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## Article

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## THE ROLE OF OPENNESS AND ENTREPRENEURIAL CURIOSITY IN COMPANY'S GROWTH

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### Abstract

Entrepreneurial curiosity is an entrepreneurial-psychology related construct that measures a level of entrepreneurial curiosity among entrepreneurs. Key research objectives of the study were to empirically test how two independent constructs as openness and company's growth are connected to entrepreneurial curiosity and to develop and empirically test a structural model linking these three constructs. A multi-country survey was made on a sample of entrepreneurs from Slovenia, USA and Serbia. Findings showed that openness is positively related to entrepreneurial curiosity and that entrepreneurial curiosity is positively related to company's growth. Results of this study can be used both for further research and in practice.

**Keywords:** entrepreneurship, openness, entrepreneurial curiosity, company growth, performance, organizational culture.

**JEL Classification:** L26, M13, M14.

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### Introduction

This research aims to derive theoretical predictions on the patterns between openness, entrepreneurial curiosity, and company's growth based on the multi-country empirical analysis conducted in Slovenia, USA and Serbia. Entrepreneurship research has a long tradition and since the 1980s, the field has grown significantly (Landstrom, Harirchi and Åstrom 2012). Many researchers and experts would agree that entrepreneurs and entrepreneurship are interesting topics for research because entrepreneurship is becoming more and more important in the world economy. Entrepreneurship plays a strategic role in

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economic development by accelerating economic activities and job creation (Uyar and Deniz, 2012; Balabanis and Katsikea, 2003; Thurik et al., 2008; Baptista and Thurik, 2007, etc.). Gries and Naude (2011) defined entrepreneurship as the resource, process, and state of being through, and in which individuals utilize positive opportunities in the market by creating and growing new business firms. In the last few decades, there has been an increased awareness of importance to research different entrepreneurial related constructs.

Since the international economic crisis continues further, globally more and more people lose jobs, national economies are deeply in frame of negative growth of gross domestic product (GDP), and the banking system is defective, the world will need growing enterprises in order to revive its economy. Until now, we cannot determine whether the global economy has reached the bottom (Hou et al., 2012). Further, the European Union has witnessed over the past two years the most serious crisis of its entire life (Soares, 2012). The same situation is in the USA where the crisis actually began, and spread all over the world (Yokokawa, 2012). For example in the USA, the unemployment rate rose from 4.8 percent at the beginning of 2008 to 9.7 percent three years later (Hatton and Thomas, 2012).

Entrepreneurs have direct impact to economic growth. According to Wennekers and Thurik, (1999) economic growth is a key issue both in economic policymaking and in economic research. Many economists and politicians now have an intuition that there is a positive impact of entrepreneurship on the growth of GDP and employment (Wennekers and Thurik, 1999). However, entrepreneurs and small and medium enterprises are very sensitive to crisis – currently European Union directs expenditures towards, among other, small and medium enterprises as the most affected group (Dornean and Sandu 2013). Economic performance is not just determined by new knowledge creation but also by the ability and the willingness of innovative entrepreneurs to develop new products and processes based on new knowledge (Audretsch, Bonte and Keilbach, 2008).

Although the phenomenon of entrepreneurship provides research questions for many different scholarly fields, organization scholars are fundamentally concerned with three sets of research questions about entrepreneurship: (1) why, when, and how opportunities for the creation of goods and services come into existence; (2) why, when, and how some people and not others discover and exploit these opportunities; and (3) why, when, and how different modes of action are used to exploit entrepreneurial opportunities (Shane and Venkataraman, 2000). In this paper, we have focused on the second point of Shane and Venkataraman's scheme that is on entrepreneurs.

The international economic crisis has further accelerated the flow of restructuring, while unemployment continues to rise. It is therefore necessary to adopt measures that will help people to self-employment (Marič, Jeraj and Pavlin, 2009). Over the last decade, there has been a dramatic increase in both the volume and sophistication of studies exploring issues related to entrepreneurship (Kreiser, Marino and Weaver, 2002). Based on the theoretical platform there is a correlation between different entrepreneurial – psychology related constructs. In line with that, we connected different dimensions of entrepreneurs and partially showed which determinants influence on entrepreneurs. To our knowledge, no research has been yet done examining associations between openness, entrepreneurial curiosity, and company's growth. Thus a lot of research has been done in different entrepreneurial fields: e.g. women's entrepreneurship (De Bruin, Brush and Welter 2007); family entrepreneurship (Aldrich and Cliff, 2003), nascent entrepreneurship (Davidsson

and Honig, 2003); psychology about entrepreneurs (Baron, 2000); corporate entrepreneurship (Morris, Kuratko and Covin, 2010); social entrepreneurship (Dacin, Dacin and Matear 2010); perception of state implication in the business environment modelling (Nicolescu and Nicolescu, 2013); institutional quality of the business environment (Marinescu, 2013); entrepreneurship and economic development (Acs, Desai, and Hessels, 2008); and others.

When proposing that entrepreneurs are the most important element of SMEs' it is wise and necessary to research the psychology of entrepreneurs and establish determinants, which have positive influence on entrepreneurs and their performance. According to Baron (2009), it is often said that in every field, there are two key groups of participants: the "doers" and the "naysayers." Usually we can judge who successful entrepreneurs are after a certain period of time based on their results and performance but without certain scientific platforms it is not possible to estimate who could be successful in the future. To be an entrepreneur, it is often said, one must break the rules so as to take advantage (Brenkert, 2009). Further both individuals and large firms are seeking to become more entrepreneurial (Brenkert, 2009).

Baron and Markman (2003) asked themselves why are some entrepreneurs more successful than others in exploiting opportunities they have discovered. Although the global economy may take on a positive growth in the next few years, it will be still facing serious difficulties (Hou et al., 2012). To address this challenge our research partly offers a solution by linking more open and entrepreneurially curious entrepreneurs to company's growth. Different determinants influence entrepreneurs so at least in part we can presuppose how he/she will be affected by the determinants as openness and entrepreneurial curiosity.

## **1. Review of the scientific literature**

### **1.1. Openness**

The first determinant in this research is openness. Scholars agree openness is an interesting research field and literature review displayed different types of openness applied in different research areas, for instance: openness for experiences (McCrae and Sutin, 2009); emotional openness (Komiya, Good and Sherrod, 2000); managerial openness (McCart and Rohrbaugh, 1995); cognitive openness (Mikulincer and Arad, 1999); openness to change (Axtell et al., 2002); openness towards ICT (Čudanov, Todorović and Jaško, 2012); family structural openness and communication openness (Brodzinsky, 2006); and others. Openness is the tendency to have an active imagination, preference for variety and intellectual curiosity (Milling et al., 2012).

For the purpose of our study, we chose a measure of openness for experience. It is associated with the five-factor model (Costa and McCrae, 1992) and refers to an individual's willingness to explore, tolerate, and consider new and unfamiliar ideas and experiences (McCrae, 1987). Openness to experience (or simply openness) has been characterized in both structural and motivational terms. Individuals high in openness are thus tolerant of ambiguity and able to make remote and unusual associations; they are also curious, innovative, and imaginative (McCrae, 2007). According to Bergeman et al. (1993), the openness factor is also interpreted as intellect (Cattell, 1957; Digman and Inouye, 1986; Goldberg, 1981), intelligence (Borgatta, 1964) and culture (Norman, 1963; Tupes and Cristal, 1961).

Rather than being passive recipients of new experiences, open individuals are in a constant quest of unfamiliar situations characterized by a high degree of novelty, as a result of which, they have access to a variety of ideas and perspectives (Baer and Oldham, 2006). Further, openness to experience captures the extent to which individuals are broad-minded, curious, imaginative, and original (McCrae, 1987).

Based on written above we presume if an entrepreneur is open he/she is more prepared to explore and search new things that could lead him/her to better realization in entrepreneurship. Entrepreneurial curiosity in entrepreneurs is activated when openness starts to influence him/her and he/she starts to search for the best solutions for his/her business.

### **1.2. Entrepreneurial curiosity**

Entrepreneurial curiosity is an entrepreneurial-psychology related construct. It was developed based on suggestions of many authors and steps from the scientific literature. In the entrepreneurial curiosity's construct and scale development process, the recommendations of several authors (Churchill Jr, 1979; Dawis, 1987; DeVellis, 2003; Gerbing and Anderson, 1988; and Hinkin, 1995) were followed.

Entrepreneurial curiosity is a positive emotional/motivational system oriented towards investigating the entrepreneurial framework, to learn tasks related to entrepreneurship and to incorporate new experiences in order to improve business (Jeraj, 2012; Jeraj and Marič, 2013; Jeraj and Antončič, 2013). Entrepreneurial curiosity is an aroused emotional state of an entrepreneur that tends to occur after being confronted with a novel, complex, or ambiguous stimulus in order to find new opportunities and expand their business.

Entrepreneurial curiosity is a powerful generator of business ideas (Jeraj, 2014). Successful ideas are often a balance between novelty and familiarity: new and different enough to capture consumers' attention, but familiar enough to not be misunderstood or rejected out of hand as too radically different (Ward, 2004). With observing society and their environments, entrepreneurs with higher level of entrepreneurial curiosity are able to distinguished business ideas, which have a potential for growth on market from those, which are not perspective.

According to Jeraj and Antončič (2013) entrepreneurial curiosity is an independent type of curiosity because it is specialized solely in the field of entrepreneurship. Entrepreneurial curiosity is aroused when an entrepreneur is hungry for information, which is common for entrepreneurship. Entrepreneurial curiosity impacts entrepreneurs also in the way that they invest more time into market investigation and pay more attention to competition.

Although the significance of curiosity in motivating and directing learning has received substantial scholarly support (Reio, 1997), little is known about curiosity's importance in learning in entrepreneurship and about relation of curiosity and other entrepreneurial well-known determinants, as are openness and company's growth.

### **1.3. Openness to experience and entrepreneurial curiosity**

Curiosity is a fundamental component of all openness facets (Kashdan and Roberts, 2006). Audretsch et al. (2008) argued in the process, entrepreneurs commercialize ideas that otherwise would not have been pursued, thus increasing the amount of utilized knowledge.

In continuation, we demonstrate why partly some entrepreneurs might come to business ideas and how they are able to realize those in their enterprises while the others do not. Because curiosity concerns an embrace of novelty and openness to new experiences (Kashdan et al., 2009) we claim, it could be a direct relation between openness and entrepreneurial curiosity also in the entrepreneurial terms.

Curiosity had moderate positive associations with both openness to experience and extraversion and moderate sized negative associations with neuroticism and conservative political views (Kashdan et al., 2011). Entrepreneurs are often associated with the Schumpeterian innovator implying openness to new options (Burmeister and Schade, 2007). Costa and McCrae (1992) distinguished six facets of openness to experience, three of which are important in terms of reactions to dissimilarities: ideas (e.g., intellectual curiosity and open-mindedness); actions (e.g., being adaptable, valuing experimentation, and liking novelty); and values (e.g., fluid political and religious beliefs). Since openness is related to intellectual curiosity, it could be related also to entrepreneurial curiosity.

Curiosity is widely valued as a desirable attribute of a fully developed person, and is commonly depicted as an early appearing, albeit fragile, feature of young children's orientation toward the world (Jirout and Klahr, 2012). In line with that knowledge we claim openness and curiosity allow entrepreneurs to be able to follow trends in market, improvements in technology, changes in competition and in the world itself. Higher than is entrepreneur in openness level higher it intensify the level of entrepreneurial curiosity. Based on theory of openness and entrepreneurial curiosity we claim that company's growth could be depended/correlated on openness and entrepreneurial curiosity.

Zellars, Perrewe and Hochwarter (2000) reported a positive relationship between openness and personal accomplishment. On the other side Berlyne (1966) described epistemic curiosity as a uniquely human "drive to know" that motivated inquisitiveness and experimentation, and that underlined intellectual development and scholarly achievement. Based on written above, both openness and epistemic curiosity contribute to individuals' resilience on many areas. We also claim that openness and entrepreneurial curiosity could affect entrepreneurs in their tasks and more specifically in growth of their company. When individual is open, he/she is more prepared to consume information from environment and come to his/her own conclusions. Entrepreneurs with higher level of openness are thus more sensitive for curiosity and are able to investigate different aspects in the entrepreneurial frame. Openness represents a good platform for development of entrepreneurial curiosity on entrepreneurs.

#### **1.4. Company's growth**

Since Lee (2010) argued that recently the study of the patterns and determinants of company's growth has re-emerged as one of the key research topics on firm dynamics in industrial economics and management strategy this paper focused on the correlation between openness, entrepreneurial curiosity, and company's growth.

When analysing company's growth, a common starting point is to specify a company's growth model that considers the impact of the size and age of the firm (Cucculelli and Ermini, 2012). Current study extends this area of research with following variables: average annual growth in number of employees in last three years; average annual growth in sales in last three years; and growth in market share in last three years.

## 2. Research methodology

### 2.1. Hypotheses

Based on written above we formulated two hypotheses to determine relations between three proposed constructs in the proposed model.

*H1: Openness is positively related to Entrepreneurial Curiosity.*

*H2: Entrepreneurial Curiosity is positively related to Company's Growth.*

At the beginning of the next chapter, we present the data gathering process and the sample properties and thereafter continue with the results of current study, which we later on discuss and interpret.

### 2.1. Research setting and participants

For the purpose of this research the surveys were made available to entrepreneurs (i.e. founders or owners who participated in the start-up process of their company) from Slovenia, the USA, and Serbia. The primary form of the questionnaire was in English language and for the Slovenian and Serbian samples the survey was translated and presented to the participants in their native language.

Emails with a link to the survey and a specific token for each respondent were sent to 4,000 entrepreneurs in Slovenia and to 5,000 entrepreneurs in the USA. Survey in Serbia was managed directly, in paper form. Email addresses and addresses were selected randomly from public registers in all three countries. Before completing surveys, entrepreneurs were assured that all answers provided would be kept anonymous. The survey consisted from measures of openness to experience, entrepreneurial curiosity, and company's growth. Of the 331 questionnaires that were returned online, all were fulfilled fully because entrepreneurs could not continue on the next site of online survey if not all questions have been answered. In the paper form, also all of the 196 returned questionnaires were fulfilled completely.

At the beginning of the survey entrepreneurs had to select their gender, age and the country they reside in. The sample consisted of 377 (71.5%) male and 149 (28.3%) female respondents (one person did not declare about gender, as it was possible not to provide an answer in that particular question). The average age of the respondents was 46.51 years. 30.0% of respondents came from Slovenia, 32.8% from the USA, and 37.2% from Serbia. Entrepreneurs' level of education is presented in table no. 1.

**Table no. 1: Sample structure by level of education**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
High school	4	1.2	4	2.1
High school graduate	9	2.7	43	21.9
College	33	10.0	31	15.8
Associate's degree	71	21.5	17	8.7
Bachelor's degree	60	18.1	52	26.5
Master's degree	59	17.8	42	21.4
Doctoral degree	33	10.0	2	1.0
Professional degree	48	14.5	5	2.6
Other	14	4.2		
Total	331	100.0	196	100.0

In addition, entrepreneurs also had to indicate if they are the founder or co-founder (table no. 2) of the firm to where the survey had been sent, and if they own such a firm (table no. 3). We have also found that most of the respondents (78.5%) have been employed in companies that were not theirs at least once in their lifetimes.

**Table no. 2: Is the respondent a founder or co-founder of the company where the survey was sent?**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
Yes	231	69.8	152	77.6
No	100	30.2	44	22.4
Total	331	100.0	196	100.0

**Table no. 3: Is the respondent owner in the company where the survey was sent?**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
Yes	254	76.7	158	80.6
No	77	23.3	38	19.4
Total	331	100.0	196	100.0

Further on we present the sample structure in regard to the respondents' companies by sector (table no. 4), sample structure in regard to the age of the company (table no. 5), number of employees (table no. 6), and sample structure by total sales in year 2011 (table no. 7).

**Table no. 4: Sample structure in regard to the respondents' companies by sector**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
Banking, investment, insurance	29	8.8	10	5.1
Manufacturing industrial goods	31	9.4	11	5.6
Retail or wholesale trade	36	10.9	55	28.1
Construction	38	11.5	18	9.2
Engineering, research & development	17	5.1	18	9.2
Transportation or public utilities	9	2.7	10	5.1
Consumer services	25	7.6	14	7.1
Mining, extraction, oil	7	2.1	5	2.6
Tourism	21	6.3	17	8.7
Manufacturing consumer goods	12	3.6	3	1.5
Management consulting & business services	41	12.4	35	17.8
Other	65	19.6		
Total	331	100.0	196	100.0

**Table no. 5: Sample structure in regard to the age of the company (in years)**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
0-1	5	1.5	6	3.1
2-5	37	11.2	41	20.9
6-10	43	13.0	56	28.6
11-20	114	34.4	48	24.5
21-50	99	29.9	40	20.4
more than 50	33	10.0	5	2.5
Total	331	100.0	196	100.0



**Table no. 6: Number of employees (full time equivalent)**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
0	1	0.3		
0-10	163	49.2	108	55.1
11-50	74	22.4	64	32.7
51-100	47	14.2	9	4.6
101-250	13	3.9	12	6.1
251-500	15	4.5		
501-1.000	9	2.7	1	0.5
more as 1.000	9	2.7	2	1.0
Total	331	100.0	196	100.0

**Table no. 7: Sample structure by total sales in year 2011**

	Slovenia and USA		Serbia	
	Frequency	Percent	Frequency	Percent
0	1	0.3		
under \$50.000	17	5.1	49	25.0
\$50.000-100.000	27	8.2	22	11.2
\$100.000-250.000	41	12.4	29	14.8
\$250.000-500.000	46	13.9	20	10.2
\$500.000-1.000.000	27	8.2	25	12.8
\$1.000.000-2.000.000	39	11.7	15	7.7
\$2.000.000-5.000.000	34	10.3	17	8.7
\$5.000.000-25.000.000	55	16.6	14	7.1
\$25.000.000 or more	44	13.3	5	2.5
Total	331	100.0	196	100.0

### 3. Results

Separate analysis was performed for Serbia and combined for Slovenia and USA, due to significant differences between countries. On the one hand Slovenia and USA are relatively developed countries, with relatively high GDP, relatively low unemployment rate, with developed infrastructure, free market, peaceful development over decades, and high added value per employee, while on the other hand Serbia is developing country with lower GDP, relatively high unemployment, infrastructure in development, recent problems with embargo and war, and with lower added value per employee.

The statistics for the variables included was conducted for both, the Slovenian sample and the US sample together and is presented in table no. 8. For the Serbian sample, the factors were composed in the same manner as for combined Slovenian and US sample. Following results are presented in table no. 9.

The variables were divided into the three researched constructs: Openness, Entrepreneurial Curiosity and Company's Growth.

Table no. 8: Statistics for the variables included in research (Slovenia and USA)

	N -Valid	N -Missing	Mean	Median	Mode	Std. Dev.
<b>Openness</b>						
Creative	331	0	4.18	4.00	4	.610
Imaginative	331	0	4.17	4.00	4	.620
Philosophical	331	0	2.86	3.00	2 <sup>a</sup>	1.031
Intellectual	331	0	4.16	4.00	4	.564
Complex	331	0	3.66	4.00	4	.898
Deep	331	0	3.49	4.00	4	.833
<b>Entrepreneurial Curiosity</b>						
While doing market research, I focus on the work so much that I lose track of time.	331	0	3.99	4.00	4	1.531
When I notice an abandoned building, I think about what business potential it represents for me.	331	0	4.23	4.00	5	1.615
It bores me to always watch the same products; therefore, I think about improving and offering them to the market.	331	0	4.82	5.00	5	1.311
I explore new things that could create additional profit.	331	0	5.94	6.00	7	1.238
I am interested in other entrepreneurs' interests.	331	0	5.66	6.00	6	1.164
In entrepreneurial work, I am mostly interested in competition.	331	0	5.45	6.00	6	1.273
In my business, I must have information about marketing that is as complete as possible.	331	0	5.85	6.00	6	1.206
I am able to create added value from my observations of the environment.	331	0	5.47	6.00	5	1.223
I continuously delve into entrepreneurship matters.	331	0	5.46	6.00	6	1.227
<b>Company's Growth</b>						
Average annual growth in number of employees in last three years	331	0	2.16	2.00	2	1.247
Average annual growth in sales in last three years	331	0	2.03	2.00	1	1.081
Growth in market share in last three years	331	0	2.44	2.00	2	.954

Table no. 9: Statistics for the variables included in research (Serbia)

	N		Mean	Median	Mode	Std. Dev.
	Valid	Missing				
<b>Openness</b>						
Creative	196	0	4.06	4.00	4	.842
Imaginative	196	0	3.94	4.00	4	.869
Philosophical	196	0	3.12	3.00	4	1.107
Intellectual	196	0	3.93	4.00	4	.842
Complex	196	0	3.68	4.00	4	.918
Deep	196	0	3.60	4.00	4	.953

	N		Mean	Median	Mode	Std. Dev.
	Valid	Missing				
<b>Entrepreneurial Curiosity</b>						
While doing market research, I focus on the work so much that I lose track of time.	196	0	4.00	4.00	4	1.407
When I notice an abandoned building, I think about what business potential it represents for me.	196	0	4.34	4.00	4	1.575
It bores me to always watch the same products; therefore, I think about improving and offering them to the market.	196	0	4.55	5.00	5	1.458
I explore new things that could create additional profit.	196	0	5.88	6.00	6	1.157
I am interested in other entrepreneurs' interests.	196	0	5.51	6.00	6	1.259
In entrepreneurial work, I am mostly interested in competition.	196	0	4.93	5.00	5 <sup>a</sup>	1.554
In my business, I must have information about marketing that is as complete as possible.	196	0	6.03	6.00	7	1.271
I am able to create added value from my observations of the environment.	196	0	5.22	5.00	6	1.248
I continuously delve into entrepreneurship matters.	196	0	5.42	6.00	6	1.296
<b>Company's Growth</b>						
Average annual growth in number of employees in last three years	196	0	1.69	1.00	1	1.043
Average annual growth in sales in last three years	196	0	3.83	3.00	1	2.417
Growth in market share in last three years	196	0	2.70	2.00	2	1.427

In continuation, we present a method to test the model by applying structural equation modelling. That operation was made by building a model in Lisrel 8.80, which is an analytical statistics program. For Slovenia and USA, the standardized solutions of the model are presented in figure no. 1 and the T-test values in figure no. 2. The same results for Serbia are presented in figure no. 3 and figure no. 4 respectively.

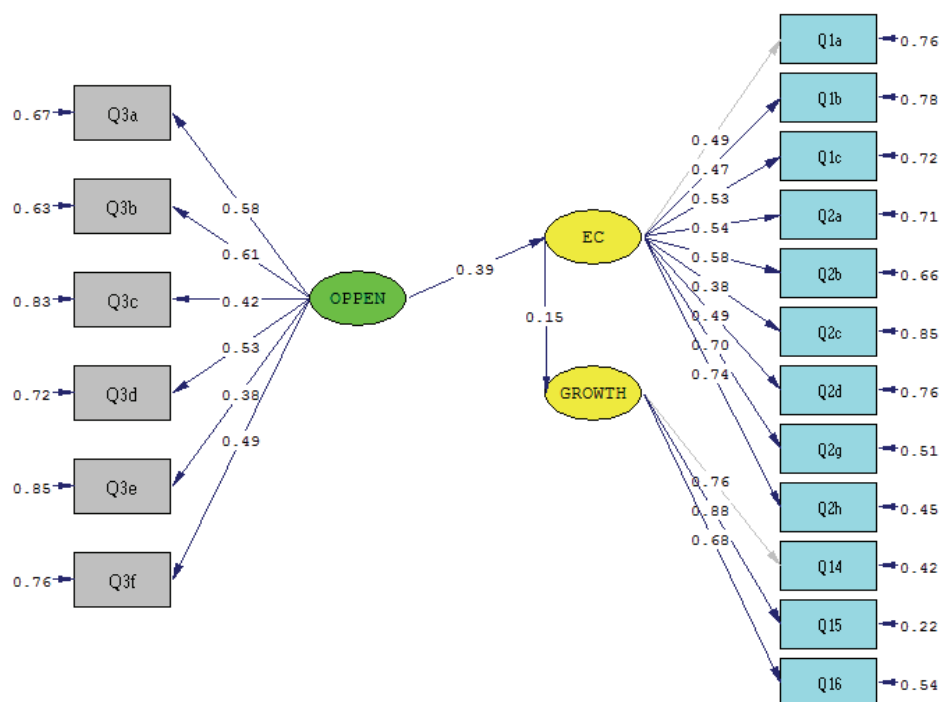


Figure no. 1: Standardized solution of the tested model (Slovenia and USA)

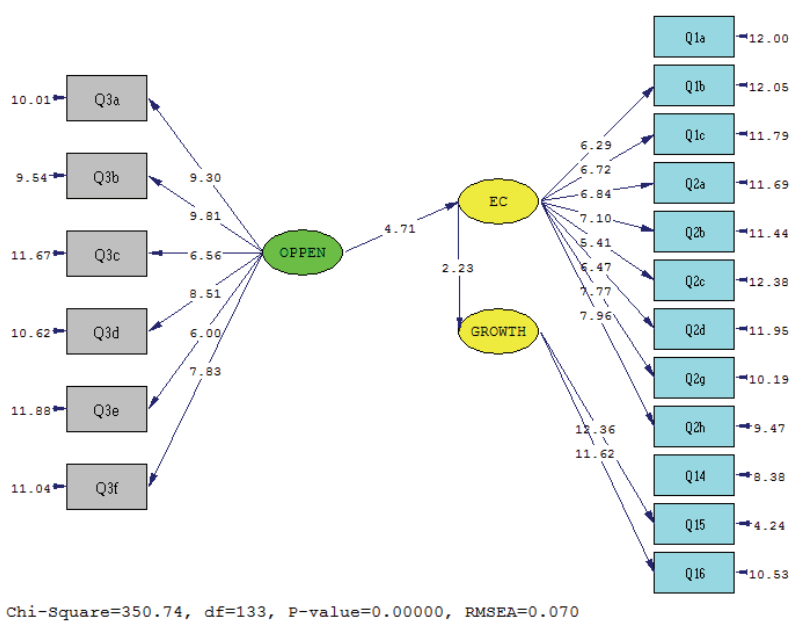


Figure no. 2: T-values for the tested model (Slovenia and USA)

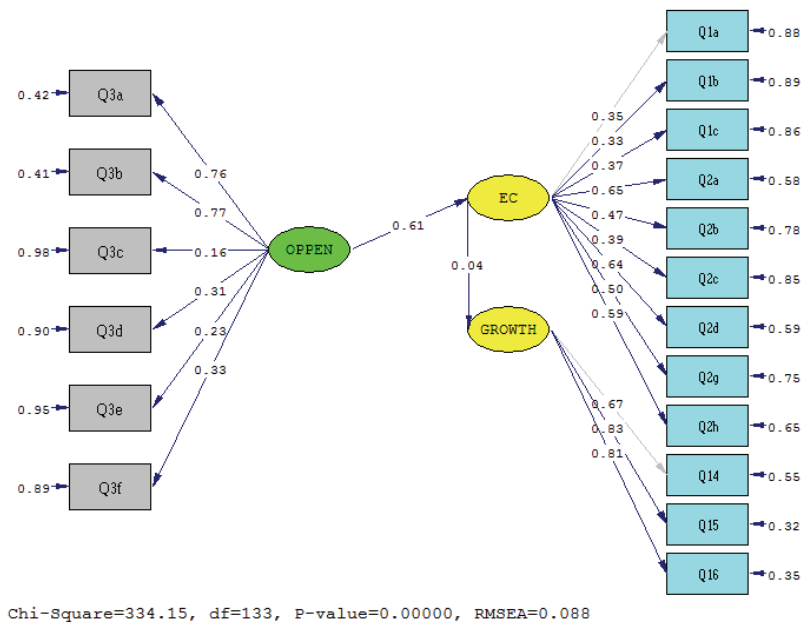


Figure no. 3: Standardized solution of the tested model (Serbia)

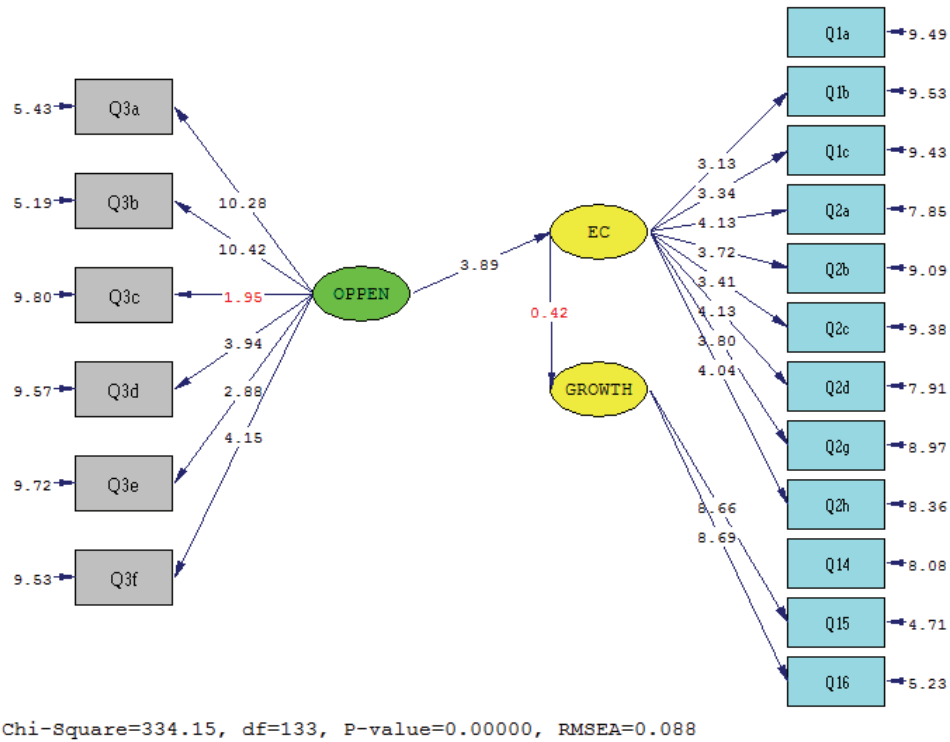


Figure no. 4: T-values for the tested model (Serbia)

#### 4. Discussion

Current research intended to test the structural relations between openness, entrepreneurial curiosity and company's growth from the viewpoint of entrepreneurs. Our main aim was to test two Hypotheses: H1: *Openness is positively related to Entrepreneurial Curiosity* and H2: *Entrepreneurial Curiosity is positively related to Company's Growth*.

Therefore, we launched the diagrams and presented the course of the research model, which tested these relations (figure no. 1, figure no. 3). The standardized coefficient values are presented in figure no. 1 and figure no. 3, and the t-test values in figure no. 2 and figure no. 4. We used a combination of exploratory and confirmatory methods with the goal to develop a model, which complemented theoretical predisposition and fit the data.

The fit indices of the structural model (figure no. 1) present a good model fit for developed countries (Slovenia and USA), which is indicated by the values of  $\chi^2/df = 2.637$  and  $RMSEA=0.070$ ,  $NFI = 0.858$ ,  $CFI = 0.909$ ,  $SRMR = 0.0667$ ,  $GFI = 0.894$ . With defined hypotheses we wanted to test the relations between the constructs in this model; all show a statistical significance according to the t-test values whereas the whole model shows statistical significance of  $P\text{-value}=0.000$ .

As seen from figure no. 1 and figure no. 2 in developed countries (Slovenia and USA) higher level of openness is positively related to entrepreneurial curiosity (H1); the influence is moderate (0.39), positive and statistically significant ( $t=4.71$ ). Entrepreneurial curiosity is positively related to the company's growth (H2); the influence is low (0.15) but statistically significant ( $t=2.23$ ).

The fit indices of the structural model (figure no. 3) present a good model fit for less developed country (Serbia), which is indicated by the values of  $\chi^2/df = 2.512$  and  $RMSEA=0.088$ ,  $NFI = 0.751$ ,  $CFI = 0.835$ ,  $SRMR = 0.0903$ ,  $GFI = 0.840$ . With this hypothesis we wanted to test the relations between the constructs in this model; not all show a statistical significance according to the t-test values whereas the whole model shows statistical significance of  $P\text{-value}=0.000$ .

As seen from figure no. 3 and figure no. 4 in less developed country (Serbia) openness is positively related to entrepreneurial curiosity (H1); the influence is moderate (0.61), positive and statistically significant ( $t=3.89$ ). We have also hypothesised that entrepreneurial curiosity is positively related to the company's growth (H2); the influence is very low (0.04) and is not statistically significant ( $t=0.42$ ) which shows a distinction between more and less developed countries. A possible explanation for that result in comparison to the first model (when comparing figure no. 1 and figure no. 3) is the fact that Serbia is going through transition and high levels of corruption and monopoly are detected, which are the legacy of previous period of drastic economic instability. Serbian economy has been affected by embargos and wars, and is not as developed as markets in Slovenia and USA. For this reason, other factors, like political connections, access to sources of capital, social status or social power of an entrepreneur, may influence the growth of the companies in such environment more than openness and entrepreneurial curiosity.

##### 4.1. Implementation, limitations and further research opportunities

There is an increasing tendency for government policy to promote entrepreneurship for its apparent economic benefit (O'Connor, 2012). In developing countries like Serbia, where

significant number of people is expected to lose their jobs due to public sector reforms (Čudanov, Jaško and Săvoiu, 2012), development of entrepreneurship can present possible model for decreasing unemployment rate. Based on that knowledge, the same effort should be invested to the scientific research related to this field. Entrepreneurship should be presented not only as an alternative but also mainly as the first choice of professional engagement in order to make it more accessible and rewarding.

As seen before openness leads to entrepreneurial curiosity, which consequently leads to company's growth. The question that comes to mind instantly is on how entrepreneurs can implement these results in practice. Since entrepreneurial curiosity modifies entrepreneurial behaviour and activities such as obtaining new data, information and knowledge it is likely to assume that entrepreneurs who have higher level of curiosity have better support platform to achieve greater results in their companies in relation to those with lower levels of entrepreneurial curiosity. As mentioned entrepreneurial curiosity is not the only factor that influences success, therefore we can only propose that entrepreneurial curiosity in part affects company's growth whereas there are also other factors involved in the process of success.

As seen the global economy is facing reduction of GDP and increasing levels of unemployment thus some solutions for new growth need to be discovered. As discovered in this paper, entrepreneurial curiosity influences company's growth in the developed countries. Many governments invest money into start-ups and the success rates are low. With gained insights the investors could have higher success rates and bigger benefits on the company's level as well on societal level.

We have observed two basic limitations of our study. The first limitation could be the fact that the research was limited on three countries: USA and Slovenia where economy is based mostly on private ownership and freedom of entrepreneurial initiative and Serbia as example of transitional economy. Differences of relations between our variables can be rechecked in different countries in order to repeat the study and improve reliability of our results. Second limitation is that other constructs influencing entrepreneurial curiosity beside openness could be included into the research, just as constructs other than entrepreneurial curiosity influencing company's growth. We hope that our study will be repeated in different countries with the same constructs, and that other constructs will be checked in similar models by different researchers.

## **Conclusions**

Openness is an important determinant in lives of successful and progressive people. Entrepreneurial curiosity is important for entrepreneurs in all stages of entrepreneurial activities. Company's growth is what all companies strive for. As shown openness affects entrepreneurial curiosity and entrepreneurial curiosity leads to company's growth in developed countries.

Whereas the concepts of openness and company's growth have been extensively researched over a longer period of time and are well known to researchers, the entrepreneurial curiosity is relatively new concept. According to this research, entrepreneurial curiosity is definitely a promising research field and it needs to be taken into consideration.

Combining the different but intertwined constructs gives us better insights and enables practitioners to further improve their efficiency, effectiveness and their chances for success in the real world and tough world of entrepreneurial ventures.

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