

# Boundary-spanning roles

activities that link  
and coordinate an  
organization with  
key elements in the  
external environment.

# Buffering roles

activities that absorb  
uncertainty from the  
environment.

# Business intelligence

high-tech analysis of large amounts of internal and external data to spot patterns and relationships that might be significant in helping managers make better strategic decisions.

# Cooptation

occurs when leaders from important sectors in the environment are made part of an organization and thus are more engaged in that organization's interests.

# Differentiation

the cognitive and emotional differences among managers in various functional departments of an organization and formal structure differences among these departments.

## Direct interlock

occurs when one individual is the link between two companies, such as when a member of one company's board also sits on the board of another company.

# Domain

the chosen environmental field of action; the territory an organization stakes out for itself with respect to products, services, and markets served.

# General environment

those sectors that  
might not have a direct  
impact on the daily  
operations of a firm  
but will indirectly  
influence it.



# Indirect interlock

occurs when a director  
of company A and a  
director of company  
B are both directors of  
company C.

# Integration

the quality of  
collaboration among  
departments or  
organizations.

# Intelligence team

cross-functional group  
of managers and  
employees, usually  
led by a competitive  
intelligence  
professional, who work  
together to gain a deep  
understanding of a  
specific competitive  
issue.

# Interlocking directorates

formal linkage  
that occurs when a  
member of the board  
of directors of one  
company sits on the  
board of directors of  
another company.

# Mechanistic

an organization system  
marked by rules,  
procedures, a clear  
hierarchy of authority,  
and centralized  
decision making.

# Organic

an organization system marked by free-flowing, adaptive processes, an unclear hierarchy of authority, and decentralized decision making.

# Organizational environment

all elements that exist outside the boundary of the organization and have the potential to affect all or part of the organization.

# Resource dependence

a situation in which organizations depend on the environment but strive to acquire control over resources to minimize their dependence.



# Sectors

subdivisions of the external environment that contain similar elements.

# Simple–complex dimension

the number and  
dissimilarity of  
external elements  
relevant to an  
organization's  
operations.

# Stable–unstable dimension

refers to whether  
elements in the  
environment are  
dynamic.

# Task environment

sectors with which the organization interacts directly and that have a direct impact on the organization's ability to achieve its goals.

# Uncertainty

condition that exists when decision makers do not have sufficient information about environmental factors, and they have a difficult time predicting external changes.