



DAEWOO'S COLLAPSE AND GM'S RENEWAL: EMPLOYEE VOICE AND THE COUNSELING FUNCTION AS A MECHANISM OF CORPORATE GOVERNANCE

Seoyoon Kim*

Singapore American School, 40 Woodlands Street 41, Singapore 738547

*Corresponding author email: seoyoonk765@gmail.com

Abstract

This paper explores how the counseling function, which is defined as organizational processes whereby employee issues and risk signals are raised and acted upon, can also act as a tool of corporate governance. Through a synthesis and examination of relevant literature on topics such as psychological safety, organizational silence, and Employee Assistance Programs (EAPs), this paper analyzes and compares two corporate giants (Daewoo and General Motors) and how they responded to employee voice before and during times of crisis. The cases show that the suppression of employee feedback can be destructive and lead to organizational failure, while embedding a structured feedback mechanism can have numerous positive benefits and boost company resilience. This paper concludes that the counseling function should be introduced and formalized within broader corporate governance frameworks because the system is an effective risk management tool.

Keywords

Employee Voice; Corporate Crisis; Employee Assistance Programs; Corporate Governance

Introduction

Corporate failures are often analyzed in terms of issues on the balance sheet: too much debt, falling sales, margin erosion, etc. However, research also shows that even before these issues emerge, there are often many employees who are aware of the trouble ahead. The failure of employees and upper management to heed these warning signs and bring attention to their existence before calamity strikes is a failure of organizational culture. It points to a breakdown in the psychological and communication infrastructure within the firm, which this paper terms the counseling function. The counseling function can essentially be defined as an integrated system of mechanisms within corporations that allow employee concerns, emerging risks, and other problems to be brought to the attention of senior management. The counseling function encompasses multiple components (employee voice mechanisms, whistleblowing, protected disclosures, EAPs etc.). When such a mechanism is absent or suppressed, organizations lose the ability to detect emerging threats early and respond accordingly. This paper concludes that the counseling function should be seen not just as a tool of employee welfare or wellness; rather, it should be understood as an essential component of corporate governance and risk amelioration. Literature on psychological safety, organizational silence, and the expansion of thinking on HR initiatives like Employee Assistance Programs together show how crucial it is to install an effective employee communication system within an organization (Edmondson, 2018; Morrison and Milliken, 2000; Attridge, 2019). Using these lenses, the internal counseling systems should be thought of as a tool of internal diagnostics. To illustrate this argument, this paper juxtaposes two large industrial firms that faced intense challenges: Daewoo, whose collapse in 1999 illustrated the dangers of an overly hierarchical organization that suppresses employee voice, and General Motors (GM), which faced its own cultural failure during the catastrophic Ignition Switch Crisis. GM was chosen as a contrasting case study because it is also a large conglomerate but, unlike in the case of Daewoo, it chose to respond to its own crisis of organizational silence through taking steps to institutionalize employee concern mechanisms. This provides a useful benchmark for counseling function based reforms in governance in action. Particular focus is given to Daewoo's case, as it is clear that the lack of a robust employee counseling or feedback function led to an environment where employee disquiet was equated with disloyalty, meaning effective early warning systems were muted. In contrasting and analyzing the paths of these two companies, this paper argues that the counseling function is a crucial element for organizational resilience and growth that needs to be formalized and acknowledged by organizations and policymakers.



The collapse of the Daewoo Group in 1999 is one of the best-known examples of corporate failure in modern South Korean corporate history. What makes Daewoo's implosion particularly notable is that it was an example of not only poor financial decision-making but also a deficient company culture that set the company on a path for ruin (Lee, 2003). In its analysis of Korea's string of corporate crises in the late nineties, the International Monetary Fund (IMF) was highly critical of Daewoo's excessive diversification, the opacity of its cross-debt guarantees, and poor internal controls, which led to moral hazard-like behavior and mismanagement (International Monetary Fund, 2000). These concerns were echoed by a Korea Development Institute report titled *The Effects of the Economic Crisis and Corporate Reform on Korean Groups* (Joh, 2002).

However, it was not just poor financial controls or management decisions that made Daewoo ripe for failure. Daewoo's internal culture was also characterized by authoritarianism and an excessive degree of centralization. Kim details how Daewoo's founder, Woo Choong Kim, "operated the conglomerate with total command, unchecked and unsupervised," running all major decisions through the Group Chairman's Office, which bypassed formal boards and shareholder oversight (Kim, 2008). This extreme hierarchical culture meant that corporate choices were insulated from employee feedback. In fact, any form of pushback by employees toward the decisions of upper management was met with hostility and suspicion. Dissent within the workplace was considered a sign of disloyalty. While hardly an aberration in Korea at the time, Daewoo was known for being a particularly doctrinaire and extreme employer (Jones, 2018).

This absence of internal feedback and conflict resolution mechanisms exacerbated problems within the company and created a "culture of silence" (Morrison and Milliken, 2000). For example, the outbreak of severe labor unrest at Daewoo Motor, which subsequently resulted in mass layoffs and extended strikes, can be seen as a manifestation of the inability and incapacity of the organization to mediate between the needs of workers and broader corporate sustainability (Kirk, 2001). What this literature suggests is that Daewoo's fall was not simply a casualty of the Asian Financial Crisis. The organization lacked the institutional culture and infrastructure to manage employee relations effectively, and this left it highly susceptible to endogenous shocks.

Human resource and organizational psychology literature define the counseling function as "an effective and preventive people management strategy for organizations to help employees better manage stress, personal issues, or work-related problems" (Navare, 2008). There are various ways to achieve this, including through mechanisms like internal counseling units, Employee Assistance Programs (EAPs), and supervisor referrals for more specialized help and care. What is important to note is that these programs have been evaluated and have been proven to improve overall workplace morale, lower absenteeism, and expand productivity (Robertson and Cooper, 2011; Attridge, 2019). EAPs have grown from a very basic tool of employee management and assistance into a strategic tool for promoting overall organizational health. EAPs are a voluntary and confidential service provided by some employers that help employees address employment, financial, caregiver, health, or relationship concerns. Mark Attridge extensively explored the efficacy of these programs and found that they have become "a valued partner for employers interested in advancing workplace mental health" (Attridge, 2019).

The importance of sincere engagement between management and employees is also noted as being crucial for overall organizational morale. When employees feel ignored or their concerns are sidelined, their work satisfaction falls (Bailey et al., 2015). In their paper on the importance of employee morale, Thangaraja et al. assert that their conclusion supports the idea of the "broader significance of addressing employee engagement and morale in promoting individual and organizational flourishing" (Thangaraja et al., 2024). This finding supports the conclusion that an effective counseling function, which enhances employee morale, will be well placed to improve the overall dynamism of an organization.

An organization made up of motivated employees with high morale will be very well suited to an environment where organizational learning and adaptation are required. Carroll makes the point that effective counseling and employee-management engagement change individual distress signals into a broader tool for assessing organizational health (Carroll, 1996). Within dynamic environments (for



example, during periods of economic tumult or organizational restructuring), the counseling function can serve the role of an emotional anchor for employees and an information tool for upper management. The literature collectively emphasizes how the counseling functions operate at the intersection of employee well-being and organizational intelligence. These systems form a vital communication bridge through which current emotional realities become strategic insight. When embedded effectively, counseling and engagement allow organizations to recognize distress early, adapt to change, and sustain performance under pressure. Thus, the counseling function emerges not merely as a welfare measure but as an essential component of adaptive corporate governance and long-term organizational stability.

A final area of the literature needs to be explored: the concepts of psychological safety and organizational silence (Edmondson, 2018; Morrison and Milliken, 2000). Psychological safety occurs when people feel that the environment they are in is one that values their feedback. Crucially, within this zone of psychological safety, people feel secure enough to communicate their concerns and unhappiness or admit certain failures without worries of retaliation or punishment. On the other hand, organizational silence occurs when the environment within an organization suppresses agency and communication because of a real or perceived fear of retribution; such an organization has an inferior potential to learn and adapt.

Morrison and Milliken describe elements such as hierarchical distance, punitive leadership, and weak communication channels as important drivers of such a culture of silence. In contrast, Edmondson shows that organizations that actively encourage open communication outperform their rigidly hierarchical peers in times of crisis, where trust and problem-solving are sorely needed. When combined, these theories suggest that counseling systems have an important role to play in institutionalizing psychological safety and providing methods for employee voices to be heard.

Methods

This review employed a systematic search across multiple academic and non-academic sources to capture a varied overview of organizational silence, psychological safety, counseling functions, and corporate failure. Searches were conducted using JSTOR, Web of Science, Google Scholar, and ProQuest. Additional targeted searches were done within institutional repositories such as the IMF, OECD, and Korea Development Institute. Keywords included “organizational silence,” “psychological safety,” “employee voice,” “counseling function,” “corporate governance,” “Daewoo collapse,” and “GM ignition switch.” Due to the nature of the research question, the review incorporated peer-reviewed scholarship, industry analyses, legal investigations (e.g., the Valukas Report), corporate disclosures, and reputable journalistic accounts. Inclusion criteria required that each source provide either (1) empirical or theoretical insight into organizational communication systems, or (2) credible documentation of governance and cultural failures in large firms. Sources with unverifiable claims or lacking analytical value were excluded. Data from each source were extracted into a structured table capturing publication details, methodological approach (where applicable), key findings, and relevance to the counseling function framework. A thematic narrative synthesis was used to integrate insights across academic and grey literature. Quality assessment focused on transparency of evidence, methodological rigor (for academic sources), and institutional credibility (for reports and investigations).

Results

The trajectories of Daewoo and General Motors vividly illustrate the importance of a communication infrastructure within a company facing crisis. This section presents the key findings from each case through the lens of the counseling function framework established above, and considers the implications for governance and policy. This can often be the difference between an organization collapsing because of crisis or a transformational moment of positive growth. In the case of Daewoo, the severe problems associated with hierarchical opacity and a lack of a robust employee counseling function invited disaster by hiding the warning signs of financial danger. At GM, by aggressively incorporating the counseling function into its response to a crisis, the company reframed it into an opportunity for learning. By reframing internal dialogue between employees and management, the company changed its culture from reactive compliance to proactive problem-solving. Both cases suggest that the counseling function should be at the very core of risk governance and corporate ethics. It is then paramount for organizational culture and sustainability that the counseling function should be considered a vital



element of organizational intelligence. The boards of the company and upper-level management should consider the employee voice systems like psychological safety initiatives, various types of employee ombudsmen, labor unions, etc., as dynamic information systems that feed information from those working at the coal face of the organization. A useful analogy would be financial statements, which offer quantitative information about the state of the business; information from the counseling function would offer qualitative information on the state of the business.

This type of culture will not just emerge: it needs to be embraced by management as more than mere rhetorical acknowledgement. GM's evolution showed how the company took very concrete steps to change the culture of the organization and raise employee voice. Particular emphasis was placed on protecting those raising concerns that management or superiors might find uncomfortable. Managers need to be trained to not just listen but also interpret and act when issues are raised. This means there needs to be metrics created that will allow for the quantification, for example, the elevation of employee voice and subsequent action. All line managers should be assessed as part of their incentive schemes on how readily their subordinates were to raise concerns and how effectively they took action to ameliorate these concerns.

At the policy level, an evolved counseling function needs to be elevated and codified in governance frameworks and regulations. Policymakers and regulators should mandate that large corporations have procedures and processes in place that will maintain and support independent internal employee voice. In South Korea, for example, this could be integrated into the Korea Institute of Corporate Governance and Sustainability Code of Best Practices. In the broader OECD, the counseling function could be formalized as part of existing ESG governance indicators. Governments and the various industry associations can further entrench this model by offering certifications or incentive programs for companies that deeply embed the counseling function within their organizational culture and management structure. These schemes could operate in a manner similar to environmental certificates and show investors and consumers that the firm's internal culture is adaptive, open, and resilient. Protections for whistleblowers need to be further expanded and strengthened. These channels of employee disquiet need to be encouraged because they serve a vital early warning function. Firms that have implemented policies and procedures that protect this vital employee voice mechanism should be recognized and rewarded.

Embedding psychological safety and feedback infrastructure into governance codes could serve as a preventative tool that helps lower risk to corporates. In institutionalizing corporate emotional intelligence, policymakers, managers, and boards will ensure firms remain highly attuned to distress signals emerging from their own workforces. While the analysis draws specifically on Daewoo and GM, the organizational dynamics identified therein, regarding hierarchical opacity, a suppression of psychological safety, and poor to nonexistent communication channels to management, are not unique to these firms or the countries they were based in. This pattern exists across a wide range of sectors and jurisdictions, suggesting that the counseling function's role as a governance mechanism has applicability well beyond the two cases examined here.

Discussion

The discussion that follows is organized in the following way: a detailed examination of Daewoo's hierarchical culture and its contribution to organizational collapse is examined; an analysis of GM's post-crisis cultural transformation is unpacked; and, a consideration of the broader policy implications of formalizing the counseling function within corporate governance frameworks is discussed. When the Daewoo Group imploded in 1999, it sent shockwaves across the Asia-Pacific. Daewoo was the second (or third, depending on the measure) largest chaebol (the Korean name given to the mega-conglomerates like Samsung, LG, Hyundai, etc.) in Korea just before the Asian Financial Crisis. When the company finally went under, it had debts of between US\$50-\$80bn (Dowling, 2007). It is difficult to emphasize what an enormous impact this had on the Korean economy at the time.

Daewoo: A hierarchical corporate culture and the road to collapse

Daewoo was founded in 1967 and, like many of its *chaebol* peers, it initially focused on a relatively narrow area of business: textile exports. Over time, the company grew and so did the list of products it produced: machine tools, cars, semiconductors, petrochemicals, construction equipment, etc. This



expansion meant that at its peak, the company employed approximately 320,000 people across 590 subsidiaries (Kim, 2008). The company was hardly the only chaebol to founder in the wake of the Asian Financial Crisis; however, it was definitely the largest, by many orders of magnitude. The Korean government at the time was confident that the so-called big five chaebol would be able to effectively weather the storm (Kirk, 2001). Much has been written about Daewoo's poor financial controls and excessive debt levels; however, less has been written about the lack of a comprehensive and well-directed employee counseling function, which may have averted the calamity the company faced by providing advanced warning.

It could be argued that Daewoo's failure was hardcoded into management practices and broader corporate culture. Like many of its peers, its founder and his extended family had an extreme form of control and authority within the company. This extreme control was an asset during its time of rapid expansion because decisions were quickly made, and the company had a relentless ability to pursue its objectives. However, this self-same centralized control also birthed the structural conditions for organizational silence and the antithesis of psychological safety. By eliminating dissent and concentrating so much power and authority in the hands of Chairman Woo Choong Kim, the company created conditions ripe for more moral hazard.

Edmondson's idea of psychological safety within the workplace was very much absent within Daewoo (Edmondson, 2018). There was a very real fear of some form of reprisal should an employee raise concerns or push back against the dictates of upper management. The Group Chairman's Office oversaw all major appointments and dismissals and ensured that promotion within the company was connected to loyalty (Kim, 2008). The result of this was that all employees understood that objecting and raising concerns in a way that wasn't considered "productive" could be career-ending. Donald Sull argues that this quasi-dictatorial style of leadership was not ancillary but embedded at the very core of Daewoo's identity: "Kim's personal values—relentless perseverance and fearless risk taking—permeated Daewoo's corporate culture" (Sull, 2005). The company's unofficial motto, "We do it now," perfectly encapsulates a culture that values rapid application and obedience over deliberation and hesitation. This ambitious, almost reckless approach to growth at the expense of a feedback culture is supported by Cho et al., who describe a situation of a "dynamic collectivism" in these Korean mega corporations (Cho et al., 2012). This condition is loosely defined as an ideological blend of hierarchical loyalty/group conformity that "value orientation toward obedience to the high rank person (e.g., own boss) ...[and] towards following common opinions of colleagues" (Cho et al., 2012). This culture both rewarded alignment with a superior's vision and penalized perceived divergence. In Daewoo's case, such a culture meant that even as financial risks grew, few within the organization felt they could take action, as organizational silence ruled.

The paucity of embedded feedback and counseling mechanisms within the company resulted in warning signs being ignored or suppressed. There were undoubtedly employees who could see the burgeoning catastrophe beginning to emerge, but were afraid to raise their voices. In hindsight, it seems obvious how the company's reckless debt accumulation or convoluted accounting practices created an arena where there was a lack of psychological security and organizational silence. Daewoo's downfall, therefore, was not merely an accounting failure but a profound communication failure. Kim demonstrates this by noting that Daewoo's internal governance often bypassed formal board structures, with "representative directors and board members appointed directly through the Chairman's Office weeks before shareholder meetings that merely rubber-stamped approval" (Kim, 2008). And, more worryingly, "The concentration of power in the Chairman's Office therefore allowed Kim to order executives to commit the accounting fraud." This type of corporate structure meant dialogue could only flow in one direction: downward, as imperatives. Upward communication from lower-level employees, what Edmondson would call "voice behavior" (where employees proactively offer actionable feedback), was virtually non-existent.

Labor relations within Daewoo were also poor, and unions were regarded with suspicion, not as constructive partners. Between 1995 and 1998, a number of extended strikes rocked Daewoo-affiliated companies. Some of the grievances raised by the unions concerned corporate governance within the company. However, Daewoo refused to make any concessions on this front (Kim, 2008). These strikes were often met with layoffs, blacklisting, and arrest. Kim explains how unions and employees were frozen out of important decisions, and their ability to access information was severely limited: "Under



the hierarchical decision-making structure, employees rarely challenged their superiors. A strong culture of group loyalty prevailed. No one raised issues or engaged in whistle-blowing” (Kim, 2008). Without robust union feedback and a weak to non-existent counseling function, Daewoo had no mechanism for emotional regulation or adaptive response. As the company lurched from one crisis to the next, it entered what Sull describes as “active inertia,” whereby it responded to crisis with more of the same behavior that originally caused it (Sull, 2005).

The corporate makeup of Daewoo meant that the fundamental HR functions were subordinated to the whims of the executive. The personnel division was essentially a vehicle of administration, prioritizing employee compliance and control over welfare and communication. Within Daewoo, there is no evidence of any institutional equivalent to the modern EAP, internal ombudsman, or confidential whistleblowing channel through which concerns could be raised and mediated. It is fair to say that the “counseling” realm of HR (listening, mediation, stress management, etc.) was basically non-existent. This meant that when anxiety, overwork, and ethical concerns surfaced, they remained private and only manifested themselves during strikes or quitting. This vacuum meant that management interpreted silence as agreement and acquiescence rather than distress, compounding moral hazard and eroding the organization’s adaptive capacity.

The important role that the counseling function plays in organizations that are facing a series of crises is well illustrated by what occurred at Daewoo. Far from being a peripheral welfare tool, the counseling function could have offered a path to raw intelligence on the state of the organization and the emotional state of its employees. If Daewoo had possessed such a system, be it in the form of internal counseling units, employee assistance programs, or confidential reporting lines, the warning lights of overextension may have been heeded earlier, and calamity averted.

General Motors: Turning crisis into learning

There are a variety of alternative paths that Daewoo could have pursued when the first tremors of crisis were felt at the company. Instead, Daewoo’s top management, and particularly its Chairman Woo Choong Kim, decided to double down on the existing company culture. To what extent reforming Daewoo’s culture would have made a difference in the company’s collapse will always be an open question. However, what is true is that changing a company’s culture so that there are ways for employees to sound the alarm when things go wrong is undoubtedly beneficial. At this point, it is worth examining a similar company, also embroiled in crisis, that chose to embrace the counseling function instead of the status quo and, in so doing, became more dynamic as a result.

When General Motors filed for bankruptcy in 2009, it was faced with both financial calamity and an organizational culture that was unfit for renewal and growth. Bill Vlasic describes in his book, *Once upon a car: the fall and resurrection of America’s big three auto makers - GM, Ford, and Chrysler*, an organization that was beset with problems as a result of rigid hierarchies, institutional complacency, and erratic internal communication (Vlasic, 2011). Additionally, the New York Times describes how, historically, GM was a place that “adhered to a strict code of conformity and predictability” (Vlasic, 2011). The sheer brokenness of the company’s culture was probably best illustrated by the 2014 Ignition-Switch Crisis. In an external investigation led by former U.S. attorney Anton Valukas, the investigators described how safety issues were repeatedly deferred, rather than escalated; how there was a reluctance to raise bad news; and how cost-cutting pressures from upper management led to a decline in product safety and quality (NAFUSA, 2014).

Just like the financial and debt disaster that gradually grew at Daewoo in the 1990s, the ignition switch defect was not something that just suddenly occurred. Rather, it was as a result of a culture at GM that, in a multitude of ways, both suppressed broader knowledge of the issue and action to fix it. In Valukas’ report, it is clear that parts of GM knew of the issue as early as 2002 (although the severity of the issue was not known). A timeline of the problem shows multiple times when the organization had the chance to take action and change course, but either could not or would not. One entry, from around late 2005, is particularly chilling: “After Numerous Reports of Moving Stalls, Engineering Work to Resolve the Problem, Multiple Committee Meetings, and a Brief Investigation” by GM’s Safety Investigators (NAFUSA, 2014). What follows is a string of missed opportunities to correct the issue. Reports indicated that at least 153 deaths could be linked to the problem, and 12.8 million cars needed to be recalled to fix the issue (Klayman, 2014; Fletcher, 2014).



The report points explicitly to a cultural issue within the company that allowed the issue to fester. Witnesses who were interviewed stated that there “was a resistance or reluctance to raise issues or concerns in GM culture” and that “if an employee tried to raise a safety issue five years ago, the employee would get pushback.” The report also found that “GM participants’ rate of reporting misconduct they observed was below the benchmark developed by the Compliance and Ethics Leadership Council.” There were also reports of employees who had a “fear of retaliation.” Some witnesses also stated that there were times they were discouraged from reporting safety issues and were explicitly told by supervisors, “never put anything above the company” and “never put the company at risk” (NAFUSA, 2014). This culture of silence and lack of psychological safety meant that GM could not take effective action to remedy the issue until it was too late.

After the recall, investigation, and subsequent scandal, GM explicitly embraced a cultural shift that would dramatically shift the psychological fundamentals of the company in a way that would elevate employee feedback and embed the counseling function as a core system in GM’s corporate governance regime. The company used the counseling function as more than an employee welfare tool and more as a mechanism for organizational learning and awareness. This was an acknowledgement that a technical fix alone would not be sufficient.

There were a number of initiatives that were implemented through the counseling function to bring this to fruition. Firstly, there was the *Speak Up for Safety* campaign, which provided a channel for employees to report issues (General Motors Company, 2014). This wasn’t just a grievance line but was aimed at shifting how employees felt about disclosure—it was an honorable and worthy thing to do. This went directly counter to the “betrayal” narrative of before and provided that all-important psychological safety. People were also publicly recognized and praised when they raised issues to demonstrate this. This effort was given legal and institutional clout through the “Global Speak-Up! Non-Retaliation Policy,” which was promulgated to create “a culture where everyone feels free to share concerns regarding the operation of the business.” Essentially, this policy assured those who wanted to speak up that they would not have to fear any form of retaliation for taking a principled stand on an issue they felt was a danger to the business (General Motors Company, 2025). There was also an express approach of upper management listening to the concerns of employees, particularly in terms of safety. What emerged from all these changes was an organization that used the counseling function as a tool of institutional learning.

GM’s institutional evolution after the Ignition Crisis demonstrates how the counseling function can be reworked and reimagined as a tool of learning and growth. Originally intended as simply a mechanism of individual welfare, this vital HR function was reconfigured as a communication and reflection tool. The introduction of formal voice mechanisms, such as the *Speak Up for Safety* program and the *Global Speak-Up Non-Retaliation Policy*, institutionalized feedback as an integral part of the firm’s governance architecture rather than an optional HR add-on.

This model illustrates an evolved counseling function: one that changes vertical hierarchies into systems of dialogue and reflection, driven by the idea of anticipatory correction. In short, GM embedded structured forums for dialogue and psychological safety into management practice. By creating protected spaces for raising doubts and concerns, GM converted what had been silence-induced risk into actionable business growth intelligence.

Conclusion

The corporate trials of GM and Daewoo show how the seeds of failure often germinate even before an issue appears on the balance sheet or as a public scandal. A failure to heed these warnings points to a failure in internal communication and the psychology within the organization. Daewoo’s collapse showed how an absence of psychological safety, in concert with an intensely hierarchical culture, can potentially suppress early warnings and create the conditions for catastrophic breakdown. The design of the organization, where dissent and questioning the imperatives of upper management were equated with disloyalty, ultimately disabled the organization’s warning system and left the company susceptible to endogenous shocks (like the Asian Financial Crisis). The creation of such a culture leaves these organizations badly exposed and predisposed toward crisis because they cannot perceive a crisis until it is too late. GM illustrates a firm that decided to move away from such an approach of avoiding difficult conversations and fully internalize the counseling function as a tool of organizational learning. By



protecting employee voice, the company indicated that dissent and employee psychological well-being were assets that would help the company grow and prosper. Such an approach changed the internal communication system by encouraging transparency, surfacing risk, and enabling adaptive management. When examined holistically, the cases of Daewoo and GM underscore the core claim of this paper: that the counseling function is not just a tool of employee welfare but a central element of corporate governance and sustainability. Organizations and policymakers need to formalize and strengthen the systems that will allow such a culture to deeply take root. In short, the counseling function must be considered as a vital tool of management in complex firms that are facing challenging times.



References

- Attridge, M. (2019). A global perspective on promoting workplace mental health and the role of employee assistance programs. *American Journal of Health Promotion*, 33(4_suppl), 1S–6S. <https://doi.org/10.1177/0890117119838101c>
- Bailey, C., Madden, A., Alfes, K., Fletcher, L., Robinson, D., Holmes, J., Buzzeo, J., & Currie, G. (2015). Engagement and morale. In *Evaluating the evidence on employee engagement and its potential benefits to NHS staff: A narrative synthesis of the literature*. NIHR Journals Library. <https://www.ncbi.nlm.nih.gov/books/NBK299339/>
- Carroll, M. (1996). *Workplace counselling: A systematic approach to employee care*. SAGE Publications. <https://doi.org/10.4135/9781446216927>
- Cho, Y.-H., Yu, G.-C., Joo, M. K., & Rowley, C. (2012). *Do corporate cultures change over time? Evidence from South Korea*. Cass Business School, City University London. https://www.citystgeorges.ac.uk/_data/assets/pdf_file/0008/365417/cass-knowledge-chaebol-south-korea-culture-change.pdf
- Dowling, J. M. (2007). *Future perspectives on the economic development of Asia: Advanced research in Asian economic studies: Volume 5*. World Scientific. <https://doi.org/10.1142/6417>
- Edmondson, A. C. (2018). *The fearless organization: Creating psychological safety in the workplace for learning, innovation, and growth*. John Wiley & Sons.
- Fletcher, M. A. (2014, May 16). General Motors recalls another 2.7 million vehicles. *The Washington Post*. https://www.washingtonpost.com/business/economy/general-motors-recalls-another-27-million-vehicles/2014/05/15/f8bce616-dc40-11e3-bda1-9b46b2066796_story.html
- General Motors Company. (2014, April 10). GM creates speak up for safety program for employees [Press release]. MarketScreener. <https://www.marketscreener.com/quote/stock/GENERAL-MOTORS-COMPANY-6873535/news/General-Motors-GM-Creates-Speak-Up-For-Safety-Program-for-Employees-18241004/>
- General Motors Company. (2025). *2024 Annual Report* [Annual report] (p. 120). General Motors Company. <https://investor.gm.com/static-files/e86cba95-5077-4097-bf21-b3de40126ca8>
- International Monetary Fund. (2000). *Republic of Korea: Economic and policy developments* (Country Report No. 00/11). International Monetary Fund. <https://doi.org/10.5089/9781451822175.002>
- Joh, S. W. (2002). *The effects of the economic crisis and corporate reform on Korean groups*. Korea Development Institute. <https://doi.org/10.22740/kdi.ps.2002.10>
- Jones, R. S. (2018). *Reforming the large business groups to promote productivity and inclusion in Korea* (OECD Economics Department Working Papers, No. 1519). OECD Publishing. <https://doi.org/10.1787/9e9052b5-en>
- Kim, J. (2008). A forensic study of Daewoo's corporate governance: Does responsibility for the meltdown solely lie with the chaebol and Korea? *Northwestern Journal of International Law & Business*, 28(2), 273.
- Kirk, D. (2001, February 17). Big job cut at Daewoo Motor prompts protests by workers. *The New York Times*. <https://www.nytimes.com/2001/02/17/business/international-business-big-job-cut-at-daewoo-motor-prompts-protests-by-workers.html>
- Kirk, D. (1999, July 22). Group's collapse would be a setback for South Korean economy: For Daewoo, a struggle for survival. *The New York Times*. <https://www.nytimes.com/1999/07/22/business/worldbusiness/IHT-groups-collapse-would-be-a-setback-for-south.html>
- Klayman, B. (2014, September 29). Deaths linked to GM ignition-switch defect rise to 23. *Reuters*. <https://www.reuters.com/article/business/deaths-linked-to-gm-ignition-switch-defect-rise-to-23-idUSKCN0HO1F2/>
- Lee, D. G. (2003). The restructuring of Daewoo. In E. Kim, S. Haggard, & W. Lim (Eds.), *Economic crisis and corporate restructuring in Korea: Reforming the chaebol* (pp. 150–180). Cambridge University Press. <https://doi.org/10.1017/CBO9781139085083.009>
- Morrison, E. W., & Milliken, F. J. (2000). Organizational silence: A barrier to change and development in a pluralistic world. *The Academy of Management Review*, 25(4), 706–725. <https://doi.org/10.2307/259200>
- NAFUSA. (2014, June 11). *Valukas issues GM internal investigation report*. National Association of Former United States Attorneys. <https://www.nafusa.org/2014/06/valukas-issues-gm-internal-investigation-report/>
- Navare, S. (2008). Counseling at work place: A proactive human resource initiative. *Indian Journal of*



- Occupational and Environmental Medicine*, 12(1), 1–2. <https://doi.org/10.4103/0019-5278.40807>
- Robertson, I., & Cooper, C. (2011). Well-being, productivity and happiness at work. In *Well-being: Productivity and happiness at work* (p. 224). Palgrave Macmillan. <https://doi.org/10.1057/9780230306738>
- Sull, D. (2005). Why good companies go bad. *Harvard Business Review*, 77, 42–48, 50.
- Thangaraja, G., Munusamy, P., Macwan, A. J., Patil-Nikam, A. M., Nalini, V., & Rai, R. (2024). Employee engagement, morale, and organizational performance: A systematic review. *Educational Administration: Theory and Practice*, 30(4). <https://doi.org/10.53555/kuey.v30i4.2524>
- Vlasic, B. (2011). *Once upon a car: The fall and resurrection of America's big three automakers—GM, Ford, and Chrysler*. HarperCollins. http://archive.org/details/onceuponcarfallr0000vlas_z5s9