



The Facts about Leadership

The Risky-Shift Phenomenon*

Groups and teams take on unique behavioral aspects that are not merely the sum total of their members. Research (Wallach, Kogan, and Bem) reveals that when measured individually, group members' risk tolerance may average slightly high, moderately high, or very high. Conversely, individual members of a group may also measure slightly, moderately, or very low in terms of risk tolerance. However, the same research indicates that when considering group decisions, groups tend to move toward either extreme (higher or lower risk) than where they average as individuals. In effect, a group of individuals who measure moderately inclined toward risk may be inclined to take much higher risks together.

*A term coined by the research of Wallach, Kogan and Bem