

Abstract

Strategic behaviour reflects the corporate and generic strategies of a firm, which facilitate the understanding and fulfilment of customers' needs in a dynamic and competitive environment. Although literature on many researches carried out in relation to individual strategic behaviours or orientations is available, current understanding of their combined adoption within organizations remains highly limited. In addition, the strategic typology produces greater mediating effect on innovations; it is unclear whether these assumptions are applicable in the indigenous context and no study that directly examines the mediating effect of the strategic typology between strategic behaviour and innovation of the firms has yet been carried out.

This research comprises of a descriptive quantitative pedagogy and 300 questionnaires were distributed among owners of the Ayurveda firms. Researcher has applied several statistical analytical techniques such as Multiple Regression Models, ANOVA, and SOBEL Test for testing hypotheses. The results add to the knowledge in relation to the interplay and synergetic effects of the subject orientations and suggest that strategic behaviours should be considered as a configuration of multiple dimensions. The research suggests that behavioural dimensions have a significant joint effect on product development. Especially, entrepreneurial and technological dimensions have a significant positive effect on product development. In relation to the effect of strategic behaviour on differentiation, technology is the only factor that has a highly significant positive effect on differentiation. Entrepreneurial and administrative behaviours are individually insignificant. In relation to the effect of strategic behaviour on typology, probabilities of entrepreneurial, technological and administrative behaviours are highly significant. Entrepreneurial behaviour has influenced negatively on typology and administrative behaviour influences positively on typology. Further, technology is individually insignificant and strategic typology has a significant effect on innovation, on both new product development and differentiation. Importantly, typology does not mediate the relationship between strategic behaviour and product development but typology does mediate the relationship between strategic behaviour and differentiation. Defender, Analyzer and Prospector create significant mediating effect on the relationship between strategic behaviour and differentiation.

Overall, the results highlights the importance of the simultaneous utilization of appropriate strategic behaviour, and instigate strategists to adopt an appropriate typology towards their work on innovation, these findings are very important even for organizations of indigenous nature.

Key words: Strategic Behaviour, Strategic Typology, New Product Development, Differentiation, Ayurveda Industry, Sri Lanka.