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# The Research on the Leadership and Management of Minhong Yu

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**Abstract:** This study examines the leadership of Yu Minhong, founder of New Oriental Education & Technology Group, through the Five-Factor Model and SWOT analysis. It reviews key leadership theories, including trait, behavioral, contingency, and transformational approaches. The paper analyzes Yu's leadership traits—extraversion, agreeableness, conscientiousness, emotional stability, and openness—demonstrated during crises such as the “Double Reduction” policy reform. A SWOT framework identifies New Oriental's strengths and weaknesses, alongside opportunities and threats. Findings reveal that Yu's leadership combines transformational and authentic styles. The study offers practical insights for educational leaders navigating policy shifts and technological disruption.

**Keywords:** Yu Minhong; leadership; Five-Factor Model; SWOT analysis; education industry transformation

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## 1. Introduction

### 1.1. The Background of Thesis

Although systematic research on leadership started in the 20th century, the influence of leadership has permeated human history for thousands of years. From the dawn of human civilization, leaders have organized and coordinated essential activities, playing an important role in the survival and development of communities.

Leadership refers to a social influence process in which leaders attempt to motivate and enable followers to contribute toward achieving collective goals<sup>[1,2]</sup>. A related concept is management, involving activities of planning, organizing, leading, and controlling organizational resources. Managers typically focus on maximizing organizational benefits by planning and organizing resources, while leaders are seen as more dynamic and visionary, shaping a clear strategy for the future and motivating others to pursue it.

Leadership is essentially about a leader influencing followers to achieve individual, group, or organizational goals. This process entails a dependency relationship where followers surrender authority to their leaders. For leaders to effectively exert influence, they should be perceived as powerful by their followers, either from position power, related to their role within the organization, or personal power, derived from individual's traits and abilities.

## 1.2. Significance

Selecting Minhong Yu as the subject of leadership analysis holds particular academic and practical significance. As the founder of New Oriental Education & Technology

Group, Minhong Yu has demonstrated remarkable leadership in transforming China's private education industry. His success exemplifies several theoretical frameworks in leadership studies.

From the perspective of transformational leadership theory, Minhong Yu has shown exceptional ability to articulate a compelling vision and inspire followers, especially during regulatory reforms. His leadership style is also rooted in charismatic leadership, characterized by emotional expressiveness and personal storytelling. Additionally, his consistency in values reflects authentic leadership, emphasizing moral integrity and self-awareness. He has also embodied aspects of servant leadership, evidenced by his dedication to educational equity and social responsibility.

By examining Minhong Yu's leadership through multidimensional frameworks, this research sheds light on factors contributing to his success and enriches cross-cultural leadership studies. It offers implications for understanding leadership in the education sector within rapidly evolving environments.

## 1.3. Essay Structure

This paper is divided into six chapters. Chapter 1 introduces the research background and significance. Chapter 2 surveys major leadership theories. Chapter 3 presents the theoretical framework and methodology. Chapter 4 analyzes Yu Minhong's leadership using the Five-Factor Model and SWOT analysis. Chapter 5 addresses specific leadership challenges and proposes solutions. Chapter 6 concludes with findings, limitations, and future research directions.

## 2. Literature Review

### 2.1. Trait Approaches

Driven by the need to select leaders during World War I, leadership research emerged to identify factors that predict good leaders. Influenced by Carlyle's "great man" hypothesis, early research believed certain traits could predict leadership emergence and effectiveness. Leader traits include physical factors, demographic qualities, skills, personality characteristics, motives, and values<sup>[3]</sup>.

Research on personality traits has garnered significant attention. Extensive research has centered on the Big Five personality traits in predicting leadership outcomes. Meta-analyses confirm the effects of these traits on leadership effectiveness across situations. Research has also explored sex and leadership, finding that female leaders are not less effective than male leaders, though stereotypes and discrimination hinder women's leadership emergence.

According to implicit leadership theory, people hold prototypes of leaders based on experience. These prototypes influence evaluations of leadership potential and effectiveness. Charismatic leadership theory, initially presented by House, emphasizes charisma as a leadership trait in influencing followers.

### 2.2. Behavioral Approaches

In the late 1940s, Stogdill concluded that research had largely failed to identify consistent leader traits, leading researchers to focus on what leaders do. Research at Ohio State identified two key behaviors: consideration and initiating structure<sup>[4]</sup>.

Consideration is the extent leaders care about followers' well-being, while initiating structure describes how leaders facilitate task completion through guidance and expectations. The most effective leaders engage in high levels of both behaviors.

### 2.3. Contingency Approaches

In the 1970s, scholars turned to contingency perspectives considering situational factors. Fiedler's contingency theory proposed that leader effectiveness depends on suitability to situations, highlighting task motivation, relationship

motivation, and three situational factors: leader-member relations, task structure, and position power. House's path-goal theory also contributed to this approach.

#### **2.4. Transformational Leadership Theory**

Burns first introduced "transforming leadership" as a relationship of mutual stimulation that converts followers into leaders. Bass developed this into transformational leadership, where leaders expand followers' needs, transform self-interest, increase confidence, elevate expectations, and motivate others to higher achievement.

#### **2.5. Charismatic Leadership Theory**

Weber first explored charismatic leadership as influence rooted in exceptional personal qualities. Conger and Kanungo expanded this into organizational context, defining charismatic leadership as articulating inspirational vision, taking personal risks, and exhibiting behavior departing from the status quo. They proposed a three-stage model: evaluating the status quo, formulating vision, and demonstrating unconventional behavior.

#### **2.6. Authentic Leadership Theory**

Avolio and Gardner defined authentic leaders as those aware of how they think and behave, perceived as aware of their values, and acting consistently with those values. Authentic leadership comprises self-awareness, relational transparency, balanced processing, and internalized moral perspective.

#### **2.7. Servant Leadership Theory**

Greenleaf introduced servant leadership, proposing that the primary role of a leader is to serve others. Servant leaders empower followers, support their development, and meet their needs. Key characteristics include listening, healing relationships, awareness, foresight, and commitment to people's development.

### **3. Theoretical Framework and Foundation**

#### **3.1. The Five-Factor Model of Personality and Leadership**

The five factors are: Extraversion (sociable, energetic), Agreeableness (compassionate, empathetic), Conscientiousness (responsible, hard-working), Emotional Stability (calm, resilient), and Openness to Experience (curious, innovative).

Extraversion reflects the degree a person is outgoing and sociable. Agreeableness relates to how well a person gets along with others. Conscientiousness indicates self-discipline and goal orientation. Emotional Stability describes handling stress and challenges.

Openness refers to willingness to embrace new ideas and change. Research shows openness and conscientiousness relate to successful leadership, while extraversion predicts leadership emergence. Effective leaders score higher in extraversion, conscientiousness, agreeableness, and lower in neuroticism. Transformational leadership is predicted by openness, extraversion, and conscientiousness.

#### **3.2. SWOT Analysis Method in Leadership Research**

SWOT (Strengths, Weaknesses, Opportunities, Threats) is a strategic tool for identifying internal traits and external factors affecting leader development and performance. Applying SWOT to Minhong Yu's leadership enables structured understanding of intrinsic characteristics and contextual challenges.

#### **3.3. Research Methods and Research Questions**

This study adopts a qualitative case study methodology. Data is collected from multiple sources: archival records, secondary literature, media reports, public speeches, and observational data of live-streaming initiatives and organizational

restructuring.

Research questions include: How has his communication style fostered organizational cohesion? How can Yu reposition his leadership in the post-Double Reduction environment? How have external policy changes disrupted his decisions?

## **4. Case Analysis**

### **4.1. Five-Factor Leadership Model Analysis**

#### **4.1.1. Extraversion**

Minhong Yu's response to the "Double Reduction" policy demonstrates extraversion. Facing 80% revenue decline and workforce reduction of 60,000 employees, he proactively led New Oriental's transformation to live-stream e-commerce. When the "Dong Yuhui Incident" threatened stability, he swiftly established a new subsidiary to manage the crisis, demonstrating leadership presence<sup>[5]</sup>.

#### **4.1.2. Agreeableness**

Yu's philosophy on talent retention emphasizes that financial incentives must be complemented by emotional connections. His approach—expressing appreciation and recognizing contributions—reflects agreeable leadership that fosters loyalty and belonging, building a cohesive workforce.

#### **4.1.3. Conscientiousness**

Yu's decision to eliminate familial control exemplifies conscientiousness. When overseas returnees advocated for merit-based systems, he removed his own family members first, setting an example of integrity. This marked New Oriental's transition from family-run to professional corporate structure.

#### **4.1.4. Emotional Stability**

Throughout New Oriental's development, Yu exhibited remarkable emotional resilience. During the "Double Reduction" crisis, he remained composed instead of reacting with fear or indecision, demonstrating the steady mindset necessary for long-term leadership success.

#### **4.1.5. Openness**

Yu's willingness to embrace change is evident in New Oriental's evolution from language training to comprehensive education to e-commerce. The pivot to live-streaming following regulatory shifts underscores his open-mindedness and adaptability.

### **4.2. SWOT Analysis**

#### **4.2.1. Strengths**

New Oriental's core strength is adaptability to market changes. After the "Double Reduction" policy, the company quickly pivoted to live-streaming e-commerce. Its long-standing reputation since 1993 provides strong brand advantage. Talent retention is another strength through financial incentives, emotional connection, and career growth. The NYSE listing provides financial stability for future expansion.

#### **4.2.2. Weaknesses**

Service diversification is limited, with core business centered on traditional educational services. Compared to competitors offering AI-driven tutoring and gamified learning, New Oriental's portfolio is relatively limited. Talent retention remains challenging as competitors attract trained educators. Rapid transformations may create uncertainty about long-term career

stability.

#### **4.2.3. Opportunities**

As a private enterprise, New Oriental has flexibility to explore innovative teaching methods beyond traditional frameworks. Technology development and demand for diverse educational resources provide opportunities. AI-driven education, online platforms, and hybrid learning models can offer engaging experiences. Lifelong learning and professional development create expansion beyond K-12 tutoring.

#### **4.2.4. Threats**

AI-driven education intensifies competition. AI-powered adaptive learning platforms and intelligent tutoring systems are becoming key differentiators. If competitors develop more effective AI solutions, they could surpass New Oriental. Increasing market competition requires continuous innovation. The rejected home tutoring platform model highlights risks of service quality and sustainability concerns.

## **5. Problems under the Leadership and Potential Practicable Solutions**

### **5.1. Contradiction between Limited Resources and Thorough Cultivation**

When expanding regional branches, Yu chose an equity-owned direct operation model instead of franchising. This decision maintained consistent teaching quality while avoiding conflicts between headquarters and regional institutions.

The equity-owned model ensures all branches are controlled by New Oriental, binding financial interests directly to headquarters. Under franchising, conflicts arise when franchisees prioritize short-term profitability over quality standards. Direct ownership ensures strict adherence to teaching methodologies and quality standards.

Centralized management enables uniform policies and procedures across locations. Teachers follow the same curriculum, students receive consistent experiences, and decisions align with long-term strategy. Resource integration allows centralized faculty recruitment and curriculum development, creating economies of scale.

This model fosters stronger employee loyalty through stock incentive plans and structured career paths. Direct ownership ensures better risk control and brand protection through close monitoring of all branches.

### **5.2. Leadership to Address High Turnover in A Rapidly Growing Firm**

#### **5.2.1. Emotional Support and a Sense of Belonging**

Yu's leadership emphasizes humanistic care. By maintaining open communication and recognizing contributions, he creates an environment where staff are willing to stay.

Regular mentorship programs and inclusive decision-making contribute to a workplace where educators feel purpose.

#### **5.2.2. Structured Incentives and Career Development Pathways**

The equity-owned model allows centralized career planning and structured promotion pathways. Stock incentive plans and performance-based bonuses align employees' financial growth with company success.

#### **5.2.3. Leveraging AI to Enhance Employee Engagement and Reduce Workload**

AI-powered platforms can assist teachers by automating administrative tasks, reducing burnout. AI can recommend personalized training programs, helping teachers refine skills and advance careers within the company.

#### **5.2.4. Leadership's Role in Sustaining Organizational Vision**

Leadership ensures all employees understand and invest in the company vision. By positioning itself as an innovative education ecosystem, New Oriental signals to employees they are part of meaningful change.

### **5.2.5. Building a Leadership-Driven Community Culture**

Team-building initiatives and transparent communication create a supportive environment. Employees collaborate rather than compete internally, differentiating New Oriental from competitors.

### **5.3. Doubts and Critics from Outer Learner and Society**

Concerns focus on commercialization of education, centralized decision-making, AI adaptability, and corporate social responsibility. To address commercialization concerns, leadership must emphasize mission-driven growth and invest in teacher training and educational research.

Regarding centralized structure, encouraging bottom-up innovation allows educators to contribute ideas. Advisory panels with external experts provide fresh perspectives. For AI adaptability, transparency in implementation demonstrates how technology complements human instruction.

For CSR expectations, expanding free online resources and collaborating with public schools can strengthen social impact, turning criticism into opportunity.

## **6. Conclusion**

### **6.1. Findings**

This study highlights several key findings. First, leadership adaptability plays a critical role in sustaining operations during disruptions. Yu's ability to pivot New Oriental from education to live-streaming e-commerce showcases visionary leadership.

Second, talent retention and leadership influence are core factors in organizational stability. Through financial incentives, emotional support, and career development, Yu cultivated a loyal workforce. The equity-owned model strengthened employee commitment through structured pathways and stock incentives.

Third, AI-driven transformation impacts modern leadership. Leaders must integrate technology effectively while maintaining the human element. New Oriental's approach to AI adoption illustrates how technology can enhance efficiency while preserving educational quality.

Finally, balancing centralization and decentralization is necessary. While centralized decision-making ensures strategic consistency, excessive control may limit innovation. Encouraging bottom-up innovation enhances leadership effectiveness.

### **6.2. Limitations of the Research**

This study has several limitations. First, the case study focuses exclusively on New Oriental, limiting generalizability. Second, data sources are primarily secondary, lacking direct empirical data from employee perspectives. Third, the study lacks quantitative analysis of retention rates or financial metrics. Finally, cultural and external market factors are not fully explored.

### **6.3. Future Research Directions**

Future research should explore leadership transformation in O2O business environments. As digital solutions reshape industries, leadership must evolve to integrate smart technologies. Comparative case studies across multiple companies would provide broader understanding.

Investigating AI's role in leadership decision-making is important. Research should explore how leaders balance data-driven decisions with human intuition. Leadership development models in rapidly changing industries also merit exploration.

## Disclosure statement

The author declares no conflict of interest.

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