

Research on Organizational Management Adaptability of Tiktok in Business

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Abstract. Based on the theories of management and organizational behavior, this paper discusses the organizational management adaptability of Tiktok as an Internet enterprise in the new era from the perspective of enterprise growth. The results show that Tiktok's corporate culture meets the requirements of organizational behavior, but needs further implementation. From the perspective of management, the future development of Tiktok needs to find new economic growth points. Giving full play to the advantages of high-tech enterprises and creating more convenient and efficient online organization and management tools will help improve the management efficiency of Tiktok.

Keywords: Business Management; Organizational behavior; Tiktok; Short video.

1. Introduction

With the development of the economy and the progress of science and technology, people in the new era begin to pursue a fast-paced and efficient lifestyle. This provides a basis for the emergence and development of short video forms. Due to the popularity and application of smartphones, the emergence of 5G networks, and the decline of broadband and mobile phone consulting fees, it has also developed rapidly [1]. In this context, the previous literature has not systematically analyzed the organization and management of Tiktok (ByteDance) in China. This paper uses the theory of organizational behavior to analyze and prospect the business development of Tiktok. The structure of this paper is mainly divided into Tiktok's introduction and business pain points, Tiktok's organizational management structure, and suggestions for Tiktok's future development based on management and organizational behavior.

2. Introduction, business model, and business pain points of Tiktok

2.1 Current situation of the short video industry and future development of Tiktok

2.1.1 Porter's "Five Forces Model" analyzes the development status of the short video industry

Competition among existing competitors, currently, the Tiktok and Kwai platforms have the largest number of users in the short video industry, but there are watermelon and volcano small videos in the short video market, and the competition is very fierce [2]. It can be seen from each short video product that Kwai and Tiktok are in the top two positions of their large number of users and users, occupying a leading position and keeping a distance from other competitors. But Baidu, Tencent, and Alibaba are not willing to be defeated. Baidu launched "good-looking video", Ali reshaped the "Tudou" short video platform, and Tencent launched "micro vision" again and vigorously promoted it through multiple channels.

For the threat of substitutes, at present, for the short video industry, substitutes include long videos (TV dramas, movies, and variety shows); Game music; Social and information applications; However, watching short videos does not require users to maintain long-term and continuous attention, which is in line with the current scattered reading habits. The combination of videos and texts is conducive to the rapid absorption of information by users; Therefore, in most of their free time except for work, study and fitness, users are used to watching information videos. Therefore, the above alternatives cannot pose a great threat to short videos for the time being. However, with the development of virtual reality technology and the popularization of the concept of "meta-universe", it may become a trend

to receive information and conduct entertainment activities through wearable intelligent devices in the future [3]. This alternative poses a great threat to the short video industry in the future.

In terms of the bargaining power of suppliers, the suppliers in the short video industry are mainly short video blogs and advertisers. Recently, pornographic and vulgar short films have been produced in large quantities to attract people's attention. Therefore, to regulate the healthy development of the industry, China has strengthened the supervision of short video platforms. For example, 100 articles such as the management specifications for Internet short video platforms and the detailed rules for the implementation of Internet short video content review standards have been published one after another, requiring enterprises to pay attention to social benefits as well as economic benefits. Under the influence and requirements of relevant national policies, the relevant platforms of China's mainstream mobile short video industry have realized the establishment of self-discipline mechanisms such as platform inspection, content review, user reporting, reporting acceptance, and punishment for violations. Therefore, with the continuous standardization of the mobile short video platform, the bargaining power of its suppliers continues to decline.

As far as the bargaining power of buyers is concerned, the main profit mode of short video platforms is advertising and live broadcast income. The short video advertising industry covers a wide range of industries, such as games, skin care, beauty, food and beverage, clothing, shoes, and bags. It is an important advertiser in the short video industry. For these industries, the number and rapid growth rate of short video users are far higher than those of media industries such as graphic communication. Therefore, advertisers have a strong dependence on short video platforms and limited bargaining power.

The current entry threshold of the short video industry is not high. However, with the influx of capital and the formation of the standardized production mode of the industry platform, the barriers to entry into the short video industry continue to rise. The management and maintenance costs of platforms such as user attraction and user maintenance have increased, and the friendliness to start-up short video platforms has decreased, so the threat of potential entrants has decreased.

2.1.2 Industry data

In 2022, the scale of China's Internet advertising market is expected to be 723.8 billion CNY (an increase of 11% compared with last year), and the scale of the US digital advertising market is expected to be 239.9 billion US dollars (an increase of 13.6% compared with last year) [4]. In 2022, Tiktok's e-commerce GMV (Gross Merchandise Volume) is expected to exceed 900 billion CNY, and the scale of China's live e-commerce market is expected to reach 2.85 trillion CNY (an increase of 46% compared with last year) [4]. Although the growth rate of the industry has slowed down, it still keeps rising.

2.1.3 Future development

Tiktok has advantages in technology and traffic and continues to expand the diversity of advertising types and billing forms. The operation logic and product matrix of the massive engine is also optimized and improved through continuous exploration. It assists advertisers in advertising from the aspects of content management, advertising platform, advertising assistance, and marketing science. While the growth of advertising giants such as Baidu, Alibaba, and Tencent is slowing down, the advertising revenue of New Star Internet companies such as Tiktok is still accelerating, and the development situation is worth looking forward to. As a content platform, Tiktok will continue to consolidate the competitive advantage of short video advertising in the future, and drive the second growth of advertising revenue with the development of the e-commerce business.

2.2 Introduction, business model, and business pain points of Tiktok

2.2.1 Introduction of Tiktok

The former name of Tiktok Co., Ltd. was ByteDance. ByteDance was founded in March 2012. At present, the company's products and services have covered 150 countries and regions and 75 languages in the world. It has been ranked at the top of the app store list in more than 40 countries

and regions. From March 2021 to May 2022, it was called ByteDance Technology Co., Ltd. and after May 2022, it was renamed Tiktok Information Service Co., Ltd. For the reader's convenience, "Tiktok" is used to refer to this company throughout this paper.

2.2.2 Business model of Tiktok

From domestic development to overseas expansion, Tiktok has formed a pattern of cross-border penetration into multiple fields with today's Toutiao + Tiktok series products as the core. The company's current business scope includes news consulting, video live broadcast, cultural entertainment, image processing, etc. Among the more than 20 products of Tiktok, Tiktok, Toutiao today and light face camera are the leading products in the field. The market share of these three products is among the top three in their respective fields. Tiktok's advertising revenue will increase from 175 billion yuan in 2020 to 250 billion CNY in 2021. From the perspective of product contribution, Tiktok contributes more than 60% of the advertising revenue. Today's Toutiao ranks second, accounting for 18-20% of the total revenue.

2.2.3 Business pain points of Tiktok

In 2021, Tiktok's business pain point that needs to be solved is how to implement scalable and effective management in a large-scale, diversified business and rapidly developing global organization in "keep stretching and avoid rigidity". At the same time, the total number of short video users in China has approached the total number of Internet users, and there is little room for new increments [5].

3. Analysis of Tiktok's organizational structure

3.1 Enterprise culture

Corporate culture is a very important part of the company's operation. Values are the core of the corporate culture, which represents the basic beliefs and principles of conduct that are respected by enterprises [6]. The real integration of enterprise management is staff management, which can help enterprises achieve their goals more efficiently. Tiktok has always taken the six principles of entrepreneurship, diversity and compatibility, honesty and clarity, truth-seeking and pragmatism, and courage to the extreme and common growth as its values.

3.2 Leadership style

At the beginning of November 2021, Zhang Yiming officially withdrew from the board of directors of Tiktok and handed over his seat to Liang Rubo. From the establishment of Tiktok to 2016, Liang Rubo has been an important person in charge of product research and development of Tiktok, participating in today's Toutiao, Toutiao, advertising system, user growth system, and other important products and businesses. Since 2016, he has been responsible for the flying book and efficiency project, and since 2020, he has been responsible for the human resources and management of the group, which has played a great role in promoting the organization's construction and talent development of Tiktok.

According to the data, since its establishment in 2012, Tiktok has completed 10 rounds of financing, with a cumulative amount of more than 7 billion US dollars, basically developing at the speed of one round of financing every year. At present, the important shareholders of Tiktok include Sequoia Capital China, Softbank vision fund, Yunfeng fund, and KKR [7]. Other investors involved in the financing include source capital, Chenxing capital, SIG Haina Asia, Shunwei capital, CCB International, pan Atlantic investment, Chunhua capital, Tiger Fund, etc. However, the specific shareholding ratio of each party is unknown.

3.3 Organizational structure

After Tiktok completes the handover of the CEO's work, its structure is further clarified. In November 2021, CEO Liang Rubo announced the adjustment of Tiktok's organizational structure, which integrates the related businesses scattered in different departments in the past and divides them into six business segments: Tiktok (China), Dali education, Feishu, volcano engine, Chaoxi - Guangnian and TikTok (International). The relationship between the business and most of the business heads has not changed substantially, but the structure is clearer than past.

One of the focuses of this adjustment is to integrate the related businesses scattered in different departments in the past. Among the six segments, Zhang Nan is responsible for the business segment of Tiktok (China), and also manages Tiktok, Toutiao today, watermelon video, search, encyclopedia, and domestic vertical services. He is the first person in charge of all content-based platform businesses.

Chen Lin is also responsible for vigorous education. This section is divided into four directions: intelligent learning, adult education, intelligent hardware, and campus cooperation. Intelligent learning is an AI interactive recording and broadcasting course for primary and middle school students, and it no longer involves the current popular live broadcasting course; Adult education includes vocational education, open English, learning wave, and other projects; Intelligent hardware has vigorously intelligent learning lights, tablet, and other products; Campus cooperation attempts to provide technical systems and content services for public schools through big data and AI.

The person in charge of the Feishu business is Xie Xin, who was a colleague of Zhang Yiming, the former CEO of Tiktok. At the end of 2014, Xie Xin joined Tiktok and took the lead in building Tiktok's collaborative office system and creating flying books. Fish is a one-stop enterprise communication and cooperation platform. It integrates video conference, instant message, calendar, cloud document, mailbox, workbench, and other functions. We are determined to create an efficient office mode and accelerate the growth of the enterprise.

Yang Zhenyuan is responsible for the volcanic engine business. Volcano engine is a digital service and intelligent technology brand under Tiktok. Based on the company's technical capabilities such as big data, artificial intelligence, and basic services to serve hundreds of millions of users, it provides systematic full link solutions for enterprises, helps enterprises to innovate on the spot, and brings sustained and rapid growth to enterprises.

The person in charge of Zhaoxi Guangnian is Yan Xun. He graduated from Tsinghua University with a master's degree in automation in 2011 and joined Tiktok in 2015. Zhaoxi Guangn is the official website of Tiktok. It is also a game R & D and distribution company for global users and developers committed to building a global player community and serving global players.

Tiktok (International) business is in the charge of Zhou Shouzi. Tiktok (International) business is the core of Tiktok's globalization strategy. It provides global users with a unified product experience and adopts localized operation strategies that meet the local needs of different markets.

4. Suggestions based on organizational behavior and management theory

4.1 Introduction to theories & why these theories can be used to solve the pain point of Tiktok

4.1.1 Norvig's Law

According to the data, by the end of 2020, the number of global monthly active users of Tiktok's products reached 1.9 billion, while the number of global Internet users was only 4.8 billion. At the same time, the advertising revenue of Tiktok's main revenue has accounted for one-third of the market share of China's Internet advertising revenue. For a company that dominates a certain field, it is dangerous if it cannot predict the saturation of the market earlier. According to Norvig's Law "When the market share of the company is more than 50%, the market share cannot be doubled" [8]. Therefore, from the perspective of long-term development, Tiktok, as the largest company in the short video field, must continuously explore new growth areas in advance to achieve long-term prosperity in a certain period. Tiktok needs to maintain user stickiness in its field to avoid the reduction of

advertising revenue, and also needs to use its technology, platform, and product commercial advantages to relevant fields To the market. To break Norwich's law, in addition to expanding along the existing fields, there is also a way to transform. For example, Google has done a better job in this transformation. Google has found a new way through Android - that is, it connects a wide range of mobile terminals through the operating system and transfers the advertising business to the new hardware system. Tiktok can also find new profit points through similar channels. Tiktok has already made this kind of transformation. As early as September 2021, Tiktok invested in the acquisition of Pico, the manufacturer with the largest shipment volume in China's VR industry.

4.1.2 Occam's razor theory

For enterprise management, complex execution steps will increase the difficulty and reduce the efficiency of work, and the increase of this difficulty is often proportional to the increase. According to Occam's razor theory, "entities should not be multiplied unnecessarily"[9]. When the management enterprise makes decisions, it should try to simplify complex matters, eliminate interference, grasp the main contradiction and solve the most fundamental problems, to keep the enterprise in the right direction. For modern enterprises, the explosive growth of information makes the factors leading to the development of enterprises intertwined, and it is very difficult to turn complexity into simplicity. At this time, the new technology enterprises represented by Tiktok should give full play to their industrial advantages, use scientific and technological means to digitize and network every piece of information, and conduct centralized and efficient processing through artificial intelligence and big data.

4.1.3 Critical Chain

At the same time, Tiktok can also use "Critical Chain" for project management. As an Internet enterprise, Tiktok can tailor a project management system for itself. This system can automatically calculate the critical path and "critical chain" of the project through the computer according to the project information. At the same time, for different constraints, the system can also provide appropriate buffer areas through big data analysis [10]. This system also needs to include the network structure for project progress information transmission, which makes the project progress clear. Once there is any change in the progress information of the project, relevant personnel can obtain comprehensive information for the first time, to improve efficiency.

4.2 Management suggestions based on organizational behavior

At the same time, Tiktok (International) is an important part of Tiktok's global layout. How to manage Tiktok (International) is also a pain point for Tiktok to continue to expand and maintain its market share. The management strategy and organizational behavior theory needed to manage a multinational company and a Chinese enterprise are different. From the perspective of organizational behavior, Tiktok needs to pay attention to diversity. Tiktok's corporate culture originally did not include multiple compatibilities. In 2020, Tiktok company has updated its corporate culture (new "multiple compatibilities" is added to build a diversified global team. From the perspective of organizational behavior, people are diverse and have cognitive biases [11]. The consistency of Tiktok's employees on a larger global platform will inevitably decrease gradually. To make effective use of a diversified labor force, we need to formulate more perfect diversified management strategies. For example, measure the proportion of women and minority representatives in management positions, and deeply understand and respect the cultural identity of employees. Formulating and implementing effective diversified management strategies for TikTok (International) and other transnational projects can mainly solve the pain point of Tiktok's continued expansion.

Tiktok needs to increase consensus and reduce conflict through culture; realize management efficiency through transparent management mechanism; ensure the effectiveness of management by letting managers take on management responsibilities; realize management feedback and iteration through data accumulation and transparency; the implementation of these is supported by a tool system.

5. Conclusion

All in all, various short video platforms are emerging in the new era, but dithering can still maintain its leading position in the industry. Through the analysis of the organizational management of the jitter company, we can draw the following conclusions. First of all, dither relies mainly on its advertising revenue in the business model, but due to the limited market capacity, dither needs to develop new economic growth points in the long run. Secondly, through the Porter Five Forces model, we can see that the short video industry has relatively fierce market competition because of the greater threat of alternatives and potential entrants. Third, with the addition of "multiple compatibilities" to its corporate culture, jitter will become more competitive in the international market, but more specific measures to support "diversity" need to be implemented.

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