

Mall like battlefield



Mall like battlefield, :? ,? The business and ethical dilemma in the film is quite obvious: whether to sell the toxic securities to its customers. If they quickly sell all of the worthless assets, they can limit the firm's exposure, but the company will lose reputation immediately and customers will be harmed. The firm will be able to avoid falling into the first cracks of the financial crisis, of course. But if they do so, the whole market will be affected by the risk. In this ethical dilemma, different characters employ different schools of thought. Seth Bregman, junior risk analyst, and his senior colleague Peter Sullivan, are two young men who have just stepped into the industry.

They want to earn a lot of money out of the business, but still have some conscience. Therefore their school of thoughts is Enlightened Self-Interest. Eric Dale, former head of risk management on the floor, tried to warn the firm about the situation when he was escorted out. He was aware of the risk and the firm tried to shut his mouth by offering a generous severance fee. Here, his school of thought is Invisible Hand. Sarah Robertson, Chief Risk Management Officer, knew that such risk factors had grown for weeks, but her warnings to the boss have been ignored. She belongs to the school of thought of Enlightened Self-Interest, for her duty is to keep an eye out for the firm and its risk management issues. She ends up being fired as the scapegoat of higher management.

Division head Jared Cohen suggests selling all toxic assets for the benefit of the firm only. The CEO, John Tuld, agrees with his plan and decided to execute it immediately. He lies off many employees and gave a large package of severance fee to Robertson and Dale. Here, both Cohen and Tuld employ Inherence as their school of thought, which is to serve and the best

way to serve is the stakeholders™ interest only. Another person that follows the same school of thought is Emerson, trade desk head. He earns 250 million a year but doesn™t save up. Instead, he spends his money mostly on hookers and mortgages.

He also told Sullivan and Bregman that normal people act like they have moral ethics, but they will do the exact same thing and play innocent. Sam Rogers, floor head of the firm, is a key character in the movie. He employs Invisible Hand, but his vision is smashed by the burden of reality. At first, he disagree with CEO™s plan strongly and tells him that it will spread the risk throughout the whole financial sector, destroy the firms relationships with others, and their customers will quickly learn of the firms plans. However, he cannot stop any of these from happening. When he tells his traders that they will receive seven-figure bonuses, he admits that the traders are effectively ending their careers by destroying relationships with clients. Finally, when he feels guilty and wants to resign, the CEO offers him a great pay and promises that future will be good. In the end, he gives up because he needs the money.

This shows that he does not have a choice when personal interest is threatened, and he is forced to follow the decision of higher management. The alternative action that might have been considered was not to sell these toxic assets. Sam Rogers tries to talk the CEO out of the original plan, but he fails. He is told by the CEO, We are only selling to willing buyers at the current fair market price so that we may survive (Bernstein, 2011). The possible consequence of not selling off toxic assets will be bankruptcy of the

firm and harm to its shareholders. However, the CEO insisted to sell because he thinks that the market will suffer from such risk sooner or later.

As a zero-sum game (Spacy, Bettany, Irons, & Quinto, 2011), there will always be losers in the market, and it™s going to be their firm if they don™t sell it quickly. My opinion is that business ethics matter in the whole trading industry, and money should not be considered to be the only goal. I do understand that most people don™t have a choice when their income is threatened, but I also believe that people have to take responsibilities for what they do.

If faced with the same circumstances, I will choose to reveal the truth to media to prevent the society from possible loss. Here, my school of thought is Social Responsibility. For a long time, people in the financial industry are paid by high salaries and consider their own sakes only. Managers should serve larger society to keep the industry healthy and follow moral standards. It™s easy to follow the trend of being selfish, but people should stand up and defend what they believe in instead of being tempted by short-term profits. Maybe this is too idealistic, and that™s why the film is trying to shoot from a more objective angle “ from inside the firm, and reflect the real ethical dilemma that went on during financial crisis.[-Z]