Integrating Technology and Market Logic:

The Role of Management Innovation in Smartwatch Adoption

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Abstract

This qualitative study investigates how firms in Shenzhen’s rapidly evolving smartwatch industry manage innovation amid the tensions between technical management, product development, and organizational adaptability. Addressing the core question of how cross-functional dynamics shape innovation capacity, the research aims to understand the internal mechanisms through which firms sustain competitiveness in a fast-paced technological context. Using a purposive sample of 26 senior professionals—including R&D directors, product managers, and innovation strategists—from leading smartwatch companies, semi-structured interviews were conducted to explore their lived experiences and strategic reflections. Thematic analysis was applied to the data to identify recurring patterns and emergent themes. The findings reveal a recursive model of innovation in which cross-functional tensions act as generative forces, management innovations serve as mediating mechanisms, and organizational learning enables adaptive innovation capacity. Participants described how they reconcile product complexity with platform stability through tailored decision routines, and how reflection on failures enhances firm agility. The study contributes to literature on organizational ambidexterity and learning by highlighting the cultural, structural, and strategic mechanisms that enable firms to convert internal contradictions into sources of innovation. The conceptual model developed offers both theoretical and practical value, particularly for firms seeking to institutionalize innovation through integrative leadership, real-time feedback systems, and agile development practices. This research underscores the importance of aligning cross-functional teams not just through hierarchical control but through dynamic routines that absorb and convert conflict into capability. Implications for managerial practice, innovation policy, and future research are discussed.

*Keywords*: smartwatch innovation, management innovation, organizational learning, cross-functional tensions

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The global wearable technology market has witnessed remarkable growth over the past decade, with smartwatches emerging as one of its most prominent product segments. As a multifunctional device that blends health tracking, communication, and personalized services, the smartwatch symbolizes the convergence of technical sophistication and consumer-centered design. In China, and particularly in Shenzhen, smartwatch manufacturing has become a key driver of innovation and export activity, fueled by the city’s dense cluster of technology firms and rapid iteration cycles. Despite this growth, the pathways to successful smartwatch adoption remain uneven, raising critical questions about what internal organizational capabilities differentiate market leaders from lagging competitors.

Existing studies on smartwatch adoption predominantly focus on consumer behavior, user interface design, or the technological attributes of the device (Kim & Shin, 2015; Liu, Li, & Huang, 2024). Far less attention has been given to the organizational processes that enable or constrain innovation within firms themselves—especially those situated in fast-paced, resource-intensive markets like Shenzhen. In particular, technical management (the internal coordination of R\&D, engineering, and prototyping) and product management (market alignment, feature prioritization, and user experience design) are often siloed within firms, leading to strategic misalignment and inefficiencies. Meanwhile, management innovation—the development of new managerial practices, structures, and mindsets—has been identified as a potentially mediating mechanism that helps firms bridge these silos and align technical capabilities with market success (O’Reilly & Tushman, 2013; Tidd & Bessant, 2018).

This study addresses a pressing gap in the literature by examining how technical and product management interact within Shenzhen’s smartwatch industry, and how management innovation facilitates or impedes this interaction. Drawing on qualitative interviews with senior managers and product leads, we explore the organizational dynamics that influence adoption outcomes beyond product design and technology. The findings offer important implications for scholars of innovation management, technology adoption, and organizational learning, as well as for practitioners seeking to optimize cross-functional collaboration in high-tech environments. By focusing on the lived experiences of those directly involved in smartwatch development and commercialization, this study contributes an organizational-level understanding of adoption challenges and enablers. It responds to calls for more qualitative, context-rich accounts of innovation processes in emerging markets, and highlights the need to reframe technology adoption as not only a consumer decision-making process but also an outcome of internal management capability and organizational adaptability.

Literature Review

*Smartwatch Adoption and Industry Dynamics*

The global smartwatch industry has grown rapidly, driven by consumer interest in health monitoring, communication efficiency, and integration with mobile ecosystems. Research on smartwatch adoption has traditionally centered on user acceptance, design usability, and technological features (Kim & Shin, 2015; Manini et al., 2024). Models such as the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT) dominate this domain, emphasizing perceived ease of use and usefulness. However, less is known about the internal organizational factors—such as firm-level innovation capabilities—that facilitate product development and market alignment in highly competitive markets like Shenzhen (Zhang et al., 2023).

Shenzhen’s smartwatch sector, characterized by intense competition and rapid product cycles, serves as a microcosm for understanding innovation under pressure. Local firms must balance speed and stability, balancing technical sophistication with timely market delivery (Wang et al., 2023). Yet studies focusing on the organizational processes underpinning product success in this context remain scarce.

*Technical Management in High-Tech Firms*

Technical management encompasses the coordination of engineering, R\&D, prototyping, and quality assurance activities that shape a product’s functionality and performance. In dynamic markets, the strategic management of technology becomes critical for competitive advantage (Tidd & Bessant, 2018). Liu et al. (2024) argue that technical integration—such as platform consistency, modular design, and sensor optimization—is vital in wearable device production. However, misalignment between engineering teams and market-oriented departments often results in over-engineered or mispositioned products.

Research suggests that successful technical management requires clear communication channels, project management tools, and iterative feedback loops (Guo et al., 2019). Yet, in many Chinese firms, hierarchical structures and siloed teams can hinder such integration, making organizational redesign and agile practices necessary (Zhou et al., 2024).

*Product Management and Market Alignment*

Product management functions as a strategic interface between technical potential and consumer needs. Responsibilities typically include defining product vision, coordinating with engineers and designers, conducting market research, and managing trade-offs between features, cost, and time-to-market (Cooper, 2019). In fast-moving consumer tech sectors, product managers must not only translate consumer insights into technical requirements but also resolve tensions between competing priorities across departments.

Andreini et al. (2018) and Chen & Yang (2024) note that effective product management depends on shared language, mutual understanding, and decision-making autonomy. In contexts such as Shenzhen, where firms must simultaneously innovate and scale quickly, product managers act as “organizational translators” between abstract innovation and tangible user experience. However, existing literature often treats product and technical management as isolated domains, missing the synergy required for successful product adoption.

*Management Innovation as a Mediating Capability*

Management innovation refers to the development and implementation of novel management practices, processes, or structures aimed at improving firm performance (Birkinshaw et al., 2008). Unlike technological innovation, which focuses on products or services, management innovation involves rethinking organizational routines, leadership, and culture. It enables firms to respond more effectively to environmental complexity, thereby enhancing adaptability and innovation performance (O'Reilly & Tushman, 2013).

In particular, management innovation supports organizational ambidexterity—the ability to explore new opportunities while exploiting existing capabilities (Denti & Hemlin, 2012). This duality is essential for firms seeking to innovate in uncertain markets. For instance, Scuotto et al. (2020) emphasize that informal knowledge flows, flexible roles, and cross-functional teams enhance a firm’s absorptive capacity, allowing it to integrate external and internal knowledge into product development processes.

In the context of smartwatch firms in Shenzhen, management innovation can mediate the friction between R\&D-driven development and market-led design. Through flatter hierarchies, agile project teams, and experimentation-friendly environments, firms are better positioned to coordinate between product and technical managers, ensuring that innovations align with both consumer expectations and engineering realities (Phung et al., 2021).

*Integration of Technical and Product Management*

Effective innovation depends not merely on the existence of strong technical or product management teams, but on their integration. This requires the development of shared tools, metrics, and feedback systems, as well as cultural alignment across departments (Wong et al., 2020). Studies suggest that when technical and product managers collaborate from early ideation to post-launch analysis, the likelihood of successful product-market fit increases substantially (Chen & Liu, 2024).

However, integration is often inhibited by role ambiguity, conflicting KPIs, and organizational inertia. Management innovation can offer solutions by redefining roles, instituting joint decision-making frameworks, and embedding collaborative norms (Levitt, 2019). These interventions are particularly important in emerging markets like China, where firms are simultaneously modernizing operationally and globalizing competitively (Widya & Alfarisi, 2020).

*Gaps and Research Opportunity*

While the literature acknowledges the importance of innovation and organizational coordination, few studies have qualitatively examined how technical and product management intersect in real-world contexts. Even fewer explore the mediating role of management innovation in high-velocity environments like Shenzhen. This study seeks to address this gap by investigating how internal processes and managerial approaches affect smartwatch adoption outcomes, contributing new insights into the organizational underpinnings of innovation in emerging markets.

Method

This study adopts a qualitative interpretive research design, grounded in the belief that knowledge is socially constructed and context-dependent (Creswell & Poth, 2018; Denzin & Lincoln, 2018). A qualitative approach was deemed most appropriate given the study’s focus on exploring the lived experiences and organizational processes that shape smartwatch adoption, particularly the interplay between technical management, product management, and management innovation. Rather than seeking to test hypotheses or quantify relationships, this design aims to generate rich, nuanced insights into how managers perceive, interpret, and enact innovation within fast-paced, resource-intensive environments like Shenzhen’s smartwatch sector.

The study is informed by constructivist epistemology and guided by a multiple case study strategy (Stake, 2006; Yin, 2018). Each participating firm is treated as a bounded system that operates within a broader industrial and cultural context. This approach allows for cross-case comparison while preserving the integrity and uniqueness of each organizational setting. The design supports an in-depth examination of the subjective meanings participants assign to their practices and the systemic factors that enable or inhibit integration between product and technical management.

Participants

This study engaged 26 purposefully selected participants from Shenzhen’s smartwatch industry, encompassing professionals with direct, high-level involvement in either technical management, product management, or cross-functional innovation leadership. These participants held titles such as R\&D Director, Engineering Manager, Product Strategist, Chief Technology Officer, and Innovation Project Lead. The selection emphasized maximum variation sampling—including individuals from both established multinational firms and emerging local startups—to capture the diverse organizational dynamics shaping smartwatch innovation in the region.

Participants’ professional experiences ranged from 5 to over 20 years in fields such as software development, hardware engineering, UX/UI design, supply chain coordination, and strategic planning. The sample included 16 males and 10 females, with backgrounds in engineering, product design, and business development. The firms represented varied in size (from fewer than 100 to over 1,000 employees) and market reach (serving both domestic and global markets), providing a rich cross-section of technological and managerial contexts. Participants’ cultural familiarity with Shenzhen’s high-speed innovation climate was also a critical inclusion factor, as it informed their understanding of local industry pressures and norms.

Recruitment Process

A purposive sampling approach was employed to recruit participants who held mid- to senior-level positions in product management, technical development, and innovation leadership within Shenzhen’s smartwatch sector. The key inclusion criteria were: (1) current employment in a smartwatch or wearable technology firm headquartered in Shenzhen, (2) active involvement in product design, engineering, or strategic management functions, and (3) a minimum of five years of relevant industry experience. Exclusion criteria included entry-level staff or participants with roles unrelated to product development and innovation.

The sample reflected maximum variation in organizational size (from fewer than 100 employees to over 1,000), market orientation (local vs. international), and managerial roles, ensuring a diversity of perspectives. Participants were drawn from startups, mid-sized enterprises, and multinational firms operating in Shenzhen's densely networked high-tech environment. This context was strategically selected due to Shenzhen's reputation as a global hub for hardware innovation, enabling the study to examine the interaction of product and technical management in a real-world, high-velocity market setting.

Participants were primarily interviewed in company meeting rooms, private office spaces, or via encrypted video calls, depending on availability and participant preference. All interviews were conducted in Mandarin Chinese by the primary researcher and later translated into English for analysis. This flexible, multi-channel recruitment and data collection approach enabled effective access to a strategically relevant and professionally engaged participant pool.

The lead researcher is pursuing a postgraduate degree in innovation and technology management and has prior industry experience as a consultant for digital transformation projects in Southeast Asia and China. This professional familiarity with product development dynamics in technology-intensive environments shaped both the design of the study and the line of inquiry pursued in interviews. While this background enhanced the researcher’s ability to pose contextually relevant questions and build trust with participants, it also introduced the possibility of preconception bias.

To mitigate this, the researcher engaged in ongoing reflexive practice (Finlay, 2002), maintaining a journal throughout data collection to document evolving interpretations, emotional reactions, and potential assumptions. After each interview, reflective memos were produced to capture impressions and consider alternative interpretations. Peer debriefing sessions with fellow qualitative researchers (who were not involved in the smartwatch industry) further challenged emerging themes and provided external checks on analytic rigor.

Prior to the study, the researcher had no personal or professional relationships with any of the participants. This distance supported objectivity in participant engagement and data interpretation. Participants were recruited via professional networks, industry conferences, and targeted outreach, followed by personalized email invitations that explained the study’s purpose and voluntary nature.

The recruitment materials emphasized confidentiality and data protection protocols and included a summary of the research aims, sample questions, and researcher contact information. In some cases, participants who completed the interview recommended colleagues for further participation; however, this network-based referral was not relied upon as the primary sampling method. The final sample was constructed to ensure representation across technical and product domains, organizational sizes, and innovation maturity levels.

Data Collection

Data were collected through in-depth, semi-structured interviews, allowing participants to reflect on their personal experiences and organizational practices related to smartwatch innovation. This method was chosen to explore complex and context-specific phenomena—such as the coordination between technical and product management—and to provide space for participants to articulate meanings and tensions in their own terms.

The data-collection protocol was developed based on a review of literature on management innovation, product and technical integration, and technology adoption (Creswell & Poth, 2018; Yin, 2018). Initial interview guides included open-ended questions exploring participants’ roles, organizational structure, project workflows, and the challenges and enablers of innovation. As data collection progressed, the protocol evolved through iterative memoing and early thematic analysis. For instance, greater emphasis was placed in later interviews on the mediating role of management innovation once this theme began to consistently emerge from participant narratives. This adaptive approach supported theoretical sensitivity while maintaining consistency in core thematic areas.

Participants were recruited between February and April 2025 using a combination of direct email invitations, professional networking, and in-person outreach at Shenzhen-based technology industry meetups and coworking spaces. Recruitment messages outlined the study’s purpose, criteria for participation, ethical safeguards, and voluntary nature of involvement. Interested individuals were invited to schedule a preliminary conversation to discuss participation in greater detail.

No incentives or compensation were offered, and all participants voluntarily agreed to participate without coercion. Participants were informed about the confidentiality of their responses, their right to withdraw at any time, and how the data would be stored, anonymized, and used solely for academic purposes. Written informed consent was obtained from each participant prior to data collection. The research protocol was approved by the Institutional Review Board (IRB) at Suan Sunandha Rajabhat university, ensuring compliance with international ethical standards, including provisions for data protection, consent, and participant safety.

No attrition occurred during data collection. While three individuals initially expressed interest but were unavailable during the interview period, all scheduled participants completed their interviews. The final sample consisted of 26 participants, deemed sufficient based on thematic saturation, whereby new data no longer yielded novel concepts or altered the emerging coding structure. This decision was supported by iterative analysis that confirmed redundancy in the final interviews.

All interviews were conducted individually by the primary researcher between February and April 2025, either in person at participants’ workplaces or remotely via secure video conferencing platforms. No other individuals were present during the interviews. Each session lasted between 75 and 110 minutes, with an average of 90 minutes. All interviews were audio-recorded with permission, transcribed verbatim, and translated from Mandarin to English by the researcher for coding and analysis.

The study emphasized depth of engagement, with the researcher spending additional time before and after interviews reviewing company materials, observing physical spaces (when possible), and recording reflexive field notes. This immersive engagement enhanced the contextual grounding of each interview and informed follow-up questions tailored to each firm’s environment.

Throughout the process, reflexivity was actively practiced. The researcher maintained a detailed field journal documenting observations, emotional responses, assumptions, and methodological adjustments. Reflexivity also informed decisions about question phrasing, when to probe further, and how to interpret potentially ambiguous responses (Finlay, 2002).

The interview guide featured open-ended, exploratory questions such as “Can you describe a recent product development cycle and how your team managed the balance between technical complexity and market needs?” “What types of conflicts or collaborations typically arise between product and technical teams in your organization?” “How has your company adapted its management structure to support innovation or speed to market?” “In your experience, what kinds of management innovations have helped align teams or improve performance?”

These central questions were supplemented with probes that encouraged elaboration, clarification, or examples. The structure allowed for consistent thematic coverage while preserving the flexibility to follow the unique logic of each participant’s account.

The study employed an iterative, abductive logic of inquiry, wherein preliminary interpretations were continually revisited and refined in light of emerging data and theoretical frameworks (Charmaz, 2014). Constant comparison methods and thematic analysis were used to identify patterns both within and across cases. The research design was intentionally flexible to accommodate the evolving nature of qualitative inquiry and to allow the data—not rigid preconceptions—to drive analytical focus.

Data-Analytic Strategies

The study employed a thematic analysis approach (Braun & Clarke, 2006) to explore how technical and product management practices influence smartwatch adoption, with a particular focus on the mediating role of management innovation. This method was chosen for its flexibility and capacity to identify recurring patterns of meaning across diverse organizational contexts while retaining the richness of individual experiences.

All data analysis was conducted by the primary researcher, who has formal training in qualitative methodology and prior experience in technology-related organizational research. The researcher was solely responsible for transcription, translation, coding, and theme development, ensuring continuity and immersion throughout the analytic process. Reflexive memoing and journaling were used to bracket assumptions and support interpretive rigor (Finlay, 2002; Levitt, 2019).

The process began with familiarization with the data, in which all interview transcripts were reviewed multiple times alongside audio recordings to ensure accuracy and to capture intonation, pauses, and emphasis. The entire transcript served as the unit of analysis, with coding applied line by line using Microsoft Word and Excel spreadsheets for traceability and cross-comparison.

Initial codes were developed inductively—emerging directly from participants’ language and narratives—rather than imposed through a pre-existing framework. This data-driven coding enabled the researcher to remain grounded in participants’ lived experiences. Codes were assigned to discrete meaning units (e.g., phrases, sentences, or conversational turns) that addressed research-relevant content, such as tensions between R\&D and marketing, innovation bottlenecks, or shifts in organizational processes.

After generating an initial list of codes, the researcher engaged in pattern coding to cluster related concepts into higher-order categories (e.g., "engineering-product misalignment," "agile adaptation," "leadership-enabled change"). These categories were then reviewed and refined to form preliminary themes. Theme development was iterative and abductive, meaning that the researcher moved back and forth between data, emerging insights, and the literature on management innovation and organizational learning (Charmaz, 2014; Denzin & Lincoln, 2018).

Themes were reviewed for internal coherence and distinctiveness by returning to the full dataset and comparing them across cases. Disconfirming evidence was intentionally sought, and themes were refined accordingly. For instance, an early theme labeled “speed versus quality” was redefined as “strategic tension between innovation velocity and stability” after additional transcripts highlighted nuanced trade-offs between long-term platform development and short-term product cycles.

The final analytic scheme consisted of three overarching themes and multiple subthemes that mapped onto the study’s core constructs. Illustrative quotations were selected to reflect the richness and representativeness of each theme, and analytical memos were used to connect empirical patterns to conceptual insights.

Methodological Integrity

This study was designed and conducted with a commitment to methodological integrity, ensuring that the findings are both fidelitous to participants’ lived experiences and useful for advancing scholarly and practical understanding of smartwatch innovation practices. Methodological integrity was upheld through rigorously aligned data collection, reflexive analysis, and checks on the consistency and contextual richness of interpretations (Levitt, 2019).

The study’s purposive sampling ensured adequate representation across technical and product management roles, organizational types (startups to multinational firms), and professional tenures, offering diverse and layered insights into innovation dynamics in Shenzhen’s smartwatch sector. The use of semi-structured interviews allowed participants to frame their own narratives, while the researcher’s probing supported depth without imposing predefined interpretations.

Throughout data collection, the researcher practiced reflexive journaling (Finlay, 2002), memo writing, and post-interview debriefs to recognize and manage the influence of prior assumptions, ensuring that emerging codes and themes were grounded in the data rather than theoretical preconceptions.

All themes and subthemes were built directly from verbatim transcripts using inductive thematic analysis. Illustrative quotes accompany all major claims in the Results section, providing direct empirical grounding. Contradictory accounts were intentionally retained and discussed—for example, tensions regarding fast-tracking versus iterative refinement—thereby enhancing conceptual coherence rather than enforcing artificial consensus. This approach aligns with qualitative standards that prioritize the trustworthiness and complexity of meaning over reductionist certainty (Lincoln & Guba, 1985).

Multiple checks were used to strengthen analytic consistency: Peer debriefing with non-involved qualitative researchers provided critical feedback on emerging codes and themes.

A case comparison matrix was developed to systematically compare codes across organizations of different sizes and structures. Reflexive memos documented analytical choices, interpretive shifts, and rationale for theme evolution. Thick descriptions of context, participant roles, and firm characteristics are included throughout the Results section to support transferability of findings.

Although member checks (returning findings to participants for verification) were considered, they were not implemented due to time and confidentiality constraints in several firms. However, member checking was approximated by clarifying summaries shared during interviews and follow-up email conversations to verify researcher interpretations.

The study's findings contribute meaningfully to the literature on management innovation, product-technical integration, and wearable technology by uncovering how local firms in high-speed markets coordinate roles, mitigate cross-functional tensions, and adapt organizational structures to foster innovation (O’Reilly & Tushman, 2013; Zhou et al., 2024). By identifying actionable mechanisms—such as informal knowledge sharing and adaptive project cycles—the results also offer practical utility for managers aiming to optimize innovation processes.

Moreover, the study’s insights respond directly to the research questions and offer theoretical contributions by illustrating the mediating role of management innovation between structural tensions and successful smartwatch adoption. The analytic process demonstrated transparency, adaptability, and coherence, supporting the overall methodological integrity of the study.

Findings

The data analysis revealed three overarching themes that together illuminate how firms in Shenzhen’s smartwatch industry manage innovation complexity: (1) Navigating Cross-Functional Tensions, (2) Management Innovation as a Mediating Mechanism, and (3) Organizational Learning and Strategic Realignment. These themes emerged from intensive, iterative coding and are supported by multiple participant narratives, providing a layered understanding of how product and technical logics are integrated in dynamic, high-pressure innovation environments.

Theme 1: Navigating Cross-Functional Tensions

This theme captures the systemic tension between technical and product management teams. While not inherently negative, these tensions—when unmanaged—posed significant barriers to innovation. However, they also acted as creative frictions that spurred problem-solving and adaptive strategies when properly mediated.

Subtheme 1.1: Speed versus Stability

Almost every participant described organizational conflicts between the product team’s push for market responsiveness and the technical team’s commitment to system integrity. These dual imperatives—speed and stability—were perceived as competing yet co-dependent.

“The market window closes fast. If you hesitate, your innovation becomes outdated overnight. But if we rush, the firmware crashes. It’s a tightrope,” said a senior product manager (Case C).

“We need weeks of regression testing, and they want the update out next Monday. It’s like being a mechanic asked to race while still tuning the engine,” explained a lead systems engineer (Case A).

Rather than attempting to eliminate the tension, high-performing firms recognized it as endemic and designed for its coexistence.

Subtheme 1.2: Translation Gaps and Role Conflicts

Participants also highlighted the lack of a shared language between departments. Engineers often found product briefs “vague” or “aspirational,” while product managers viewed technical documentation as “opaque” and “impractical.”

“I was given a spec that said ‘intuitive interface.’ What does that mean in code?” asked a frontend developer (Case B).

“Their logic is mathematical. Ours is emotional. The user journey is not binary,” countered a UX lead (Case D).

Role ambiguity compounded these issues, as some participants reported frequent overlap and clashes in decision-making authority, particularly in cross-functional teams lacking clear leadership.

Theme 2: Management Innovation as a Mediating Mechanism

Organizations that successfully managed the tension between technical and product functions did so through intentional innovations in management practices, not just better communication. These firms developed new structures, workflows, and cultural practices to enable integration.

Subtheme 2.1: Informal Knowledge-Sharing Structures

Some firms embedded boundary-spanning routines—e.g., cross-departmental shadowing, inter-role mentorships, and “tech-for-non-tech” workshops—to bridge domain silos.

“Every product person gets two weeks in the dev pit. It’s not about coding—it’s about understanding the rhythm,” said a CTO (Case E).

These strategies created informal networks of understanding that softened institutional boundaries, allowing cross-functional empathy to take root.

Subtheme 2.2: Hybrid Agile Models and Process Realignment

Rather than enforcing one-size-fits-all sprints, innovative firms designed dual or staggered workflows that respected the differing temporal needs of hardware and software.

“We run staggered tracks—product runs weekly, tech bi-weekly. We meet every third Friday to sync. It took months to calibrate, but it works,” noted a program director (Case F).

This approach allowed organizations to maintain agility without chaos, demonstrating that managerial adaptation—not elimination of difference—was the key to innovation alignment.

“Innovation happens at the edge—not when we’re all doing the same thing at the same pace, but when our differences click into rhythm,” reflected a lead strategist (Case C).

Theme 3: Organizational Learning and Strategic Realignment

The final theme highlights how some firms went beyond short-term integration and began building systems for reflective learning and long-term adaptive capacity.

Subtheme 3.1: Institutionalization of Lessons Learned

Firms formalized mechanisms such as project retrospectives, internal documentation libraries, and narrative-based onboarding to capture and transfer knowledge.

“Every failed launch now has a name, a lesson, and a protocol. It’s like our innovation archive,” shared a VP of Product (Case A).

These practices helped prevent the repetition of mistakes and enabled the transformation of tacit experiences into explicit organizational knowledge.

Subtheme 3.2: Leadership as Cultural Facilitator

Crucially, the presence of leaders who modeled reflection and humility created conditions for psychological safety, empowering teams to take calculated risks and admit failures without blame.

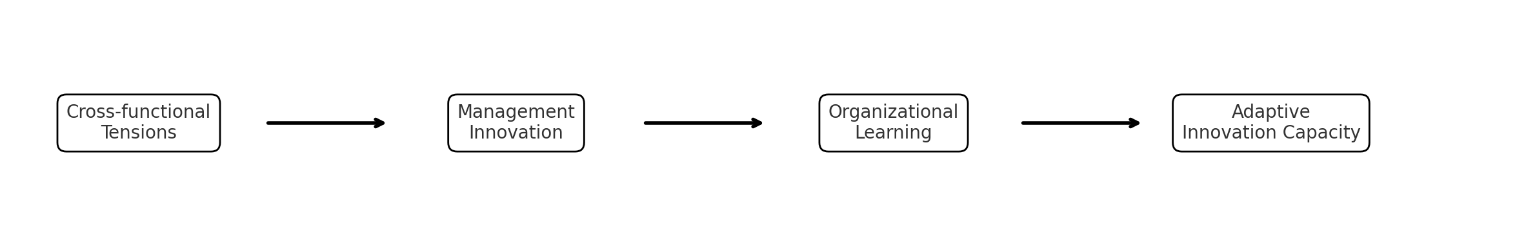
“When our CEO said in the all-hands that our last watch was a mistake—and that it was his call—it changed everything. Suddenly, we could all talk openly,” said a hardware manager (Case B).

Leadership practices were thus not only strategic but ritualistic, shaping norms around how risk, error, and learning were treated within the innovation system.

The study culminates in a conceptual model (Figure 1) that captures the dynamic interplay among cross-functional tensions, management innovation, and organizational learning in shaping adaptive innovation capacity within Shenzhen’s smartwatch industry (see Figure 1). Rather than viewing functional frictions as detrimental, this model frames them as generative forces—creating the conditions necessary for managerial adaptation and organizational evolution.

Figure 1

*Conceptual Model*



This recursive model illustrates that innovation success in high-velocity contexts depends not solely on technological prowess or market foresight, but on the organization’s capacity for internal realignment. Management innovations act as the connective tissue—mechanisms through which firms translate tension into coordination and reflection into capability. In doing so, firms progressively build a more agile, learning-oriented structure, capable of both short-term responsiveness and long-term strategic renewal.

The model contributes to the literature on organizational ambidexterity (O’Reilly & Tushman, 2013), by demonstrating how firms can pursue both exploratory product differentiation and exploitative platform stability through context-sensitive managerial practices rather than rigid structural separation. It also extends organizational learning theory (Argyris & Schön, 1996), by emphasizing the importance of not just reflection, but the cultural and procedural enablers that allow reflection to translate into adaptive change.

Together, these insights suggest that adaptive innovation capacity is not a fixed trait but an emergent outcome—shaped by how firms confront and convert internal contradictions into organizational assets.

Discussion

This study offers several important contributions to the fields of innovation management, technology product development, and organizational behavior, particularly within the context of emerging economies and high-tech industries. By exploring how Shenzhen-based smartwatch firms manage tensions between product and technical management, the study contributes novel insights into the organizational dynamics that shape innovation in fast-paced, resource-constrained environments.

The study advances our understanding of organizational ambidexterity (O'Reilly & Tushman, 2013) by demonstrating how firms manage the simultaneous demands of product exploration (e.g., novel features and rapid release) and technical exploitation (e.g., platform stability and optimization). Rather than resolving these tensions outright, firms in the study used management innovations—such as hybrid workflows, informal knowledge bridges, and cross-functional empathy building—to navigate them in a dynamic, context-sensitive manner. This adds nuance to the ambidexterity literature by highlighting the structural and cultural adaptations that enable coexisting innovation logics within tech product organizations.

The study contributes to management innovation theory (Birkinshaw et al., 2008) by positioning managerial adaptation as a mediating mechanism that connects cross-functional conflict with improved innovation outcomes. Unlike studies that treat management innovation as a top-down initiative, this study shows how grassroots and mid-level improvisations—rotational programs, informal syncs, dual sprints—can serve as effective and scalable mechanisms for fostering integration across domains.

The research offers insight into organizational learning in iterative product cycles (Argyris & Schön, 1996). The findings suggest that firms that institutionalize reflection—not just through data or postmortems but through leadership modeling, storytelling, and peer-to-peer learning—are better equipped to develop sustained innovation capabilities. This contribution is especially relevant for fast-scaling firms in emerging markets, where formal knowledge infrastructure may lag behind operational growth.

Moreover, by focusing on Shenzhen, a global innovation hub in the Global South, the study addresses a notable geographical gap in the innovation literature, which remains overly concentrated on North American and European contexts. This enhances the cultural and contextual diversity of empirical innovation research and offers region-specific insights that may inform theory-building across different industrial ecosystems.

The study’s central contributions lie in (1) reframing functional tensions as generative rather than obstructive forces, (2) emphasizing the mediating role of management innovation in bridging technical and product domains, and (3) illuminating how reflective organizational learning is strategically cultivated through everyday practices. These findings not only enrich theoretical conversations in innovation studies but also provide practical templates for managing complexity in technology-driven firms worldwide.

The findings from this study make three interrelated contributions to existing literature in innovation management, product development, and organizational theory. These contributions primarily elaborate on, support, and in some cases challenge prevailing conceptual frameworks—while offering actionable insights for practitioners navigating similar tensions in real-world settings.

This study elaborates on the theory of organizational ambidexterity by demonstrating how firms simultaneously pursue exploration and exploitation—not through rigid structural separation or senior leadership directives, as emphasized in classical models (e.g., O’Reilly & Tushman, 2013)—but through embedded management innovations at the meso level. The coexistence of technical stability and product dynamism was made possible through hybrid sprint models, informal role rotations, and problem-centered cross-functional teams. These findings suggest that ambidexterity can be cultivated through adaptive routines and emergent practices, rather than solely via top-down strategic design.

The findings support existing literature on management innovation (Birkinshaw et al., 2008; Vaccaro et al., 2012) by providing empirical evidence that non-technological innovations in workflow, structure, and culture play a pivotal role in technological product success. However, this study shifts the locus of management innovation from the strategic core to the operational interface—between product managers and engineers—highlighting how innovation occurs through contextual improvisation and relational coordination. Thus, the findings can be used to inform both scholars and practitioners about the tangible mechanisms through which management innovation unfolds in technology firms.

Traditional models of product development often imply a linear or staged process, where ideation precedes development and release follows execution. This study challenges that assumption by showing that in fast-paced environments like Shenzhen’s smartwatch industry, innovation is recursive, relational, and negotiated. Stakeholders revise roadmaps mid-cycle, adjust priorities based on real-time feedback, and continuously re-balance trade-offs between competing goals. These insights problematize linear pipeline models and instead align with agile and iterative development logics, pushing scholars to reconsider how innovation is theorized in high-speed markets.

The study’s findings are also practically relevant. Managers can use these insights to build structural bridges and cultural routines that enhance cross-functional collaboration. For instance, instituting shadowing programs or restructuring sprint cadences based on domain rhythm can significantly reduce friction between teams. Furthermore, the emphasis on reflective learning processes (e.g., postmortems, leadership storytelling, shared knowledge repositories) offers tools for creating a learning-oriented innovation culture.

These contributions can be utilized by Academics to extend models of ambidexterity and management innovation into mid-level team dynamics; Practitioners to refine cross-functional practices and reduce conflict in innovation-driven teams; Policymakers seeking to understand innovation infrastructure in emerging technology ecosystems like Shenzhen.

The study’s identification of persistent tensions between exploration and exploitation reflects well-established findings in ambidexterity theory (O'Reilly & Tushman, 2013; March, 1991). Like previous studies, this research affirms that innovation-driven firms must balance market responsiveness with technical reliability, and that this balance is inherently difficult yet essential for sustained success.

Moreover, the findings echo earlier work on management innovation (Birkinshaw et al., 2008), especially in emphasizing that novel managerial practices—rather than technological changes—can significantly enhance performance and adaptability. The use of cross-functional collaboration, agile adaptations, and team-based learning mechanisms supports theories that emphasize the role of organizational processes and routines in enabling innovation (Tidd & Bessant, 2018).

This study also reinforces insights from organizational learning theory (Argyris & Schön, 1996), particularly the importance of institutionalized reflection and feedback loops in enhancing adaptive capacity. High-performing firms in this research were distinguished not by the absence of failure, but by their ability to systematically learn from it.

While aligning with much of the theoretical literature, this study also diverges from conventional models in several key respects.

First, it challenges the traditional top-down orientation of ambidexterity frameworks. Whereas prior models often position strategic leadership as the central agent of integration (e.g., Gibson & Birkinshaw, 2004), this study highlights bottom-up and lateral processes—such as peer learning, informal mentoring, and staggered sprints—as critical to sustaining innovation in daily operations. This shift in focus from formal structures to emergent practices reorients the unit of analysis toward mid-level interactions and grassroots adaptation.

The study calls into question the applicability of linear innovation models in high-velocity sectors like wearable technology. Conventional new product development (NPD) models—such as Cooper’s Stage-Gate (Cooper, 2019)—assume a sequential process from ideation to commercialization. In contrast, the firms in this study exhibited fluid, recursive, and sometimes chaotic processes, often revisiting earlier stages based on real-time user data or technical constraints. This aligns more closely with agile and lean development logics, yet offers greater empirical detail on how such approaches are locally adapted.

The findings emphasize contextual and cultural factors often underexplored in Western-centric literature. For example, the influence of Shenzhen’s fast-paced, resource-intense innovation ecosystem required firms to develop extremely flexible and improvisational routines. This finding supports growing calls for more geographically and culturally diverse innovation studies (Anderson et al., 2024), and suggests that theory-building must account for institutional and ecological variance.

While the findings of this study reveal clear patterns regarding how smartwatch firms in Shenzhen manage cross-functional tensions and foster innovation through management practices, it is important to acknowledge and reflect on potential alternative explanations that may also account for these patterns.

One alternative explanation is that the successful cross-functional collaboration observed may have been driven less by structured management innovation and more by the exceptional individual competence or leadership charisma of certain team members. For example, the bridging of communication gaps between technical and product teams could be the result of particular bilingual or cross-trained managers who naturally acted as informal boundary spanners, rather than a deliberate organizational strategy. This suggests that personal characteristics (e.g., bilingualism, prior multidisciplinary experience, emotional intelligence) might explain some successes in coordination, rather than innovation in organizational structure or routines per se.

Another plausible factor influencing the study’s findings is the size and resource base of the participating firms. Smaller firms may have demonstrated agility and cross-functional integration simply because of their compact structures and proximity among teams. In such contexts, informal communication and quick decision-making are naturally easier, and the emergent practices observed might not scale or generalize to larger, more bureaucratic organizations. Therefore, what appears to be a replicable model of management innovation may actually reflect contextual agility specific to early-stage firms.

It is also possible that the observed management innovations were not internally driven or reflective of learning culture, but rather reactive responses to intense external pressures—such as fierce market competition, investor timelines, or user demands for constant updates. Under such pressure, firms may adopt any available workaround simply to survive. This would suggest that the adaptations documented are less about innovation and more about short-term problem-solving under duress, which raises questions about their sustainability or strategic intentionality.

Additionally, the findings related to open communication and reflective learning could be influenced by cultural norms in Chinese work environments, where maintaining group harmony and avoiding public confrontation is highly valued. The collaborative behaviors and learning mechanisms observed may be less about institutionalized management practices and more about socio-cultural tendencies toward consensus-building and collective responsibility. In this case, such dynamics may not translate across cultural contexts.

Lastly, the role of the researcher's own theoretical lens and positionality must be considered as a possible influence on how data were interpreted. Given the researcher’s familiarity with management innovation literature, there is a risk of confirmation bias in selecting themes that align with established theories while overlooking more mundane or contradictory elements. Though reflexivity and memoing were employed, it remains possible that certain patterns were emphasized over others, shaping the narrative in favor of management innovation as a central mechanism.

Strengths and Limitations of the Study

A key strength lies in the depth and richness of the qualitative data collected through in-depth, semi-structured interviews with strategically selected participants from both technical and product domains. This allowed for nuanced insights into the lived experiences of professionals navigating innovation tensions in real time. The use of purposive sampling targeting individuals with direct operational roles in smartwatch development in Shenzhen enhanced the study’s relevance and contextual specificity.

Another strength is the rigorous thematic analysis guided by Braun and Clarke’s (2006) framework, which ensured a systematic, transparent approach to coding and theme development. The researcher maintained reflexive memos and analytic notes throughout, supporting methodological integrity and minimizing bias. The inclusion of rich participant quotes further grounds the interpretations in actual practice and allows readers to assess the plausibility and depth of the analytic claims.

The study also contributes conceptually by bridging several important but previously siloed constructs—technical management, product strategy, and management innovation—within the real-world context of a high-velocity, innovation-intensive industry.

Despite these strengths, certain limitations must be acknowledged. The sample size and geographic scope—focused exclusively on firms in Shenzhen—limit the transferability of findings. While Shenzhen is a globally significant innovation hub, cultural, institutional, and industry-specific dynamics may differ in other regions, particularly in Western contexts.

The study’s single-method design—relying solely on interviews—may have constrained the triangulation of data. Observational data, document analysis, or team-level performance metrics could have enriched the findings and validated participants’ perceptions more robustly.

The analysis was conducted primarily by a single researcher, which, while allowing for consistent interpretation, may introduce subjectivity and reduce analytic reliability. Although reflexivity was maintained, the absence of inter-coder agreement or external auditing may pose a threat to confirmability.

Finally, while the study aimed to uncover organizational patterns, the variation across firm sizes, stages of development, and product cycles was not systematically analyzed. Thus, some findings may reflect idiosyncratic practices rather than generalizable insights across the industry.

While this study offers valuable insights into the interplay between technical management, product strategy, and management innovation in Shenzhen’s smartwatch industry, the transferability of its findings is subject to important contextual limitations. First and foremost, the research is situated within a specific industrial and geographical context—that of high-growth, innovation-driven firms in Shenzhen, China. Shenzhen’s distinctive ecosystem, characterized by rapid prototyping, dense supply chain networks, and an intense pace of development, may not reflect the operational realities of firms in other regions, especially those in more regulated, slower-moving, or resource-constrained environments. Readers applying these findings to other locations should consider the institutional, cultural, and infrastructural differences that shape innovation practices in their own contexts.

Moreover, participants in the study were primarily mid-level product and technical managers. Their perspectives provide critical insights into cross-functional dynamics and operational tensions, but may not capture the full scope of strategic or organizational decisions made at higher executive levels. The findings may thus be more applicable to organizations where middle-management autonomy is high and less relevant in highly hierarchical or top-down structures.

In addition, the fast-paced consumer electronics market, especially wearable technologies, introduces pressures (e.g., short product cycles, trend volatility) that differ significantly from sectors such as pharmaceuticals, financial services, or public sector innovation. As such, transferability may be limited across industries with different innovation rhythms and risk tolerances.

Finally, the study used a qualitative design with purposive sampling, which privileges depth over breadth. While the findings offer rich, contextualized understanding, they are not statistically generalizable. Instead, they serve as analytical generalizations—useful for theory development and comparative interpretation, but not predictive across all settings.

Ethical Considerations and Recommendations for Future Research

Although this study was conducted in adherence to established ethical guidelines for qualitative research, several challenges emerged during the data collection and analysis processes that warrant reflection.

A primary ethical concern arose from the sensitive nature of the industry under study. Smartwatch manufacturing in Shenzhen is highly competitive, and many firms rely on proprietary innovation practices for market differentiation. As a result, several participants expressed hesitation in discussing internal decision-making processes or failures. This required the researcher to exercise heightened sensitivity and reassurance regarding confidentiality protections, including anonymizing company names, using pseudonyms, and removing any potentially identifying project details in the final report.

Future researchers should build clear, trust-based relationships early in the research process and reinforce how data will be handled. It may be advisable to include tiered consent options that allow participants to choose the level of detail they are comfortable sharing.

Another ethical challenge involved navigating power dynamics within organizations. While most participants were voluntary and spoke freely, a few were interviewed at their workplace in the presence of colleagues or supervisors, which may have influenced their responses. Even subtle social pressures may have shaped how openly participants shared criticisms or failures.

Researchers should conduct interviews in neutral, private spaces wherever possible and clarify that there are no right or wrong answers. Offering the option to review and revise transcripts can also empower participants to maintain control over their narratives.

A further ethical consideration relates to researcher reflexivity. As someone with a background in innovation studies, the researcher had to remain vigilant against confirmation bias, particularly in interpreting participant narratives in ways that aligned with pre-existing theories of management innovation or organizational learning. Reflexive memoing was used throughout the process, but subjective interpretation remains an unavoidable dimension of qualitative work.

Future researchers should incorporate structured reflexivity tools, such as bracketing interviews or peer debriefings, to interrogate their assumptions and enhance analytic transparency.

The fluid nature of startups and tech firms meant that some participants changed roles or employers during the course of the study. Ensuring ongoing consent and clarifying whether data collected in a prior role could be used for the study posed a procedural challenge.

Future projects in dynamic or fast-paced sectors should consider implementing longitudinal consent protocols, particularly when participants may become unavailable or change organizational affiliations over time.

Implications for Future Research, Policy, and Practice

This study opens several avenues for future scholarly exploration. First, given the depth of insight gained from technical and product managers, future research could adopt a multi-level perspective, incorporating voices from senior executives, end-users, and external partners to create a more comprehensive understanding of how innovation strategies evolve across organizational hierarchies and ecosystems. Second, longitudinal qualitative studies would be valuable in tracking how management innovation practices mature or shift over time in response to product lifecycle demands or external shocks, such as regulatory changes or technological disruptions.

Moreover, future comparative research between firms in different regional or cultural contexts—for example, contrasting Shenzhen with Silicon Valley or Bangalore—could provide insights into how cultural and institutional differences shape innovation behavior. Finally, mixed-method approaches integrating qualitative findings with performance metrics may help validate the strategic outcomes of specific managerial innovations and identify causative linkages.

At a policy level, this study highlights the critical role of cross-functional integration in driving innovation outcomes. Policymakers aiming to support high-tech industry development—especially in emerging economies—should consider fostering environments that incentivize collaborative R&D, subsidize interdisciplinary workforce training, and support management upskilling programs tailored for SMEs. Moreover, innovation policies should recognize that beyond technological capacity, organizational design and managerial flexibility are core to sustaining innovation ecosystems.

For local governments and regional innovation hubs like Shenzhen, supporting innovation incubators and collaborative forums between technical and product developers across firms may yield collective benefits and strengthen overall industry competitiveness.

Implications for Practice

Practitioners, particularly in high-velocity sectors like wearable technology, can draw actionable insights from this study’s findings. Firms are encouraged to adopt flexible, reflexive management structures that promote real-time knowledge sharing between product and technical teams. Embedding feedback loops, cross-functional training, and routine post-mortem reviews into organizational practices can help bridge understanding gaps and stimulate learning from failure.

The study also underscores the value of management innovation as a mediating capability—not just a support mechanism but a core driver of adaptation and sustained performance. As such, innovation should not be confined to R&D departments but should extend into HR, project management, and leadership structures. Firms should view organizational agility not as a trait, but as a cultivated practice, continuously shaped by internal alignment and responsiveness to market and technological dynamics.

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