

Case Study Sony Shoots the Messenger

In the old days of employee relations—before there was an Internet or a computer or a typewriter or even an America—there were Greek and Roman rulers who never like to receive bad news. Whenever they did, they lashed out at the (blameless) poor souls who delivered the unfriendly tidings. In some cases—if the messenger delivered news of a lost battle or fallen city—the envoy would be dealt with in the harshest manner; merely for delivering bad news.

Today, of course, the bearers of bad news are often public relations professionals, whose essential mandate, as we have learned, is to tell management the truth. Modern managers, by and large, appreciate this candor from their public relations associates.

But occasionally, as in the case of Sony Pictures Entertainment in the winter of 2014, a disgruntled manager harkens back to 46 a.d. and shoots the poor public relations messenger.

Boy King Strikes Back

Sony's problems began in November 2014, after the company released the trailer for an infantile satirical comedy about North Korea, *The Interview*, starring Seth Rogen and James Franco (**Figure 11-7**). Among other bits of hilarity, the movie included the killing of North Korea's boy ruler Kim Jong-un.

From all reports, North Korea's supreme leader evidently didn't see the humor in the Sony movie. And shortly thereafter, cybercriminals hacked into Sony's computer system and leaked a treasure trove of 32,000 internal e-mails, revealing all sorts of confidential and embarrassing correspondence. The anonymous criminals promised to stop leaking documents if Sony canceled release of the offensive, anti-Kim Jong-un movie.

Within weeks, the U.S. government concluded that North Korea was behind the Sony cyber attack, which it labeled, "a serious national security matter." For its part, Sony got cold feet and canceled *The Interview's* theatrical release, compelling Rogen and fellow Hollywood actors to condemn Sony for its cowardice.

Eventually, after the release of a tidal wave of damaging documents, Sony changed its mind and initiated a low-scale release of the movie, which landed with a thud and was quickly resigned to the Hollywood scrap heap; at an estimated cost to Sony of \$75 million.

The Damage Is Done

In the face of a steady flow of leaked revelations—including top employees' salaries, nasty Hollywood e-mails, and illicit movie downloads—Sony hired hardball attorney David Boies to warn publishers that they would be held responsible if they dared release any of the purloined material.

Good luck.

Boies' entreaties were laughed at, as the nation's gossip network, fueled by Wikileaks, Gawker, TMZ.com, and a host of other willing enablers, proceeded to fill the airwaves with a month's worth of stinging and embarrassing stories, including:

- Facebook founder Marc Zuckerberg wrote desperately to Sony executives to try to get them to stop the movie, "*The Social Network*," which he found "hurtful."
- Sony Co-Chairman Amy Pascal ran up a tab of \$66,500 for car services, air travel, meals, etc. on a two-day movie premiere in Washington, D.C.
- In an e-mail to Pascal, another Sony executive called comedian Kevin Hart "*a whore*," for demanding money to write a tweet promoting his new Sony movie, for which he received a \$3 million paycheck.

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- Before a fund-raising dinner for Barack Obama, Pascal e-mailed producer Scott Rudin, with both playfully pondering if she should ask the President how he liked the movies *Django Unchained*, *12 Years a Slave*, and other black-themed films.

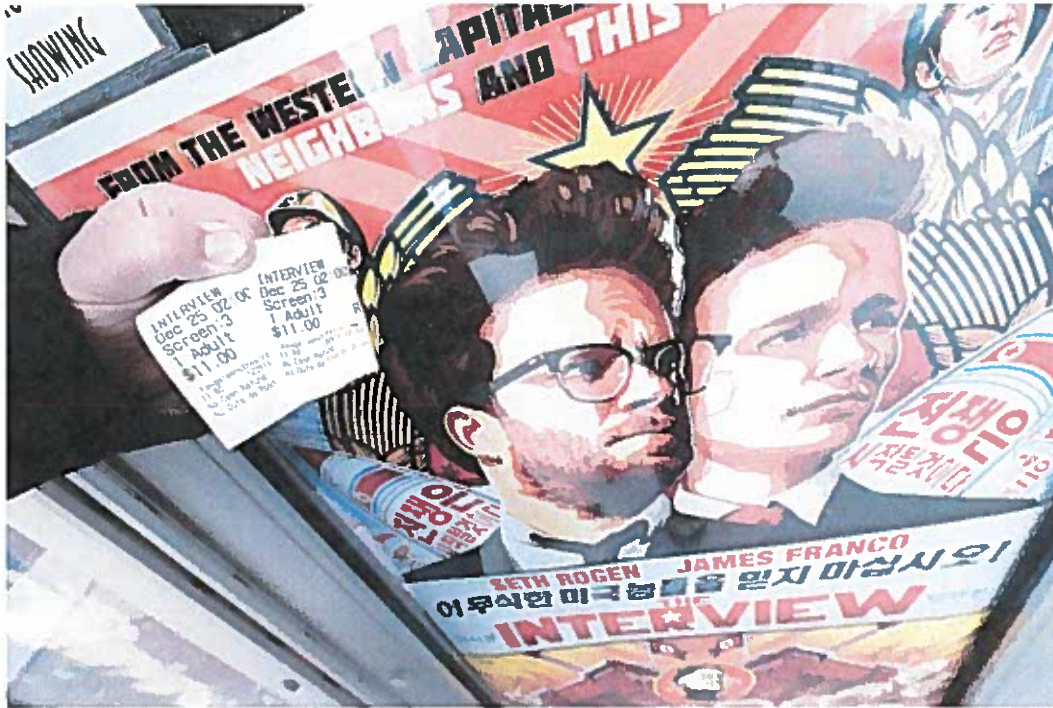


Figure 11-7 The provocateurs.

James Franco and Seth Rogen, stars of *The Interview*.

Photo: SPNNews.com

Co-Chairman Pascal was criticized for the Hart and Obama e-mails, interpreted by many as “racist,” and she was also taken to task for a set of e-mails, surrounding her decision to fire Sony’s director of communications.

“Off With His Head, Darling”

Among the leaked e-mails were several between the Sony co-chair and her husband, former New York Times reporter Bernard Weinraub (**Figure 11-8**).



Figure 11-8 The e-mail executioners.

Amy Pascal and husband, former *New York Times* reporter Bernard

Weinraub.

Photo: FRED PROUSER/REUTERS/Newscom

Subject of this marital correspondence was the publication by the *Hollywood Reporter* newspaper of a roundtable interview with the heads of the major film studios. For some reason, the only studio chief who wasn't invited was Pascal.

That didn't sit well with concerned hubby Weinraub, who tersely e-mailed his wife, "*I would fire your P.R. guy immediately . . . or at least tell him you're not going to deal with him anymore.*"

Pascal forwarded her spouse's note to Sony's head of human resources, George Rose. "*He's right,*" the independent-minded human resource chief wrote back. Six days later, Sony Pictures' head of corporate communications, Charles Sipkins, was out of a job. He made a base salary of \$600,000-a-year, according to leaked documents.

According to other leaked e-mails from Sipkins to Pascal, *Hollywood Reporter* apologized to Sony for not inviting its chief, explaining that the roundtable lineup shifted after some people initially passed and then reconsidered.

The explanation wasn't enough to save the public relations man's job.

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After the “shoot the messenger” e-mails were made public, co-chair Pascal scrambled to explain that the missed roundtable wasn't the cause of the dismissal of her communications chief. *“That's ridiculous,”* Pascal said. *“That has nothing to do with it. Charlie's very talented at what he did.”*

But in public relations, as in life, “what goes around comes around.” And shortly after she lowered the boom on her public relations director, Amy Pascal, herself, was fired as Sony's co-chairman, basically for what she revealed in her e-mails.

Another messenger had bitten the dust.*

Questions

1. How would you assess Sony's handling of the hacking scandal?
2. Had you been Amy Pascal's public relations advisor, how would you have suggested she handle the fallout from the e-mails, adjudged as “racist?”
3. Had Pascal asked you to counsel her on what to do in light of her husband's e-mail about the roundtable, what would you have suggested?

**For further information, see Jake Coyle, “Amy Pascal, Ex Sony Chief, Acknowledges She Was Fired,” Associated Press (February 12, 2015); Sean Fitz-Gerald, “Everything That's Happened in the Sony Leak Scandal,” Vulture (December 22, 2014); Chris Palmeri and Lucas Shaw, “Fire Your PR Guy” E-Mail Sends Sony Exec Out the Door,” Bloomberg Business Week (December 12, 2014); and Aly Weisman, “Leaked: Sony Exec Calls Out Kevin Hart for Requesting Money to Promote His Movies on Social Media,” Business Insider (December 11, 2014).*