

[Abstracts](#)

**...And Not a Drop to Drink:
An Integrated Model of Ethics and Strategic Issue Diagnosis and
Proposed Test**

Lisa Schurer Lambert
Kenan-Flagler Business School
University of North Carolina at Chapel Hill
McColl Building, CB# 3490
Chapel Hill, NC 27599-3490
Email: lambertl@icarus.bschool.unc.edu

ABSTRACT

Communities around the country are discovering the limits of their water supplies as their populations grow and place ever-higher demands on municipal water systems. What explains why some firms view water shortages as an issue for managerial attention and why others do not react? Despite the possible long-term strategic and competitive advantages that may be gained by developing sustainable water processes sooner rather than later, it is clear that many firms have not responded to the threat of impending water shortages. I present a revised integrated model of strategic issue diagnosis (Iliescu & Wicks, 1996 built on Dutton & Duncan, 1987; and Jones, 1991) that helps explain when managers will recognize a strategic issue and its ethical implications. The model rests on the premise that managers selectively perceive and interpret information that leads to their judgements of the feasibility of resolving the issue, the urgency of the issues' implications and the moral implications of the issue for the firm and its stakeholders. When managers determine that an issue can be resolved, or is feasible, has implications for the organization that are important, or is urgent, and when significant harm is probable, or the issue has moral intensity, then managers are more likely to become committed to and exert effort to resolve the issue. Management's momentum for change, defined as their commitment and effort, is expected to translate into actions that reflect the strength of the momentum for change. A proposed empirical test using a sample of top management teams of commercial and industrial water users follows the development of the model.