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**Competitive Repertoire Complexity: Governance Antecedents And Performance Outcomes**

**Abstract**

Past inquiry has found that implementing a complex competitive repertoire (i.e., diverse and dynamic mix of actions) is challenging, but firms benefit from doing so. Our examination of complexity’s antecedents and outcomes develops a more nuanced perspective. Data from 1,168 firms in 204 industries reveal that complexity initially harms performance, but then becomes a positive factor. We use agency and tournament theories respectively to examine how key governance mechanisms – ownership structures and executive compensation – help shape firms’ competitive repertoires. Controlling for the level of competitive activity, we find that the principals of agency theory and the pay gap of tournament theory are both important antecedents of competitive complexity, and an interaction exists wherein firms build especially complex repertoires when both influences are strong.