

# Executive summary of the 3 idiots movie media essay



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3 idiots, the movie made it a fashion for people to say “ All izz Well” in any kind of situation, whether truly a problem or not. But as Aamir Khan says in the movie: it gives you faith in yourself to face the situation in a more confident manner.

Crisis has always been a part of the world. Everyday, accidents and disasters make the news headlines. It is vital that the potential damage is limited by providing clear messages to the public and media. Crisis could be at any level, but it affects all individuals.

According to the ‘ 6 degrees of separation’ theory, we are only 6 links away from being connected to any person in the world. So any kind of crisis can snowball into something that affects you. What we have focused upon are some national level crisis, some organizational level crisis and personal level crisis. In these we have taken cases of the terrorist attacks in Mumbai, The Satyam Scam, The fall of Lehmann Brothers and Winston Churchill and his crisis communication.

The terrorist attacks have been one of the most disturbing times for modern India. However it is important to see how the parties affected: the government, the people, the expatriates; how did they communicated between themselves and what was the message thus delivered.

The Satyam scam took the corporate India by surprise. No one had anticipated that a good, and respectable company like Satyam could have such a level of fraud going on at the senior management level. It was important that internally it be communicated that the employees (most of them) had little to do with the scam and are as surprised by the revelations

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as the world was. To the world, it was to be communicated that India is not a country where this is the norm and we do take business seriously. Adequate enquiry and restructuring was done to ensure that.

The fall of Lehman brothers marked an important period in recent history. It was an indicative fall. The world was already staring in the face of a downturn. It was a signal that the crisis has only worsened when Lehman brothers declared bankruptcy. It was like a final nail in the coffin and the world did accept the reality that yes, we are in trouble and lots of it! It was important here that the governments be extremely cautious with their words. People are one step short of hitting the panic button and it is the governments' duty to ensure that it is communicated to them that even if such iconic institutions are at huge risk, the people shall have minimal damage. Some part will definitely be affected, but not all.

On a personal level crisis, it could be getting a divorce or unemployment or for teenagers, it could even be peer pressure. It is also a secondary level of crisis where one of the national or organizational level crisis results into a personal level problem. What we have taken here are cases of David Letterman and Tiger Woods, celebrities whose personal crisis was for the world to witness.

Crises are an important part of life. They help us identify the weak links in the system and correct itself for future. A crisis can be turned into an opportunity if the paradigm is unconventional and the communication is clear. It is upon us as to how do we make the best use of the resources at disposal.

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**Introduction**

According to Murphy’s Law whatever can go wrong, will go wrong (or whatever can go wrong, will go wrong, and at the worst possible time, in the worst possible way). Mr. Murphy certainly didn’t envision himself being the face of all the tongue-in-cheek truths that we put across in his name. But that law sums up most crises. It is essentially things going wrong. While all crisis are unique, the method of handling each one of them is also different. But what connects them is the fact that communication is an integral part of all these crises.

Senior management and leaders within companies, organizations and governments embroiled in a crisis have learnt the hard way what happens when the unthinkable becomes reality. These crises are then made public and are often grossly exaggerated by the media. The fact that we live in the

age of transparency and the Internet, no one and nothing is immune to crisis.

We identified crisis on three levels:

**National level crisis:** These include natural disasters, wars, terrorist attacks, and other crisis of this scale. These disasters affect the nation as a whole and are nation wide effects. We have taken terrorist attacks and Winston Churchill and his communication tactics during the WWII as the examples for national level crisis.

**Organisational level crisis:** These are the crisis that affect organizations internally and the outside world too. It could happen in any industry or field. We have chosen two examples namely Satyam and Lehman brothers as a case in point.

**Personal level crisis:** Personal crisis are a part of each and every person's life. Celebrities are people whose personal life falls in the public domain. David Letterman and Tiger Woods are the cases we have picked up from recent past. Their crisis was made public and the world learnt lessons.

### **When terror strikes...**

Crisis communication is at times considered as the branch of " PR" that is mainly designed to defend and protect the reputation, dignity and the self respect of and individual, government or an organization. This may come in either form like economic crisis, natural disaster, inquiry by the government or the terrorist attacks on the country. Now, India is a country who's almost all the sides are surrounded by some or the other attacks made on the

people and the government officials. But history proves that some of the worst and the worst attacks happen from the Maoists and from the Islamic terrorist groups in Pakistan. Right from the partition, there have been multiple wars or terrorist attacks done on India. The other way, India is a country with more than 100 crore of population. So, even a small attack has a capability to create a greater impact killing quite a huge number of people. And the role of media and the government is highly important during these attacks because, people are kept away from the proximity and hence the only source of information from them is the media reporters and government officials. So the situation can be judged as the crisis situation and the communication to be made to the public is very crucial. There have been multiple attacks like akshardham attack, Mumbai train attacks and the most recent, Taj Mahal hotel attack. A large part of crisis communication is the prevention of situations before they escalate to full-blown crises.

For example, the communication was very badly handled by the government and the media during the Taj Mahal attack. Media was just involved in minting money without thinking that their communication strategy is indirectly harming the country and the emotions of the countrymen. While good crisis communication is useless without a good response, bad communication can cause a needless loss of lives. Take, for example, the time when news channels reported that the Nariman House siege was over, and thousands rushed onto the street in a spontaneous outpouring of relief. They did this because they saw a RAF officer signal a " thumbs up" on the roof of the building. It turned out that the siege was not over, and the army had to take a loudspeaker onto the street in an attempt - ultimately in vain -

to disperse the mob. Imagine if someone had been hurt subsequently. It would have been a direct result of faulty lines of communication between the responders and the media. Also, whenever the terrorist attacks are going on and still all the terrorists are not killed, it should be noted that the basic form of communication which media should use is to avoid going into the depth of the news and still provide a sigh of relief to the people in brief. Whenever it goes into the depth of the events, it will give unnecessary information to the person who is controlling the terrorist operations and hence for that instant, he remains well informed on what is exactly happening there. So, this is the way, media should control the crisis communication during the attack. But, immediately, after the terrorists are killed and operation is declared over, the same government can give the whole news in detail. Thus, this way, government should realize the strategies of communicating even at the times of crisis.

In the Mumbai terror attack the media was criticized for 3 most important reasons as far as the poor communication by them is concerned.

1) Why is it that they had to leak out the most sensitive information as a part of the news? It should remain sensitive till the time it is not going to affect the situation there. Some TV channels showed the positions of security forces stationed outside the buildings that were under siege, and some aired information about commandoes' movements. That alarmed security officials: They worried that the information might reach the terrorists, who Indian authorities believe carried cellphones.



2) Media was more involved in covering Trident and Taj hotel, but it give very little information on what happened at CST. Whenever, the communication is being made, all essential information should have been passed and CST could have been the first thing they should have reported as any common man would not go to Taj but would surely remain at CST and hence the density of population there at any time would always be more than that at Taj. So, this was the lack of proper communication that prevented them from managing crisis.

3) Why is it that the media was involved in asking about the same situation to different police officials and the government? There was a wide-spread difference in opinions and information among all the information passed by every individual. It is very well understood that there should have been only 1 point of contact who could become the spokesperson and hence the only authority to report to the media. This could have created less discrepancy and hence only the authenticated information could have reached to the people. This is the model called Joint Information Centre where all the messages from different forces working to manage the crisis and only 1 appointed person is responsible to decide and speak out only the required information to the country. This might take some time to co-ordinate with all the departments, but once implemented, it can bring good clarity along with adequate security in every address to the country.

As much as the media, government has also equal responsibility in handling the crisis communication effectively. It was observed at times that some parties did not forget to criticise not only the attack, but the ruling party, home minister, chief minister of the state and most importantly few people

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who lost their lives in this attack. Some rude politician immediately asked for the resignation of the home minister of the country, of the state and the chief minister of the state. Now, this crisis situation was not the time when communication should contain this type of communication. It should have been towards the concern for all those who lost their lives and purely the prayers for getting the operations ended at the earliest. This was the time when the country should have managed the communication showing unity and integrity. Everyone which includes the ruling as well as opposition parties to completely support the ethics of the country, the public and those trapped inside. The communication could have been aimed at increasing the confidence and trust of the people on the government and not at increasing the vote banks by spitting out 4-5 sentences.

The communication was mainly aimed at the countrymen, but the event as a whole was a major event to create its place in the history of terrorist attacks in the world. So, every communication by the government and the media was watched carefully by not only Indians but the world too. And hence, the communications should have been made to give a clear and strong message to the world that India still believes in Unity in Diversity.

## **The Satyam Saga**

It has been more than a year since Mr. Ramalinga Raju confessed to orchestrating one of India's biggest frauds. Still the crisis haunts the country and gives umpteen opportunities to learn from the situation. The scandal was scrutinized by media day in and day out. On one hand, shareholders and promoters were flabbergasted by this revelation. On the other hand the employees and internal staff were left in the lurch, not knowing what their

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future would be. How the company dealt with the crisis internally is an interesting story.

Communication in such a crisis should become top priority for managers and the organization as a whole. In a crisis as that of Satyam the information can reach the employees faster from outside source than their managers. The crisis gets magnified when wrong information is gathered by employees. The managers cannot assume that employees already have all the information and that too the correct ones. It became important for the managers of Satyam to interact with his/her team on a daily basis and ease their tension. Satyam managers actually met their team hourly and several times a day. In a crisis every word heard is taken to be authentic information. It usually dissipates the organizational energy when the employees are trying to figure out what is fact and what is fiction. The efficiency of the work gets reduced, leading to sub standard or incomplete deliverables. Satyam's strategy to communicate effectively was to use web television and turn their web communication expertise into an emergency broadcast system. This they called the "lights on" strategy. The main focus of this strategy was to ensure that the employees have complete control over the information so that they are well informed and they don't end up making up things.

In India communicating bad news has always been a tough job. Most people shirk away from communicating any bad news. They do not have the courage to look into the eye of their team and tell them that the news they have been getting from the outside world about their company is actually true. The senior management were confident enough in telling that there will not be any layoffs and they would be continuing to pay them the salaries.

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Since the situation was not very clear immediately, the managers had to talk about all the possibilities that could happen. Reassure the employees that the lights were still on and there will be some solution coming out soon. The government appointed a board and made the strategic decision of not laying off anyone till the organization was transferred to a new owner. Other companies started to lure the best employees of Satyam knowing that they will be available for a much lower pay given the extent of the crisis and the psychology the employees at that time. Since there was continuous communication from the management to employees, this made them feel belonged to the company. All the employees came forward to help the company come out of the crisis. They volunteered for pay cuts, did not protest against cut of variable pay and stood united in company's dark hour.

Satyam's consultants had always planned in preparing the employees to face the worst situation. Every team had a contingency plan for their deliverables in case of worst-case scenarios. For the safety of the employees the administration planned mock fire drills. Hence, during crisis the employees became their first priority. They setup a 24 hour helpline for counselling and guiding the employees. Employees were even given therapeutic help if needed. Web television was used extensively during these days. " Meet the Board" series was run for employees where the interview with every board member was telecasted. Employees could then send their questions to the board member. The management did not lose any time and tried to take as much control of the situation as possible. They kept all the stakeholders in the loop of their decision making.

Communication had to be done not just to the employees, but also to the customers. They needed to be told that the company was still in business. This reassurance could be given mostly because of the excellent relations that the company had with its customers over the years. Satyam did not wait for the resolution of the crisis to serve its customers and clients. The projects that was underway continued to give its deliverables to the clients. They made sure that there was no break in the service. After the sale of stake to Mahindra's was confirmed, the customers were spoken to again; this time to ask their feedback about how happy they would be to continue their ties with newly formed Mahindra Satyam. Many of them having heard of Mahindra, its reputation and its financial strength had confidence to continue their ties. This happened because of the perpetual communication that the management of Satyam had with their clients. It is always essential to communicate the right message, to the right person, by the right authority and at the right time.

The shareholders were also a worried lot. The day Satyam's Chairman B Ramalinga Raju resigned as a result of the fraud, the stock prices fell by 70% to an all time low of Rs 58. There was a panic selling of a sort where nearly 13 crore shares had changed hands within an hour. Declining stock prices are always an indicator of the declining reputation of the company. The management needs to constantly keep in touch with the investors, be open to financial analysts and the media. Once a trust relationship is built with the investors a short-lived second opportunity can be expected from them. This can also avoid the panic selling which is the case in most situations of this

sort. Opinions are formed almost immediately in case of fraud cases and stock prices are gravely affected by this.

The government of India also became one of the stakeholders because of the magnitude of the issue. It was a question of the country's reputation as the IT hub. This was the reason that government intervened and established a board to resolve the issue. The shareholders, clients and customers needed a reliable team on the board and the government came to the rescue. Communication through a neutral team becomes effective to pacify the various stakeholders. The government appointed people who were not related to the company and had in the past acted as consultants for the government to resolve issues. This proved to be successful strategy of communication.

A management always needs a competitive, straightforward and yielding strategy while handling crisis. The communication strategy used in Satyam scandal was effective and this led to a smooth transition and change of ownership.

## **Big Brothers in deep trouble**

“ It takes 20 years to build a reputation and 5 minutes to ruin it”-

Warren Buffett

This encompasses the importance of Communication during crisis. Every organization is vulnerable to crisis. The most challenging part of crisis communication is reacting but what is more important is – reacting with the right response and the speed with which one's reacting. This is because

inaction or inappropriate communication leads to humiliation, prolonged visibility and unnecessary litigation.

Success in crisis management depends largely on how an organization communicates with its stakeholders. Stakeholders have something at risk, and therefore something to gain or lose as a result of your organization's activity. During a crisis an organization has to look at itself from their stakeholders' perspective because stakeholders would be most concerned at how the crisis incident would affect them. They are expecting the organization to communicate with them, so it is vital to be proactive if possible.

One of the worst managed crises during recent times has been the financial meltdown in United States of America (USA). We would be concentrating on Lehman Brothers Holdings Inc. whose downfall commenced the meltdown.

Lehman Brothers Holdings Inc was a global financial services firm which, until declaring bankruptcy in 2008, participated in business investment banking, equity and fixed-income sales, research and trading, investment management, private equity, and private banking. It was a primary dealer in the U. S Treasury securities market. The history of Lehman Brothers parallels the growth of the United States and its energetic drive toward prosperity and international prominence. What would evolve into a global financial entity began as a general store in the American South. Henry Lehman, an immigrant from Germany, opened his small shop in the city of Montgomery, Alabama in 1844. Six years later, he was joined by brothers Emanuel and Mayer, and they named the business Lehman Brothers. The firm, thus, was

founded in 1850. In 1858, they opened an office in New York, which was the commodity trading centre of the country. Later firm also moved into the area of financial advisory, which provided the foundation for underwriting expertise.

On September 15, 2008, the firm filed for Chapter 11 bankruptcy protection following the massive exodus of most of its clients, drastic losses in its stock, and devaluation of its assets by credit rating agencies. The filing marked the largest bankruptcy in U. S. history. The following day, Barclays announced its agreement to purchase, subject to regulatory approval, Lehman's North American investment-banking and trading divisions along with its New York headquarters building. Lehman went down and it was evident in April. Why? Because of what didn't happen. As I have mentioned earlier inaction can be hazardous, in this case it was.

Now let us understand from where it all began.

In March, 2008 David Einhorn, founder of Greenlight, a famous hedge fund asked a simple question of Lehman's CFO, Erin Callan during a conference call with Wall Street analysts. The question was not answered. So scepticism set in. A month later Lehman's shares plunged by 40%. What did Dick Fuld (then the CEO of Lehman Brothers) do? He sued a Japanese trading company for 35 billion yen in unpaid fees.

In April, Einhorn announced he was short selling Lehman stock (This meant that he believed Lehman's stock would decline). Callan called Einhorn and asked for a copy of his speech and he complied. After reading it Callan spent her time badmouthing Einhorn. Why would anyone do that? Try to deflect <https://assignbuster.com/executive-summary-of-the-3-idiots-movie-media-essay/>



attention from issue and blame someone else? This implied that something was drastically wrong. But Fuld did nothing.

What should have happened?

At this juncture, Dick Fuld should have gotten out in front of his investors, his clients, the market and he didn't. He should have studied history. What did similar companies do in such situations?

All Dick Fuld had to do was take the situation in his hands, address the financial situation, support his CFO, develop a new plan of action, if there were mistakes admit them, and be realistic. The problem with Lehman was Dick Fuld's refusal to understand what Lehman was worth! It's called the art of negotiating...he thought it was worth more than it was. He should have sat down with his lieutenants and asked the question, what are our options? Instead Fuld demoted Callan, in June after raising \$6 billion in new capital, after disclosing a \$2.8 billion loss the quarter before, then fired a long time lieutenant and friend Joseph Gregory. Then the stock fell. What message did he send to his customers and investors? One needs to be 1000 times more committed to your customers, clients and owners than anyone else. One must have integrity to your owners, your stockholders and Fuld didn't do that.

When you are a public company your legal obligation is to your stockholders, your customers and your employees. As a hedge fund your legal obligation is to your investors and your employees...it's not all about you.

So what should a company in crisis do to salvage the situation?

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The CEO should surround himself with good people that challenge you to mitigate executive hubris.

When there is a crisis, emulate other companies that have successfully managed through a crisis.

The minute a crisis begins, the company should hire a consumer research company to start polling consumer and client perceptions about the organization.

Identify five executives on the “ crisis team”.

Develop a risk scenarios and contingent plans.

Identify a Public Relations expert who can help the company through the crisis (before the crisis not during!).

Create a culture that is committed to challenging one another.

Create a board of director’s that has at least one “ naysayer” on it. If they’re all yes people, trouble is in brewing.

Recognize the weakness of the company

When there is a problem, develop the plan and get out in front of the issue right away. Don’t procrastinate, which includes a media plan!

When people’s livelihoods depend on you, it better not be about your ego, you need to serve the greater good.

## **Am I OK?!?!**

When written in Chinese, the word 'crisis' is composed of two characters- one represents danger, and the other represents opportunity. The personal crisis a person encounters in life pales in comparison to how he communicates and responds during the crisis. Effective communication can palliate the crisis and turn it into an opportunity. On the contrary, ineffective communication amplifies the crisis and results in the person enrolling himself in a crash course towards destruction.

A quintessential crisis communication would be to analyze how Tiger Woods and David Letterman communicated after being embroiled in infidelity. It is hands down one of the greatest personal crisis communication story of the decade. Both these individuals have touched the acme of success in their respective fields. Tiger Woods is arguably the greatest athlete to have walked on the face of this planet and David Letterman, to his credit is one of the most renowned talk show hosts of this era. The parallels between their ways of communication was very vivid. David Letterman emerged from his story relatively unscathed and Tiger's story appears to keep going and going, putting his endorsement deals and his status as the first "Billion-Dollar Athlete" in serious jeopardy.

David Letterman, isn't just a talk show host, he is a huge brand. He and his show are an integral part of the multi-billion dollar CBS brand. So when the crisis hit Letterman, there were ramifications that could have gone far beyond mere personal embarrassment. He did what most brands or people are terrified to do, he released the information first. This was a positive thing to do as the story was then coated with his version of events. He didn't

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sugarcoat the worst news and acceded that he had affairs with his woman staffers. He ensured that the most damaging information came out from his lips first. He apologized to his family , all his fans and all the woman over the world for his actions. He exercised his gift of gab and turned his parched sarcasm on himself . It was deadpan candor and ace crisis management. It made him look like a person who took complete responsibility for his actions and was genuinely contrite for the same. David Letterman was proactive to get in front of his situation, he told people what happened, what he did, and he made it a non-story. He emulated crisis communication 101- which is to describe the situation, be honest, apologize, say what you are , make an honest attempt to fix it and live your life. When it becomes a story is when you lie, when you avert questions, and when there clearly is something people want to find out to bring you down. He communicated the crisis in an exemplary way which precluded it from decimating and sabotaging his entire career .

Tiger Woods communication after a similar crisis was a complete contrast to how David Letterman tackled the situation. Their ways are at the opposite ends of the spectrum. It would be the understatement of the year to say that Tiger Woods bungled the crisis. Essentially, Tiger should have ripped the bandage off the wound in one clean sweep when the story first broke. Instead he slowly peeled it away, which only created more curiosity and media interest. He should have stood up and owned the issue before the issue started owning him. Tiger Woods forgot that there are two courts - a legal court and the court of public opinion, and he ignored the court of public opinion. If he had come forward with his side of the story and an act of

contrition, it would have played better than having it come out piecemeal. It would have taken all the oxygen out of the women's statements. The announcement and the coverage would have been painful, but quicker. He also would have looked like a man who was truly sorry. His silence and then denial prolonged the story, and left reporters looking for other sources to talk about the scandal. Initially, he continued to sport his squeaky clean image and finally when he apologized by reading a scripted message, it was very disjointed and discombobulated. Tiger Woods should have realized that world, both his fans and the general marketplace, are very forgiving but when you deliberately make yourself inaccessible or disguise the truth, it inevitably comes out and it's always worse. It is a perfect example of how a man communicated terribly in a crisis which resulted in irreparable damages. His brand value has plummeted to an all time low and the odds of him recovering from it are very low. This case reinforces the importance of communication in a crisis.

There are a plethora of personal crises that an individual faces in life, but none of them can be as tangible, as palpable and as common as mid life crisis. It is something which majority of people on the wrong side of thirty or forty go through. These people act inconsistently with who they believe they are and set the stage for the societal cliché of an "identity crisis." When the crisis hits, they are immediately disoriented, questioning their previous convictions. Their whole world is turned upside down, and they experience an intense fear of pain. Often these people identify themselves as being young, and some environmental stimulant (turning a certain age, comments from friends, graying hair, wrinkles) causes them to dread their approaching

years and the new, less desirable identity that they expect to experience with it. Thus, in a desperate effort to maintain their identity, they do things to prove they're still young: buy fast cars, wear gaudy clothes, divorce their spouses, change jobs. It is imperative that people understand the gravity of the predicament and do some soul searching and brutally honest self introspection to identify the problems in their life which they could rectify. They need to engage themselves in an intrapersonal communication to tackle the crisis. It is an incredibly potent but often underestimated way to deal with a personal crisis. It helps people have a solid grasp of their true identities and have a broader sense of who they are, hence their identity never becomes threatened. Intrapersonal communication helps them become more secure and comfortable in their skin as they realize that it is prudent to link their identity to something which is not ephemeral.

Intrapersonal comm