

Organization and How ByteDance Transforms the Traditional Film and Television Industries Using Short Dramas

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Abstract. Although micro-short dramas have only entered the public eye as a mainstream online video format within the past two to three years, they are not an entirely novel narrative form. In 2022, researchers including Zhu Tian defined the characteristics of online micro-short dramas as “short duration, serialized updates, landscape or portrait orientation, and plot-driven content.” On November 14, 2022, the National Radio and Television Administration issued the “Notice on Further Strengthening the Management of Online Micro-Short Dramas and Implementing the Creation Enhancement Plan,” which further clarified relevant requirements for micro-short dramas. Amid this development, ByteDance has also begun to gradually expand its short drama business. By comparison, ByteDance possesses undeniable advantages in short-form drama development: massive platform traffic and precise algorithms. As its global operations expand, these strengths will further intensify. However, it is also important to note that ByteDance has encountered significant challenges in developing its short-form drama business, particularly noteworthy being the changes within its organizational structure. By examining the challenges ByteDance has encountered in its short drama ventures, we can dissect how specific measures have been implemented and explore how other companies have successfully navigated similar issues, thereby establishing a standardized development template.

Keywords: ByteDance, organizational structure, short dramas, traditional film and television market.

1. Introduction

Short dramas are becoming more popular thanks to the rapid growth in small videos, transforming how people watch movies and TV shows. This study examines how online businesses can expand their businesses while breaking business records, particularly for small drama productions. This study examines ByteDance in detail to realize how its sections, resources, and organizational changes are managed and how these changes affect the company's financial benefits. It uncovers frequent patterns of change that can be applied to the larger material business by showing how organizational changes affect business results. Additionally, the study anticipates market changes. This includes how companies will use technology to create information, how to compete with one another, and how to expand internationally. It provides helpful background and guidance for making decisions about how to understand companies in the digital economy.

2. ByteDance's Short Drama Business and Organizational Structure

2.1. Operating Model of Hongguo Short Dramas

Hongguo Short Dramas, which is part of ByteDance, runs together with Douyin Short Dramas using two different approaches for their business strategies. Hongguo employs a strategy that allows users to access information for free and earn money from advertisements. Many customers who can see the ads while searching are drawn to them because of this. This type has the benefits of quickly gaining customers, and its structure is a perfect fit with what advertisers want, which helps improve traffic price.

2.2. Operating Model of Douyin Short Dramas Douyin

Short Dramas combine sharing money and helping to promote content. They employ algorithms to recommend high-quality information and have a system that shares profits with designers to motivate them to produce high-quality outputs. In 2022, China's little drama industry made over 10 billion RMB for the first time. By operating well across various programs, ByteDance's goods accounted for almost 30 % of the business [1]. This design helps attract more users and creates more ways to earn money, giving ByteDance an advantage in the fast-growing small drama market.

2.3. Resource Efficiency in Interdepartmental Competition

Healthy internal competition enhances resource allocation but risks wasteful duplication if unchecked. When competing between departments, using resources wisely can improve how they are used, but poor management could result in unwanted repetition and spend. By ensuring that all teams can compete pretty, ByteDance reduces waste by storing user data, systems, and transportation in one place. They quickly eliminate projects that aren't working by setting step-by-step goals and clear methods for ending them, allowing them to use resources for more creative ideas. Management intervenes to coordinate overlapping demands, such as sharing filming resources or IP libraries [2]. The episode and livestreaming team's shared needs are organized by managing using the same resources or books. Enhancing transparency, reducing interdepartmental frictions, and lowering experimentation costs can be achieved by using Goals and common instruments (such as A/B testing). This method ultimately transforms competitors into fresh concepts.

2.4. Application of the Horse-Racing Mechanism in Short Dramas

Using the Horse-Racing Mechanism in Short Dramas The horse-driving system, a key component of ByteDance's innovative culture, faces some challenges when used in small drama production. The idea was meant to boost creativity by encouraging competition among teams. However, it has caused some problems: (a) focusing too much on short-term goals have made many shows look similar, with over 40 % of new productions in 2022 falling into the same categories, (b) teams are wasting resources by making the same pilot episodes again and again to get approval, making early costs higher, (c) the pressure to get fast results pushes teams to rush, even though creating good short dramas takes more time.

2.5. Organizational Structure of ByteDance's Short Drama Business.

In its short drama operations, ByteDance uses a racing approach by letting several teams create pilot episodes on the same topic, like historical romance or urban revenge stories. Critical measures of achievements include how well people stay on track, how often they finish things, and how much money they make. More wealth and tourists come from winning tasks. Projects are ultimately ranked based on core metrics like user retention rate, completion rate, and monetization revenue. Winning projects receive additional traffic allocation and budget support [3]. Within 72 hours of release, projects that aren't doing well are stopped to reduce waste. The competition otherwise concentrates on creative ideas because shared resources, such as actors and location for filming, help maintain consistency. Review discussions help people learn from each other and recall what worked and what didn't for the future, when something goes wrong. This "competition finding, combining" period keeps bringing in new little drama information.

3. Market Challenges in ByteDance's Short Drama Business

3.1. Structural Problems from Redundant Investment During its growth.

ByteDance's short drama business faced a lot of redundant investment. Using resources wisely and having imaginative ideas became a problem as a result. There were three main areas for this additional job. In content acquisition, various groups often tried to get the same thoughts or works, which made

licensing prices higher and led to a bidding war that raised prices in the market. In manufacturing, different groups worked on similar tasks, which caused them to do the same job twice and made it hard to save money by working together. Working the same strategies on various platforms in selling drew the audience's interest and created division within the business. Further, it became more difficult for companies to stand out by spending money on things like that. It's a little drama part that has struggled to establish a recognized brand, in contrast to ByteDance's short video division, which became well-known and had its own identity. As a result, many people were unaware of its distinctive articles. This concern stems from an incompatibility between approach and incentives, according to organizational behavior. Each team chose healthy and easy-to-copy content types as a result of their personal performance indicators. This created a scenario where there was both misuse and imitation, but not much fresh ideas. From a behavioral economics perspective, redundant investment stems from misaligned incentives and business strategies. Each team prioritizes easily executable content formats to meet independent KPIs, simultaneously stifling innovation and squandering resources [4].

3.2. Coordination Dilemmas and Transaction Costs in Business Units.

ByteDance's short drama operations were able to demonstrate some of the challenges presented by a matrix-style organization. Although this strategy was supposed to help different parts of the business function more closely together, it created many extra charges for purchases. Four to five different teams were typically required to approve decisions for a little drama that was made for different platforms, which meant the decision-making process took more than it should have. Resources were not used efficiently because essential workers, like engine engineers and glad operators, were stuck in individual budget systems. It was difficult to use them freely as a result. Moreover, there were big information silos, meaning customer behavior data from different websites was kept separate [5]. Successful detail marketing became more difficult as a result. These issues demonstrated the "hold-up" problem in inadequate contracts, according to organizational finance. Business products, looking out for their personal interests, were hesitant to invest tools in shared projects. This issue is especially acute in the material sector, where producing high-quality, valuable content takes a lot of time and money. In an isolated business, agencies focused more on having fast results, which made it harder to operate together.

3.3. Process Inefficiencies and Their Effect on Competition.

The way ByteDance did things was not very efficient, which hurt their ability to compete in the short drama market. According to industry data, ByteDance's full development cycle, from concept generation to content release, lasted on average 15 to 20 times longer than that of their best competitors. During busy selling times, the postponement got longer, making it harder to take advantage of rapid trends. Several factors primarily caused this issue. Multiple agencies had to ratify the project's excessive power distribution at crucial factors in the task. This amount of time was almost 30 % of the project's full length. There was no key cause for resources, and the way assets were managed was unyielding. Manufacturing teams needed five to seven more days to prepare, compared to the industry average, which was unusual. Some of the components in the quality control procedures were repeated, which added difficulties. Due to the delay in releasing indicators during significant historical events, ByteDance's little drama part was thought to have missed about 8 % of its potential earnings in 2022. Interestingly, inefficiency resulted in a vicious cycle that worsened items. The importance of algorithm-based advice was diminished due to delayed production, which led to less awareness and poor material performance. The main issue was that the organization of the work didn't match the requirements of the finished product, according to operations management. We immediately like short dramas as a quick form of entertainment. ByteDance, but used techniques that are typically used to create greater videos. This contradiction demonstrates why ByteDance's short dramas receive fewer opinions and earn less money than other small videos.

4. Organizational Optimization

4.1. The Reconstructive Effects of Business Integration on the Short Drama Ecosystem

In 2023, ByteDance reorganized its Hongguo Short Dramas and the Douyin Entertainment team. In the context of online platforms, this action provided an example of how businesses may alter their organizational structure. This inclusion radically altered the company's little drama setup. By limiting the organization's assets, it resolved the issue of having the same sources in both groups, facilitating better material fusion. Good-quality material improved in reaching the right market with a mixed system for sharing information. People watched for an average of 35 hours more, according to information from Q1 2024 data shows content exposure accuracy improved by 27%, with user dwell time increasing by 35 seconds [6]. Over 2,000 short dramas from Hongguo and Douyin were combined into a bright collection due to taking anything up. AI devices made them more valuable by allowing them to be edited with fresh techniques. A consolidated base of customer profiles and behavioral insights was created as a result of the consolidation, breaking down the barriers between various information systems. This enabled more precise advertising. This significant shift focused on the "Douyin Entertainment" center rather than just integrating sections. Hongguo's advantage of free admittance was preserved by this shift, as well as Douyin's social discussing features. The result was a paid-for company concept that generated free traffic growth. This strategy was successful, according to external evaluations: in six weeks, the average income per person increased by 22% and the frequency of payments increased by 18%. This demonstrates how significant organizational shifts were.

4.2. The Reshaping of the Short Drama Value Chain through a Mid-Platform Strategy

ByteDance created a special "Short Drama Mid-Platform," a significant change that altered the way the industry operates. This half-system combines three essential parts—smart suggestions, creative writing, and manufacturing tools—into a simple, flexible program for creating content. The "Drama DNA" engine was based on a combination of various recommendation systems. This improved the success rate of new productions from 35% to 52% [7] thanks to the improved prediction of short dramas. During the imaginative period, the middle software created a group of more than 300 experienced screenwriters. It used AI tools to help them, which increased the number of scripts produced by 40 percent. We have collaborated with over 50 of the nation's leading producers on the manufacturing front. Just seven times thanks have shortened the manufacturing period to this collaboration and our well-organized procedures. The effects were apparent when looking at lower expenses: as production increased, the typical cost of making a crisis went down from 250,000 RMB in 2022 to 195,000 RMB in 2024, which is a 22 percent fall. This shift marked a significant change from limiting solutions to ourselves to sharing expertise regarding how businesses operate. It transformed one-time projects into constant, ongoing projects for brief drama production. A "Short Drama Laboratory" was a feature of the mid-platform that we used to test various ideas for material improvement. Our business was able to learn from this and generate fresh and original ideas.

4.3. Innovative Incentive Mechanisms for Content Platforms: Positive Changes.

The "Directed Horse-Riding" system was a novel way for ByteDance to change how it motivates its creators. By dividing the little drama market into twelve distinct subcategories, the platform switched from a common competition to a more concentrated approach. Each discipline has its own method for determining achievement, as well as assets to back it up. By promoting diversity in various musical genres, this pattern reduced homogeneity. Data showed that after getting the system in place, new subjects made up 38 percent of the material, and the variety of content increased by 27 percent. A three-step assessment framework was developed. Resources were distributed in the first move based on the scope of the project. Based on how customers were interacting with each other, customer aid was changed in the next stage. In the final step, their generating potential matched how they could produce money. This versatile distribution of resources reduced the likelihood of good content

creation and raised the success rate from 5 to 9 percent. From an organizational behavior perspective, the system helped lower the "agency problem" often seen in normal horse racing by making the rules for each track apparent, which lowered needless competition costs. According to statistics, collaboration enthusiasm increased by 45 percent and novel ideas increased by 20 percent. For its little theatre company, ByteDance developed a "rectangular potential model" by combining company integration, mid-platform development, and incentive changes. By doing so, it surpassed traditional film and television companies in terms of market share, rising from 30 % to 45 % [8]. This situation is a powerful illustration of how to manage businesses dealing with online information.

5. Optimization Strategies and Future Prospects

5.1. Building an IP Asset Moat

By developing a special collection of distinctive intellectual property (IP) to support its short drama business, ByteDance is working toward improving its strategies and plans. This approach helps to collect valuable information over time, giving users a distinct edge over rivals. Priority contracts and data-based control were two parts of the concept that the system used. By providing them with particular treaties, economic incentives, and other means of ensuring they maintain a steady stream of high-quality information, ByteDance made strong connections with over 300 major creators.

On the other hand, it developed a sophisticated method to determine the worth of IP using a lot of data about how people act. They were able to successfully manage and run material assets as a result. This lateral connectivity brought about some benefits. On the source side, it maintained a steady stream of high-quality shows. Users stayed for 25 percent more and watched 40 percent more specific content than regular shows on the right side. Income from IP-based items increased three times more than that from last year, when it came to creating money. The most crucial factor is that ByteDance created a complete system that includes creating and selling products based on those concepts. This helped them transform their little drama business from relying solely on getting viewers into a profitable and long-lasting business [9]. The little drama industry's value was altered as a result of this change, giving it a new avenue to expand.

5.2. Exploring New Commercialization Paradigms

ByteDance has developed "immersive drama-driven e-commerce" to make money. This fresh concept goes beyond standard methods of earning income. Product selection has changed from becoming obtrusive and disturbing to a natural component of the narrative in the story. As a result, it appears to be a component of the overall practice. Individuals can now make purchases quickly while seeing a show thanks to a new online store. People can complete their payments in less than three seconds [10] by adding items to a floating vehicle. According to the information, this method resulted in more purchases than traditional online advertisements, which are typically three to five times higher. Additionally, it reduced returns by 60 % and the average amount spent per order by 40 %. This novel concept fundamentally altered the way the information sector generates revenue. On the one hand, choosing products based on data was instrumental in ensuring that reports and products matched up 85 % of the time. On the other hand, visitors received the most cash from a program where information leads to purchases. This type demonstrates a significant shift in how to make money from articles and provides a solid way to make money from short dramas. It opens up fresh ways to generate income from upcoming articles.

5.3. Future Prospects of ByteDance's Short Drama Business

In the future, ByteDance plans to improve its short drama business by making better content, expanding its range of services, and growing worldwide. The business intends to invest more in producing and purchasing quality information. It is shifting from just attracting a lot of customers to promoting better quality. Attempting innovative concepts like little range exhibits and interactive reports will be a part of this. ByteDance aims to connect short dramas with relevant topics like social

media and online purchasing. This will enable them to increase revenue and enhance customer experience. Around the world, development is very important, and TikTok is a powerful tool for introducing small native plays in different nations. This promotes cultural exchange and encourages participation among consumers. Potential developments will have an impact: more affordable and easily running AI tools will be available. At the same time, there will be more rules to follow, which does require companies to focus on after these principles and creating valuable content. With these ways, ByteDance is set to improve its results in short dramas and increase its influence on the internet around the world.

6. Conclusion

This review examined how ByteDance's firm was able to challenge the traditional film and television industries using short dramas. By bringing together various departments of the company, bringing resources together, and changing employee motivation, ByteDance improved the operation of its little drama business. This resulted in a 30 % increase in the number of released shows, a 22 % decrease in production costs, and a 44 % increase in market share. These findings demonstrate that altering an organization's workings is more important than making control adjustments. In addition, it's a wise move to promote the company's growth in the field of online articles.

Beyond just the firm, the results are extensive. The standard media landscape is being shook up by ByteDance's method. Standard companies use new methods of making glad because of the quick creation and affordable prices of short dramas. Additionally, TikTok's global presence, as well as its ability to use the little drama model in various markets, particularly in Southeast Asia, demonstrates its potential for many new opportunities.

In the end, the ByteDance history offers valuable insights and practical advice for online businesses looking to overcome difficulties in their sector. It demonstrates how innovative organizational strategies, such as merging objects, creating systems, or altering incentives, can transform disorganized businesses into effective, long-lasting, competitive business techniques. In the wake of the modern era, this provides a useful insight into how the information business has evolved. Additionally, it provides organizations with a concise guide to help them navigate the difficulties of reorganizing and modifying their industries.

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