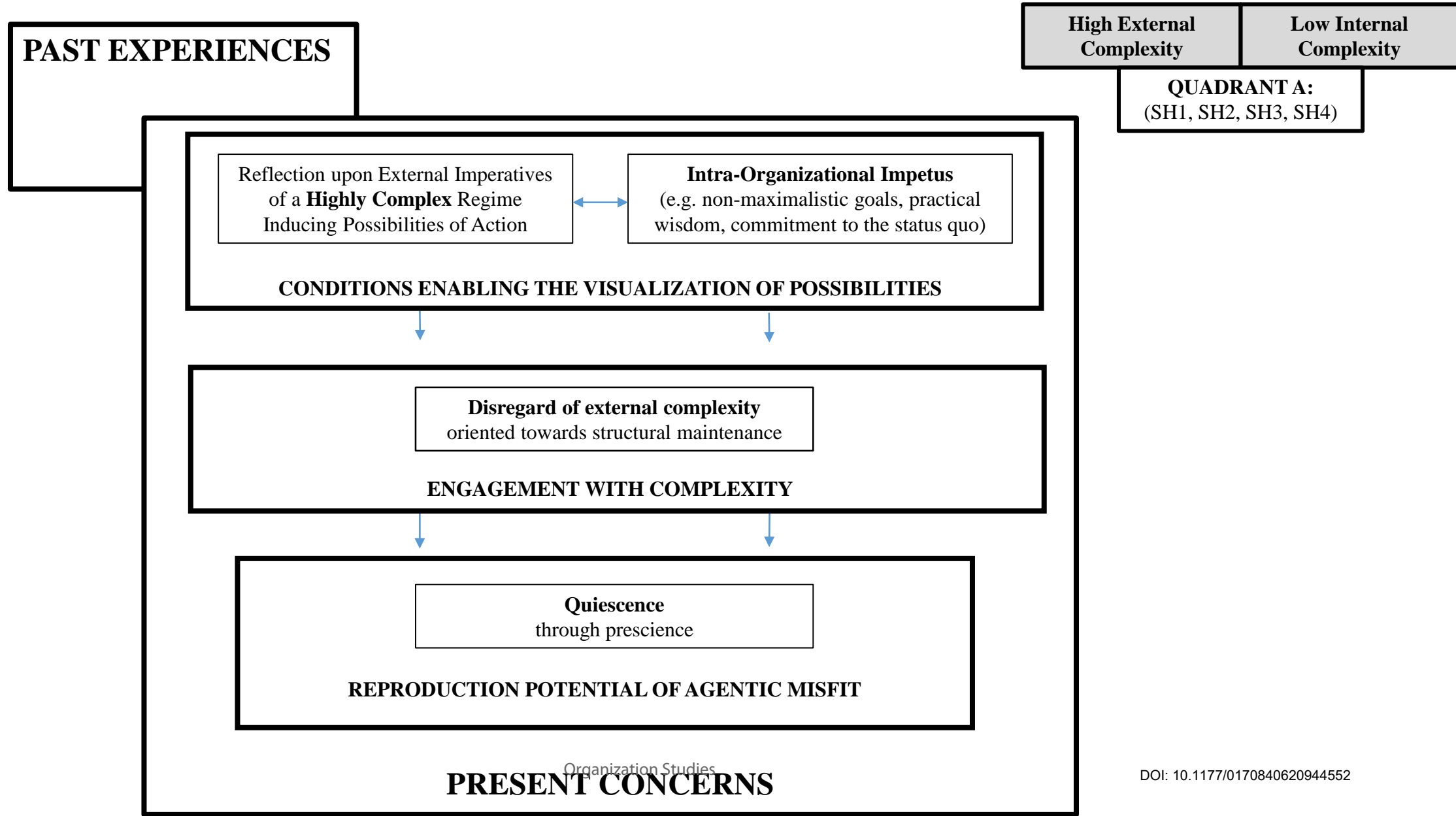
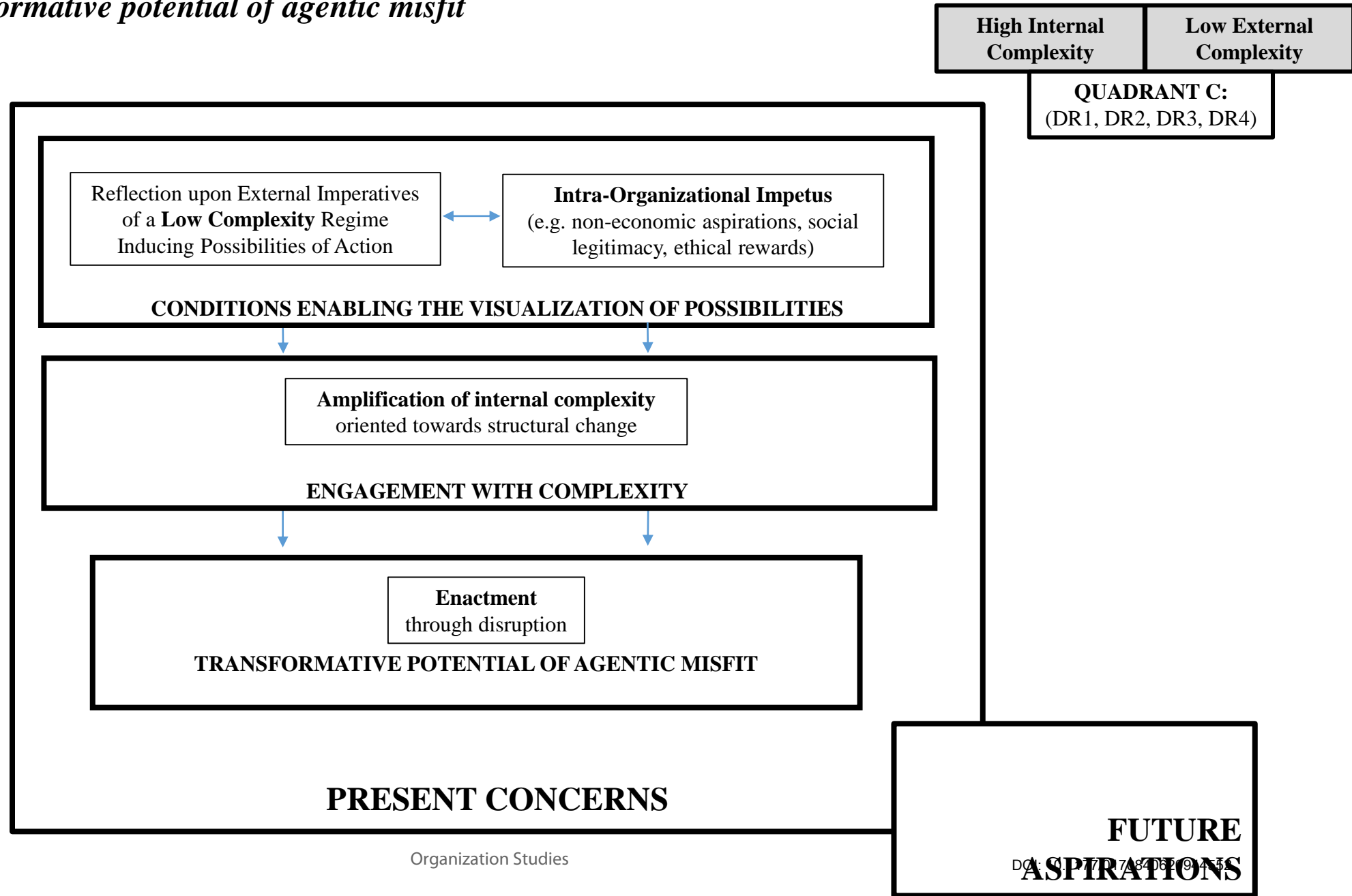


Figure 3: The reproduction potential of agentic misfit



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Figure 4: The transformative potential of agentic misfit



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