

Critical evaluation of the applicability of the constructivist approach to social research with the capitalist approach on the example of Rogue Trader movie

Krytyczna ocena przydatności konstruktywistycznego podejścia do badań społecznych z podejściem kapitalistycznym na przykładzie filmu Rogue Trader

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Abstract: Constructivism is a perspective in philosophy that consider all knowledge as "constructed". Constructivism is depended on convention, social experience and human perception. It can be also perceived as a set of assumptions regarding to the nature of human learning that provide teaching methods and the representative of constructivism is learning from those theories as well. From the teacher-student perspective, constructivists consider directed learning initiated by the student. The role of the teacher is to be supportive and enhance the development. In the Roque Trader movie, the main character shows deteriorating behavior, mostly because of the lack of supportive and developing teacher. Jean Piaget was the main person who formalized constructivism and valued the mechanisms that make knowledge internal for the learner. He admitted that the knowledge must be assimilated by learned basing on his previous experience. In the opinion of the author this approach could not work in terms of the situation presented in the movie. Contrary, the main character, when see that is still able to avoid the consequences, it enhances him to make next bad decisions. The constructivism approach can be very useful to social research. However, not always. The learner (researcher) should put special pressure in order to understand the culture and context of the knowledge that he or she is gaining. It is also researcher's obligation to stay objective no matter of his or her particular businesses. This turned out to be the problematic in case of the main character of te movie, who became the fatal roque trader.

Key words: constructivism, philosophical perspective, social research

1. Introduction

Constructivism is a perspective in philosophy that consider all knowledge as "constructed". It means, all the knowledge came together from many smaller constructed pieces. However, it does not have to follow any transcendental reality. Constructivism is depended on convention, social experience and human perception. Constructivism can be also perceived as a set of assumptions regarding to the nature of human learning that provide teaching methods and constructivist learning theories as well. Constructivists consider learning directed (and initiated) by the student, which is only supported by the teacher and more developmental through this support. On the other hand, the 'Rogue Trader' movie is vision presented by director James Dearden. The movie is presenting strictly capitalistic approach. Main actors are: Ewan McGregor, Anna Friel, Yves Beneyton, Betsy Brantley and Caroline Lan-

grische. Film has been released on 25th June 1999 and is based on real story of Nick Leeson, the derivatives trader from Singapore Stock Exchange. The problem showed in the movie lays in banned operations that main character performs that lead to bankruptcy of his employer, the Barings Bank [1-11].

2. Area of the research

Jean Piaget was the main person that formalized constructivism as a theory. He valued the mechanisms that make knowledge internal for the learner. According to him, the knowledge must be assimilated by learned basing on his previous experience. This can happen thru making connections between the new knowledge and the view of the world that learner already possesses. From this viewpoint Piaget drawn the conclusion, that mentors should only provide these learning situations that will allow students to develop the knowledge of their own, which will be useful later in life. Vygotsky had

different viewpoint on this subject. In his opinion, the importance of culture, context that knowledge is being acquired, as well as the language nuances are much more significant to the relevance and proper understanding of –individually created- version of truth. He also lays stress on the need of discussion between different people during their knowledge creation process because the truth (knowledge) should be socially tested.

Social constructivism is the approach, which says that the most optimal learning environment is one where a dynamic interaction between instructors, learners and tasks provides an opportunity for learners to create their own truth due to the interaction with others.

3. Discussion

Considering the usefulness of the constructivist theory, it must be said that the proper usage of it strongly depends on the cultural context of the knowledge and the society, which the learner (who must be called researcher here as well) is coming from. The knowledge acquisition is something that requires some dose of activity, it cannot be perceived as something passive. Unfortunately, in some cultures it can be perceived as passive or -simply- not enough active to develop the overall knowledge level of the learner. Also, the internal mental model of reality that researcher has can characterize close-approach, without openness to others' ideas and without opportunity to develop already possessed own model. This can be highly correlated with society and its features. In order to support my opinion I can provide the example of the difference between two societies: Polish and American.

In Poland the word 'problem' has negative connotation. The need to solve a problem is something that press people to reluctant activity. In the USA the word 'problem' releases the spontaneous activity itself. It is because of different approach of education system in USA: a problem-oriented education, that teaches the perception of problem as something curious, the challenge that needs a solution.

Different mental models are raising in different cultures and some of them will better assimilate the knowledge under the constructivists' approach, some worse. It is very probable, that in some cultures it is not possible at all. A lot depend on the instructor itself. If instructor shows the relevance of the knowledge, proofs usefulness of its application then the motivation level of the learner is high and he or she wants to participate in the learning process. If learner consider the knowledge as useless then building any new knowledge on the basis of previous is not possible at all.

Another problem can be connected with various sensitivity of different people to the mass media and created by them desire to consumption. Some learners may be more sensitive and –as a result- lead a life basing on the consumption motive. Such a learner doing his research may be too passive to build (or rebuild) his own model of knowledge and learning process will not be possible regarding to constructionists' rules. As a researcher he will not be able to find the real truth because of lack of determination to look for deep enough. There are also other possible reasons of having too low basement for further knowledge acquisition. One of them can be the different kind of knowledge acquired before. For example, teaching the technician something completely not connected with his field (for example) philosophy cannot be done simply basing on the knowledge (mostly practical) that such a person gained before. In such a situation the learner would feel like a fool and –with time passing by- the decreasing motivation level of learner

would prevent any knowledge acquisition. Moreover, it could be a cause of further barrier in any knowledge acquisition attempt with constructivists' approach usage in future. Regarding to social constructivism, arising problem can be influence of others on the researcher.

From the perspective of the movie, Nick, after his graduation, started his career at Barings Bank, one of best employers he could work for in his entire life. However, he does not want to be a clerk to the end of his life. In the beginning, he takes the job in Jakarta that nobody else wanted to do. Because the operations he had to perform were time consuming (often work during night) and demanding lots of concentration and consequence, banks starts to trust him and after finalizing the task he gets the offer to work in Singapore as a future options trader. He is taking this job. Because of incentive to save money, bank allows Nick to operate both on the trading floor and back office facilities. Also, he decides to hire low qualified staff to his office. In fact, the qualifications of the staff turns out to be so poor that Nick has to explain them basic vocabulary and market behaviors. This leads to the situation that Nick's employees treat him as best and over trust him. Nick covers temporary losses from 'six eights' account that was open as internal account of his office. In fact, it is covering the losses from other people's money what is illegal. However, from the bank's point of view Nick generates more and more turnover so bank trust increases and Nick has higher and higher sums of money to invest. In addition, his boss decides not to punish him for breaking some trading rules. With time passing by, Nick becomes addicted to his dangerous way of investing money, which makes extraordinary turnovers and decent profits in time of prosperity but creates incomparably huge risk when fall comes. He does more and more debts that stays invisible for specialists from his bank and luckily avoids the audit. Once a huge crisis touches the market and Nick's office losses daily overcome 50 billion pounds. This means inevitably the end of his professional career. Moreover, he has to escape in order not to be captured by police but he finally is.

The problem of uncovered debts becomes public and Barings Bank goes bankrupt. The collapse of Barings, which was one of the main pillars of banking, important and considered as trustworthy player on the market caused set of losses from various financial institutions connected in some way with the collapsing bank. What is more, all clients of the bank lost money. There are many issues that arise in movie and are related to corporate social responsibility. As story presented in movie was based on the real life, we can question the safety of recent banking system and the safety of any unit of any currency stored in the bank accounts. First and main reason are insufficient protections in banking and trading systems. These systems seem to be well-protected and safe but in fact they are not because all the regulations stay safe as long as all the employees follow them.

In other case, if just one employee (or relatively small number of employees, a few we can say) is not following the rules than the entire system becomes ineffective in terms of security. Luckily, the majority of people that work in banks respect their job (which is generally well paid) and do not overuse the bugs in system, which they start to see with time passing by and experience. However, if one, relatively inexperienced but ambitious employee finds a bug in system he or she may start to use it to ease his or her job in some sense. Such a person may be not enough in the company to feel the corporate culture of trust (typical for the bank institution) and simply act for his or her profit. This happened in the Barings and this

hits the clients of it as well as all of participants of the market (not the financial market, let me mention the problems when a company of families want to credit their expenditures or investments from the bank's credit line when there is fall on the market). Moreover, many financial institutions forget about safety on behalf of efficiency. Money must work to get next money. If one trader makes money but is doing something that is actually illegal, his boss may treat this as situation close to the borderline but still acceptable. Each boss has such an incentive because then the part of the company that he is responsible for makes money and his bonus are better too.

There is general problem with bonuses. The amount of bonus is the percentage of overall of transactions. That means, the more trader sells and buys the more he earns. However, the procedure of counting the bonus does not contain the risk that trader is taking. In the end, traders think about short term bonuses not the long term perspective of their actions. This is in fact very bad from the point of view of corporate social responsibility. Many people suffer because of these practices of big financial companies. Also, the fact that bank was saving money and allowed Nick to hire not qualified staff deserves for lack of acceptance. As a result, Nick was the only person in his team that had such big authority, too big to be discussed by others. Allowing to operate both on the trading floor and back office facilities was a huge mistake too. This made an incentive to use office account to hide losses for the very first way. Also, when the turnover of Nick is becoming dangerously big, the auditors do not perform a fully comprehensive audit. The effect is that with time passing by, Nick is doing higher and higher turnover and he has more and more supporters and more and more followers.

4. Summary

The constructivism approach can be very useful to social research. However, this approach should be used by instructors carefully not to discourage the learner (researcher) to further knowledge acquisition. The learner (researcher) should put special pressure in order to understand the culture and context of the knowledge that he or she is gaining. It is also researcher's obligation to stay objective no matter of various opinions of others.

The described movie is an example of strictly capitalistic approach. It is a form of warning for the nowadays banks and

investment funds. The message that stays behind the movie is the need of finding proper optimum between high profits and safety of operations. This message we can observe both in the situation of Nick who is playing too hard and risking too much and the entire Barings Bank which saves money on specialists and does not develop its security procedures. Unfortunately, even today the motivation system of financial institutions bases strictly on returns from investments what prepares unhealthy ways to obtain the goal and, in the opinion of the author, stays in opposition to corporate social relationship. In the described movie, the deteriorating behavior of the main character is caused mostly because of the lack of supportive and developing teacher. In this case the approach, that the knowledge must be assimilated by learned basing on his previous experience, did not work. The reason is, that the main character, when see that is still able to avoid the consequences, feels encouraged to take next wrong actions, what finally leads to the collapse, bankruptcy of his employer - the bank.

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