
THE ORGANIZATIONAL TRANSFORMATION OF TWITTER INTO X FOLLOWING THE ACQUISITION AND LEADERSHIP TRANSITION



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Abstract

Organizations often undergo changes driven by various internal challenges, such as shifts in ownership that include mergers, acquisitions, and privatization. These changes have significant impacts on organizational structure, culture, and business strategy. Twitter, which was founded in 2007 in California with Jack Dorsey as CEO, experienced a major transformation when X Holdings acquired the company in April 2023. Following this acquisition, the organizational structure and leadership changed significantly. In addition to changes in corporate structure and strategy, the CEO position also shifted with the appointment of new executives and leaders. The purpose of this study is to explain the most significant changes that occurred at Twitter. These changes include transformations in management and ownership, policies and terms of use, new products and services, technological innovation, work culture, and internal policies.

Keywords: Organizational Change, Acquisition, Twitter

INTRODUCTION

Organizations undergo change because they constantly face various challenges, including those arising from internal factors. One such factor is a change in ownership, which may include mergers, acquisitions, or privatization. Changes in ownership often bring significant impacts on organizational structure, culture, and business strategy. For example, an acquisition may require the integration of systems and processes between two different organizations, which can create challenges related to organizational culture and employee adjustment. A change in CEO can also become a critical moment for an organization, during which new visions and strategies are implemented to steer the company in a new direction (Sugandi, 2013).

Twitter is a business company founded in 2007 in California. At its establishment, the company was led by Jack Dorsey as CEO along with its other founders. However, in April 2023, X Holdings acquired Twitter. Following the acquisition, Twitter experienced significant changes in its organizational structure and leadership. This leadership transition not only affected the CEO position but also resulted in broader changes to the company's structure and strategy. Several new leaders and executives were introduced into the organization, and the company was rebranded as X as part of its integration with X Holdings.

These changes were intended to combine the expertise and vision of Elon Musk, the owner of X Holdings, particularly in technology and innovation, with Twitter's potential in global communication and social media. The merger also had a substantial impact on the company's culture and strategic orientation, with a stronger focus on development. This research study aims to outline the major changes that occurred within Twitter's organization, including changes in ownership and management, policies and terms of use, new services and products, technological innovation, as well as work culture and internal policies.

REVIEW OF LITERATURE

Organizational Change

Organizational change has been defined as “the process of renewing the direction, structure, and capabilities of an organization in order to meet the ever-changing needs of both external and internal customers.” Because the need for change is often unpredictable, such changes tend to be reactive, discontinuous, ad hoc, and frequently triggered by organizational crises (De Wit & Meyer, 2005). Nadler and Tushman (2000) identify several types of change, including radical change. They argue that radical change transforms the entire organizational system. It fundamentally redefines the organization or alters its basic framework, including strategy, structure, people, processes, and sometimes core values. Internal actors such as management, employees, and shareholders can serve as sources of change (Wardhana, 2023). Organizations operate in fast-moving environments influenced by various factors, including new technologies, globalization, and cultural shifts. As a result, organizations must implement environmental changes more frequently.

The need for change is always evident, regardless of its source. Managers responsible for implementing change are often faced with questions about how to respond whether to

modify organizational strategies and goals, technology, human resources, structure, or the broader business environment (Olajide, 2014).

Change Management

Change management can be viewed as a structured plan to help individuals adapt to something new. It is important to have a clear plan to prepare people for changes in their jobs or organizations, such as the introduction of new technologies or new leadership. This approach ensures that everyone is aligned and ready to face future changes (Abdullahi, 2014).

Mergers and Acquisitions (M&A)

Mergers and acquisitions are important growth instruments widely used across various business sectors to gain strength, expand customer bases, reduce competition, or enter new markets or product segments. Generally, mergers are considered friendly, while acquisitions tend to be hostile (Jarrel G. & Summers, 2018). After Twitter was acquired, Elon Musk merged it with X Holdings, an entity established to oversee and manage Musk's investments and companies. In general, a merger occurs when two or more companies decide to unite into a new company or retain the name of one of the merging entities. Orojo explains that a merger may involve the consolidation of two or more companies into one existing company, or into a newly formed company created for that purpose (Orojo, J.O., 2008).

Acquisition and restructuring strategies are often pursued by companies seeking to become larger and more competitive. If an acquisition does not contribute positively, the company may consider operational restructuring (Dwi RS & Rita A, 2022). Elon Musk's acquisition of Twitter can be classified as a takeover acquisition, which occurs when one entity purchases a majority of another company's shares, thereby gaining full control.

Restructuring

Restructuring refers to reorganizing a company's capital structure to improve its performance, which may be carried out through mergers and acquisitions (Harjito, 2014). Corporate restructuring is designed to alter a company's ownership structure and may involve various operational and managerial aspects. Elon Musk's restructuring efforts included strategic steps aimed at improving operational efficiency, redirecting the company's business focus, and implementing his vision for the organization. This restructuring involved substantial changes in ownership structure, leadership, work policies, and business strategy.

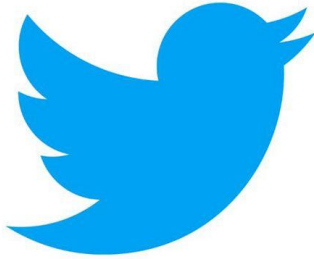
RESEARCH METHOD

A qualitative descriptive approach was employed using a case study as the research method. Studying individuals, groups, organizations, and related entities is central to the case study approach. Case studies generate data that must be analyzed to produce theories that can be applied to businesses or society as a whole. The objective is to gain an in depth and comprehensive understanding of a particular entity. The qualitative descriptive approach was chosen to produce detailed new insights into events related to the research subject. Qualitative data analysis is conducted when the empirical data collected consist of words

rather than numbers and cannot be organized into categories or classification structures (Silalahi, 2009, p. 339).

RESULTS AND DISCUSSION

RESULTS



Twitter, Inc. is a technology company that operates a social media platform founded in 2006 by Jack Dorsey, Noah Glass, Biz Stone, and Evan Williams. Twitter became a popular platform and was listed on the New York Stock Exchange. It is widely known for its microblogging service, which allows users to send and read short messages called “tweets.” Tweets can go viral, become trending topics visible to the public, and serve as rapid sources of information about current events, conflicts, and news often spreading faster than other social media platforms or television (Zhang, 2010).

To date, Twitter has become an essential tool in global communication, news dissemination, and social media, playing a major role in social, political, and cultural life. Users come from various backgrounds and can interact with friends, family, colleagues, or anonymously. According to Backlinko (2024), X (formerly Twitter) has more than 500 million monthly active users, with around 245 million daily users. Most users are young adults aged 18–34, and more than half are male. Since its founding, Twitter has grown into one of the world’s largest social media platforms. However, significant organizational changes occurred after its acquisition by Elon Musk in 2022. The acquisition attracted global attention and led to profound changes in the company’s structure and direction. One of Musk’s first actions was dismissing CEO Parag Agrawal and CFO Ned Segal, appointing

himself as CEO, and dissolving the entire board of directors. This reflected Musk's direct approach to gaining full control and ensuring his vision was implemented without obstacles. Musk is well known for his persistence in business, demonstrated through major ventures such as SpaceX, Tesla, Inc., Neuralink, and The Boring Company. His willingness to take significant risks and overcome financial, technical, and legal challenges has contributed to his companies' success and inspired many worldwide.

To ensure the company operated according to his vision, Musk appointed new executives and took a direct role in selecting them. These executives were expected to translate Musk's transformation vision into concrete operational strategies, strengthening innovation and addressing regulatory and social challenges. Before restructuring the executive level, Musk implemented large-scale layoffs. Approximately half of Twitter's 7,500 employees were dismissed as part of a restructuring strategy to improve operational efficiency and align the company with the new CEO's vision. Employees were also asked to work longer hours, prompting resignations among several senior sales executives and other high level staff. By January 2023, the workforce had decreased to 2,300 employees, and by April, to around 1,500. Although not entirely sudden, these layoffs caused widespread job losses and significantly affected the company's internal atmosphere. While they created uncertainty and short-term productivity challenges, they were also intended to generate long-term efficiency and organizational focus.

Another major change was the rebranding of Twitter to X Corp. as part of its integration with X Holdings. The name change marked one of the most significant transformations in the company's history. It not only altered the brand identity but also signaled a substantial strategic shift. While intended to support long-term success, the rebranding triggered mixed reactions from the public, investors, and the broader industry, affecting corporate image, stock value, and stakeholder confidence. Platform policies and terms of use were also revised, emphasizing freedom of speech, algorithm transparency, and changes in content moderation policies. Musk committed to promoting greater openness to diverse viewpoints. Previously, Twitter had stricter moderation policies addressing hate speech, harassment, misinformation, and community guideline violations, including suspending accounts or removing tweets involving violence or threats. Although these policies aimed to maintain safe discourse, they were often criticized as overly restrictive. Following Musk's acquisition, freedom of expression became more central. Efforts were made to reduce what was perceived as excessive censorship while maintaining community safety. Musk promoted algorithm transparency, allowing users to better understand how content is prioritized and displayed.

Before the COVID 19 pandemic, Twitter was among the first major technology companies to adopt permanent remote work policies. After the acquisition, Musk initially skeptical of remote work allowed it under stricter conditions, emphasizing effective communication and collaboration to maintain productivity. This adaptation formed part of his broader strategy to enhance efficiency under the new identity of X. For this transformation to succeed, strong support from employees, users, business partners, and other stakeholders is essential. Effective management of the transition is necessary to avoid operational disruption and ensure sustainable long-term growth. If managed wisely, these organizational changes may strengthen the company's market position and establish a solid foundation for future development.

Discussion

In October 2022, Elon Musk completed the \$44 billion acquisition of Twitter, Inc.. This acquisition not only attracted global attention but also brought profound changes to the company's structure and direction. Musk, known for his vision of innovation and freedom of expression, influenced many aspects of Twitter's management and operations. This leadership transition reshaped not only the management structure but also various operational and policy dimensions of the company. One of Musk's initial actions after acquiring Twitter was the dismissal of key executives, including the CEO and CFO. These replacements were strategic steps aimed at achieving the new objectives he introduced. The newly formed management team consisted of individuals aligned with Musk's goal of transforming Twitter into a more open, innovative, and effective platform. Thousands of employees were affected by mass layoffs as part of the restructuring process. The objective of this measure was to reduce costs and improve operational efficiency. Musk also implemented a more flexible remote work policy while requiring longer working hours from the remaining employees. Greater freedom of speech, algorithm transparency, and broad organizational changes became central elements of Musk's vision for X Corp.

CONCLUSION

The leadership transition and restructuring initiatives implemented by Elon Musk reflect his strong commitment to driving a significant transformation of Twitter, now known as X Corp. Despite encountering various challenges, Musk's vision and strategic direction have the potential to guide the company toward a more sustainable and successful future. Further research is necessary to assess the long term impact of these changes on X Corp.'s organizational performance and culture. Overall, these transformations are intended to enhance the company's competitiveness and relevance within the rapidly evolving social media landscape, even though they have generated challenges and mixed reactions from different stakeholders.

Limitations and Implications

This study has several limitations that may affect the validity and generalizability of its findings. First, much of the data and information used were derived from secondary sources, such as news articles and publicly available reports, which may not comprehensively capture all dimensions of Twitter's organizational changes. Second, since the organizational transformation led by Elon Musk is still relatively recent, its long-term effects cannot yet be fully assessed. Third, the study faced constraints in accessing internal company data and obtaining direct perspectives from Twitter employees, which could have provided deeper insight into the impact of leadership and policy changes. Finally, this research does not include a comparative analysis with other social media companies that may have undergone similar transformations, which could have offered broader contextual understanding of organizational change dynamics. These limitations should be taken into account when interpreting the study's findings and drawing conclusions.

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