RESEARCH ON THE STRATEGIC CONSENSUS OF EMPLOYEES IN THE PROCESS OF ENTERPRISE DIGITAL TRANSFORMATION (THE CASE OF “XDF DONG YUHUI ESSAY INCIDENT”)

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In contemporary enterprise development, digital transformation is an important trend. Its success depends not only on technical capabilities, but also on the support of organizations and teams. Employee strategic consensus, as an important dimension of corporate strategy execution, plays a decisive role in the smooth advancement of digital transformation. On the basis of reviewing the development history of the concept of strategic consensus, this article focuses on exploring the mechanism of employee strategic consensus in the digital transformation of enterprises. The article analyzes the potential negative impact of a lack of strategic consensus among employees, using the "New Oriental Dong Yuhui Essay Incident" as an example. Research shows that employee strategic consensus helps accelerate decision-making and execution, improve adaptability to change, promote innovation and collaboration, and improve employee satisfaction and loyalty. Enterprises can effectively establish and maintain strategic consensus among employees by strengthening strategic communication, promoting broad participation, establishing incentive mechanisms, and conducting in-depth research on feedback, thereby promoting the realization of digital transformation goals. As digital transformation has a profound impact on enterprises' internal structure and culture, employee strategic consensus will continue to be a key issue in corporate strategic management and organizational performance improvement.

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RESEARCH ON THE STRATEGIC CONSENSUS

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Introduction

Enterprise digital transformation is an important trend in contemporary enterprise development. It not only involves upgrading technology but, more importantly, in-depth changes in corporate culture, organizational structure, business processes, and other aspects. In this transformation process, employees' strategic consensus plays a decisive role.

Employee strategic consensus refers to the common understanding and recognition of the company's long-term goals, development direction, and implementation paths by employees at different levels and positions in the company. This agreement is based on all employees’ in-depth understanding of the company's strategy, as well as their confidence and expectations for the effectiveness of the transformation.

Scholars such as Xue et al. (2005) view strategic consensus as one of the three dimensions of corporate strategy execution and divide it into three parts: high-level consensus, employee consensus, and external consensus.

Although enterprise digital transformation manifests itself as a comprehensive technological improvement based on digitalization, the decisive factor behind it is still a human problem, or more specifically, a human problem in the organization. Whether an enterprise's digital transformation can be successful depends on many factors, and enterprises that successfully transform often have their own reasons. For companies that fail in digital transformation, it is often not a problem of technical capabilities, but rather that the organization and team do not have the corresponding capabilities to support the transformation.

Bourgeois first proposed the concept of strategic consensus in 1980. It initially focused on the unanimous views of senior managers on corporate strategic goals and means of achieving them.

Subsequently, Wooldridge & Floyd (1989) further expanded this concept, believing that strategic consensus includes not only the content and scope of consensus but also the degree of consensus. They explore the extent to which managers share a common understanding of and buy-in to strategy from both cognitive and affective perspectives. Further research has expanded the perspective of strategic consensus from senior management to managers at all levels of the enterprise and ordinary employees, emphasizing the importance of all employees having a consistent view of corporate strategy.

Strategic consensus plays a crucial role in resolving cognitive conflicts, promoting consistency, and increasing commitment levels to achieve strategy execution.

Dess & Priem (1995) emphasize that it is crucial for senior management to have a consistent view of corporate goals, competitive approaches, and environmental understanding. Research by Wooldridge & Floyd (1989), and others shows that the strategic consensus of an enterprise is actually the result of a game between multiple parties and groups from different points of interest, including not only the senior management team but also other groups and stakeholders.

Employee strategic consensus plays a vital role in the process of corporate digital transformation. By strengthening strategic communication, promoting extensive participation, establishing incentive mechanisms, and conducting in-depth research on
feedback, companies can effectively establish and maintain employee strategic consensus and ensure the achievement of strategic goals.

As digital transformation has a profound impact on enterprises' internal structure and culture, employee strategic consensus research and practice will continue to be the keys to enterprise strategic management and organizational performance improvement.

Employee strategic consensus serves the following functions:

(1) Accelerate decision-making and execution. In the process of digital transformation, businesses must make decisions and execute them quickly. Employee strategic consensus can ensure that everyone is working in the same direction, reduce internal friction, and improve decision-making and execution efficiency.

(2) Improve the ability to adapt to change. Employees often resist changes brought about by digital transformation. Consensus establishes a shared vision, helps employees understand the need for change, and improves their adaptability and active participation in change.

(3) Promote innovation and collaboration. Consensus can stimulate the innovative spirit of employees and encourage them to come up with new ideas and solutions during the transformation process. In addition, when employees share a common understanding of the company's strategic goals, they are more likely to build effective collaboration across departments and teams.

(4) Improve employee satisfaction and loyalty. Engaging employees in the company's strategic planning and recognizing their value and contribution can significantly enhance their satisfaction and loyalty. This is critical to keeping your business competitive and attracting the best talent.

Case analysis: the incident with Dong Yuhui's essay at New Oriental

During the process of enterprise digital transformation, how to establish and maintain strategic consensus among employees is a problem that all enterprises must face. In the process of transforming from traditional enterprise models to digital enterprise models, the relationship between enterprises and employees is also facing major adjustments.

Not all business managers and employees can adapt to the relationship adjustments brought about by digital transformation changes or reach strategic consensus in their hearts and actions. This article will analyze the "New Oriental Dong Yuhui Essay Incident" to explore the role and impact of employee strategic consensus in corporate digital transformation.

Development history of Oriental Selection

New Oriental Online, a subsidiary of New Oriental, launched Oriental Selection as a live streaming platform. In 1993, Yu Minhong founded the New Oriental School in Beijing. In 2001, the New Oriental Education Technology Group was established. New Oriental Online, an online education platform, was launched in 2005. One can regard New Oriental Online as a specially established Internet platform that adapts to the Internet's development, providing services across time and space. It has always served as a supplement to New Oriental's main business.

In 2021, the introduction of the "double reduction" policy will have a huge impact on New Oriental's main business and most teachers.
Against this background, Yu Minhong revealed his plan for live streaming in November 2021. He plans to collaborate with hundreds of New Oriental teachers to support the sale of agricultural products via live streaming. Despite initial doubts, the team at New Oriental Online has initiated preparations and launched the "Oriental Selection" project. The Oriental Selection was initially launched as a live broadcast combined with knowledge-based learning.

Dong Yuhui, the anchor of Oriental Screening, suddenly became popular in June 2022, and his number of fans exceeded 20 million, triggering widespread dissemination and discussion on social media, as well as driving the stock price of New Oriental Online to continue to rise. According to statistics, New Oriental's stock price rose by more than 600% in just 11 days. By 2023, the number of Oriental Selection accounts had increased from 1 to 6, and the number of fans had exceeded 30 million. The launch of 52 self-operated products coincided with a total sales of 18.25 million orders.

A comprehensive account of the "Little Composition" incident
Starting in July 2022, Oriental Selection will launch the "Exclusive Live Broadcast on Location" model. They collaborate with provincial government departments to not only promote local agricultural products and specialties through live broadcasts, but also use creative videos such as "essays" and "promotional videos" to promote local culture and tourism resources.

On December 5, 2023, Dong Yuhui released a short composition of about 700 words to warm up for the Oriental Selection "Jilin Trip" from December 8 to 10. This video received 55,000 likes on the Douyin platform. Compared with the videos released by Oriental Selection on weekdays, the interactive data performance is particularly outstanding. The reason why this video has aroused so much interaction is not only the highly concise and charming copywriting, but also the fact that Dong Yuhui lovingly read out this love letter to Jilin in the video.

The following day, Oriental Selection's official account pinned a slightly controversial comment at the top of the Douyin comment area. "Some netizens are curious about who wrote the copy?" the editor wrote in the comment. We are a team! The anchor is always in front of the camera, while the copywriting, shooting, and editing teams work behind the scenes. Friends, we have collaborated to create a special "composition." Thank you for liking our work, and we will continue to work hard!"

Some netizens raised doubts about the Oriental Selection editor's message, giving the impression that there are internal contradictions in Oriental Selection.

Some netizens commented that after the tour guide asked about Shanxi's "little composition" on the spot, Yu Minhong said that it was written by Dong Yuhui. The editor of Oriental Selection said that the anchor sometimes writes it himself. For example, Dong Yuhui wrote a "small composition" about Inner Mongolia, while Dundun wrote about Hebei.

However, not all of Dong Yuhui's "mother-in-laws" recognized this explanation. Fans took to social media to express their displeasure and demand explanations behind the incident. In response, Oriental Selection issued a statement asserting that Dong Yuhui did not create the copy. This incident led to a heated debate between the two sides in public opinion.

As the incident unfolded, many relevant people from Oriental Screening responded one after another. Oriental Screening CEO Sun Dongxu did not blame the editor who "caused trouble" during the live broadcast. Instead, he expressed his views on the "fandom
"culture," which triggered conflicts between some "fans" and Oriental Screening. At the same time, some rumors began to circulate, alleging serious conflicts within the company. Meanwhile, the "little composition" incident became a hot topic on the Internet. Many former New Oriental employees began to recall the company's past, and some even called on Dong Yuhui to resign and start a new business.

On December 14, many entries related to Dong Yuhui or Oriental Selection became hot searches on Weibo. Subsequently, Yu Minhong responded to the incident again, admitting that there were loopholes in the company's management and apologizing to Dong Yuhui. On the evening of December 14, Oriental Screening CEO Sun Dongxu released an apology video on his personal account. On December 16, Oriental Selection announced the removal of Sun Dongxu from the CEO position and the concurrent appointment of Yu Minhong. Simultaneously, Yu Minhong issued a letter of apology and declared the removal of all blacklisted netizens from the Oriental Selection live broadcast room.

On December 18, New Oriental Education Technology (Group) Co., Ltd. appointed Dong Yuhui as the cultural assistant to the chairman of New Oriental Education Technology Group and concurrently as the vice president of New Oriental Culture and Tourism Group. On the same day's evening, Oriental Selection announced that Sun Dongxu had resigned as a non-executive director of the company, effective immediately.

In March 2024, Oriental Selection, an affiliate of Oriental Selection (Beijing) Technology Co., Ltd., transferred its multiple registered "Dong Yuhui" graphic trademarks to Yuhui Peer (Beijing) Technology Co., Ltd. The international classification of trademarks includes advertising sales, educational entertainment, office supplies, food, etc.

**Case enlightenment**

Looking at Dongfang Selection's development history, it is actually the process of digital transformation when an enterprise encounters rapid changes in the external environment. New Oriental has always focused on offline education, and online education is only a supplement. When the main business is subject to sudden changes in the comprehensive external environment, such as the double reduction policy and demographic factors, digital transformation and steady water testing are inevitable choices.

While shrinking its main business, Yu Minhong, the founder of New Oriental, discovered another way to switch subsidiaries to the live broadcast industry. On the one hand, he looked for new business growth opportunities, and on the other hand, he used this to solve the employment problems of some teachers. This is similar to the work done by many digital transformation companies. At the start of the transformation, the motivation was the same as exploring the trial-and-error approach.

In this survival-oriented organizational environment, New Oriental has an unprecedented strategic consensus among employees on cross-industry transformation. Yu Minhong, a well-known figure in his own right, personally participated in the live broadcast. Dong Yuhui stands as a testament to Yu Minhong's singular achievements. Internet celebrity.

We believe that at that time, Oriental Selection Company was also united in consensus, did not distinguish between each other, and did not forget to lose for the company's survival and expansion. However, when the crisis eases, or even turns into an opportunity, and huge benefits emerge, this strategic consensus will be tested. This is also the inevitable outcome of human nature.
The Dong Yuhui essay incident reflects a problem: in the process of transforming traditional enterprise models into digital enterprises, the relationship between enterprises and employees is also facing major adjustments. Not all enterprise managers and employees can adapt to the changes of digital transformation. The relationship was adjusted, or reaching a strategic consensus from the heart and actions, Although Oriental Selection has carried out digital transformation at the technical and marketing levels, there is a gap in the strategic consensus between employees and the organization, and the lack of strategic consensus among employees is obvious. Especially when digital transformation involves personal interests, everyone, from the editor to the company's CEO, competes for credit and behaves abnormally.

From the perspective of the company's traditional management, the conflict between the editor and Dong Yuhui actually reflects the game between ordinary employees and outstanding employees: merit and hard work. In the workplace, conflicts or emotional catharsis that turn from envy to jealousy among colleagues and employees are manifestations of human nature. CEOs, as leaders, will inevitably have a mentality of rejecting and suppressing their subordinates. This is also part of human nature. It is difficult to expect that every leader's structure and mindset can accommodate everyone and everything. The feeling of marginalization as a leader intensifies, particularly as the number of Dong Yuhui's fans steadily rises and some even believe he represents Oriental Selection.

**Differences between digital transformation enterprises and traditional enterprise management models**

The traditional enterprise model is typically a leader-centered management model, and individualism or personal heroism rarely poses a threat to the leader's psychological safety. Even if a company has outstanding employees or model workers, their publicity and influence are often short-lived. However, modern live broadcast e-commerce offers a platform for individuals to fully showcase and unleash their personal value. As long as you perform well, everyone will recognize you, and you may even ignore the company and boss you represent. When enterprises undergo digital transformation and encounter the modern live broadcast e-commerce business model, these differences and contradictions will be more quickly and completely exposed.

To a certain extent, the anchor has become an independent IP (intellectual property), and even the anchor himself cannot fully control the direction of this IP's development. This may bring short-term happiness to the boss, but behind it is actually a lot of anxiety. According to the company's business perspective, if a company's revenue is completely dependent on a certain channel or only comes from one or two large customers, it is a very dangerous situation, and it must find ways to deal with the risks.

**The regulating role of employee strategic consensus in the process of enterprise digital transformation**

In management research, a moderator variable may have a positive or negative moderating effect. The employee strategic consensus in the above case is a clear example. In the previous research on enterprise digital transformation, the author of this article collected data by issuing questionnaires to relevant enterprise managers and employees and studied the
relationship between organizational innovation climate, organizational learning, and innovation performance.

The questionnaire covered a variety of aspects of digital transformation challenges, including the international environment, economic environment, technological development, epidemic impact, and so on. The statistical results of the questionnaires for 718 valid subjects showed that employee strategic consensus played a role as a moderating variable.

**Descriptive statistics**

The respondents' basic information includes education, age, working hours, company type, industry, company size, and other items.

Among them, there are 311 men, accounting for 43.3%; there are 407 women, accounting for 56.7%. There are 104 people aged 25 and under, accounting for 14.5%; 150 people aged 26–30, accounting for 20.9%; 182 people aged 31–35, accounting for 25.3%; and 36–40 years old.

There are 130 people, accounting for 18.1%; there are 128 people aged 41–50, accounting for 17.8%; and there are 24 people aged 51 and above, accounting for 3.3%.

There are 102 people in the production department, accounting for 14.2%; 94 people in the personnel department, accounting for 13.1%; 85 people in finance, accounting for 11.8%; 119 people in research and development, accounting for 16.6%; 82 people in administration, accounting for 11.4%; 139 people in marketing, accounting for 19.4%; and 97 people in other departments, accounting for 13.5%.

**Testing the moderating effect of employee strategic consensus on organizational innovation climate and innovation performance**

Multiple hierarchical regressions are primarily used in empirical research to test the moderating effect. Relevant literature typically constructs three multiple regression models to test the moderating effect. In the first model, control variables are used to make sure that spurious regression doesn't happen. This is done by carefully monitoring the independent variables, moderator variables, and how they interact with each other.

The second model introduces control variables, independent variables, and regulating variables, with the goal of evaluating the impact of independent variables and regulating variables on the dependent variable and establishing the model's explanatory ability, i.e., the model's R2 size.

The third model covers the control variables, independent variables, moderator variables, and interaction terms between the independent variables and moderator variables. If the interaction term's regression coefficient is significant and R2 is significantly increased, it indicates that the moderator variable has a significant moderating effect on the relationship between the independent variable and the dependent variable.

In this article, Model 1 uses the basic information variables of each population as independent variables and innovation performance as the dependent variable to establish a multiple regression model; Model 2 uses the organizational innovation atmosphere and employee strategic consensus as independent variables under the control of control variables and innovation performance as the dependent variable.

Setting up a multiple regression model with control variables is what Model 3 is all about. It uses organizational innovation climate, employee strategic consensus, and the
interaction term organizational innovation climate*employee strategic consensus as independent variables and innovation performance as the dependent variable.

We found that the independent variable organizational innovation climate has a significant positive effect on innovation performance ($\beta=0.415$, $t=13.16$, $P<0.001$), as does the interaction term between the independent variable and the regulating variable in Model 3 ($0.112$, $t=3.592$, $P<0.001$), showing that it also has a significant positive effect on innovation performance. Additionally, the R2 of Model 2 is 0.345 and the R2 of Model 3 is 0.356, which is significantly higher and shows that the model is better at explaining things.

Therefore, it is proven that the moderator variable employee strategic consensus has a significant positive moderating effect on the relationship between organizational innovation climate and innovation performance, and employee strategic consensus enhances the relationship between organizational innovation climate and innovation performance.

![Figure 1 - Adjustment effect diagram](made by co-authors)

Based on regression analysis, we created a simple slope chart. The above figure demonstrates a positive relationship between organizational innovation climate and innovation performance. As the organizational innovation climate increases, innovation performance will also increase. When the value of the adjustment variable is low (the solid line in the above figure), the slope is relatively gentle; when the value of the adjustment variable is high (the dotted line in the above figure), the slope is larger, indicating that in the case of high adjustment.

The variable has a stronger positive effect on the dependent variable, i.e., employee strategic consensus, which can enhance the positive relationship between organizational innovation climate and innovation performance.

Test of the moderating effect of employee strategic consensus between organizational innovation climate and organizational learning

Model 1 uses the basic information variables of each population as independent variables and organizational learning as the dependent variable to establish a multiple regression model; Model 2 uses the organizational innovation atmosphere and employee
strategic consensus as independent variables and organizational learning as the dependent variable under the control of control variables to establish a multiple regression model.

Regression model; as part of Model 3, we will set up a multiple regression model with control variables.

The independent variables will be organizational learning, the dependent variable will be organizational innovation climate, and the interaction term will be organizational innovation climate*employee strategic consensus.

For Model 2, the independent variable organizational innovation climate has a big positive effect on organizational learning ($\beta=0.41$, $t=12.459$, $P<0.001$). For Model 3, the interaction term between the independent variable and the regulating variable has a big positive effect on organizational learning ($t =2.727$, $P<0.01$). The R2 for Model 2 is 0.287 and the R2 for Model 3 is 0.294, which is a little better and means that the model is better at explaining things.

Therefore, it is proven that the moderator variable, employee strategic consensus, has a significant positive moderating effect on the relationship between organizational innovation climate and organizational learning. Employee strategic consensus improves the relationship between the climate of organizational innovation and learning.

![Figure 2 - Adjustment effect diagram](made by co-authors)

Regression analysis produced simple slope plots.

The Fig. 2 clearly demonstrates the positive relationship between organizational innovation climate and organizational learning. As the organizational innovation climate grows, so will organizational learning.

When the value of the adjustment variable is low (the solid line in the above figure), the slope is relatively gentle; when the value of the adjustment variable is high (the dotted line in the above figure), the slope is larger, indicating that in the case of high adjustment.
The variable has a stronger positive effect on the dependent variable, i.e., employee strategic consensus, which can enhance the positive relationship between organizational innovation climate and organizational learning.

**Summary and reflections**

In the process of enterprise digital transformation, the organization's structure, leadership style type, personal role perception, employee training, team building, employee innovation willingness, employee learning mechanism, etc. will all play a role.

Employees' common understanding and recognition of the organization's strategic goals will influence their actions and coordination in digital transformation. Employee strategy includes the consensus of organizations at all levels, the consensus of management, and the consensus of ordinary employees. A good employee's strategic consensus plays a key role in positive innovation performance. It also promotes and fosters an atmosphere of organizational innovation.

On the contrary, if employee strategy If a consensus cannot be reached or cannot meet the needs of digital transformation, it will negatively hinder the digital transformation's strategic change process. According to the aforementioned "Small Essay" case, employees' strategic consensus is not always consistent in the process of enterprise digital transformation, and at certain times, it may even threaten the entire transformation results and the survival of the enterprise.

A high degree of employee strategic consensus can promote the sharing of information and knowledge and strengthen cooperation among employees, thereby improving the efficiency and performance of digital transformation.

On the contrary, it will appear to hinder, delay, or even destroy. By improving internal communication, cultivating leadership, strengthening training and education, and establishing feedback mechanisms, companies can effectively avoid similar incidents and promote the smooth progress of digital transformation. In the rapidly changing digital era, only when all employees think in one place and work hard can an enterprise maintain a leading position in the competition and achieve sustainable development.

The "little composition" incident is a problem that all digital transformation enterprises may face. Enterprise digital transformation is not a simple technical upgrade of enterprise processes, business, and architecture; rather, it is a process that may face various internal and external crises and contradictions at any time. Along with digital transformation, the new things and confusions that emerge are precisely the issues that business managers need to pay attention to and deal with.

Employee strategic consensus may play a positive role in promoting or hindering it, especially when digital transformation truly involves individual interests.

Due to the "Little Composition" incident, nearly 100,000 fans of Oriental Selection were lost, and the stock price plummeted. We have learned from past mistakes. Deficits in employee strategic consensus have significantly impacted the organization's brand image and internal operations.

Strengthening internal communication, formulating clear internal standards, implementing regular training and development plans, establishing feedback and improvement mechanisms, and clarifying consequence management can start the process of
cultivating and maintaining employee strategic consensus in the enterprise digital transformation process.

Transforming enterprises can more effectively improve the organization's cohesion and efficiency while managing and maintaining its brand image. These measures are not only critical for New Oriental Online but necessary for any organization that hopes to remain competitive in a highly competitive market.

The management of the "Xiao Zuowen" incident has been remarkable. The decisive decisions and personnel changes made by the founder of New Oriental not only calmed the anger of fans (an important customer group), but also retained talents and even eliminated competition. Rivals have the potential to poach.

The establishment of "Yi Hui Tong (Beijing) Technology Co., Ltd." in 2024 is a smart move. On the one hand, it will form an independent support sales system with independent IP as the core to continue to maintain sales performance. However, it will also support other anchors for Oriental Selection. Free up space and gradually resolve management concerns about "one company being the only one".

References:


