

KEY CONCEPTS – CHAPTER 4

Glossary

Chapter 4

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 directorate	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.