

Abstract

The case illustrates the communication of bad news within an organization with the example of the confession of financial irregularities to the regulatory body by the Chairman of Satyam Computers Mr Ramalinga Raju. The single letter sent by Mr Raju snowballed into a historical corporate scandal of magnificent proportions that ultimately ended in the jailing of Mr Raju and the merger with Tech Mahindra. It is typically seen that among all the stakeholders of an organization, the employees are the first to hear rumours about developments, especially the negative ones, and the last to be notified in a formal manner. Regulatory bodies, customers and the media take priority over employees. This case brings out the need and importance of timely and communication of negative news. More pertinently, the case highlights the need to handle such communication with sensitivity and maturity. The Satyam Computers case is an ideal example to demonstrate how not to communicate bad news and from there on to teach the best way to do so.

Keywords: *bad news, organizational communication, crisis communication, employee communication, communication style*

Subject area: *Organizational Communication, Leadership communication, Business Ethics, Corporate Governance*