

Business ethics issues in the movie boiler room



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Business comprises principles and standards that guide behavior in the world of business.

Stakeholders-investors, customers, interest groups, employees, the legal system, and the community often determine whether a specific behavior is right or wrong, ethical or unethical. Judgments of these groups influence society's acceptance or rejection of a business and its activities.

Every business has a social responsibility toward society. That means to maximize positive affects and minimize negative affects on the society.

Social responsibilities includes economic-to produce goods and services, that society needs at the price, that satisfy both-business and consumers, legal responsibility-laws that business must obey, ethical responsibilities-behaviors and activities that are expected of business by society, but are not codified in the law, philanthropic responsibilities-represent the company's desire to give back to society (charities, volunteering, sponsoring).

Ethical issues in business arise because of conflicts between an individuals personal moral philosophies and values and values or attitudes of organization in which a person works and a society in which one lives. Ethical issues can be identified in terms of the major participants and functions of business. Ethical issues related to ownership include conflicts between manager's duties to the owners and their own interests, also separation of ownership and control of business. Financial issue includes, for example, the accuracy of reported financial documents. Ethical issues can acquire

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between managers and employees, then employees are asked to carry out assignments they consider unethical. Consumers and marketing issues are related to providing safe desired products for a fair price and not harming people and an environment. Accountants also face ethical dilemma, they have to deal with competition advertising commission. All of this places the accounting profession in situation of ethical risk.

Ethical issues are also classified, as conflict of interest-when person has to choose between his own interests and company's interests.

Communications-false and misleading communications can destroy customer's trust, for example, false advertisement, hard sell etc. Technology issue refers to both customers and organizations. Using technology many businesses invade consumers privacy, by collecting an information, on the other hand, in organizations employers can obtain private information about their employees, and there is always honesty issue-what is fair and what is not. Issues related to fairness and honesty often arises in business, because many participants believe that business is a game or a warship and has his own rules.

The movie "Boiler room" was a good example of the company, which doesn't believe in such thing as business ethics.

In the beginning of the movie we see our main character "running" a home casino, which is not legal, but it is not such a big ethics issue. I think gambling is just passing time just like other hobbies. Nobody was promoting it or forcing people to come and gamble. Customers chose to come themselves and had a good time, nobody was complaining. There was the

only problem, the establishment was illegal, so the “owner” put himself to risk, and if he will get caught he will go to jail. In my opinion, this part of the movie did not have business ethics issue.

I think all the problems began then our guy started the new carrier as a broker in unknown brokerage firm. The institution there he started his carrier as a stock investment broker had no such thing as business ethics.

The place did not look right from the beginning. First of all bosses where rude to employees. While interviewing candidates manager was very ignorant to his staff members. I don't think that employers should treat their employees this way, on the other hand all guys accepted it, which shows, that they don't have much respect for themselves and will do anything for money.

In the ordinary company this behavior wouldn't be tolerated, it would raise conflict between management and employees. Although nobody was talking back to the manager they where all shocked and probably afraid to be faired. The manager was using psychological pressure to keep everybody under control, to avoid unwanted questions. Company was hiring uneducated and inexperienced people, which is very unusual and makes you think, about company's activities and policies.

While unwritten companies policies where explained to the employees, I identi9fied another ethics issue. It said that stocks cannot be sold to the female clients, this is sexual discrimination. Ordinary business sells to every client regardless of his or her gender.

Issues of fairness and honesty also arise in the movie. This firm is looking at the business more like at the battlefield. Their theory is that the surprise attacks, unfairness and all unethical behavior is tolerated in business, as long as you make money.

Later in the movie, I noticed the technology issue, the firm was illegally gathering information about costumers: what's their occupation, how much money they make, that is their family situation. Having this information, made it very easy to convince clients to buy worthless stocks. There was also a communication issue. By lying to costumers about new developments, which will bring a lot of money in the future, brokers were selling stocks that were not real. I, also, can refer this as false advertisement and misleading which sooner or later will destroy costumers' trust.

The main character had to deal with all those issues during a movie. He felt a pressure from his father, who was a judge, had very high standards, and was very concerned about his own carrier. He wanted to prove to his father, that he is not a looser and that he can make him proud. Deep inside he wasn't a bad person and then he found out what accompany is doing to costumers he had to choose between right and wrong. Although, he enjoyed working in the firm and was good at what he did, he understood that he is destroying people's lives and their trust. One positive think came out from this scam that was then he decided to return money to his costumer, although, it was illegal it was ethical.

Different people have different views of what's ethical, and what's not in business world. Lack of rules and pure enforcement of rules that exist create

opportunities for unethical behavior. I think, one has to decide for themselves what is ethical and what is not. An activity approved of by most members of an organization and customary in the industry is probably ethical, but it could be unethical to one or few individuals, because everybody has their own ideas and beliefs about what's ethical and what's not.