

**THE EFFECT OF HIERARCHICAL EMPLOYMENT LEVELS
ON THE CHOICE-SHIFT PHENOMENON IN
MULTI-PERSON AUDIT "TEAM" AND "GROUP" DECISIONS**

D. Donald Kent, Jr.

*Department of Business and Economics
State University of New York at Brockport*

Donald F. Arnold, Sr.

*Graduate Management Institute
Union College*

Josef Schmee

*Graduate Management Institute
Union College*

ABSTRACT

Choice-shift phenomenon research has shown that a group's decision tends to be either more or less risky than the mean of the individual risk choices of the participants within the group. While choice-shift research has been extended to populations of auditors, the impact of the auditor's employment level (partner, manager, senior or staff accountant) on this phenomenon has not been extensively examined. Using an experiment with 31 teams of 4 auditors of different employment rank within the firms, the current research focuses on the impact of employment level upon the shifting patterns. The research also examines and compares the multiple staff-level shifting patterns that simulate both the "group" and the "team" dynamics currently used within auditing. Results show that employment level does influence the choice-shift results within auditor populations but only when oral discussion, as opposed to written communication, has taken place.