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NATIONAL STEREOTYPES AND SOCIAL DISTANCE TOWARDS SLOVENIANS AMONG FORMER YUGOSLAV COUNTRIES: 25 YEARS LATER[1]

Abstract. *The paper looks at national stereotypes and social (ethnic) distance towards Slovenians among other former Yugoslav countries. We assess how Slovenians are perceived by others 25 years after the disintegration of Yugoslavia and discuss the potential implications for international business (IB). Analysing a matched six-country sample, we observe that: (1) Slovenians are generally positively perceived; (2) the majority of positive stereotypes can be linked to conscientiousness; (3) Croats and Serbs display the lowest level of social distance towards Slovenians, Macedonians the highest; (4) the share of positive national stereotypes about Slovenians is negatively correlated to the share of exports to Slovenia; (5) social distance towards Slovenians is negatively correlated to the share of exports to Slovenia; and (6) Serbs display the most favourable attitudes to IB with Slovenians.*
Key words: *national stereotypes, social distance, international business, former Yugoslavia*

Introduction

Wishful thinking, prejudices and stigmatizations have always coloured perceptions of Yugoslavia. This is true not only for perceptions of Yugoslavia abroad, but also of those which the different national minorities living together within the framework of the state have nurtured of each other.

(Lendvai and Parcell, 1991: 252–253)

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Horvat (1971: 71) best illustrated the diversity of former Yugoslavia when referring to it: "*[A]s one country with two alphabets, three religions, four languages, five nations and six federal states called republics*". Former Yugoslavia has often been compared to a *train*; with Slovenia as its locomotive, Serbia as its captain, and Kosovo as its brakes. Slovenia represented just 8% of the 22-million population, but contributed 18% of the federal GDP and 20% of its industrial production (Silva-Jauregui, 2004). It was by far the most internationalised of the republics in terms of its exports and outward FDI (Udovič, 2011).

Former Yugoslavia should be seen as a unique case of ethnic heterogeneity and "delayed cases of nation-formation" in which the country was "held together not by commonly accepted 'gevens' of nationhood [but rather] ideology" (Norbu, 1999: 833). Striking "a delicate balance between unity and diversity", Tito's Yugoslav "amalgamation" failed to create a "higher-order Yugoslav identity" (Bertsch, 1977: 90). For example, in former Yugoslavia's last 1981 federal census, only 5% of the population declared themselves as Yugoslavs (Lendvai and Parcell, 1991). Despite federative reforms, past historical legacies, different institutional and legal backgrounds, as well as inter-World War II conflicts between the supporters of the resistance and occupying forces, the growing nationalism leveraged by centralism-federalism tensions, economic disparities and the "bankruptcy of the so-called 'self-management socialism'" contributed to Yugoslavia's turbulent disintegration (Lendvai and Parcell, 1991: 253).

While the cross-cultural differences among the republics were in fact larger than assumed (Armstrong, 1996), the process of Yugoslavia's disintegration further led to additional cultural divergence (Rašković and Svetličič, 2011). This process was more than just divergence. It was quasi *deculturation*[2] in which the newly formed countries sought to re-define and build up their national identities by discarding the common Yugoslav past (Bojinović Fenko and Požgan, 2014; Lovec and Bojinović Fenko, 2016).

Twenty-five years after the disintegration, it is interesting to explore how far along this deculturation process has gone. Following the 2008 crisis, the countries of former Yugoslavia have questioned their existing international trade, FDI and business patterns, again becoming more aware of the benefits of stronger regional integration (Svetličič and Lovec, 2014; Jaklič and Svetličič, 2016). Within the region, Slovenia's failed economic policies after 2008 meant that its image of regional success was dented (Tajnikar and Došenović Bonča, 2015). This opens up the interesting question of possible changes in the way Slovenia is perceived. We can link this to Slovenia's regional role, like for example: its role as a development benchmark

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[2] *A process opposite to acculturation (Berry, 2008).*

(Udovič and Bučar, 2014; Udovič and Bučar, 2016), global value chain "brokerage" (Damijan and Rojec, 2015), a case study of EU membership's possible impact on FDI performance (Penev and Rojec, 2014) and the role of FDI in economic development in the post-2008 crisis period (Svetličič and Kunčič, 2013).

The purpose of this paper is to look at national stereotypes and social (ethnic) distance towards Slovenians from the perspective of other former Yugoslav countries. The main goal of the paper is to assess how Slovenians are perceived by other former Yugoslav countries 25 years after its disintegration. We further want to understand how such perceptions might impact international business (IB) from a relationship-based perspective.

Theoretical framework

National stereotypes

Stereotypes are "sets of beliefs, usually stated as categorical generalizations that people hold about the members of their own and other groups" (Rinehart, 1963: 137). LaViolette and Silvert (1951: 259) saw stereotypes "as a special category of attitudes" within the context of racial/ethnic prejudice studies. This attitudinal view was also shared by Katz and Braly (1933) who made stereotypes a topic of scientific research. The term stereotype was first employed by Lippmann (1922) to describe how society was characterising people in the context of public opinion and creating "pictures in our heads" (LaViolette and Silvert, 1951: 257).

As categorical generalisations, stereotypes relate to the average personal, cognitive and physical characteristics of group members (Terracciano et al., 2005: 96). Rinehart (1963: 137) saw such beliefs as oversimplifications which "seldom correspond with the objective facts". Hence, they have often been associated with negative connotations, such as "institutionalized misinformation", "distortions" and "caricatures" (LaViolette and Silvert, 1951: 258). While Rinehart (1963) emphasised the learned and interaction-based nature of stereotype formation, stereotypes can also have deeper historical and political roots, and are popularised by literature and the media (Várnai, 2009). In an IB context, experience and historical interaction act as the two main determinants of individual-level perceptions (Chapman et al., 2008).

Stereotyping can be based on different grounds such as gender, race, religion, sexual orientation, profession and ethnicity. National stereotypes in this regard do not simply have an ethnic background, but also correspond to so-called national character characteristics (Terracciano et al., 2005), which we also addressed.

Social distance

Social distance can be defined as "perceived affinity and nearness between people and groups" (Ahmed, 2007: 326). The concept emerged from sociometry and was first developed in the mid-1920s by Park (1924) as a cumulative ordinal-type psychological scale focusing on a person's willingness to engage in various levels of social relationships in racial and religiously diverse groups (Wark and Galliher, 2007). It later connected with Bogardus' prejudice research. As a result of one of the earliest longitudinal attitudinal studies examining "diversity and difference" (Wark and Galliher, 2007: 391), the Bogardus social distance scale is still a widely-employed psychological attitudinal scale today.

With regard to IB's understanding and critiques of the culture distance concept (Avloniti and Filippaios, 2014), social distance should be seen as "a form of sociometrics in which attention is centered on the measurement of personal-group relations, on the measurement of changes in these relations, on the use of stereotypes in such measurements, and on attempts to utilize feeling reactions as a means of understanding human behavior" (Bogardus, 1947: 306). It includes "normative, interactive and cultural" aspects of personal-group behaviour (Karakayali, 2009: 539). While Bogardus (1947) saw it as a purely subjective and affective concept, others regarded it more as an objective concept. For them, social distance implicitly assumed a "general, collective understanding" of group membership/outsidership, which is based on some sort of social structure (Karakayali, 2009: 541).

Figure 1: THE LINK BETWEEN NATIONAL STEREOTYPES AND SOCIAL DISTANCE
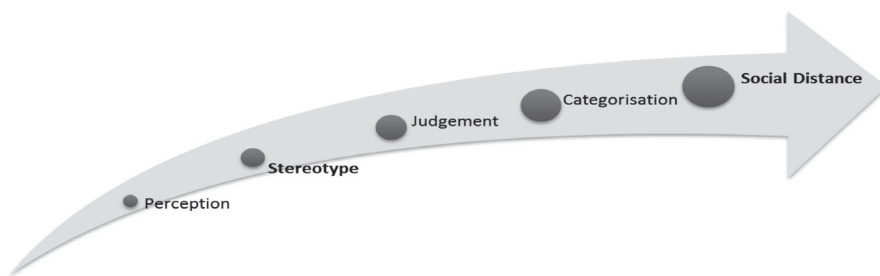
Source: own depiction (based on Hopkins and Moore, 2001).

Despite its psychological origin, the concept of social distance mostly belongs to the sociological stream of social psychology, which addresses personal-group behaviour from the perspective of social structures and culture (Crawford and Novak, 2014). Figure 1 shows the link between social distance and stereotypes.

Data and methodology

The data collection took place at leading universities in each of the former Yugoslav countries in the 2014/2015 academic year among mainly undergraduate university students. A matched sample of 611 respondents was analysed (n = 611) across the six former Yugoslav countries. Questionnaires were translated into the local language by native speakers.[3] All data were collected using paper-form questionnaires distributed in person in class.

The questionnaire was structured in two parts. In the first part, respondents were asked to recall five characteristics (attributes) of Slovenians, based on the approach by Katz and Braly (1933). In the second part, 13 specific attributes (stereotypes) were evaluated for each nation on 4-point ordinal scales. We used the traditional Bogardus (1933) 6-point ordinal scale to measure social distance. The last section of the questionnaire included a series of 4-point ordinal, Likert-type statements relating to various aspects of the international business relationship.[4]

Results

Stereotypes

Table 2 shows the top five most frequently recalled characteristics (attributes) regarding Slovenians among the other former Yugoslav countries. With the exception of Bosnia and Herzegovina, the most common positive characteristic associated with Slovenians is that of being "*hard-working*", followed by "*cultured*" and "*smart*". Among the top five negatively recalled characteristics, Slovenians were perceived to be "*aloof*" and "*stingy*".

Table 3 presents the share of all recalled positive characteristics regarding Slovenians among the other former Yugoslav countries. The share of positive recalls is lowest among Bosnians (41.20%) and highest among Kosovars (89.80%). While the former may be linked to scandals related to Slovenia's former ambassador in Bosnia (Mrs. Vodušek), Ljubljanska banka and the ill treatment of Bosnian construction workers in Slovenia, the latter can be seen as a consequence of Slovenia's early recognition of Kosovo's independence and diplomatic support (Zupančič and Udovič, 2011).

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3 *On the relevance of translation and the use of the most appropriate language see also Udovič et al. (2011) and Udovič (2016).*

4 *For more, see Rašković and Udovič (2016).*

Table 2: THE FIVE MOST FREQUENTLY RECALLED CHARACTERISTICS
(STEREOTYPES) OF SLOVENIANS

Bosnia and Herzegovina	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Slovenians are...					
Europeans (7.2%)	Friendly (6%)	Hard-working (13.4%)	Hard-working (11.4%)	Good (9.6%)	Kind (14.1%)
Funny (6.5%)	Small (3.9%)	Cultured (10.8%)	Smart (10%)	Friendly (5.2%)	Hard-working (11.4%)
Kind (5.2%)	Hard-working (3.6%)	Civilised (8.9%)	Social (6.2%)	Frugal (4.5%)	Cultured (5.7%)
Stingy (4.6%)	Smart (3.4%)	Europeans (8.3%)	Cultured (5.2%)	Hard-working (4.2%)	Aloof (4.6%)
Arrogant (4.6%)	Aloof (3.1%)	Disciplined (7.6%)	Communicative (5.2%)	Stingy (3.8%)	Calm (4.3%)

Note: The depicted frequencies in brackets were calculated from recalled frequencies for a given attribute relative to all recalled attributes. Since the table displays only the top five most frequently recalled attributes, the sum of their frequencies does not add up to 100%.

Table 3: SHARE OF ALL RECALLED POSITIVE CHARACTERISTICS OF
SLOVENIANS ACROSS THE COUNTRIES

Positive characteristics about...	Bosnia and Herzegovina	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Slovenians	41.20%	45.20%	89.80%	66.20%	60.50%	74.70%
Themselves (auto-stereotypes)	55.38%	51.85%	68.64%	53.22%	56.51%	75.81%

Note: Corresponds to the share of positive characteristics among all top-of-mind, open--ended recalled characteristics.

The average share of positive recalls among the six countries is 63.35%; thus, we can say that the Kosovars, Serbians and Macedonians display an above-average share of positive stereotypes about Slovenians. When comparing the shares of positive recalls in all the former Yugoslav countries (incl. Slovenia), the average share of positive recalls is in fact highest for Slovenians (63.35%) and lowest for Serbs (37.40%). It is also interesting that the share of positive auto-stereotypes is higher than for Slovenians in Bosnia and Herzegovina, Croatia and Serbia, which are all highly nationalistic nations. This is vice versa in the case of Kosovo, Macedonia and Montenegro.

Complementing the top-of-mind recalls, Table 4 shows the evaluations of 13 specified characteristics (attributes) for Slovenians among other former Yugoslav countries.

Table 4: EVALUATIONS OF 13 SPECIFIED CHARACTERISTICS OF SLOVENIANS ACROSS THE COUNTRIES

	Average	Bosnia and Herzegovina	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Hard-working	3.49	3.20	3.30	3.72	3.29	3.52	3.89
Responsible	3.36	3.26	3.29	3.49	3.06	3.41	3.64
Precise	3.30	3.16	3.15	3.31	3.26	3.41	3.51
Entrepreneurial	3.28	3.22	3.31	3.58	2.84	3.21	3.53
Smart/intelligent	3.27	3.06	3.20	3.46	3.22	3.24	3.42
Efficient	3.24	3.23	3.22	3.46	3.03	3.04	3.44
Flexible (compromise)	2.85	2.70	2.50	3.09	2.73	2.89	3.21
Open/ communicative	2.65	2.34	2.62	2.65	2.69	2.74	2.85
Easy-going	2.57	2.44	2.40	2.60	2.61	2.61	2.75
Improvisers	2.53	2.55	2.54	2.23	2.69	2.61	2.53
Stubborn	2.42	2.36	2.75	2.13	2.59	2.51	2.17
Nationalists	2.33	2.08	2.41	2.83	2.29	2.31	2.06
Arrogant	2.28	2.43	2.59	2.12	2.24	2.20	2.07

Note: Measured on a 4-point ordinal, Likert-type scale corresponding to: 1-completely disagree; 2-somewhat disagree; 3-somewhat agree; 4-completely agree.

Overall, Slovenians are perceived to be "*hard-working*" (average mean score of 3.49), followed by "*responsible*" (3.36) and "*precise*" (3.30). They are perceived as most hard-working among the Serbs (3.89) and least among the Bosnians (3.20). The latter is consistent with the results in Table 3 and probably linked to several Bosnia-Slovenia issues already mentioned earlier. In terms of responsibility, Slovenians are perceived as being the most responsible among the Serbs (3.64) and the least among the Macedonians (3.06). They are perceived to be the most precise among the Serbs (3.51) and the least among the Croatians (3.15).

Among the listed characteristics, Slovenians are perceived as being the least "*arrogant*" (2.28), "*nationalists*" (2.33) and "*stubborn*" (2.42). In terms of arrogance, they are perceived as relatively more arrogant among the Croatians (2.59) and Bosnians (2.43), and the least among the Serbs (2.07). In terms of nationalism, Slovenians are perceived to be least nationalistic among Serbs (2.06) and Bosnians (2.08), and the most among Kosovars (2.83). They are perceived to be the least stubborn among the Serbs (2.17) and the most stubborn among the Croats (2.75).

With regard to the 13 specified attributes on which Slovenians were

evaluated (4-point scales) and can be compared with the average evaluations of other former Yugoslav countries,[5] we can say that Slovenians are perceived among the other former Yugoslav countries as the most "*hard-working*", "*entrepreneurial*", "*responsible*", "*precise*", "*flexible*", "*efficient*" and "*smart*".

Social distance

Table 5 presents the reported social (ethnic) distances towards Slovenians measured on the 6-point Bogardus (1933) scale.[6] Croats (3.83) and Serbs (3.71) display significantly lower levels of social distance towards Slovenians, while Macedonians (2.77) and Kosovars (3.05) display the highest levels of social distance.[7]

Table 5: REPORTED SOCIAL (ETHNIC) DISTANCE TOWARDS SLOVENIANS ACROSS THE COUNTRIES

	Mean (1-6)	1-Same country	2-Same city	3-Business partner/co-worker	4-Neighbour	5-Friend	6-Family/spouse
Croatia	3.83	12.3%	10.4%	21.7%	13.2%	22.6%	19.8%
Serbia	3.71	9.4%	10.4%	32.1%	9.4%	25.5%	13.2%
Bosnia and Herzegovina	3.33	17.9%	9.0%	26.9%	20.5%	19.2%	6.4%
Montenegro	3.09	14.0%	14.0%	43.0%	10.5%	15.1%	3.5%
Kosovo	3.05	18.3%	13.3%	33.3%	20.0%	10.0%	5.0%
Macedonia	2.77	25.0%	17.3%	26.9%	18.3%	11.5%	1.0%

Note: Measured on a 6-point ordinal scale corresponding to willingness to: 1-live in the same country (highest possible social distance), 2-live in the same city, 3-have as a co-worker/business partner, 4-have as a neighbour, 5-have as a friend, and 6-have as a family member/spouse (lowest possible social distance).

The declared social distance towards Slovenians among Kosovars is particularly interesting since Kosovars also recalled the highest share (89.90%) of positive characteristics regarding Slovenians among all other former Yugoslav countries. We believe this can mainly be linked to religious differences between the two countries, like in the case of Macedonia (where the predominant share of respondents were Muslim Albanians). This suggests

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[5] *This extensive analysis falls outside the scope of this paper, but its results can be made available upon request to the authors.*

[6] *A higher score corresponds to a lower level of social distance*

[7] *Looking wider at social distance among all former Yugoslav countries (incl. Slovenia) towards all other countries, the average declared social distance towards Slovenians is 3.30, the second highest level of social distance only to that towards Kosovars (3.25). The lowest average social distance is that towards Bosnians (3.90) and Serbs (3.89).*

that religion plays a more important role than ethnicity, even though both cultures can be considered highly collectivistic cultures. However, as Abanes et al. (2014: 61) suggested, religion may be seen as a particularly strong determinant of social distance in the case of "ethno-religiously strati-fied society with collectivist culture [i.e. Philippines]" through the differ-ent roles of in-group and out-group trust. While the level of out-group trust is higher in Catholic-dominant Slovenia, in-group trust seems to be much more important in the case of Muslim-dominant Kosovo with its strong family-clan culture.

Table 6 also compares the links between the share of negative stereo-types about Slovenians and social distance towards them with Pearson's corresponding pair-wise correlation coefficient being 0.35 (p<.05).

Table 6: LINK BETWEEN THE SHARE OF NEGATIVE STEREOTYPES AND SOCIAL DISTANCE TOWARDS SLOVENIANS ACROSS THE COUNTRIES

	Bosnia and Her-zegovina	Croatia	Kosovo	Macedo-nia	Montene-gro	Serbia
Negative stereotypes about Slovenians*	58.80%	54.80%	10.10%	33.80%	39.50%	25.30%
Social distance towards Slovenians**	3.33	3.83	3.05	2.77	3.09	3.71

Note: *Corresponds to the share of negative characteristics among all top-of-mind, open--ended recalled characteristics.
**Measured on a 6-point Bogardus (1933) scale.

Willingness to engage in international business

At the end, Table 7 shows the declared willingness to engage in various aspects of IB relationships with Slovenians among other former Yugoslav countries. Overall, all former Yugoslav countries would prefer to do more business with Slovenians (composite mean score of 3.43 on a 4-point scale), while they would be less willing to negotiate harder with Slovenians (2.32). Out of all the other former Yugoslav countries, Macedonia displays on aver-age the lowest relative levels of inclination to be more lenient to Slovenians and to find a compromise (2.80), willingness to do more business with Slo-venians (2.81) and would be relatively less willing to more easily find solu-tions for problems with Slovenians (2.94). At the same time, they would also be the least willing to negotiate harder (be stricter and tougher) with Slo-venians (2.03). This means that while they would show no special leniency and propensity to compromise with Slovenians, they would also not be any tougher in terms of negotiations.

Table 7: WILLINGNESS TO ENGAGE IN VARIOUS ASPECTS OF INTERNATIONAL BUSINESS RELATIONSHIPS WITH SLOVENIANS

	Bosnia and Herzegovina	Croatia	Kosovo	Macedonia	Montenegro	Serbia	Average
Would care to do more business with	3.40	3.54	3.44	2.81	3.54	3.82	3.43
Would negotiate harder	2.49	2.71	2.29	2.03	2.12	2.30	2.32
Would more easily find a solution for a problem	3.22	3.19	3.18	2.94	3.11	3.48	3.19
Would be more lenient and find a compromise	2.79	2.58	3.02	2.80	2.90	3.03	2.85

Note: Measured on a 4-point ordinal, Likert-type scale corresponding to: 1-completely disagree; 2-somewhat disagree; 3-somewhat agree; 4-completely agree.

Table 8 also presents Pearson's pair-wise correlation coefficients between the declared level of social distance towards Slovenians and the willingness to do more business with Slovenians. As we can see, the correlation coefficients are only significant in the case of Montenegro and Croatia, but relatively weak.

Table 8: CORRELATION BETWEEN DECLARED SOCIAL DISTANCE AND WILLINGNESS TO DO MORE BUSINESS WITH SLOVENIANS

	Bosnia and Herzegovina	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Social distance towards Slovenians*	3.33	3.83	3.05	2.77	3.09	3.71
Would care to do more business**	3.40	3.54	3.44	2.81	3.54	3.82
Pair-wise correlation coefficient	0.05	0.20***	- 0.03	-0.09	0.23***	0.07

Note: *Measured on a 6-point ordinal scale (Bogardus, 1933).

Measured on a 4-point ordinal, Likert-type scale corresponding to: 1-completely disagree; 2-somewhat disagree; 3-somewhat agree; 4-completely agree * Statistically significant ($p < .10$).

We also tested if there is any potential relationship between the share of exports to Slovenia from a given former Yugoslav country (among total exports) and either: (a) the share of positive stereotypes about Slovenians; or (b) the declared social distance towards Slovenians. In terms of the relationship between exports to Slovenia and the share of positive stereotypes

about Slovenians, Pearson's pair-wise correlation coefficient is negative and very strong (β = -.82; p = .000) in the case of all other former Yugoslav countries. Thus, we can say that there is a negative but strong connection between the share of *positive* stereotypes about Slovenians and a country's share of exports to Slovenia.

In the case of the link between social distance towards Slovenians and a given country's share of exports to Slovenia, there is also a negative pair-wise correlation coefficient (β = -.49, p = .000). This further indicates a negative relationship between lower social distance and a given country's share of exports to Slovenia. However, one has to keep in mind the small number of observations (n = 7) and the fact that, if we eliminate Macedonia (as a potential outlier due to the significantly lower social distance score), the negative correlation coefficient becomes very small (β = -.26) and significant only at p < .10.

Conclusion: implications and recommendations

We can say that Slovenians still enjoy favourable perceptions among other former Yugoslav countries. This seems to be connected with Slovenia's relative economic development up to 2008 (Svetličič and Sicherl, 2006), despite its more recent economic and structural issues (Tajnikar and Došenović Bonča, 2015).

As the results show regarding the average share of positively recalled characteristics (attributes), this share is highest for Slovenians compared to all other former Yugoslav countries. A more detailed comparison of the 13 evaluated characteristics (attributes) shows that Slovenians were evaluated the highest for 7 out of 13.[8] Most of these could be in some way connected to the so-called *conscientiousness* dimension of the national character (Terracciano et al., 2005), where Slovenia scores considerably higher than Serbia or Croatia. Our results support Armstrong's (1996) observation of how national characters are linked to national stereotypes, and translate beyond bilateral national clashes and neighbour rows, or past historical tensions.

In terms of social distance, our results show that, while national stereotypes might be one of the potential antecedents of social distance, the link between the two is by no means as strong as one would believe; supporting the view that home-host context matters more (Harzing and Pudelko, 2015). Yet, this might be true for Slovenia which was never engaged in war conflict with any of the other former Yugoslav countries. One might expect a much clearer link in the case of Croatia-Serbia, Serbia-Bosnia and Serbia-Kosovo

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[8] *All were positive attributes, while Slovenians were never evaluated the lowest for any of the negative attributes.*

relations where the enforcement of the Serbian national identity's superiority, religious issues, ethnic antagonism and "cascades of ethnic polarization" would all probably reflect in a stronger link between national stereotypes and social distance (Somer, 2001: 127).

Our results also go against the assumption that neighbour disputes[9] (the border, NEK, Ljubljanska bank etc.) between Croatia and Slovenia automatically imply a higher level of declared social distance of the Croats towards the Slovenians. This is not the case as their social distance was the lowest. While such disputes may impact stereotypes, they do not translate into greater social distance and have less of an impact on IB.

Our evidence regarding stereotype-export and social distance-export correlations may appear somewhat conflicting. The significant negative correlation between the share of positive stereotypes and exports to Slovenia indicates that higher interaction through exports is linked to the higher share of negative stereotypes about Slovenians. One could thus say that more indirect (export) IB interaction is actually linked to a higher share of negative stereotypes, or that the higher negative stereotypes do not impede, but actually support exports (over FDI). In terms of correlations between social distance and willingness to engage in international business relationships, we find that the two are not significantly correlated in four out of the six countries. Less strong implications can be made based on the correlations between social distance and share of exports to Slovenia. How to interpret these correlation coefficients? We believe this shows that, in the context of the strong historical, cultural, political and economic intra-regional embeddedness of former Yugoslavia, social distance does not impact the willingness to engage in business with a 'developed' regional hub, but mostly impacts the business *mode* (exports vs FDI) through the relationship between risk and business mode.

Our results also offer some managerial implications. First, Slovenian companies need to better leverage their positive country-of-origin image in their interactions with other former Yugoslav countries and build it around the concept of "*conscientiousness*". Second, while Kosovars display the highest share of positive stereotypes about Slovenians, Croats and Serbs display the lowest levels of social distance, which in the case of the Serbs also translates into the highest willingness to do more business with Slovenians. The two aspects are, however, mostly unrelated in the other countries. Third, within such a specific intra-regional context, the structure of national stereotypes and level of social distance do not present so much entry and game-changing risks, but more determinants of the actual business *mode*. Fourth, ethnic and religious backgrounds do not merely impact people's perceptions,

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9   *Based on empirical evidence from Chapman et al. (2008).*

but also attitudes in negotiations, as well as willingness to seek solutions to problems and ability to find compromises. Fifth, our results reveal the existence of important differences between individual nations of former Yugoslavia in terms of their stereotypes, social distance and IB attitudes towards Slovenians. Thus, managers and policymakers should not underestimate these differences and avoid the so-called *low psychic distance paradox* where underestimating smaller psychic and cultural differences may in fact bring about bigger negative consequences (Rašković and Svetličič, 2011).

The proverbial 'locomotive' seems not to have lost (too much) steam, at least when it comes to perceptions and social distance. Despite several limitations of our study,[10] our results provide important theoretical implications for cultural psychology literature and empirical added value for business and policymakers. They show an interesting picture in which various types of embeddedness shape a complex region in which *glocality* meets pragmatic business attitudes. In terms of future research, we hope to explore how culture distance actually impacts social distance given the differences in symmetry and their country- vs. individual-level factors. Finally, we also hope in the future to test attitude-IB behaviour differences between cultural and social distance in terms of reciprocity in IB relationships in order to determine if social distance indeed better predicts IB behaviour.

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[10] *Matched student samples, testing attitudes to IB, simple correlations with only export data etc.*

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