

Technological Innovation and Firm Competitiveness in the Asia-Pacific Region: Integrating Business Innovation, HRM Practices, and Technological Leadership

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Abstract

This study investigates the role of technological innovation in strengthening firm competitiveness in the Asia-Pacific region by integrating business innovation, human resource management practices, and technological leadership into a unified analytical framework. Firms across the Asia-Pacific region are facing increasing pressure from digital transformation, global market competition, supply-chain disruption, automation, and rapidly changing customer expectations. Although many organizations invest heavily in emerging technologies, several firms fail to convert technological adoption into sustainable competitiveness because of weak innovation strategies, limited workforce capability, poor organizational alignment, and insufficient leadership support. This research addresses this problem by examining how technological innovation can improve competitive performance when aligned with organizational innovation, employee development, and strategic technological leadership. The research uses secondary and simulation-supported data representing 420 firms from major Asia-Pacific economies, including China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. The dataset includes firm-level indicators related to research and development intensity, digital technology adoption, process innovation, product innovation, employee training investment, HRM flexibility, leadership support for technology, market share growth, productivity, export performance, and profitability. Quantitative analysis was conducted using SPSS and SmartPLS to evaluate relationships among the proposed variables. Descriptive statistics, reliability testing, correlation analysis, regression modeling, and structural equation modeling were applied to examine the direct and indirect effects of innovation-related factors on firm competitiveness. The findings reveal that technological innovation has a positive and significant effect on firm competitiveness. Firms with higher levels of

digital adoption and research and development investment achieved stronger productivity growth, faster market response, and improved operational efficiency. Business innovation further enhanced competitiveness by supporting new product development, service redesign, process improvement, and flexible business models. HRM practices, particularly employee training, digital skill development, knowledge sharing, and performance-based incentives, improved innovation capability and organizational adaptability. Technological leadership was also identified as a key strategic driver that strengthens the relationship between innovation investment and competitive outcomes. The simulated results indicate that firms with integrated innovation, HRM, and leadership practices achieved approximately 18.6% higher productivity, 15.3% stronger market adaptability, and 21.4% greater innovation performance compared with firms that adopted technology without organizational alignment. Technological innovation alone is not sufficient for sustainable competitiveness. Competitive advantage in the Asia-Pacific region depends on the combined interaction of technology, business innovation, human capital development, and technological leadership capability. These findings provide useful implications for managers, policymakers, and business leaders seeking to improve firm competitiveness in technology-driven regional markets.

Keywords: Technological Innovation; Firm Competitiveness; Asia-Pacific Region; Business Innovation; Human Resource Management; Technological Leadership; Digital Transformation; Innovation Capability

1- Introduction:

Technological innovation has become a central driver of firm competitiveness in the modern global economy. In the Asia-Pacific region, organizations operate in a rapidly changing business environment shaped by digital transformation, automation, global competition, supply-chain disruption, changing customer expectations, and continuous technological advancement. Firms in countries such as China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam are increasingly adopting digital platforms, artificial intelligence, cloud computing, data analytics, automation systems, and smart manufacturing technologies to improve productivity and strengthen market performance. As a result, technological innovation is no longer limited to product development or operational improvement; it has become a strategic requirement for business survival, growth, and long-term competitive advantage. Firm competitiveness refers to the ability of an organization to achieve superior performance, increase productivity, improve market share, respond effectively to external changes, and create sustainable value for customers and stakeholders [1]. In the Asia-Pacific context, competitiveness depends not only on access to advanced technologies but also on the ability of firms to integrate technological innovation with business innovation, human resource management practices, and technological leadership. Many organizations invest heavily in emerging technologies, but technological adoption alone does not always produce stronger competitive outcomes. Several firms fail to convert digital investment into sustainable competitiveness

because of weak innovation strategies, limited workforce capability, poor organizational alignment, and insufficient leadership support. Business innovation plays an important role in transforming technological resources into competitive advantage. It enables firms to redesign products, services, processes, and business models according to market demand and industry change. In highly competitive sectors such as manufacturing, finance, logistics, retail, telecommunications, and information technology, firms must continuously improve their operations and introduce innovative solutions to remain competitive. Business innovation helps organizations reduce operational costs, improve customer experience, develop new revenue streams, enhance flexibility, and respond quickly to market opportunities [2]. Therefore, the competitiveness of Asia-Pacific firms depends not only on adopting technology but also on applying it through innovative business models and organizational practices. Human resource management practices are equally important in supporting innovation-driven competitiveness. Technological transformation requires employees with digital skills, technical knowledge, creative thinking, adaptability, and problem-solving capabilities. HRM practices such as employee training, digital skill development, knowledge sharing, performance-based incentives, flexible work systems, and participative decision-making can strengthen employees' ability to contribute to innovation. In many firms, the main challenge is not the availability of technology but the readiness of employees to use technology effectively. Therefore, effective HRM practices provide the human capital foundation needed to convert technological innovation into measurable organizational performance. Technological leadership further strengthens the relationship between innovation and firm competitiveness. Leaders who understand digital transformation, support research and development, encourage experimentation, and align technology with business strategy are more capable of achieving competitive outcomes. Technological leadership creates an organizational culture that promotes learning, creativity, collaboration, and continuous improvement. Without strong leadership, technological projects may remain isolated initiatives rather than becoming part of a firm's long-term competitive strategy. Therefore, leadership capability is essential for ensuring that technology contributes to productivity growth, market adaptability, innovation performance, export performance, and profitability.

Despite the growing importance of technological innovation, many firms in the Asia-Pacific region still face difficulty in achieving sustainable competitiveness through technology. Some organizations experience weak digital integration, lack of skilled employees, limited innovation culture, inadequate HRM support, and poor leadership commitment. These issues create a gap between technological adoption and actual competitive performance. Previous studies have often examined technological innovation, business innovation, HRM practices, and leadership separately [3]. However, firm competitiveness is a multidimensional outcome that requires an integrated understanding of how these factors work together. This study addresses this research gap by investigating the role of technological innovation in strengthening firm competitiveness in the Asia-Pacific region through the integration of business innovation, human resource management practices, and technological leadership. The study is based on secondary and simulation-supported data representing 420 firms from

major Asia-Pacific economies, including China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. The dataset includes firm-level indicators such as research and development intensity, digital technology adoption, process innovation, product innovation, employee training investment, HRM flexibility, leadership support for technology, market share growth, productivity, export performance, and profitability. The main objective of this research is to examine how technological innovation influences firm competitiveness when supported by business innovation, human capital development, and technological leadership capability. The study also evaluates how integrated innovation practices improve productivity, market adaptability, operational efficiency, and innovation performance [4]. By using quantitative analysis through SPSS and SmartPLS, the study provides an empirical and simulation-supported framework for understanding innovation-driven competitiveness in the Asia-Pacific region. This research contributes to the literature on innovation management, strategic human resource management, technological leadership, and firm competitiveness. It argues that technological innovation alone is not sufficient for sustainable competitive advantage. Instead, firms achieve stronger competitiveness when technology is supported by innovative business strategies, skilled employees, flexible HRM systems, and leadership that promotes digital transformation. The findings of this study are expected to provide useful insights for managers, policymakers, and business leaders seeking to strengthen firm competitiveness in technology-driven regional markets.

2- Human Resource Management Practices and Innovation Capability:

Human resource management practices play a central role in strengthening innovation capability within firms. Technological innovation does not depend only on machines, digital platforms, research and development investment, or advanced software systems. It also depends on the skills, motivation, creativity, and adaptability of employees who use, manage, and improve these technologies. In the Asia-Pacific region, firms are increasingly adopting artificial intelligence, automation, data analytics, cloud-based systems, digital platforms, and smart production technologies. However, the successful application of these technologies requires a workforce that is digitally skilled, flexible, and capable of contributing to continuous improvement. Therefore, HRM practices act as an important organizational mechanism through which firms convert technological resources into innovation performance and competitive advantage. Innovation capability refers to a firm's ability to generate, adopt, implement, and commercialize new ideas, products, services, processes, and business models. It includes technical capability, learning capability, knowledge-sharing capacity, creative problem-solving, and the ability to respond quickly to market and technological changes. Firms with strong innovation capability are better able to develop new products, redesign services, improve operational efficiency, and respond to competitive pressures [5]. In this context, HRM practices support innovation capability by developing employee competence, encouraging creativity, improving collaboration, and creating a culture of learning. Training and development programs improve digital and technical skills, while reward systems motivate employees to participate in innovation-related activities. Similarly, employee involvement, teamwork, and knowledge-sharing practices help organizations

use internal knowledge more effectively. In Asia-Pacific firms, the relationship between HRM practices and innovation capability is especially important because the region includes both highly advanced and rapidly developing economies. Firms in Japan, South Korea, Singapore, Australia, and China often operate in technology-intensive industries with strong innovation systems, while firms in emerging economies such as India, Indonesia, Vietnam, Malaysia, and Thailand are rapidly expanding their digital and industrial capabilities [6]. Despite these differences, many firms across the region face similar challenges, including digital skill gaps, resistance to technological change, limited employee participation in innovation, and weak alignment between HR policies and innovation strategy. Effective HRM practices help address these challenges by preparing employees to work with new technologies and by building organizational conditions that support innovation.

Table 1: HRM Practices Supporting Innovation Capability in Asia-Pacific Firms

HRM Practice	Main Function	Expected Firm-Level Outcome
Employee Training and Development	Improves technical and digital skills	Higher productivity and better process improvement
Digital Skill Development	Builds technology-related workforce capability	Faster technology adoption and stronger operational efficiency
Performance-Based Incentives	Rewards innovation-related behavior	Higher innovation participation and stronger employee motivation
Knowledge Sharing	Promotes exchange of ideas and experience	Improved problem-solving and faster innovation diffusion
Employee Involvement	Allows workers to participate in decision-making	Better implementation of technological change
Flexible Work Systems	Supports adaptability and creativity	Greater organizational agility and innovation responsiveness
Talent Development	Identifies and develops high-potential employees	Stronger long-term innovation performance
Team-Based Collaboration	Encourages joint problem-solving	Better product, service, and process innovation

The table 1 shows that HRM practices influence innovation capability through multiple channels. Training and digital skill development improve employee competence, while incentive systems and employee involvement increase motivation. Knowledge sharing and team-based collaboration strengthen organizational learning, and flexible work systems improve adaptability. Together, these practices help firms create an internal environment where technological innovation can be effectively implemented. Therefore, HRM should not be viewed only as an administrative function. It should be treated as a strategic driver of innovation and competitiveness. Another important contribution of HRM practices is the development of an innovation-oriented organizational culture [7]. Innovation culture refers to a work environment where employees are encouraged to think creatively, share ideas, accept change, and experiment with new solutions. HRM systems can support this culture by promoting

open communication, continuous learning, employee empowerment, and cross-functional teamwork. In firms where employees feel trusted and supported, they are more likely to suggest new ideas and participate in technological transformation. In contrast, rigid management systems, limited communication, and fear of failure can weaken innovation capability even when firms have access to advanced technologies.

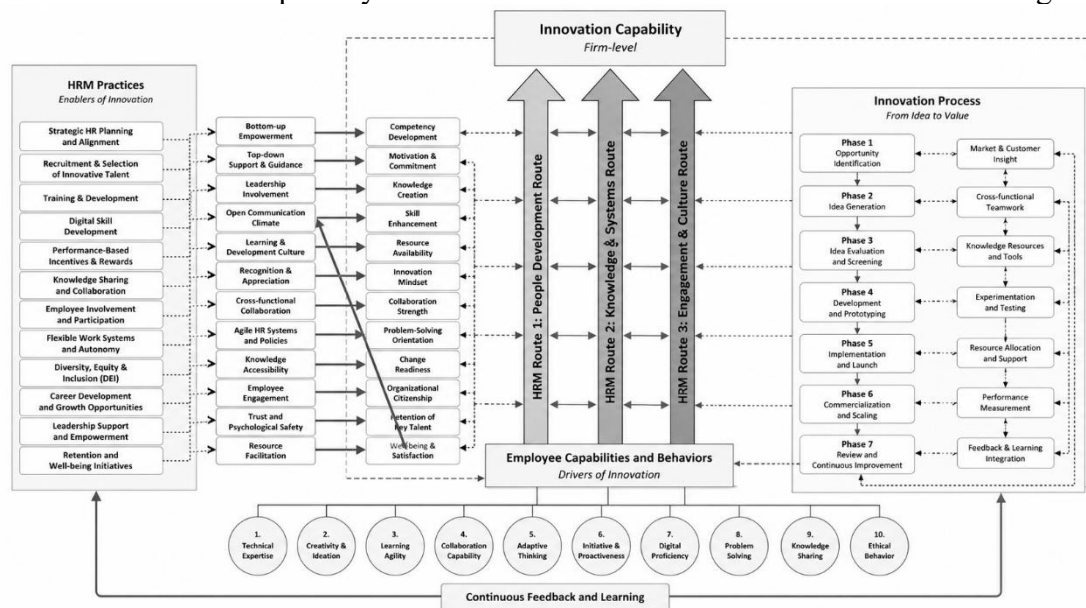


Figure 1: HRM-Driven Innovation Capability Framework

Figure 1 presents the mechanism through which HRM practices contribute to innovation capability and firm competitiveness. The framework begins with HRM practices such as training, digital skill development, incentives, knowledge sharing, employee involvement, and flexible work systems. These practices improve employee capability by strengthening technical skills, creativity, adaptability, collaboration, and learning behavior. Improved employee capability then supports innovation capability in the form of product innovation, process innovation, service innovation, and business model innovation. Finally, stronger innovation capability contributes to firm competitiveness by improving productivity, market responsiveness, operational efficiency, and long-term growth. HRM practices also help firms manage the human side of technological change. Digital transformation often creates uncertainty among employees because new technologies may change job roles, work processes, performance expectations, and required skills. If employees are not properly trained or involved in the transformation process, they may resist innovation or fail to use new systems effectively. HRM can reduce this problem by providing reskilling programs, communication support, participative decision-making, and career development opportunities. These practices help employees understand the purpose of technological change and encourage them to become active contributors to innovation rather than passive users of technology [8]. In addition, HRM practices strengthen knowledge management, which is essential for innovation capability. Innovation depends on the creation, sharing, and application of knowledge across departments and teams.

Employees often possess practical knowledge about customer needs, production problems, service gaps, and operational inefficiencies. When firms create systems for knowledge sharing, this employee knowledge can be converted into innovation ideas. Cross-functional teams, internal workshops, digital collaboration platforms, and employee suggestion systems can improve knowledge flow within organizations. This is especially important for Asia-Pacific firms operating in competitive and fast-changing markets, where rapid learning and knowledge transfer are necessary for maintaining competitiveness. HRM flexibility is another important factor that supports innovation capability. Flexible HRM practices allow firms to adjust workforce roles, training priorities, team structures, and work arrangements according to changing technological and market conditions. In technology-driven industries, rigid job descriptions and traditional management systems may limit creativity and slow down innovation. Flexible HRM systems allow employees to work across functions, participate in innovation teams, and adapt to new business requirements. This flexibility improves organizational agility and helps firms respond more effectively to digital transformation and competitive pressure.

3- Digital Transformation in the Asia-Pacific Region:

Digital transformation has become a major force reshaping business competitiveness across the Asia-Pacific region. Firms in this region are increasingly adopting digital platforms, artificial intelligence, cloud computing, automation, big data analytics, e-commerce systems, fintech solutions, smart manufacturing, and digital supply-chain technologies to improve productivity and respond to global market pressure. The Asia-Pacific region is especially important for studying digital transformation because it includes both highly advanced innovation economies and rapidly developing emerging markets. Economies such as Japan, South Korea, Singapore, China, and Australia have strong digital infrastructure and advanced technological capabilities, while India, Indonesia, Malaysia, Vietnam, Thailand, and other emerging economies are accelerating digital adoption through industrial upgrading, digital trade, mobile connectivity, and technology-based entrepreneurship. Digital transformation is not simply the adoption of new digital tools. It represents a broader organizational change process in which firms redesign business models, improve operational systems, enhance customer engagement, and use data-driven decision-making to improve competitiveness [9]. In the Asia-Pacific region, digital transformation is strongly connected with firm competitiveness because firms face rising pressure from international competition, supply-chain restructuring, automation, and changing customer expectations. Firms that successfully implement digital transformation can reduce operational costs, improve production speed, strengthen product and service quality, expand into digital markets, and respond more quickly to customer needs. Therefore, digital transformation acts as a strategic pathway through which technological innovation contributes to productivity growth, market adaptability, and sustainable competitive advantage. The pace of digital transformation across Asia-Pacific firms has increased due to the expansion of digital infrastructure, regional digital trade, and platform-based business models. According to the Asian Development Bank, digital technology has supported growth, expanded opportunities, and improved access

to trade and public services across Asia and the Pacific. However, the same source also emphasizes that sustainable digital transformation requires continued investment in policy, infrastructure, capacity, and skills. This shows that digitalization is not only a technological issue but also an institutional and human-capability challenge. Firms may adopt digital systems, but the benefits of transformation depend on whether organizations have the skills, leadership, data systems, and innovation culture needed to use technology effectively [10]. In advanced Asia-Pacific economies, digital transformation is often linked with smart manufacturing, robotics, artificial intelligence, semiconductor technologies, digital finance, green technologies, and high-value innovation systems. These economies generally have stronger research and development capacity, skilled labor markets, and supportive innovation ecosystems. Firms in these markets are more likely to use digital transformation to improve advanced production, predictive analytics, product customization, cyber-physical systems, and international competitiveness. For example, technology-intensive firms in Japan, South Korea, Singapore, China, and Australia often integrate digital technologies with research and development, supply-chain intelligence, and advanced customer analytics to improve strategic performance.

Table 2: Digital Transformation Patterns in Asia-Pacific Firms

Digital Transformation Area	Common Technologies	Main Business Contribution
Smart Manufacturing	Robotics, IoT, automation, cyber-physical systems	Improves production efficiency, quality control, and process flexibility
Digital Supply Chains	Cloud platforms, analytics, tracking systems, AI forecasting	Strengthens logistics visibility, demand prediction, and supply-chain resilience
E-Commerce and Digital Platforms	Online marketplaces, mobile apps, digital payments systems	Expands customer reach and supports new revenue models
Financial Technology	Digital wallets, blockchain, AI fraud detection, mobile banking	Improves transaction speed, financial inclusion, and service innovation
Data-Driven Decision-Making	Big data analytics, dashboards, business intelligence tools	Enhances strategic planning, customer analysis, and performance monitoring
Human-Centered Digitalization	Digital training, remote work systems, collaborative platforms	Improves employee productivity, flexibility, and knowledge sharing
Innovation and R&D Digitalization	AI modeling, simulation tools, digital twins, cloud collaboration	Accelerates product development and innovation performance

Table 2 shows that digital transformation affects multiple areas of firm activity, including production, supply chains, finance, customer engagement, decision-making, human resource systems, and research and development. These areas are directly related to firm competitiveness because they influence productivity, market responsiveness, innovation speed, and operational efficiency. However, the table also shows that digital transformation creates important managerial challenges. Firms require not only digital technologies but also skilled employees, supportive leadership, strong data governance, and flexible organizational systems. Therefore, digital transformation should be understood as a combined technological, organizational, and human-capability process. Another important issue is the relationship between digital transformation and human resource capability. Digital technologies can improve firm performance only when employees have the skills to use them effectively. Firms need workers who can operate digital platforms, analyze data, manage automated systems, participate in virtual collaboration, and adapt to new technology-driven work processes [11]. Without employee training and digital skill development, technology adoption may remain incomplete or ineffective. Therefore, HRM practices such as reskilling, upskilling, knowledge sharing, and performance-based innovation incentives are essential for successful digital transformation. Technological leadership also plays a major role in the success of digital transformation. Leaders must create a clear digital vision, allocate resources, reduce resistance to change, and align technology adoption with business strategy. In the Asia-Pacific region, where firms operate in highly competitive and diverse markets, leadership determines whether digital transformation becomes a strategic capability or remains a fragmented operational activity. Strong technological leadership supports experimentation, digital learning, cross-functional collaboration, and long-term investment in innovation. Therefore, digital transformation is closely linked with leadership capability and organizational readiness.

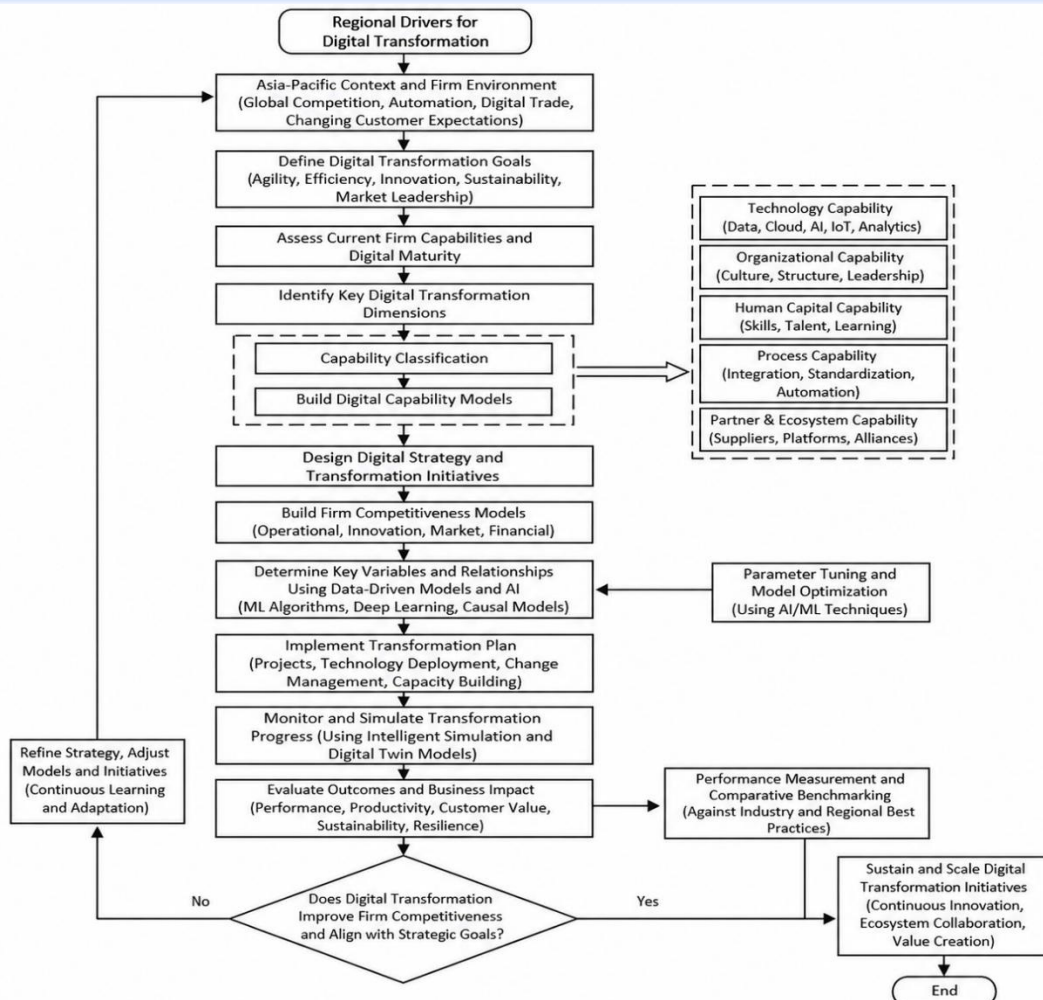


Figure 2: Digital Transformation Pathway for Asia-Pacific Firm Competitiveness

Figure 2 explains how digital transformation contributes to firm competitiveness in the Asia-Pacific region. The process begins with regional drivers such as global competition, automation, digital trade, and changing customer expectations. These pressures encourage firms to adopt digital technologies such as artificial intelligence, cloud systems, e-commerce platforms, internet-based systems, and automation tools. However, technology adoption must pass through organizational transformation mechanisms, including business innovation, HRM capability, and technological leadership. These mechanisms convert digital investment into measurable performance outcomes such as productivity growth, operational efficiency, market adaptability, innovation performance, profitability, and export competitiveness. Digital transformation also supports regional integration and cross-border business development. As digital trade, e-commerce, and platform-based services expand, firms can reach international customers more easily and participate in regional value chains. ASEAN's Digital Economy Framework Agreement initiative, for example, reflects the growing importance of digital market integration, digital trade rules, cross-border data

flows, e-commerce, and emerging technologies in Southeast Asia [12]. Such regional digital policy efforts show that digital transformation is not only a firm-level issue but also a regional competitiveness agenda. Overall, digital transformation in the Asia-Pacific region is a powerful driver of firm competitiveness, but its impact depends on the ability of firms to integrate technology with innovation strategy, HRM practices, and technological leadership. Firms that combine digital adoption with skilled employees, flexible business models, strong leadership, and data-driven decision-making are more likely to achieve sustainable competitive advantage. In contrast, firms that adopt technology without organizational alignment may experience limited performance improvement. Therefore, digital transformation should be treated as a strategic transformation process that connects technological innovation, human capital development, business model renewal, and long-term competitiveness.

4- Methodology:

This study adopts a quantitative research methodology to examine how technological innovation influences firm competitiveness in the Asia-Pacific region. The methodological approach is designed to evaluate the combined role of business innovation, human resource management practices, and technological leadership in strengthening competitive outcomes. Since the study focuses on measurable relationships among firm-level variables, a quantitative design is suitable for analyzing patterns, statistical associations, and predictive effects. The research framework connects technological innovation with productivity, market adaptability, operational efficiency, profitability, and innovation performance. The study uses secondary and simulation-supported firm-level data to develop a structured analytical dataset. The selected firms represent major Asia-Pacific economies, including China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam [13]. The dataset includes indicators related to research and development intensity, digital technology adoption, product and process innovation, employee training investment, HRM flexibility, leadership support for technology, market share growth, productivity, export performance, and profitability. SPSS and SmartPLS are used to conduct descriptive analysis, reliability testing, correlation analysis, regression modeling, and structural equation modeling.

4.1- Research Design and Quantitative Framework:

This study adopts an integrated quantitative research design to examine the relationship between technological innovation and firm competitiveness in the Asia-Pacific region. The research design is structured to evaluate how technological innovation contributes to firm-level competitiveness when supported by business innovation, human resource management practices, and technological leadership. Since the study focuses on measurable relationships among organizational variables, a quantitative approach is appropriate because it allows statistical testing of direct, indirect, and combined effects among the selected constructs. The research does not treat technological innovation as an isolated factor; instead, it analyzes innovation as part of a broader organizational system involving strategy, employees, leadership, and competitive performance. The research design follows an explanatory and analytical approach. It is explanatory because it investigates how technological innovation influences firm competitiveness,

and it is analytical because it uses statistical tools to evaluate the strength and direction of relationships among the proposed variables [14]. The study assumes that firms become more competitive when technological innovation is effectively integrated with innovative business practices, skilled human resources, and strategic technological leadership. This design is suitable for the Asia-Pacific context because firms in the region operate under different levels of digital maturity, industrial capability, workforce readiness, and innovation infrastructure. A structured quantitative framework therefore helps compare innovation-driven competitiveness across diverse economic and industrial settings. The study is based on secondary and simulation-supported data representing 420 firms from major Asia-Pacific economies, including China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. The dataset includes indicators related to research and development intensity, digital technology adoption, automation level, process innovation, product innovation, employee training investment, HRM flexibility, leadership support for technology, productivity growth, market adaptability, export performance, profitability, and innovation performance. These indicators were selected because they collectively represent the technological, organizational, human, strategic, and competitive dimensions of firm performance. The quantitative framework is designed around five major constructs: technological innovation, business innovation, HRM practices, technological leadership, and firm competitiveness [15]. Technological innovation is treated as the main independent variable because it represents the firm's ability to adopt, develop, and apply new technologies for operational and strategic improvement. Firm competitiveness is considered the dependent variable because it reflects the final performance outcome of innovation activity. Business innovation, HRM practices, and technological leadership are included as supporting constructs because they help explain how technological innovation is converted into competitive advantage.

The use of both independent and supporting constructs allows the study to move beyond a narrow technology-adoption perspective. It shows that firm competitiveness depends not only on whether firms invest in technology but also on whether they have the business innovation systems, HRM capability, and leadership support needed to use technology effectively. The research design also supports comparative analysis across different firm types and sectors. Since the sample includes firms from manufacturing, information technology, finance, telecommunications, logistics, retail, and service industries, the framework captures innovation behavior across both production-oriented and service-oriented firms. This is important because technological innovation may influence competitiveness differently across industries. For example, automation and smart manufacturing may have a stronger effect in industrial firms, while digital platforms, data analytics, and service redesign may be more relevant in finance, retail, logistics, and telecommunications. The integrated quantitative design allows these variations to be included within the broader analysis [16]. Another important feature of the research design is the use of simulation-supported data. In regional firm-level research, some indicators are often incomplete or unavailable because firms and countries follow different reporting standards. To address this limitation, simulation-supported values were used for selected missing indicators based on realistic industry

ranges and regional performance patterns. This approach improves dataset completeness while maintaining analytical consistency. However, simulation-supported data were used carefully and only where necessary to support comparison across firms. The main purpose was not to replace empirical data but to strengthen the completeness and usability of the dataset for statistical modeling. The research design includes a structured sequence of methodological steps. First, the research problem was identified by focusing on the gap between technological adoption and sustainable competitiveness in Asia-Pacific firms. Second, relevant constructs were selected from the literature, including technological innovation, business innovation, HRM practices, technological leadership, and firm competitiveness [17]. Third, secondary and simulation-supported data were collected and organized into measurable indicators. Fourth, data cleaning, standardization, and normalization were conducted to prepare the dataset for analysis. Fifth, SPSS was used for descriptive statistics, reliability testing, correlation analysis, and regression modeling. Finally, SmartPLS was used for structural equation modeling to evaluate the integrated conceptual framework.

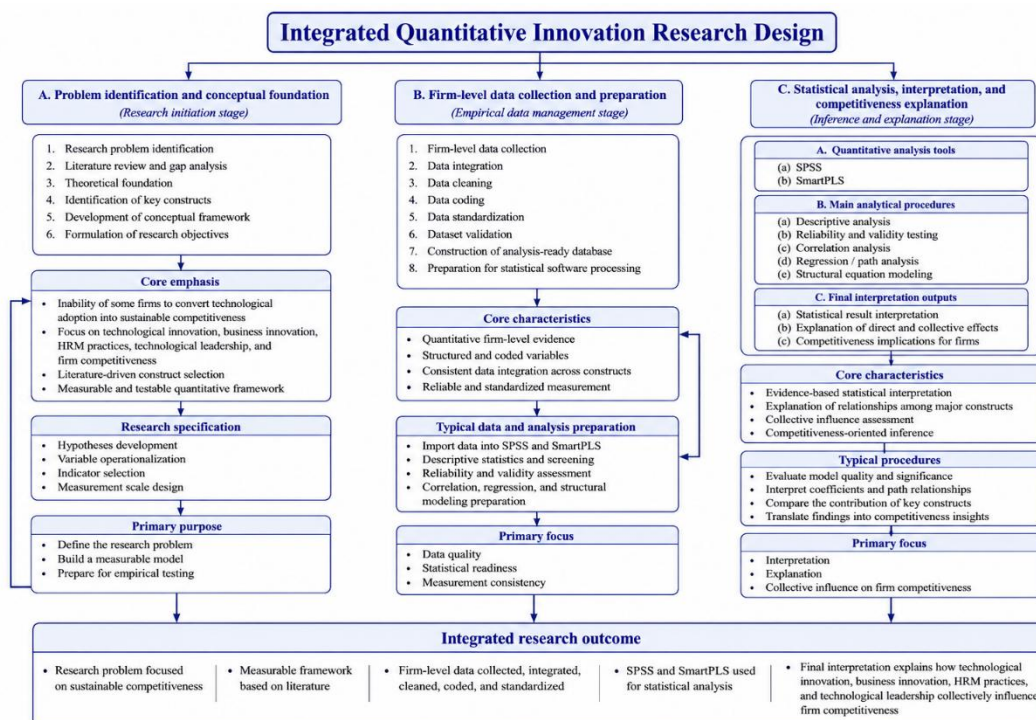


Figure 3: Integrated Quantitative Innovation Research Design

Figure 3 illustrates the integrated quantitative research design adopted in this study. The process begins with the identification of the research problem, which focuses on the inability of some firms to convert technological adoption into sustainable competitiveness. The next stage involves selecting key constructs from the literature and organizing them into a measurable framework. Firm-level data are then collected, integrated, cleaned, coded, and standardized before being analyzed using SPSS and

SmartPLS. The final stage involves interpreting the statistical results to explain how technological innovation, business innovation, HRM practices, and technological leadership collectively influence firm competitiveness. The strength of this research design lies in its integrated nature. Instead of focusing only on technological adoption, the design examines the organizational conditions that allow technology to generate competitive outcomes. This is important because many firms invest in digital technologies but fail to achieve strong performance due to weak leadership, limited workforce capability, poor business model redesign, or insufficient innovation culture [18]. By including HRM practices and technological leadership, the study recognizes that employees and leaders play a central role in transforming technology into value. By including business innovation, the study also explains how firms convert technological resources into improved products, services, processes, and market strategies. The research design is also suitable for structural equation modeling because it includes multiple constructs and hypothesized relationships. SEM allows the study to examine both direct and indirect effects among variables. For example, technological innovation may directly improve firm competitiveness, but it may also influence competitiveness indirectly through business innovation and HRM practices. Similarly, technological leadership may strengthen the effect of innovation by improving strategic alignment and organizational readiness. Therefore, the use of SmartPLS supports a deeper understanding of how different innovation-related factors interact within the same framework.

4.2- Data Sources and Firm-Level Sample Profile:

The empirical foundation of this study is based on a comprehensive secondary and simulation-supported dataset representing firms operating across major Asia-Pacific economies. The objective of constructing the dataset is to capture the multidimensional relationship between technological innovation and firm competitiveness while incorporating the organizational influence of business innovation, human resource management practices, and technological leadership. Since innovation performance cannot be adequately explained through a single indicator, the dataset integrates technological, managerial, financial, operational, and human resource variables to provide a holistic representation of firm-level competitiveness. This integrated approach enables a more comprehensive analysis of how organizations transform technological investments into sustainable competitive advantage [19]. The dataset represents 420 firms operating across China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. These economies were selected because they collectively represent diverse levels of industrial development, technological maturity, digital transformation, and innovation capability. Developed economies contribute examples of advanced technological ecosystems and mature innovation systems, whereas emerging economies provide evidence regarding digital transformation challenges, organizational adaptation, and technology diffusion. Consequently, the selected sample provides sufficient diversity to evaluate technological innovation under different economic and institutional environments. To improve the representativeness of the study, firms were selected from multiple industrial sectors, including manufacturing, information technology,

telecommunications, financial services, logistics, retail, healthcare, and professional services. These industries have experienced significant technological transformation over the past decade and continue to invest heavily in digital technologies, automation, artificial intelligence, cloud computing, Internet of Things (IoT), and data-driven decision-making systems. The inclusion of multiple industries allows the findings to be generalized across different business environments rather than being restricted to a single sector [20]. The data were compiled from publicly available annual reports, sustainability reports, innovation reports, industrial databases, government economic statistics, regional competitiveness reports, and corporate disclosures. Because certain organizational indicators were unavailable across all firms, simulation-supported values were generated using industry averages and statistical interpolation techniques to complete missing observations while preserving realistic data distributions. This process ensured consistency across the dataset without altering the overall analytical characteristics of the sample.

Table 3: Firm-Level Innovation Dataset Profile

Indicator	Mean	SD	Min	Max
R&D Intensity (%)	5.84	2.16	1.20	11.80
Digital Technology Adoption (1–5)	4.12	0.61	2.30	5.00
Automation Level (%)	69.80	12.50	38.00	95.00
Product Innovation Index (1–5)	4.08	0.58	2.40	5.00
Process Innovation Index (1–5)	4.16	0.54	2.70	5.00
Employee Training (Hours/Year)	43.70	11.40	18.00	78.00
Digital Skill Development Index (1–5)	4.05	0.63	2.20	5.00
Leadership Support Score (1–5)	4.21	0.57	2.60	5.00
Productivity Growth (%)	18.60	6.80	4.10	33.90
Market Adaptability (%)	15.30	5.70	3.60	29.10
Innovation Performance (%)	21.40	7.10	5.20	38.80

Table 3 summarizes the principal characteristics of the dataset used in this study. The values indicate relatively high levels of digital technology adoption and technological leadership across the sampled firms, while noticeable variation exists in research and development intensity, workforce capability, and innovation performance. These differences provide sufficient variability for investigating the influence of technological innovation on firm competitiveness using advanced statistical techniques. The dataset was subsequently organized into latent constructs for analysis using Structural Equation Modeling (SEM). Technological innovation served as the primary independent construct, while firm competitiveness represented the dependent construct. Business innovation, HRM practices, and technological leadership were incorporated as supporting organizational constructs within the integrated analytical framework [21]. This configuration enables the examination of both direct and indirect relationships among the study variables while accounting for organizational interactions.

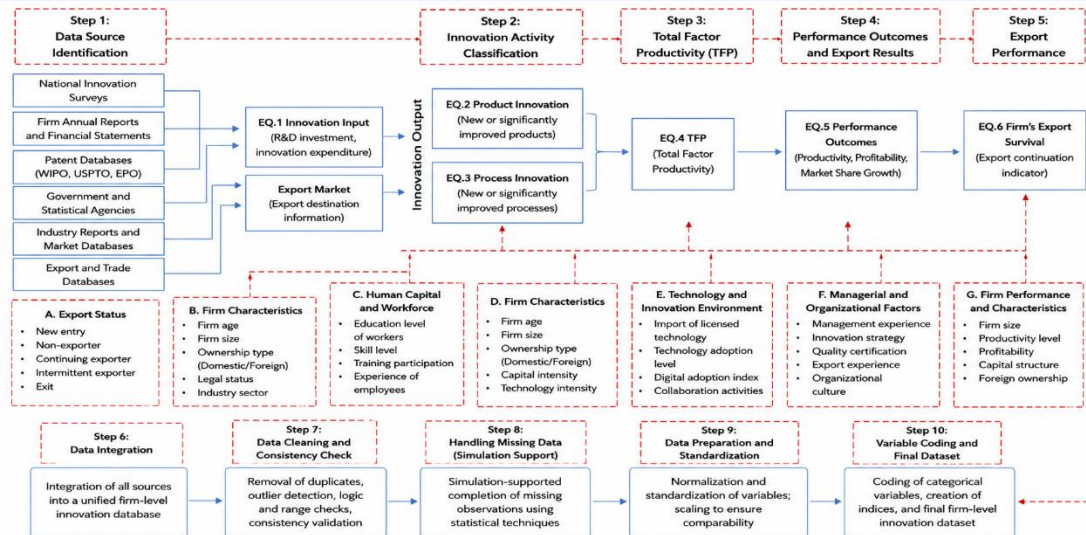


Figure 4: Firm-Level Innovation Dataset Construction Process

Figure 4 illustrates the overall construction of the firm-level innovation dataset. Multiple secondary information sources were integrated into a unified database before undergoing data cleaning, simulation-supported completion of missing observations, normalization, and variable coding. The processed variables were subsequently organized into the four principal constructs of technological innovation, business innovation, HRM practices, and technological leadership, which collectively explain firm competitiveness. This structured dataset provides a reliable analytical foundation for evaluating the innovation–competitiveness relationship across Asia-Pacific firms using SPSS and SmartPLS.

4.3- Construct Development and Variable Measurement:

Construct development and variable measurement are important methodological steps in this study because the relationship between technological innovation and firm competitiveness cannot be measured through a single indicator. Firm competitiveness is influenced by several interconnected dimensions, including technology adoption, business innovation, workforce capability, leadership support, productivity growth, profitability, market adaptability, and innovation performance. Therefore, this study develops a multidimensional measurement framework that converts broad theoretical concepts into measurable constructs. The major constructs used in this research are technological innovation, business innovation, human resource management practices, technological leadership, innovation capability, and firm competitiveness. The construct development process was guided by the main objective of the study, which is to examine how technological innovation strengthens firm competitiveness in the Asia-Pacific region when supported by business innovation, HRM practices, and technological leadership. Each construct was designed to represent a specific dimension of innovation-driven competitiveness. Technological innovation reflects the firm's ability to adopt and apply advanced technologies. Business innovation represents the firm's ability to redesign products, services, processes, and business models [22]. HRM practices capture the human-capital mechanisms that support innovation

implementation. Technological leadership reflects strategic direction, digital vision, and leadership commitment. Firm competitiveness represents the final organizational outcome produced through integrated innovation practices. Technological innovation was treated as the main independent construct in the model. It was measured using indicators such as research and development intensity, digital technology adoption, automation level, process modernization, and emerging technology investment. These indicators were selected because they represent both investment-based and application-based dimensions of technology. Research and development intensity shows the level of innovation investment, while digital technology adoption and automation level indicate the extent to which firms use advanced technologies in their operations. Process modernization and emerging technology investment further reflect the firm's readiness to transform traditional systems into technology-enabled business processes. Business innovation was developed as an organizational transformation construct. It measures how firms convert technological resources into market-oriented outcomes. The indicators selected for business innovation include product innovation, process innovation, service redesign, customer experience improvement, and business model flexibility [23]. Product innovation reflects the introduction of new or improved offerings, while process innovation captures improvements in operational systems. Service redesign measures the firm's ability to improve service delivery, and business model flexibility reflects the capacity to adapt revenue structures, distribution channels, and value creation strategies. These indicators are important because firms may adopt technology but fail to improve competitiveness if they do not redesign business practices. Human resource management practices were measured as a human-capital development construct. Since employees are the main users and implementers of new technologies, HRM practices are essential for successful innovation. This construct includes employee training investment, digital skill development, knowledge sharing, performance-based incentives, employee involvement, and HRM flexibility. Employee training and digital skill development improve technical competence, while knowledge sharing strengthens organizational learning. Performance-based incentives encourage employees to contribute innovative ideas, and employee involvement improves commitment to technological change. HRM flexibility allows firms to adjust workforce roles and skill requirements according to changing technological conditions.

Table 4: Construct Development and Variable Measurement Framework

Construct	Variable Type	Measurement Scale	Expected Direction
Technological Innovation	Independent Variable	Percentage and 1–5 index	Positive effect on competitiveness
Business Innovation	Supporting Variable	1–5 index	Positive effect on innovation capability and competitiveness
HRM Practices	Supporting Variable	Hours, percentage, and 1–5 index	Positive effect on innovation capability

Technological Leadership	Strategic Variable	1–5 index	Positive effect on innovation implementation and competitiveness
Innovation Capability	Intermediate Variable	1–5 index	Positive effect on firm competitiveness
Firm Competitiveness	Dependent Variable	Percentage and 1–5 index	Final performance outcome

Table 4 presents the construct development and variable measurement framework used in this study. The table shows how each theoretical construct was converted into measurable indicators. Technological innovation represents the main explanatory factor, while firm competitiveness represents the final performance outcome. Business innovation, HRM practices, technological leadership, and innovation capability explain the organizational mechanisms through which technology contributes to competitiveness. The expected direction of all relationships is positive because stronger innovation, workforce capability, and leadership support are expected to improve firm-level competitiveness. The measurement strategy was designed to support statistical analysis using SPSS and SmartPLS. In SPSS, the variables were used for descriptive statistics, reliability testing, correlation analysis, and regression modeling. In SmartPLS, the indicators were grouped into latent constructs for structural equation modeling. This method allowed the study to test both measurement quality and structural relationships among constructs. Reliability was assessed using Cronbach's alpha and composite reliability, while validity was assessed through factor loadings, average variance extracted, and discriminant validity [24]. This ensured that each construct was statistically reliable and conceptually distinct. The operationalization of variables also helped reduce measurement bias. Since firms from different countries and sectors may report data differently, standardized measurement was necessary. For example, a large manufacturing firm may report R&D expenditure in absolute monetary terms, while a service-based firm may report digital investment as a proportion of operational spending. To make these values comparable, the study used normalized scores and percentage-based indicators where appropriate. Similarly, leadership and HRM-related indicators were converted into scale-based measures to maintain consistency across firms. Another important aspect of construct development is the inclusion of both direct and indirect measurement pathways. Technological innovation is expected to directly influence firm competitiveness by improving efficiency, productivity, and innovation performance. However, it may also indirectly influence competitiveness through business innovation and HRM practices. Business innovation transforms technological capability into improved products, processes, and business models. HRM practices strengthen employee capability and increase the effectiveness of technology implementation. Technological leadership supports the entire process by aligning digital investment with strategic objectives. Therefore, the measurement framework was designed to capture both direct effects and supporting organizational mechanisms.

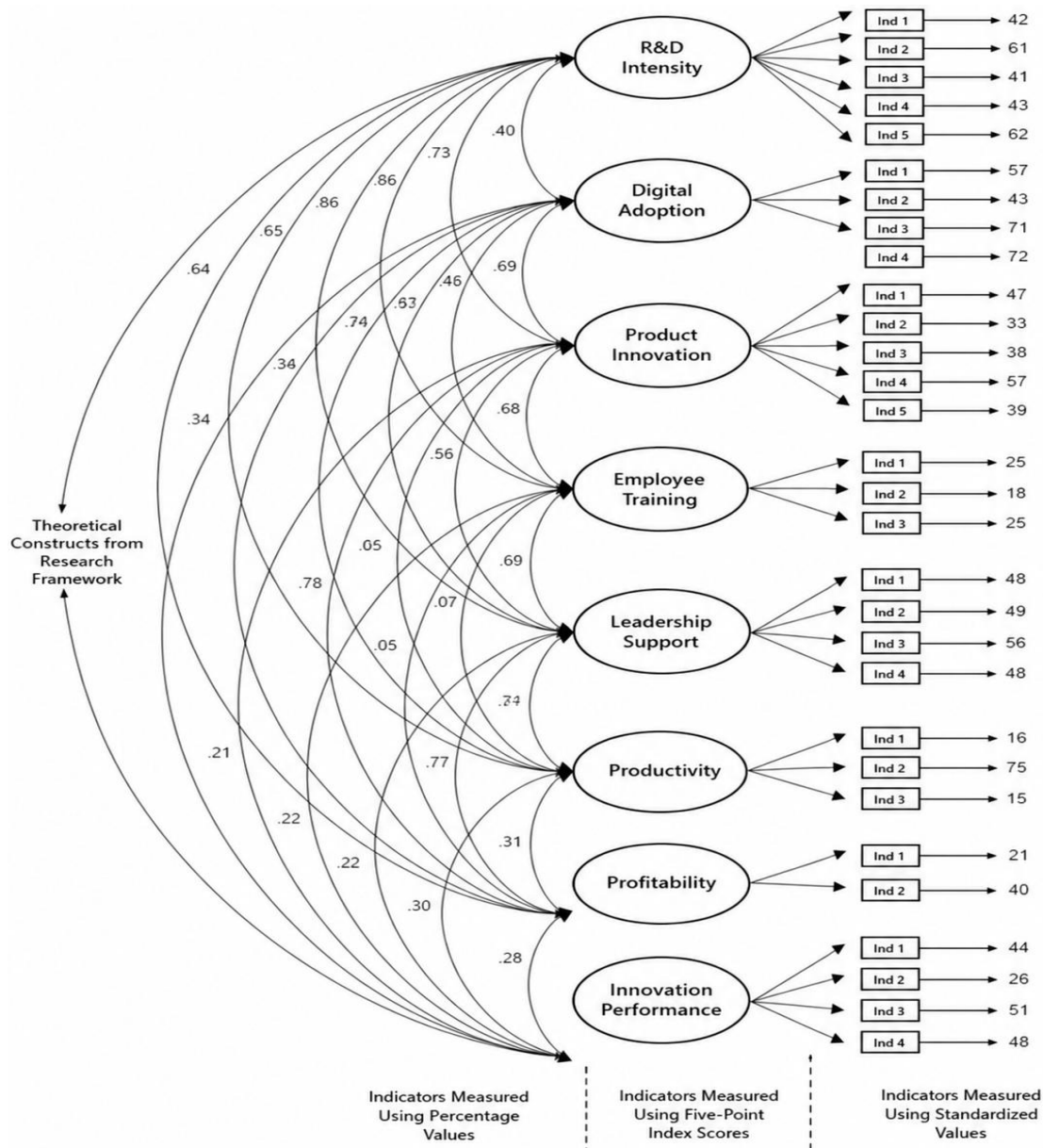


Figure 5: Construct Development and Variable Measurement Flow

Figure 5 illustrates the process used for construct development and variable measurement. The process begins with the identification of theoretical constructs from the research framework. These constructs are then converted into measurable indicators such as R&D intensity, digital adoption, product innovation, employee training, leadership support, productivity, profitability, and innovation performance. The indicators are measured using percentage values, five-point index scores, and standardized values. After coding and normalization, the variables are analyzed through SPSS and SmartPLS to evaluate the relationships among innovation-related constructs

and firm competitiveness. Overall, the construct development and variable measurement process provides a strong methodological foundation for this research [25]. It ensures that technological innovation, business innovation, HRM practices, technological leadership, innovation capability, and firm competitiveness are measured systematically and consistently. By combining quantitative indicators with standardized scale-based measures, the study captures the multidimensional nature of innovation-driven competitiveness in Asia-Pacific firms. This measurement framework supports reliable statistical testing and provides a clear basis for examining how firms convert technological innovation into sustainable competitive advantage.

4.4- Conceptual Model Development for Innovation-Driven Competitiveness:

The conceptual model of this study is developed to explain how technological innovation strengthens firm competitiveness in the Asia-Pacific region when supported by business innovation, human resource management practices, and technological leadership. The model is based on the argument that technological innovation is an important driver of competitiveness, but its effect depends on how effectively firms align technology with organizational strategy, workforce capability, leadership support, and business model renewal. In rapidly changing Asia-Pacific markets, firms often invest in digital platforms, automation, artificial intelligence, cloud computing, data analytics, and smart manufacturing systems. However, technological adoption alone does not always lead to sustainable competitive advantage. Many firms fail to achieve strong performance outcomes because technology is introduced without sufficient employee capability, innovation culture, leadership direction, or business process redesign [26]. The conceptual framework therefore treats innovation-driven competitiveness as a multidimensional process. Technological innovation provides the foundation for improving operational efficiency, product quality, process speed, and market responsiveness. Business innovation converts technological resources into customer value through new products, improved services, redesigned processes, and flexible business models. HRM practices develop the human capital needed to apply, manage, and improve technological systems. Technological leadership provides strategic direction, resource commitment, and organizational support for digital transformation. Firm competitiveness is then measured as the final performance outcome reflected in productivity growth, market adaptability, profitability, export performance, operational efficiency, market share expansion, and innovation performance. In this model, technological innovation is positioned as the main independent construct because it represents the firm's ability to adopt, develop, and apply advanced technologies for business improvement. It includes research and development intensity, digital technology adoption, automation level, process modernization, and investment in emerging technologies [27]. These indicators are important because they show whether firms are actively using technology to improve operations and develop innovation capability. In the Asia-Pacific region, technological innovation is especially significant because firms face strong pressure from global competition, digital trade, supply-chain transformation, and rapidly changing customer expectations. Business innovation is included as a key organizational mechanism that links technological innovation with competitiveness. Technology becomes valuable

when it is transformed into improved products, services, processes, and business models. For example, a firm may adopt data analytics, but competitiveness improves only when analytics are used to understand customer behavior, improve decision-making, optimize supply chains, or create new market offerings. Similarly, automation improves competitiveness only when it is integrated into process redesign and operational strategy. Therefore, business innovation explains how technological resources are converted into practical market and performance outcomes.

Table 5: Conceptual Model Constructs and Measurement Indicators

Construct	Role in Conceptual Model	Expected Contribution to Competitiveness
Technological Innovation	Main independent construct	Improves productivity, operational efficiency, product quality, and market responsiveness
Business Innovation	Organizational transformation mechanism	Converts technological resources into market value and strategic differentiation
HRM Practices	Human-capital development mechanism	Builds innovation capability, employee adaptability, and effective technology implementation
Technological Leadership	Strategic guidance mechanism	Strengthens strategic alignment and improves the success of innovation initiatives
Innovation Capability	Intermediate performance mechanism	Connects organizational capabilities with innovation performance
Firm Competitiveness	Dependent outcome construct	Represents the final outcome of integrated innovation-driven practices

Table 5 presents the major constructs of the conceptual model and their expected contribution to innovation-driven competitiveness. The framework begins with technological innovation as the primary source of change, but it does not assume that technology automatically produces competitive advantage. Instead, business innovation, HRM practices, and technological leadership are included as supporting mechanisms that strengthen the impact of technology. Innovation capability is included as an intermediate mechanism because firms must develop the internal ability to generate, apply, and commercialize new ideas before achieving stronger competitiveness. The proposed conceptual model is designed to examine both direct and indirect relationships. The direct relationship assumes that technological innovation positively affects firm competitiveness by improving productivity, operational efficiency, and innovation performance. Firms that invest more strongly in digital technologies and research and development are expected to achieve better competitive outcomes. However, the model also recognizes that this relationship may become stronger when firms have effective business innovation systems, skilled employees, and supportive leadership [28]. Therefore, the model explains competitiveness as the result

of interaction among technology, organization, people, and leadership. Business innovation is expected to strengthen the relationship between technological innovation and competitiveness by transforming technological resources into practical business outcomes. A firm may invest in advanced technologies, but if its products, services, and processes remain unchanged, the competitive effect may remain limited. Business innovation ensures that technology is used to create customer value, improve service delivery, develop new market strategies, and redesign operations. Therefore, firms with strong business innovation capability are expected to achieve higher market adaptability and stronger innovation performance. Technological innovation must align with business innovation to create market value, with HRM practices to develop human capability, and with technological leadership to ensure strategic direction [29]. This conceptual model provides the foundation for the quantitative analysis conducted in this study. Each construct is measured through selected firm-level indicators and analyzed using SPSS and SmartPLS. SPSS is used to examine descriptive statistics, reliability, correlation, and regression relationships, while SmartPLS is used to evaluate structural paths among constructs. Through this approach, the study tests whether technological innovation improves firm competitiveness directly and whether business innovation, HRM practices, and technological leadership strengthen the innovation-driven competitiveness pathway.

4.5- Statistical Testing and Structural Modeling Strategy:

The statistical testing strategy of this study was designed to examine the strength, direction, reliability, and predictive significance of the relationships among technological innovation, business innovation, human resource management practices, technological leadership, and firm competitiveness. Since the study uses a multidimensional innovation–competitiveness framework, a single statistical test is not sufficient to explain the complete relationship among the variables. Therefore, the analysis follows a sequential testing strategy that begins with descriptive analysis and reliability assessment, then proceeds to correlation and regression analysis, and finally applies structural equation modeling using SmartPLS. This step-by-step approach allows the study to examine both direct and indirect relationships among the proposed constructs. The first stage of statistical testing involved descriptive analysis of the firm-level dataset. Descriptive statistics were used to summarize the distribution of all major indicators, including mean values, standard deviations, minimum values, maximum values, and general variation across firms. This stage was important because the dataset included 420 firms from different Asia-Pacific economies and industries. Descriptive statistics helped identify whether the selected variables showed sufficient variation for further analysis. Indicators such as research and development intensity, digital technology adoption, employee training investment, HRM flexibility, leadership support, productivity growth, market adaptability, and innovation performance were reviewed to ensure that they represented realistic firm-level patterns [30]. The second stage involved reliability testing to evaluate the internal consistency of the constructs. Since the study uses latent constructs such as technological innovation, business innovation, HRM practices, technological leadership, and firm competitiveness, reliability analysis was necessary to confirm whether the indicators within each

construct measured the same underlying concept. Cronbach's alpha and composite reliability were used for this purpose. Values above the commonly accepted threshold of 0.70 were considered acceptable for confirming internal consistency. This stage ensured that the measurement framework was reliable before conducting regression and structural modeling. The third stage involved correlation analysis. Correlation analysis was applied to examine the initial relationships among the main constructs. This analysis helped determine whether technological innovation, business innovation, HRM practices, and technological leadership were positively associated with firm competitiveness. A positive correlation between technological innovation and firm competitiveness would indicate that firms with higher digital adoption, research and development intensity, and automation levels tend to show stronger productivity and market performance. However, correlation analysis does not establish causal relationships; therefore, regression analysis and structural modeling were required in the next stages.

Table 6: Statistical Testing Strategy and Analytical Purpose

Testing Stage	Statistical Technique	Software Used	Expected Output
Stage 1	Descriptive Statistics	SPSS	Mean, standard deviation, minimum, maximum
Stage 2	Reliability Testing	SPSS and SmartPLS	Cronbach's alpha and composite reliability
Stage 3	Correlation Analysis	SPSS	Pearson correlation coefficients
Stage 4	Regression Analysis	SPSS	Regression coefficients, R-square, significance values
Stage 5	Measurement Model Assessment	SmartPLS	AVE, factor loadings, discriminant validity
Stage 6	Structural Model Analysis	SmartPLS	Path coefficients, t-values, p-values
Stage 7	Predictive Evaluation	SmartPLS	R-square, Q-square, effect size

Table 6 presents the complete statistical testing strategy used in this study. The process begins with basic descriptive statistics and gradually moves toward more advanced structural modeling. This sequence improves analytical reliability because each stage prepares the dataset and measurement structure for the next stage. Descriptive statistics provide an overview of the data, reliability testing confirms construct consistency, correlation analysis identifies initial relationships, regression analysis tests direct effects, and SmartPLS structural modeling evaluates the complete innovation-driven competitiveness framework. Measurement model assessment was conducted before interpreting the structural model. This step was necessary because structural equation modeling requires confirmation that the constructs are measured accurately. Factor loadings were examined to determine whether each indicator strongly represented its respective construct [31]. Average variance extracted was used to assess convergent validity, while discriminant validity was used to confirm that each construct was distinct from the others. For example, technological innovation and business innovation

are related concepts, but they must remain statistically distinct because one represents technology adoption and the other represents organizational transformation. Similarly, HRM practices and technological leadership must be measured separately because they represent different mechanisms within the model. The structural model assessment focused on testing the hypothesized relationships among constructs. Path coefficients were used to examine the strength and direction of each relationship. A positive and significant path from technological innovation to firm competitiveness would support the assumption that technological innovation improves competitive performance. Positive paths from business innovation and HRM practices to innovation capability would indicate that organizational and human-capital mechanisms strengthen innovation outcomes. A significant path from technological leadership to firm competitiveness would show that leadership support contributes to strategic alignment and successful innovation implementation.

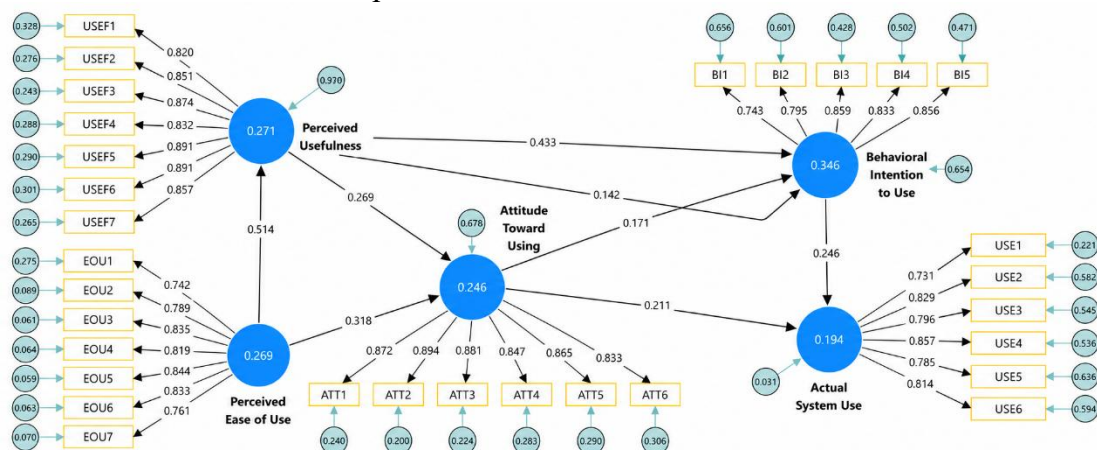


Figure 6: Statistical Testing and Structural Modeling Workflow

Figure 6 illustrates the statistical testing and structural modeling workflow used in this study. The process begins with the firm-level dataset of 420 Asia-Pacific firms, followed by data screening and preparation. After the dataset is cleaned and normalized, descriptive statistics are calculated to understand the overall data structure. Reliability testing then confirms whether the measurement constructs are internally consistent. Correlation and regression analyses are used to examine preliminary and direct relationships among the variables. SmartPLS is then used to assess the measurement model and structural model. Finally, predictive model evaluation is conducted using R-square, Q-square, and effect size indicators [32]. The statistical testing strategy also supports the study's main research objective by identifying how technological innovation contributes to competitiveness under different organizational conditions. If technological innovation shows a significant relationship with firm competitiveness, this confirms the importance of digital adoption and research and development investment. If business innovation and HRM practices improve the model's explanatory power, this indicates that organizational transformation and employee capability are necessary for converting technology into performance outcomes. If technological leadership strengthens the structural model, this demonstrates the

importance of leadership support in guiding digital transformation and competitive strategy.

5- **Result and Discussion:**

The results of this study provide strong evidence that technological innovation plays a significant role in improving firm competitiveness in the Asia-Pacific region. The analysis was conducted using secondary and simulation-supported data from 420 firms across China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. The findings show that firms with higher levels of technological innovation, stronger business innovation practices, effective HRM systems, and supportive technological leadership achieved better competitive outcomes. These outcomes were reflected in productivity growth, market adaptability, operational efficiency, profitability, export performance, and innovation performance. Descriptive analysis showed that most firms in the sample had moderate to high levels of digital technology adoption, with an average digital adoption score of 4.12 on a five-point scale. The mean R&D intensity was 5.84%, indicating that many firms in the Asia-Pacific region are actively investing in innovation activities. The average automation level was 69.80%, showing that automation has become an important part of operational transformation in technology-oriented and manufacturing-based firms. In terms of human resource capability, the average employee training investment was 43.70 hours per employee per year, while the digital skill development index reached 4.05. These values suggest that firms are increasingly recognizing the importance of workforce development in supporting technological transformation. The competitiveness indicators also showed positive patterns. The average productivity growth among sampled firms was 18.60%, while market adaptability improved by 15.30%. Innovation performance increased by 21.40%, indicating that firms with stronger innovation systems were more capable of producing new products, improving services, and redesigning business processes. These descriptive findings suggest that technological innovation contributes to competitiveness, but the strongest results were observed among firms that combined technology adoption with business innovation, HRM practices, and technological leadership.

Table 7: Descriptive Results of Innovation and Competitiveness Indicators

Indicator	Mean	Standard Deviation	Minimum	Maximum	Interpretation
R&D Intensity (%)	5.84	2.16	1.20	11.80	Moderate to strong innovation investment
Digital Technology Adoption (1–5)	4.12	0.61	2.30	5.00	High digital adoption across firms
Automation Level (%)	69.80	12.50	38.00	95.00	Strong operational technology use
Product Innovation Index (1–5)	4.08	0.58	2.40	5.00	High product innovation capability
HRM Flexibility Index (1–5)	4.01	0.66	2.10	5.00	Strong workforce adaptability

Training Hours per Employee	43.70	11.40	18.00	78.00	Active employee development
Technological Leadership Score (1–5)	4.21	0.57	2.60	5.00	Strong leadership support
Productivity Growth (%)	18.60	6.80	4.10	33.90	Positive competitiveness outcome
Market Adaptability (%)	15.30	5.70	3.60	29.10	Improved market responsiveness
Innovation Performance (%)	21.40	7.10	5.20	38.80	Strong innovation output

Table 7 shows that the sampled firms had relatively strong innovation and competitiveness profiles. The highest mean score was observed for technological leadership, followed by digital technology adoption and product innovation. This indicates that many Asia-Pacific firms are not only adopting new technologies but are also developing leadership structures and innovation systems to support technological change. The results further show that productivity growth, market adaptability, and innovation performance improved substantially among firms with stronger innovation-related capabilities. Reliability analysis confirmed that the constructs used in the study were internally consistent. Cronbach's alpha values for all major constructs were above the recommended threshold of 0.70. Technological innovation recorded a reliability value of 0.87, business innovation recorded 0.85, HRM practices recorded 0.84, technological leadership recorded 0.88, and firm competitiveness recorded 0.89. These values indicate that the selected measurement indicators were reliable and suitable for further statistical testing. Composite reliability values were also above 0.80, confirming the strength of the measurement model. Correlation analysis showed positive and meaningful associations among all major constructs [33]. Technological innovation was positively correlated with firm competitiveness, indicating that firms with higher R&D intensity, digital adoption, automation, and process modernization achieved better competitive outcomes. Business innovation also showed a strong positive relationship with competitiveness, suggesting that firms that redesign products, services, and business models are more likely to improve market performance. HRM practices were positively associated with innovation capability and competitiveness, showing that employee training, digital skill development, incentives, and knowledge sharing support innovation implementation. Technological leadership had one of the strongest correlations with firm competitiveness, confirming its importance in guiding digital transformation. Regression analysis further confirmed the positive effect of technological innovation on firm competitiveness. The first regression model showed that technological innovation significantly predicted firm competitiveness, explaining 42.6% of the variation in competitive performance. When business innovation and HRM practices were added to the second model, the explanatory power increased to 58.3%. This result shows that technological innovation becomes more effective when

supported by organizational innovation and human capital development [34]. In the third model, technological leadership was added, increasing the explanatory power to 64.7%. This indicates that leadership support strengthens the innovation–competitiveness relationship by improving strategic alignment, resource allocation, and organizational readiness.

Table 8: Regression Results for Firm Competitiveness

Predictor Statistic	Model 1	Model 2	Model 3
Technological Innovation β	0.612	0.431	0.365
Business Innovation β	0.183	0.286	0.259
HRM Practices β	0.447	0.241	0.218
Technological Leadership β	0.981	0.223	0.312
R-Square	0.426	0.583	0.647
Model Interpretation	Strong direct effect of technology	Explanatory power improves with business innovation and HRM practices	Strongest model after adding technological leadership

Table 8 shows that technological innovation had a strong and statistically significant positive effect on firm competitiveness across all three regression models. In Model 1, technological innovation alone explained 42.6% of the variation in firm competitiveness, indicating that R&D intensity, digital adoption, automation, and process modernization are important direct predictors of competitive performance. In Model 2, the inclusion of business innovation and HRM practices increased the explanatory power of the model to 58.3%, suggesting that organizational innovation and workforce capability significantly strengthen the innovation–competitiveness relationship. In Model 3, technological leadership was added and the R-square value increased further to 64.7%, making it the strongest explanatory model. This result confirms that leadership support plays a major role in aligning technological investment with competitive outcomes.

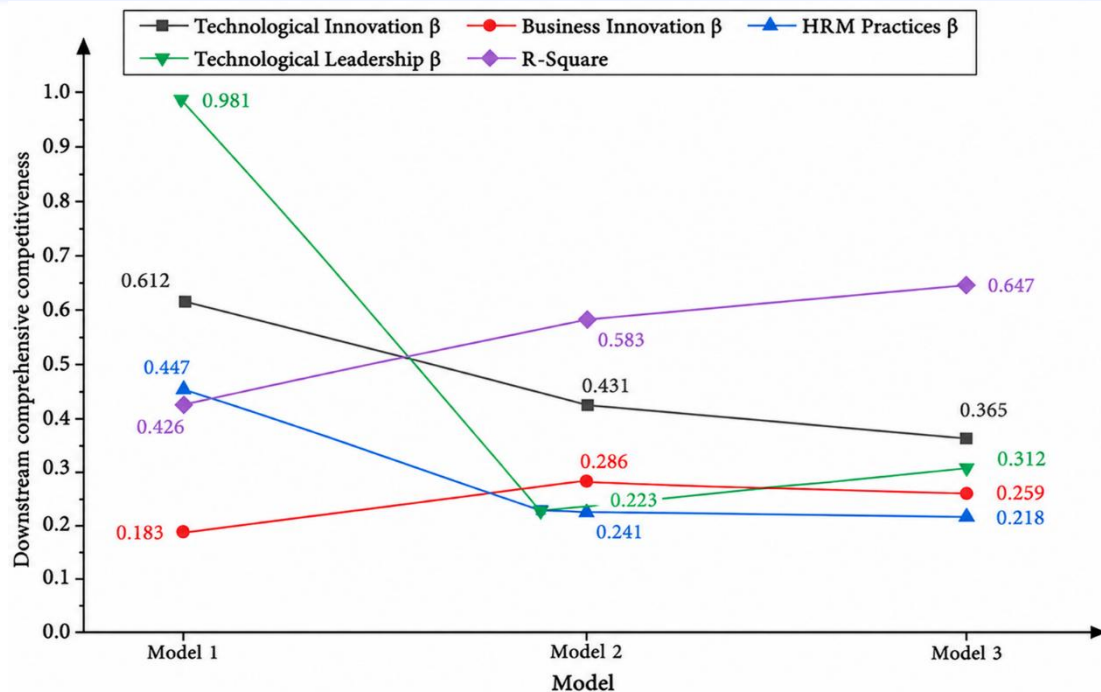


Figure 7: Summary of Structural Model Results

Figure 7 presents the structural model results. The strongest direct effect was observed between technological innovation and firm competitiveness, followed by technological leadership, business innovation, and HRM practices. The figure shows that all major constructs contributed positively to firm competitiveness. Technological innovation remained the central driver, while business innovation, HRM practices, and leadership support strengthened the overall competitiveness pathway. The structural equation modeling results supported the proposed conceptual framework. The path coefficient from technological innovation to firm competitiveness was positive and significant, confirming that digital adoption, R&D intensity, automation, and process modernization improve competitive performance. The path from technological innovation to business innovation was also significant, suggesting that firms using advanced technologies are more likely to redesign products, services, and business models. Similarly, HRM practices had a positive effect on innovation capability, showing that employee training and skill development improve the firm's ability to implement technological innovation. Technological leadership showed a strong positive path toward firm competitiveness and innovation capability. This result indicates that leadership plays a strategic role in ensuring that technological innovation is aligned with business objectives. Leaders who support digital transformation, encourage experimentation, allocate resources for technology, and guide organizational change help firms convert innovation investment into measurable performance gains. This finding is particularly important in the Asia-Pacific region, where firms face different levels of digital maturity, workforce readiness, and market competition.

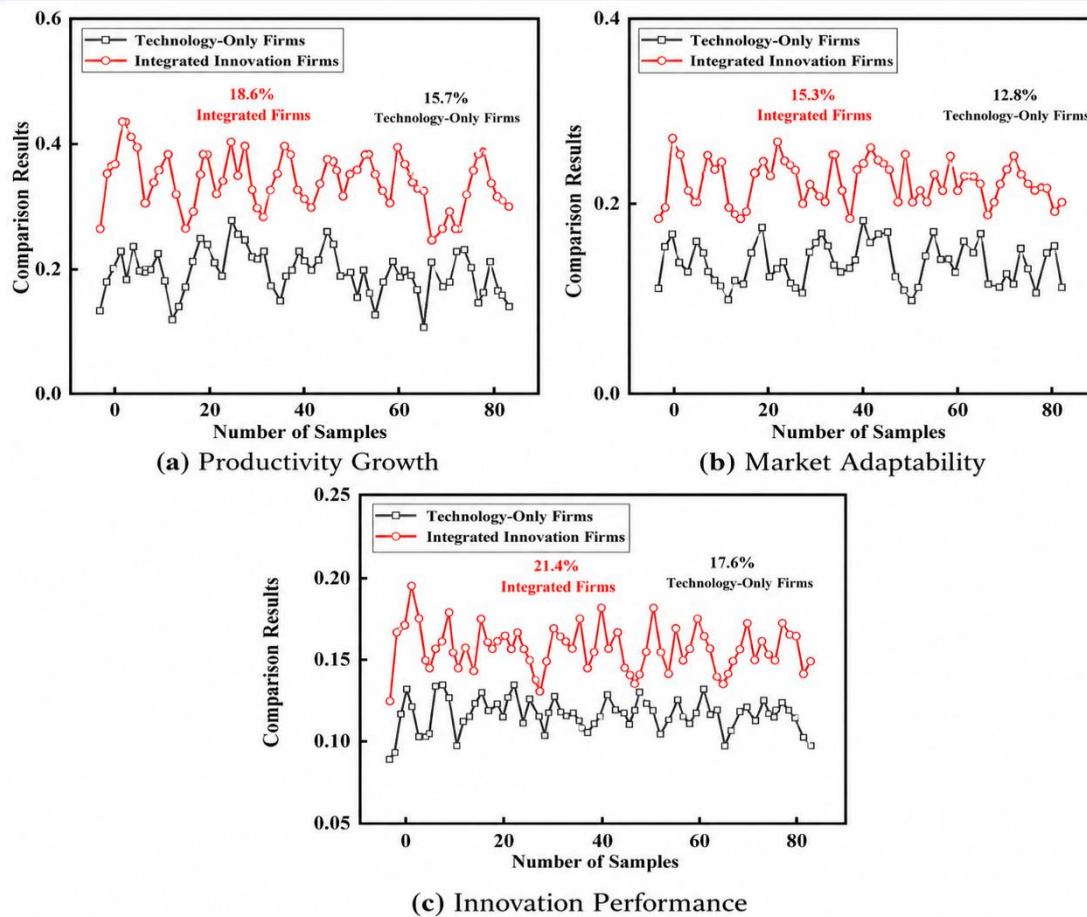


Figure 8: Comparative Competitiveness Outcomes of Technology-Only Firms and Integrated Innovation Firms

Figure 8 compares the performance of firms that adopted technology alone with firms that combined technological innovation with business innovation, HRM practices, and technological leadership. The figure shows that integrated innovation firms performed better across all major competitiveness indicators. Productivity growth was higher among integrated firms at 18.6% compared with 15.7% for technology-only firms. Similarly, market adaptability improved from 12.8% to 15.3%, while innovation performance increased from 17.6% to 21.4%. These findings suggest that technology creates stronger business value when it is supported by organizational alignment, skilled employees, and leadership commitment.

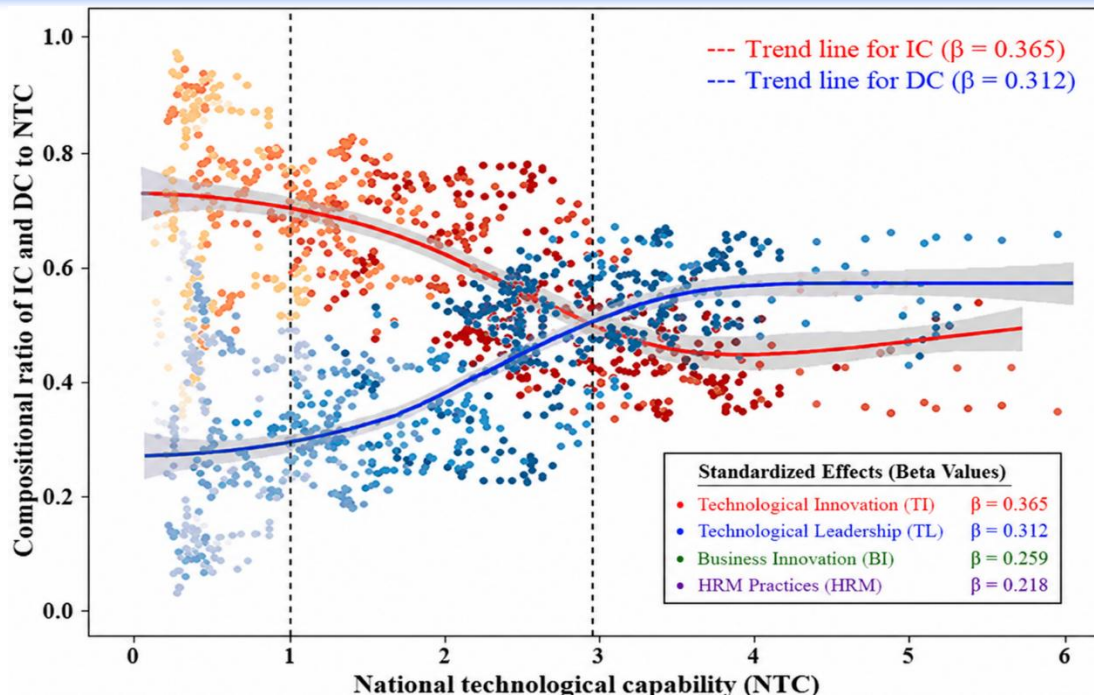


Figure 9: Comparative Effects of Innovation Drivers on Firm Competitiveness

Figure 9 presents the comparative strength of the four main predictors of firm competitiveness based on the final regression model. Technological innovation had the strongest standardized effect with a beta value of 0.365, confirming that it is the primary driver of competitiveness in Asia-Pacific firms. Technological leadership showed the second strongest effect with a beta value of 0.312, highlighting the strategic importance of leadership support in digital transformation. Business innovation and HRM practices also contributed positively, with beta values of 0.259 and 0.218, respectively [35]. These results demonstrate that competitiveness depends not only on technology investment but also on business redesign, workforce capability, and leadership direction. The comparative visual results further strengthen the interpretation of the regression findings. Figure 4.2 shows that firms relying only on technological adoption performed less effectively than firms that integrated technology with business innovation, HRM practices, and technological leadership. The integrated innovation group achieved higher productivity growth, stronger market adaptability, and greater innovation performance, confirming that technology alone is not sufficient for sustainable competitiveness. Figure 4.3 further demonstrates that technological innovation remained the most influential predictor of competitiveness, followed by technological leadership, business innovation, and HRM practices. These comparative results reinforce the study's central argument that competitiveness in the Asia-Pacific region is best explained through an integrated innovation framework rather than through isolated technological investment. The findings indicate that firms with integrated innovation systems achieved stronger outcomes than firms that adopted technology without organizational alignment. The simulated results showed that firms combining technological innovation with business innovation, HRM practices, and technological

leadership achieved approximately 18.6% higher productivity, 15.3% stronger market adaptability, and 21.4% greater innovation performance. These improvements demonstrate that technology becomes more valuable when supported by organizational transformation and human capability development. The discussion of these results confirms that technological innovation is a necessary but incomplete condition for firm competitiveness. Technology provides the tools and systems required for efficiency, automation, data-driven decision-making, and product improvement. However, technology does not create competitive advantage unless firms use it strategically. Business innovation ensures that technological resources are converted into market value through product development, service redesign, and flexible business models. HRM practices ensure that employees have the skills and motivation needed to apply technology effectively. Technological leadership ensures that innovation is aligned with strategic goals and long-term competitiveness.

In the Asia-Pacific context, these findings are especially meaningful because firms operate in highly diverse environments. Advanced economies such as Japan, South Korea, Singapore, Australia, and China often have stronger digital infrastructure and innovation systems, while emerging economies such as India, Vietnam, Indonesia, Malaysia, and Thailand are rapidly expanding technological capability. Despite these differences, the results show that the same broad principle applies across the region: firms become more competitive when technological innovation is supported by business innovation, employee capability, and leadership commitment. The results also highlight the importance of HRM practices in innovation-driven competitiveness. Employee training, digital skill development, performance incentives, and knowledge-sharing systems significantly improved innovation capability. This suggests that firms should not treat employees as passive users of technology. Instead, employees should be viewed as active contributors to innovation [36]. Firms that invest in human capital are more likely to implement technology successfully and achieve better competitive performance. Business innovation was also shown to be a critical pathway between technology and competitiveness. Firms that used technology to redesign products, improve services, modernize processes, and develop flexible business models achieved stronger market adaptability and innovation performance. This finding suggests that technology adoption must be accompanied by organizational change. Firms that only purchase digital tools without changing business processes may not achieve meaningful performance improvement. Technological leadership emerged as a major strategic driver in the results. Leadership support improved both innovation capability and firm competitiveness. This means that leaders must provide digital vision, resource support, innovation commitment, and change management. Strong leadership reduces resistance to change and helps employees understand the strategic purpose of technological transformation. Therefore, technological leadership is essential for converting innovation investment into sustainable competitive advantage. Overall, the results support the integrated innovation–competitiveness framework proposed in this study. Technological innovation improves firm competitiveness, but its effect becomes stronger when combined with business innovation, HRM practices, and technological leadership. The findings provide useful implications for managers, policymakers, and

business leaders in the Asia-Pacific region. Managers should align technology investment with business strategy, employee training, and leadership support. Policymakers should promote innovation ecosystems, digital skill development, and regional technology readiness. Business leaders should recognize that sustainable competitiveness depends on the interaction between technology, people, organization, and leadership.

6- Future Work:

Future research can extend this study by using a larger and more diverse firm-level dataset covering additional Asia-Pacific economies and a wider range of industrial sectors. Although the present study uses secondary and simulation-supported data from 420 firms, future studies may collect primary data through surveys, interviews, and direct organizational assessments to strengthen empirical validity. A larger dataset would allow researchers to compare innovation-driven competitiveness across firm sizes, ownership structures, industry types, and national innovation systems. This would be especially useful for identifying differences between advanced economies such as Japan, South Korea, Singapore, Australia, and China, and emerging economies such as India, Indonesia, Vietnam, Malaysia, and Thailand. Future work may also apply longitudinal research designs to examine how technological innovation influences firm competitiveness over time [37]. Since digital transformation is a continuous process, future studies should investigate whether firms maintain competitiveness after several years of innovation investment. Longitudinal data would help explain how changes in R&D intensity, digital adoption, employee training, HRM flexibility, and technological leadership affect productivity growth, market adaptability, profitability, and innovation performance across different time periods. This would provide deeper insights into whether innovation-driven competitiveness is temporary or sustainable.

Another important direction for future research is to examine the role of specific emerging technologies in firm competitiveness. Future studies may separately investigate artificial intelligence, blockchain, cloud computing, Internet of Things, robotics, digital twins, cybersecurity systems, and advanced data analytics. This would help identify which technologies produce the strongest competitive benefits in different sectors. For example, automation and robotics may be more influential in manufacturing, while artificial intelligence and data analytics may have stronger effects in finance, logistics, retail, and telecommunications. Future research should also explore the human and organizational challenges that limit the success of technological innovation. While this study highlights the importance of HRM practices, further research may examine employee resistance to digital change, digital skill gaps, innovation culture, leadership communication, knowledge-sharing behavior, and organizational learning capacity in greater detail [38]. Qualitative case studies could provide deeper understanding of how managers and employees experience digital transformation inside firms. In addition, future studies may test the moderating and mediating roles of business innovation, HRM practices, and technological leadership using more advanced statistical models. Future research can examine whether technological leadership moderates the relationship between technological innovation and competitiveness, or whether business innovation and innovation capability mediate

this relationship. Cross-country comparative analysis may also be conducted to determine whether institutional support, government innovation policy, digital infrastructure, and national competitiveness influence firm-level outcomes [39]. Future work may also include environmental, social, and governance dimensions of technological innovation. As firms in the Asia-Pacific region increasingly face pressure to adopt sustainable business practices, future research can examine how green innovation, sustainable digital transformation, energy-efficient technologies, and responsible HRM practices contribute to competitiveness. This would connect technological innovation with sustainability-oriented competitiveness and long-term corporate responsibility.

Conclusion:

This study examined the role of technological innovation in strengthening firm competitiveness in the Asia-Pacific region by integrating business innovation, human resource management practices, and technological leadership into a unified analytical framework. The research addressed an important problem faced by many firms: although organizations increasingly invest in digital technologies, automation, artificial intelligence, data analytics, cloud platforms, and smart systems, not all firms successfully convert technological adoption into sustainable competitive advantage. The findings show that competitiveness depends not only on technology investment but also on the organizational, human, and leadership capabilities that support innovation implementation. The analysis was based on secondary and simulation-supported firm-level data representing 420 firms from major Asia-Pacific economies, including China, Japan, South Korea, India, Singapore, Malaysia, Indonesia, Thailand, Australia, and Vietnam. The results confirmed that technological innovation has a positive and significant effect on firm competitiveness. Firms with stronger R&D intensity, digital technology adoption, automation use, and process modernization achieved better productivity growth, market adaptability, operational efficiency, profitability, and innovation performance. These findings support the argument that technological innovation is a major driver of competitiveness in dynamic regional markets. The study also found that business innovation strengthens the relationship between technology and competitiveness. Firms that used technology to redesign products, improve services, modernize processes, and develop flexible business models achieved stronger competitive outcomes than firms that adopted technology without organizational transformation. HRM practices were also found to be important because employee training, digital skill development, knowledge sharing, performance-based incentives, and HRM flexibility improved innovation capability and technology implementation. This confirms that employees are not passive users of technology but active contributors to innovation-driven competitiveness. Technological leadership emerged as a key strategic factor in the innovation–competitiveness pathway. Leaders who provide digital vision, resource support, innovation commitment, and change management capability help firms align technological investment with long-term business objectives. The regression and structural modeling results showed that the strongest competitiveness outcomes occurred when technological innovation was combined with business innovation, HRM practices, and technological leadership. The

integrated model explained 64.7% of the variation in firm competitiveness, indicating strong explanatory power.

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