



Fusing Traditional Philosophies for Innovative Management

Group 4

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01

INTRODUCTION

Background of New Oriental Education & Technology Group

New Oriental Education Overview - CORE VALUE



- From small English-training institute Into a comprehensive education provider both domestic & globally internationally
- Transformed the landscape of education in China

New Oriental's

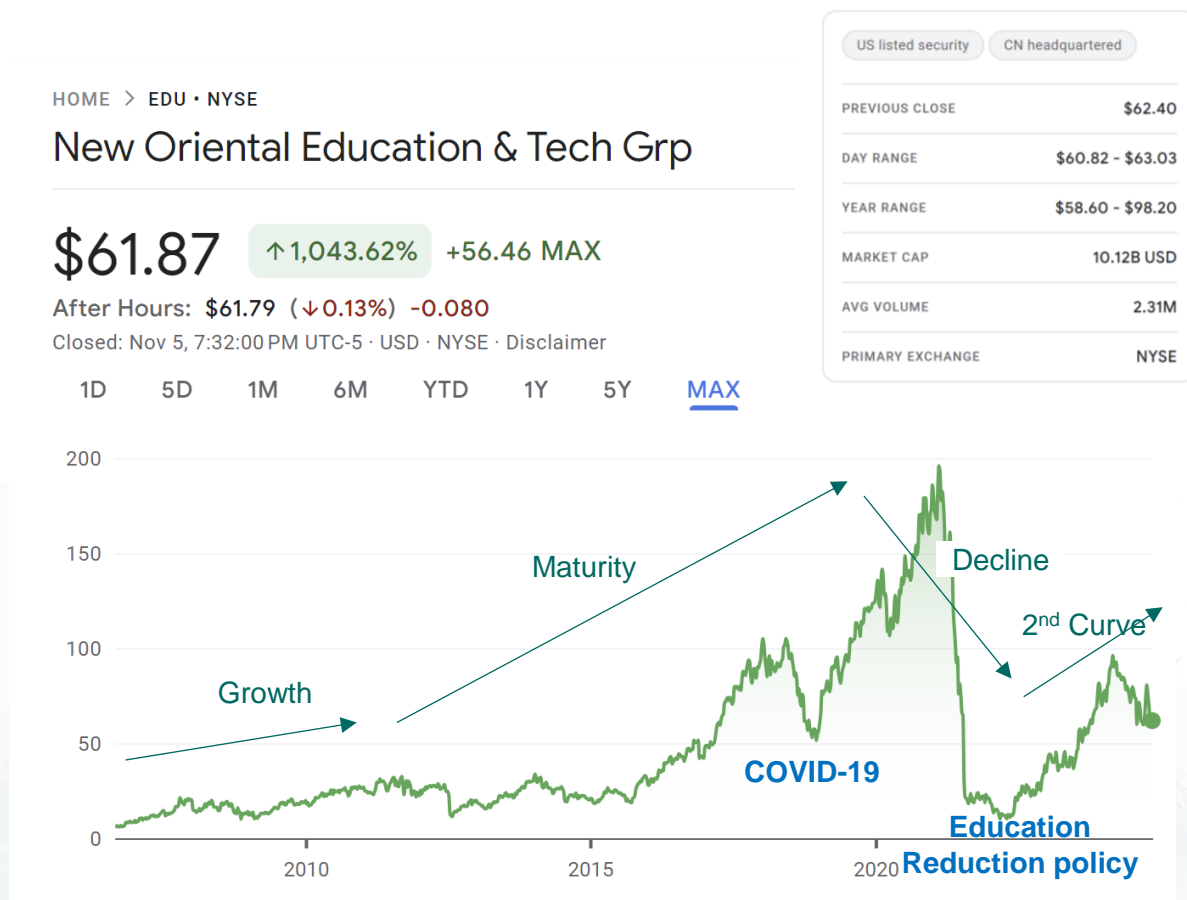
- Showcase evolution of China's education industry through innovation and crisis management.
- Leadership management skills were instrumental in steering the company towards new business models

Yu Minhong

- Integrity and responsibility
- Genuine care
- A passion for learning
- Ambitious aspirations.

Core Value

New Orientation Shakedown: S-Curve



Initial Introduction

- **1993:** Establish in a small rural area in BJ Zhongguancun.
- **1993-2000:** Built reputation through free lectures and specialized in TOEFL and GRE, gaining popularity among university students.

Growth

- **2000:** Expanded nationally with multiple branches, capturing 80% of Beijing's and 50% of China's study abroad training market, serving 200,000 students annually.
- **2001:** Establish New Oriental Education Technology Group - corporate structure reform to become a large integrated education group.
- **2002:** Expanded into online education and K12 training.
- **2006:** Listed on the NYSE, 1st Chinese education firm listed in the U.S.

Maturity

- **2019:** New Oriental Online went public in Hong Kong.
- **2019:** Leading market share in K12 and study abroad training.

Decline and Transformation

- **2019:** COVID-19 severely impacted offline education.
- **2021:** "Double Reduction" Government regulations led to business restructuring and the cessation of K9 training.

New Growth (2nd Curve?)

- **2021:** Shifted focus to quality education, international education, and adult training.
- **2021:** Launched "Dongfang Zhenxuan 东方甄选" for livestreaming e-commerce, attracting new audiences.

兵家：战略布局

道家：顺应规律

儒家：重视教育

法家：规范管理

Navigating the Crisis & Reflection

External Factors

Tech. Revolution & Covid- 19

Switch from online to offline



新东方在线 (HK.1979) IPO

Accelerate OMO online transformation. Online Education Platform

Policy Changes

80% drop in share price



- 减轻义务教育阶段学生作业负担;
- 减轻学生校外培训负担。



Return breakeven 2022

Closed 1.5K centres. Halted K-9 Class, Promoted non-subject class

Structural Reform

New growth driver

結構轉型



Bilingual living streaming 2023
e-commerce GMV RMB10B

Internal Factors

Organizational Changes

Scaling of business



Evolved from a sole proprietorship → family business → partnership → corporate group → publicly listed company

Talent Loss

徐小平、王强的决裂、
董宇辉分手



Emphasize internal talent development and retention,

Strengthening brand image and maintaining its reputation

Business Development Adjustments



Continuous self-reflection, uphold the core value of maintain education quality, adoption technology change.

Yu Minhong Leadership & Resilience



**Double
Reduction
Policy**

- Share price plummeted 90%
- Operating income fell by 80%
- 60,000 employees were laid off

<2 years

- as Top Player in live e-commerce

Who saved New Oriental ??

Dong Yuhui?

Yu Minhong?

Irreplaceable leadership that ensures New Oriental's resilience and profound wisdom



Ru Jia :
Valuing Education



Bing Jia :
Strategic Planning



Fa Jia :
structured management



Dao Jia :
Adapting to
Natural Laws

02

Ru Jia and New Oriental

Learning to become a better person

Ru Jia Deeply Ingrained in the Essence of New Oriental

01

Student-Centered Educational Philosophy

以人为本

Fact

During the pandemic, New Oriental quickly transitioned to online teaching, maintaining the continuity of students' learning.

Ru Jia Thought

Confucius mentioned in the "Analects": "The benevolent person loves others," (仁者爱人) emphasizing care and kindness towards others. This philosophy is reflected in New Oriental's quick response to the pandemic, highlighting their responsibility not just in delivering academic content but also in caring for the emotional and psychological needs of their students.

02

Lifelong Learning and Self-Improvement

终身学习

Fact

New Oriental has cultivated a culture dedicated to continuous professional development for its teachers. The organization regularly holds workshops, seminars, and training sessions to keep their educators updated on the latest pedagogical methods.

Ru Jia Thought

Mencius stated in "Mencius": "One is born in a state of anxiety but dies in pleasure," (生于忧患，死于安乐) underscoring the necessity of learning and personal growth. At New Oriental, lifelong learning is viewed as a core value for the growth of both teachers and students.

03

Value harmony, and Yet Embrace Diversity

以和为贵

Fact

Dong Yuhui sparked controversy with his remarks, and New Oriental actively responded to public opinion challenges.

Ru Jia Thought

Xunzi remarked in "Xunzi · The Rites" 《荀子·王制》: "Value harmony, and yet embrace diversity", (以和为贵，和而不同) emphasizing the importance of social cohesion. New Oriental's careful handling of this incident reflects its commitment to maintaining harmony within its community—a core principle of Confucian thought that values understanding and dialogue over conflict.

Ru Jia Deeply Ingrained in the Essence of New Oriental

04

Responsibility and Accountability

责任担当

Fact

Facing changes in China's educational regulations, New Oriental opted to retain employees rather than implement widespread layoffs, a decision that showcased its commitment to social responsibility.

Ru Jia Thought

In "The Great Learning," Confucius stated, "Junzi focuses on the root; when the root is established, the way will be born." (君子务本，本立而道生) This statement underscores the significance of nurturing foundational values in organizations. New Oriental's decision demonstrates their commitment to long-term sustainability and ethical responsibility, aligning closely with Confucian values.

05

Cultural Heritage and Innovation

传承创新

Fact

New Oriental actively promotes Chinese traditional culture through various initiatives, such as launching "Cultural Heritage Month," where students could participate in traditional calligraphy, poetry recitals, and discussions of historical texts.

Ru Jia Thought

Confucius asserts the importance of past knowledge with his notion of "reviewing the old and learning the new." (温故而知新) By incorporating traditional cultural education into their teaching, New Oriental honors this principle, promoting an appreciation for Chinese heritage while encouraging students to innovate within that framework.

06

Team Collaboration and Collective Consciousness

团队协作

Fact

During the launch of a new online course series, teams from marketing, curriculum development, and technology worked in unison to create an integrated product designed to meet diverse student needs.

Ru Jia Thought

The "Book of Rites" 《礼记》 states: "When there are affairs, they should be handled publicly; if handled publicly, there will be no private interests." (有事公办，公则无私) This principle reflects the significance of collective leadership and decision-making. New Oriental's emphasis on collaboration and teamwork mirrors Confucian ideals of unity and shared responsibility, enhancing organizational coherence and effectiveness.

03

Ru Jia and Yu Minhong

Ru Jia's Core Values and Influence on Yu Minhong



- 仁 (Benevolence)
- 義 (Righteousness)
- 禮 (Ritual)
- 智 (Wisdom)
- 信 (Faithfulness)

Personal Values

01

- “修身” (Self-cultivation)
- 自強不息 (Resilience)

Leadership Style

02

- “修身” (Self-cultivation)
- “仁” (Benevolence)

Educational Philosophies & Ethical Behaviors

03

- Know What Is To Be Done
- 情怀 (Conviction)

Ru Jia Deeply Rooted in Yu Minhong's Personal Values

“修身” (Self-cultivation)

信(Faithfulness)

- **External Integrity:** to customers, shareholders, other stakeholders (e.g. do not make false accounts)
- **Internal Trust:** to team, partners

“Only when you build up trust, the cost will be the lowest.” - by Yu Minhong

《论语·为政》：“人而无信，不知其可也。”

善(Kindness)

- **Caring:** Care for yourself while also looking out for others.
- Do things that **align with human nature**.
- Do things that **contribute to social progress and development**.

儒家的“仁”与“德”；

《论语·雍也》：“仁者，己欲立而立人，己欲达而达人。”

勇(Courage)

- Show **resilience** in the face of adversity.
- Have the **courage** to confront the current situation and keep pushing forward.
- Possess **the ability to handle conflicts** and **act decisively**.

《论语·子罕》：“知者不惑，仁者不忧，勇者不惧。”

让(Humility)

- **Always have the ability to be humble** and yield in any situation.
- **The more you yield, the better** (In terms of benefits, personal feelings, and face). (e.g. Yu Minhong gave most of his shares to his partners and management to better retain key personnel after IPO.)

“吃亏是福” (Suffering losses is a blessing) & “先舍再得” (Give first, then receive)



Yu Minhong's Life Story: Born in a Rural Family - Struggled in Education - Entrepreneurial Journey

自强不息 (Resilience)

Ru Jia Deeply Rooted in Yu Minhong's Leadership

修身(Self-cultivation)

“Lead by example, consistently practicing what he preaches.” (以身作则、身体力行)

- **Personally prepare almost all classes** and provide hands-on training for teaching staff.
- **Exemplify diligence and hard work** through personal commitment and effort.
- Promote a culture of **continuous learning** by modeling it himself.
- Firmly Uphold and practice New Oriental's vision and values consistently.

仁(Benevolence)

- **To Employees(X-Y theory, Wu Wei, Caring):** *“Empower reliable people to do great things and share rewards generously”*(用靠谱的人做伟大的事, 分更多的钱)
 - ✓ **Place the right people** (e.g., Xu Xiaoping, Bao Fan Yi, Wang Qiang) in roles that match their strengths.
 - ✓ **Align with mission and care:** offer strong retention and incentives.
 - ✓ **Support team members in starting their own ventures** without non-compete restrictions.
- **To Partners:** Amicably part with Dong Yuhui, gifting him equity in the company “与辉同行”. (Ru Jia: **“pursue righteousness over profit”**, 见利思义)
- **To Investors:** Facilitate Lenovo's exit, repaying principal and interest unconditionally.
- **To Customers:** Provide unconditional refunds following the Double Reduction policy.
- **To Competitors** : Aid a past competitor who once act against New Oriental in crisis (**“Return kindness for hostility”**, 以德报怨); View strong competitors as learning models (**“Harmony and Coexistence”**, 和谐共生).

Yu Minhong's Educational Philosophy and Conviction

Ru Jia:

“Know what is to be done”
“Conviction”(情怀)

“努力做正确的事情，剩下的就交给老天”
-By Yu Minhong



俞敏洪 | 新东方创始人

Educational Philosophy

Focus on students' moral integrity, rationality, judgment, independent thinking, spiritual freedom, and personal independence beyond mere academic knowledge.

- Enhance all-round development of children
- Support family education through free lectures
- Integrate technology for wider accessibility
- Promote educational balance across impoverished, remote, and urban areas in China.

In a public letter to all New Oriental staff in 2015, titled ***Doing the Right Things and Doing Things Right***, emphasized the company's growth must **center on teaching quality and standards**. (“Know what is to be done”)

Ethical Stories

After the 2021 Double Reduction policy, New Oriental did three things despite financial challenges :

- Donated 80,000 desks and chairs worth 50 million yuan to rural schools.
- Provided unconditional refunds to parents and students with unstarted classes.
- Paid employee salaries promptly, with no delays or outstanding wages.

04

Ru Jia Cases in Practice

Ru Jia Cases in Practice

01

Corporate Culture



02

Educational Innovation



03

Social Contribution



Ru Jia Cases in Practice_Corporate Culture



Emphasize individual development

- Provide a variety of training and different development opportunities to help employees achieve personal growth
- reflecting 以人為本 (yi ren wei ben, human-centered)

Focus on team collaboration

- Include team collaboration into performance evaluations to encourage mutual benefit and win-win outcomes through teamwork
- reflecting 仁 (ren, benevolence)

Ru Jia Cases in Practice_Educational Innovation



Teaching Methods

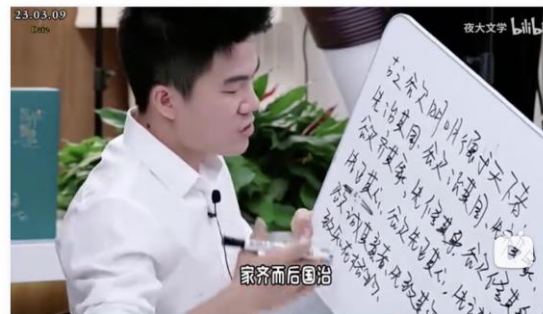
Advocate individualized teaching tailored to each student's needs

reflecting 因材施教 (yin cai shi jiao, tailoring teaching to the students' abilities)

Teaching Content

董老师讲《礼记·大学》修身齐家治国平天下。

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Dong shares traditional Chinese culture in live broadcasts via various methods, highlighting diverse educational content.

reflecting 修身 齊家 治國 平天下
(xiushen qijia zhiguo pingtianxia)

Ru Jia Cases in Practice_Social Contribution



Charity

For 31 years, New Oriental has actively engaged in public welfare, including education support and disaster relief reflecting 仁 (ren, benevolence)



Candlelight Initiative

Since 2008, New Oriental's project has trained 500 teachers in rural areas, thereby promoting educational fairness reflecting 有教無類 (you jiao wu lei, In teaching there should be no distinction of classes)



05

The Influence of Other Schools

Dao Jia Influence



Adapting to market
change

Embracing Natural
Flow 道法自然



Flexibility for
employees

Wu Wei 无为



Balancing Humanities
and Technology

Harmony; Caring; Balance
和谐自然



Fa Jia Influence



Strict Compliance and Efficiency

a rigorous financial system with a “no falsification” policy



Clear Roles and Responsibilities

a structured and efficient organization through clear roles and responsibilities for all employees and management teams
Learnings from 新东方三剑客（“中国合伙人”）



Performance-Driven Rewards

emphasis on rewards and punishments to discipline and motivate individuals



Bing Jia Influence

Strategic Flexibility and Adaptability

□ 知己知彼，百战不殆

shift from traditional classroom-based learning to online;
actively exploring emerging technologies like artificial intelligence

□ 出奇制胜，不战而屈人之兵

continuously developing new teaching products and technologies, such as RealSkill, multidisciplinary online courses, and launching new businesses like general education and international schools

Organizational Flexibility and Adaptability

□ 兵无常势，水无常形

evolving from a partnership system to a modern corporate system;
establishing a comprehensive financial management and performance evaluation system

□ 将帅无常，用兵有常

focuses on talent cultivation and internal mobility, providing a development platform for employees, and encouraging internal entrepreneurship


Emphasis on morale

□ 上下同欲，其力断金

New Oriental's focus on building common goals and values, as well as fostering a positive and dynamic corporate culture

□ 赏罚分明，激励士气

implementation of performance evaluation systems and incentive mechanism



06

Conclusion

Hexagram Analysis of New Oriental's Management Philosophy

01

Qian Hexagram 乾卦(☰ ☰)

Entrepreneurial spirit, self-improvement.
“天行健，君子当自强不息”

02

Kun Hexagram 坤卦(☷ ☷)

Steady development, inclusiveness, and support.
“地势坤，君子以厚德载物”

03

Tun Hexagram 屯卦(☳ ☶)

Difficulties and challenges.
“云雷屯，君子以经纶”

04

Ge Hexagram 革卦(☲ ☰)

Innovative spirit and willingness to change.
“泽中有火，革。君子以治历明时”

05

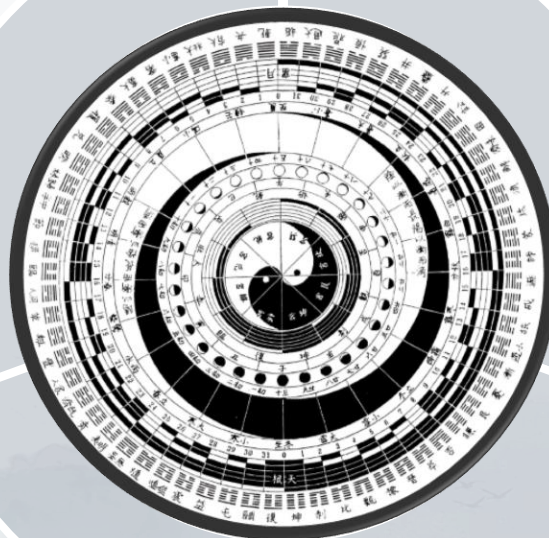
Ding Hexagram 鼎卦(☲ ☱)

Stability and revival.
“木上有火，鼎，君子以正位凝命”

06

Kan Hexagram 坎卦(☵ ☵)

Dilemmas and challenges.
“水洊至。习坎。君子以常德行，习教事”



Crossover between the Classics

Harmony

individuals align with the natural order, fostering peaceful relationships and societal cohesion.

Conviction

Exemplified by the idea of “ren” (仁), which encourages unwavering commitment to moral duties and responsibilities.

Balance

Golden Mean," advocating moderation in behavior and decision-making to maintain social stability and avoid extremes

Flexibility

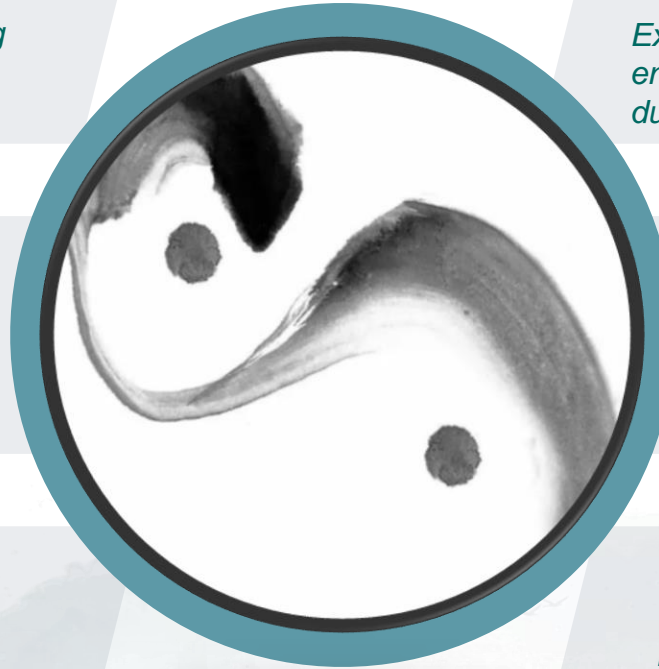
one should adapt to the flow of life, as captured in the saying, “The wise adapt like water,” which emphasizes resilience and openness.

Fairness

equitable treatment are essential for societal trust and moral integrity

Adaptability

learn from their environment and adjust their actions accordingly, ensuring growth and harmony



Conclusion

Dao Jia

Key Figure: Dong Yuhui

Dong Yuhui's comments on management hindering success; prioritizes personal passion over financial incentives.

Characteristics

- Emphasizes spontaneity and disregard for authority.
- Advocates for personal freedom over monetary gain.
- Critiques excessive management and control.
- Dao Jia employees may suffer from unfair treatment due to their non-competitive nature.

Fa Jia

Key Figure: Sun Dongxu

Sun Dongxu's inability to adapt to the rising prominence of Dong Yuhui led to his dismissal.

Characteristics:

- Focuses on strict control and centralized power.
- Struggles with the balance of authority due to emerging talents.
- Fails to recognize the transfer of real influence to popular figures.

Conflicts arise when Fa Jie employees pursue their own interests or when Mo Jia employees act on a strong sense of justice.



Mo Jia

Key Figure: Tian Quan (Live streamer)

Tian Quan's public support for Dong Yuhui incited controversy, resulting in significant backlash against management.

Characteristics:

- Advocates for justice and stands against authority.
- Acts as a voice for the oppressed and criticizes the powerful.
- Engages in provocative actions to rally support.

Focus on utilitarianism and universal love, may also face difficulties in comprehensive management due to its emphasis on practical outcomes over established social hierarchies and rituals.

Ru Jia

Key Figure: Yu Minhong

Yu Minhong's leadership style fosters a supportive environment, allowing for the development of multiple business stars within the organization.

Characteristics:

- Balances authority with moral integrity and communal benefit.
- Promotes inclusivity and support for colleagues.
- Focuses on long-term growth and employee welfare.

Ru Jia should be in charge, as Dao Jia and Mo Jia may struggle with comprehensive management.

Vision

To become an excellent, respectable, and culturally valuable educational, lifestyle, and travel service institution in China.



Mission

To enhance students' lifelong competitiveness, improve customers' quality of life, and provide a wonderful travel experience.



Value

Integrity and responsibility, genuine care, eagerness to learn and improve, and aspiration to achieve.



Culture

Frankness, respect, collaboration, and innovation.





Thank you