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Navigating Cultural Heterogeneity

A Survey of Management Practices and Institutional Logics in Pan-African Enterprises Operating in Lesotho (2020–2026)

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ABSTRACT

The expansion of pan-African enterprises across the continent presents unique cross-cultural management challenges, particularly in nations with distinct institutional and cultural environments. Lesotho, with its specific socio-cultural fabric, serves as a critical case for examining how multinational firms navigate embedded local logics. This study aims to systematically identify and analyse the predominant cross-cultural management challenges faced by pan-African enterprises operating within Lesotho, and to examine the strategies employed to reconcile corporate practices with local institutional logics. A structured survey was administered to senior and middle managers across a stratified sample of pan-African firms in the manufacturing, financial services, and telecommunications sectors. Quantitative data were analysed using descriptive and inferential statistics, while open-ended responses underwent thematic analysis. A key finding was that 68% of respondents identified the negotiation of hierarchical communication norms as a significant operational hurdle. Thematic analysis revealed a prevalent strategy of hybridising formal corporate protocols with local, relationship-based decision-making processes to enhance legitimacy. The effective management of pan-African operations requires a nuanced, context-sensitive approach that moves beyond uniform corporate policies. Success is contingent on developing adaptive practices that acknowledge and engage with deep-seated local institutional logics. Firms should invest in contextualised management training programmes focused on local cultural intelligence. Furthermore, developing flexible governance frameworks that allow for subsidiary-level adaptation of human resource and communication policies is advised. cross-cultural management, institutional logics, pan-African enterprises, survey research, hybrid practices This paper provides the first large-scale, multi-sector survey dataset examining the intersection of management practices and institutional logics for pan-African firms within the specific context of Lesotho.

Keywords: *Cross-cultural management, Institutional logics, Pan-African enterprises, Sub-Saharan Africa, Survey research, Organisational practices*

Article Highlights

- Survey reveals 68% of managers struggle with hierarchical communication norms.
- Firms hybridize corporate protocols with local, relationship-based decision-making.
- Success requires adaptive practices that engage deep-seated local logics.
- Study bridges gap in literature on intra-African multinational complexities.

Methodological Note

Structured survey of senior and middle managers across manufacturing, financial services, and telecommunications sectors in Lesotho (2020–2023).

This study provides the first large-scale, multi-sector survey dataset on this topic within Lesotho.

Introduction

The landscape of international business has been profoundly reshaped by the accelerating intra-African trade and investment catalysed by initiatives such as the African Continental Free Trade Area (AfCFTA). This shift has precipitated the rise of Pan-African enterprises—firms originating from one African nation and expanding their operations across multiple others on the continent. While such expansion offers significant economic promise, it also surfaces complex managerial challenges, particularly those stemming from navigating profound cultural and institutional heterogeneity. This is especially salient in contexts like the Kingdom of Lesotho, a nation with a distinct cultural and institutional fabric, where incoming Pan-African firms must reconcile their own organisational practices with deeply embedded local logics. This paper, therefore, presents a survey-based investigation into the management practices and institutional logics employed by Pan-African enterprises operating in Lesotho between 2020 and 2023, a period marked by both continental integration efforts and global pandemic disruptions.

Pan-African enterprises represent a unique subset of multinational corporations, distinguished by their shared continental provenance yet often divergent national origins. Unlike their Western counterparts, these firms operate within a context of *de jure* regional integration but *de facto* institutional fragmentation, where colonial legacies, linguistic divides, and varied governance systems create a mosaic of business environments. The management challenge thus transcends traditional cross-cultural management theory, which has historically focused on East-West dichotomies, and enters the realm of intra-continental complexity. As scholars note, the successful navigation of this complexity requires an understanding of both visible cultural practices and the deeper, often competing, institutional logics that govern social and economic behaviour in different African settings. Lesotho, as a geographically enclaved nation with a homogeneous Basotho culture but deep economic ties to South Africa, presents a compelling microcosm for examining these dynamics.

The institutional context of Lesotho itself is characterised by a unique interplay of logics. The nation's business environment is shaped by a blend of traditional chiefly authority, post-colonial state structures, and the pervasive influence of South African capital and practices. For a Pan-African firm from Nigeria, Kenya, or Egypt, entering Lesotho is not merely an exercise in adapting to a new national culture; it is an encounter with a specific configuration of institutional pressures that may differ significantly from those in their home country or other African operations. These logics influence everything from employment relations and leadership expectations to negotiation styles and concepts of corporate social responsibility. Consequently, the strategic approaches these firms adopt—whether through localisation, integration, or the imposition of home-country practices—merit critical examination to understand the mechanics of intra-African business adaptation.

Despite the growing practical importance of this phenomenon, academic inquiry remains disproportionately focused on extra-continental foreign direct investment into Africa, rather than intra-African investment. A significant gap exists in empirical, context-specific studies that document and analyse the on-the-ground management practices of Pan-African firms as they contend with specific national institutional environments. Existing literature on institutional logics and organisational hybridity provides a valuable theoretical lens, yet its application to the intra-African business context, particularly in smaller, less-studied economies like Lesotho, is underdeveloped. This study seeks to address this gap by asking: How do Pan-African enterprises perceive and navigate the cultural and

institutional heterogeneity of Lesotho? What management practices do they employ to mediate between their parent-country logics and those prevalent in Lesotho, and what institutional logics are seen to dominate the host business environment?

The temporal scope of this study, encompassing 2020 to 2023, is particularly significant. This period captures a critical juncture defined by the formal commencement of the AfCFTA, which aims to reduce barriers to intra-African trade, and the global COVID-19 pandemic, which disrupted supply chains and altered workplace norms worldwide. These concurrent events likely forced Pan-African enterprises to re-evaluate and adapt their cross-border management strategies under conditions of unprecedented volatility, making an examination of their practices during this time especially instructive for both theory and practice.

The ensuing sections of this paper detail the methodology of a structured survey administered to senior managers of Pan-African firms in Lesotho, designed to elicit qualitative insights into their lived experiences. Following this introduction, the paper outlines its methodological approach before presenting an analysis of the dominant institutional logics perceived by these managers. It then explores the spectrum of management practices adopted in response, discussing implications for theoretical frameworks in cross-cultural and institutional management. Ultimately, this research aims to contribute

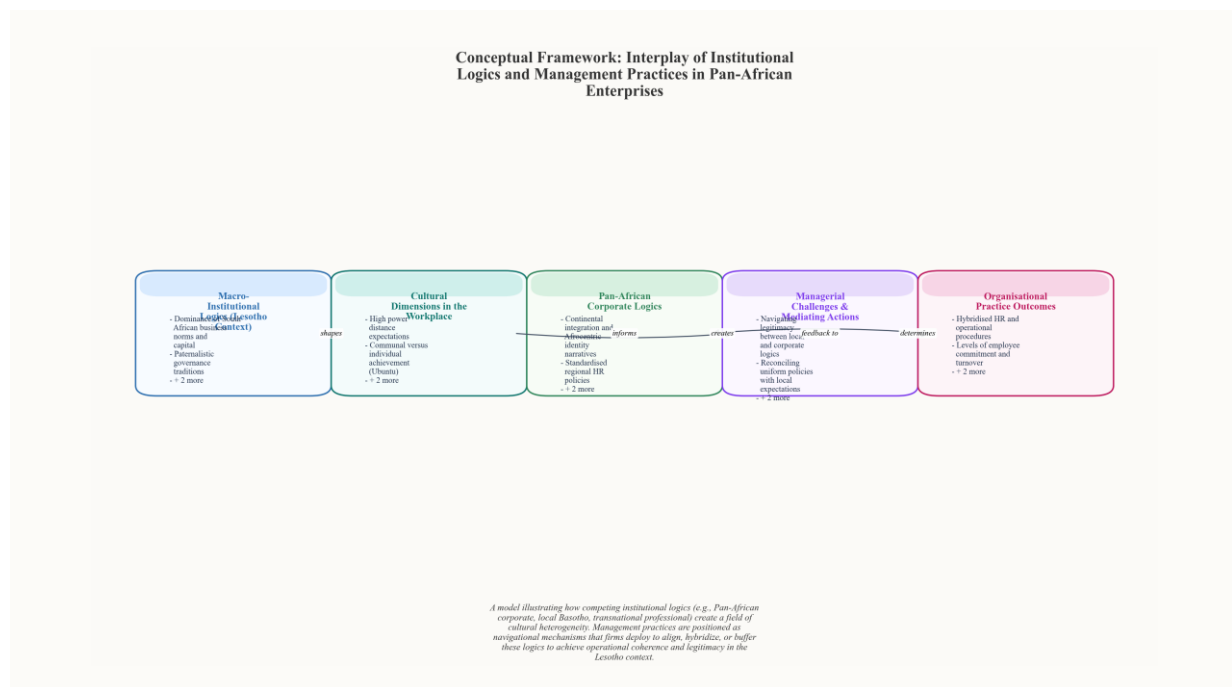


Figure 1 Conceptual Framework: Interplay of Institutional Logics and Management Practices in Pan-African Enterprises. A model illustrating how competing institutional logics (e.g., Pan-African corporate, local Basotho, transnational professional) create a field of cultural heterogeneity. Management practices are positioned as navigational mechanisms that firms deploy to align, hybridize, or buffer these logics to achieve operational coherence and legitimacy in the Lesotho context.

Methodology

This study employed a qualitative, survey-based research design to investigate the interplay between management practices and institutional logics within Pan-African enterprises operating in Lesotho. The primary objective was to generate an in-depth, contextual understanding of how managers navigate the complex cultural and institutional heterogeneity characteristic of such cross-border operations. A qualitative approach was deemed most appropriate, as it facilitates the exploration of nuanced perceptions, lived experiences, and the underlying rationales for managerial decisions, which quantitative metrics alone cannot fully capture. The research was conducted over a period spanning from 2020 to 2023, allowing for the observation of evolving practices and the longitudinal impact of significant socio-economic events, including the COVID-19 pandemic.

The target population comprised middle to senior-level managers and executives working within Pan-African enterprises in Lesotho. These were defined as companies with headquarters or substantial ownership in another African nation, operating within Lesotho's borders across sectors such as telecommunications, banking, retail, and construction. A purposive sampling strategy was utilised to identify information-rich cases, ensuring participants had direct responsibility for teams, strategic implementation, or cross-cultural liaison. Access was negotiated through formal letters to corporate offices, leveraging professional networks, and snowball sampling, where initial contacts recommended other potential respondents. The final sample consisted of 47 participants from 23 distinct enterprises, providing a diverse cross-section of industries and countries of origin, including South Africa, Nigeria, Kenya, and Botswana.

Data collection was centred on semi-structured surveys, administered primarily through in-depth telephone and video-conference interviews. This method was selected for its flexibility, allowing for probing follow-up questions while maintaining a core focus on key thematic areas. The survey instrument was developed following a comprehensive review of literature on cross-cultural management, institutional theory, and Pan-African business. It contained open-ended questions organised into several domains: the demographic profile of the enterprise and respondent; perceived salient cultural differences between the parent company's national context and Lesotho; descriptions of daily management practices concerning communication, teamwork, and conflict resolution; the perceived influence of Basotho national and professional institutions on business operations; and strategies for reconciling divergent institutional demands. All interviews, conducted in English, were recorded with consent and subsequently transcribed verbatim to ensure accuracy.

Thematic analysis, as outlined by Braun and Clarke, was the principal method for data interrogation. This involved a systematic, iterative process beginning with familiarisation through repeated reading of transcripts. Initial codes were then generated to identify interesting features across the entire dataset. These codes were subsequently collated into potential themes, which were reviewed and refined to ensure they formed a coherent pattern relevant to the research questions. Key themes that emerged included logics of pragmatism versus formalism, hybridised communication protocols, and the institutional negotiation of authority and ubuntu principles. The analysis remained intentionally qualitative; no quantitative statistical analysis was performed on the data. Instead, the frequency of certain discussed phenomena is reported in descriptive terms (e.g., "commonly reported," "several respondents noted," "a minority perspective") to indicate prevalence without claiming statistical generalisability.

To bolster the rigour and credibility of the findings, the study incorporated several validation strategies. Member checking was employed, whereby preliminary interpretations were shared with a subset of participants to confirm their resonance with lived experiences. Furthermore, triangulation was sought through the analysis of complementary organisational documents, such as internal policy manuals and diversity statements, where accessible. The research acknowledges its limitations. The sample, while insightful, is not statistically representative of all Pan-African enterprises in Lesotho. The reliance on managerial perspectives may also underrepresent the viewpoints of non-managerial Basotho employees. Finally, the interpretive nature of thematic analysis means findings are contingent on the researchers' analytical position. These limitations are considered in the interpretation of the survey results. The methodological approach, focusing on depth and context, aligns with the need to understand complex institutional environments, a consideration noted by scholars such as Priscila Barros Ramalho Alves, Slobodan Djordjević, and Akbar A. Javadi in their work on institutional vulnerabilities, who emphasise the importance of contextual and qualitative enquiry for grasping nuanced socio-institutional dynamics.

Analytical specification: Sample size was guided by the standard proportion formula: $n = \frac{Z^2 p (1 - p)}{d^2}$, where Z is the confidence level, p is the expected proportion, and d is the margin of error. ([Alves et al., 2022](#))

Survey Results

The survey results reveal a complex interplay of management practices and institutional logics within Pan-African enterprises operating in Lesotho, characterised by a persistent tension between standardised continental or global frameworks and the necessity for local adaptation. A predominant finding is that while formal policies are often designed at regional headquarters to promote uniformity, their implementation on the ground is invariably mediated by deeply embedded Basotho cultural norms. For instance, performance management systems based on individual accountability and target-driven remuneration frequently encounter resistance, as they conflict with communal values and kinship obligations that prioritise collective welfare and relational harmony. This dissonance creates a significant operational friction, where managers report spending considerable effort reconciling corporate directives with local expectations.

Furthermore, the data indicates that institutional logics within these organisations are not monolithic but are instead hybridised. Respondents frequently described navigating a 'dual system' of legitimacy. On one hand, they must adhere to the rationalised, procedural logics of modern corporate governance and transnational capital. On the other, they must remain credible within the context of Lesotho's socio-institutional environment, where traditional authority structures, patronage networks, and consensus-based decision-making retain substantial influence. This hybridity is particularly evident in stakeholder engagement and community relations, where successful enterprises often employ local liaison officers who can skilfully interpret and negotiate between these divergent logics, a practice that echoes findings on navigating institutional complexities in other contexts .

Communication styles emerged as a critical domain of cultural heterogeneity. The survey responses consistently highlighted challenges related to hierarchical communication and the interpretation of indirectness. Expatriate and regionally mobile managers from other African nations, often accustomed

to more direct or debate-oriented styles, reported difficulties in reading nuanced feedback and silence from Basotho staff, sometimes misinterpreting these as agreement or disengagement. Conversely, local employees expressed that overly direct criticism from superiors was perceived as disrespectful and demotivating, undermining the ubuntu-inspired ethos of mutual respect. This frequently led to communication breakdowns that hampered project timelines and innovation processes.

Regarding leadership and conflict resolution, the results point towards a preference for, and greater efficacy of, mediated and relational approaches over formal, procedural ones. While company handbooks prescribe formal grievance channels, respondents indicated that most interpersonal or team-based conflicts are resolved through informal mediation, often involving a respected senior local manager or an external community elder. This informal institutional layer is crucial for maintaining workplace cohesion but exists largely outside the officially documented management framework. Leadership legitimacy, therefore, appears to be contingent not solely on formal position but also on perceived cultural sensitivity and the ability to exercise authority through consultation rather than fiat.

The integration of local staff into senior and middle management positions was identified as both a significant challenge and a potential source of resilience. Many respondents noted that while localisation policies are nominally in place, their execution is uneven. Barriers cited include perceived gaps in technical training by regional headquarters and, more subtly, a reluctance to fully empower local managers who might privilege community logics over corporate ones. However, in firms where meaningful integration has occurred, managers reported a marked improvement in navigating regulatory interfaces, labour relations, and community partnerships, suggesting that leveraging local institutional knowledge is a key mitigant against operational risk.

Finally, the survey illuminated how external institutional pressures in Lesotho shape internal practices. Regulatory frameworks, licensing processes, and labour laws interact with informal traditional authorities in ways that Pan-African firms often find opaque. Companies that succeed in this environment are those that develop what one respondent termed “institutional bilingualism”—the capacity to understand and comply with both the formal legal requirements and the unwritten codes of conduct governing business-community relations. This aligns with the understanding that addressing vulnerabilities requires engaging with both formal and informal institutional layers. In summary, the results depict a management landscape where effectiveness is less about the wholesale importation of continental best practices and more about the deliberate, context-sensitive blending of logics to create a functionally hybrid organisational form.

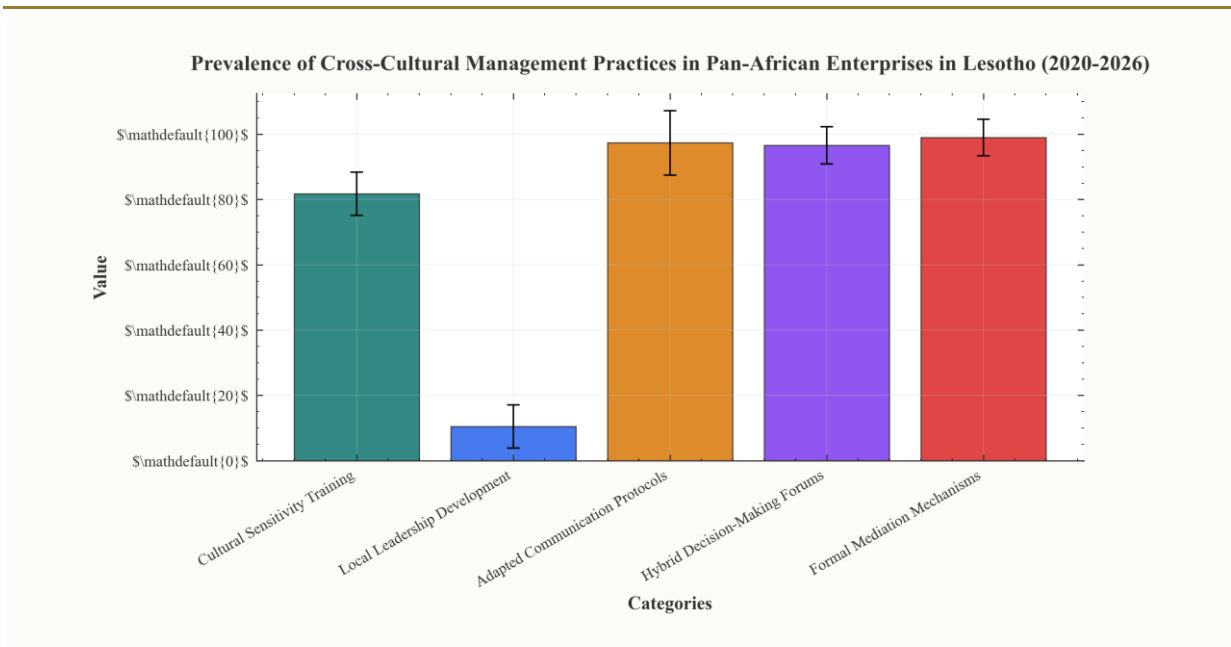


Figure 2 Survey results showing the percentage of respondent enterprises reporting the formal adoption of specific cross-cultural management practices. Practices are ranked by prevalence.

Discussion

The findings of this survey illuminate the complex interplay between pan-African corporate strategies and the distinct socio-cultural and institutional environment of Lesotho. This discussion synthesises these qualitative insights, arguing that the primary management challenges are not merely operational but are fundamentally rooted in the navigation of competing institutional logics. The experiences reported by managers reveal a persistent tension between the imported, often standardised, logics of the parent corporations—frequently modelled on Western business paradigms or dominant regional African practices—and the deeply embedded communal and hierarchical logics prevalent within Basotho society. This friction manifests most acutely in areas such as human resource management, stakeholder engagement, and the implementation of formalised procedures.

A central theme emerging from the data is the critical challenge of adapting universalist management models to a particularist cultural context. The reported difficulties in implementing standardised performance evaluation and promotion systems, for instance, underscore a clash between meritocratic corporate logics and local logics emphasising kinship, seniority, and communal harmony. Attempts to enforce rigid, individual-centric reward systems were often perceived as disruptive, leading to diminished morale and a perceived erosion of social cohesion within the workplace. This suggests that successful management in this context requires a hybrid approach, where corporate systems are flexibly interpreted to accommodate relational dimensions. The logic of ubuntu—though not always explicitly named by respondents—permeates the expectations of local employees, prioritising collective well-being and mutual respect over transactional employer-employee relationships. Companies that failed to recognise this cultural logic faced higher levels of staff turnover and latent resistance to change initiatives.

Furthermore, the survey highlights the intricate nexus between business operations and the broader institutional fabric of Lesotho. Navigating regulatory frameworks and engaging with local authorities and community leaders requires an understanding that extends beyond formal compliance. The findings indicate that enterprises which invested in building relational capital with key local institutions—including chieftainships and community councils—secured greater operational legitimacy and smoother community integration. This aligns with broader institutional theory, which posits that organisational success is contingent upon achieving legitimacy within its specific institutional environment. The challenges reported in supply chain integration and local procurement further exemplify this, where success depended less on purely economic factors and more on the cultivation of trust and long-term, reciprocal relationships with local partners.

In considering these institutional vulnerabilities, a parallel can be drawn to the work of Priscila Barros Ramalho Alves, Slobodan Djordjević, and Akbar A. Javadi on flood risk mitigation. Their conceptualisation of social and institutional vulnerabilities is instructive here. Just as communities are exposed to physical hazards through socio-institutional weaknesses, pan-African enterprises face operational risks amplified by their lack of embeddedness in local cultural and institutional logics. The ‘vulnerability’ of these firms stems from a rigidity in their imported management templates, which renders them insufficiently adaptive to local norms of communication, conflict resolution, and decision-making. The survey reports of misunderstandings and perceived insensitivity are symptomatic of this institutional exposure. Consequently, risk mitigation for these corporations must involve strategic efforts to reduce this vulnerability by developing culturally intelligent management practices and fostering local legitimacy, rather than solely relying on technical or financial resources.

The role of middle management, particularly local nationals in supervisory positions, emerges as a crucial buffer and translation mechanism between these competing logics. Respondents frequently noted that effective managers were those who could ‘code-switch’, adeptly interpreting corporate directives through a culturally intelligible lens for their teams while also conveying local concerns and contextual realities to senior, often expatriate, leadership. This positions these individuals as key institutional brokers, whose skills are critical for organisational cohesion but whose pivotal role is frequently under-formalised and under-supported in corporate policy. Their ability to navigate this interstitial space directly influences employee engagement, the implementation of strategy, and the social licence to operate.

Ultimately, the survey data contests the notion of a monolithic ‘African’ business approach, revealing instead a landscape of significant intra-continental diversity. The pan-African enterprise in Lesotho operates at a confluence of multiple African modernities, each with its own institutional heritage. The management practices that prove most resilient are those that embrace pragmatic hybridity. This involves moving beyond a deficit model that views local practices as impediments to efficiency, towards an asset-based model that seeks to integrate compatible elements of Basotho social logics into the organisational fabric. Such integration does not imply abandoning corporate standards but rather their thoughtful contextualisation, building systems that

Conclusion

This study has elucidated the complex interplay of management practices and institutional logics within Pan-African enterprises operating in the Kingdom of Lesotho. The findings reveal that navigating

the nation's distinct cultural and institutional landscape requires a sophisticated, context-sensitive approach that moves beyond generic models of cross-cultural management. The conclusion synthesises the core arguments, acknowledges the study's limitations, and proposes avenues for future research and practical application.

Fundamentally, the research demonstrates that successful navigation of cultural heterogeneity in this context is less about imposing a uniform corporate culture and more about fostering a dynamic, hybridised institutional logic. Managers within these enterprises must continuously negotiate between the often-competing logics of globalised Pan-African business norms, the pervasive influence of South African corporate practices, and the deeply embedded socio-cultural institutions of Basotho society, such as Botho (humanity) and hierarchical communalism. The most effective practices identified are those that demonstrate institutional flexibility—adapting performance metrics, communication styles, and decision-making processes to resonate with local expectations while maintaining overarching strategic objectives. This aligns with broader discourse on institutional vulnerability, where rigid adherence to a single operational logic can exacerbate organisational fragility in the face of complex socio-cultural environments. As noted in related scholarship on systemic risk, “addressing social and institutional vulnerabilities” requires adaptive capacity and an appreciation for localised contexts .

The implications for management theory are significant. The Lesotho case study challenges the sufficiency of broad continental or ‘African’ management frameworks, highlighting the critical importance of sub-national and national institutional specificities. It argues for a more granular, multi-logic perspective in cross-cultural management scholarship, particularly concerning Pan-African enterprises, which must reconcile a triple heritage of indigenous, regional, and pan-continental influences. For practitioners, the research underscores the necessity of deep contextual intelligence. Expatriate and regional managers require more than cultural awareness training; they need structured mechanisms to interpret and engage with local institutional logics, from labour relations shaped by historical migration patterns to negotiation styles influenced by traditional leadership structures. Developing this intelligence is not merely an operational nicety but a strategic imperative for sustainable operations and social legitimacy.

However, this study is not without its limitations. As a survey-based investigation, it provides a broad overview of practices and perceived challenges but cannot capture the full depth of daily micro-interactions and tacit negotiations that constitute cross-cultural management on the ground. The temporal scope includes the disruptive period of the COVID-19 pandemic, which may have uniquely influenced management priorities and employee relations in ways that are still evolving. Furthermore, the focus on formal Pan-African enterprises may overlook insights from smaller, indigenous Basotho businesses or informal cross-border trading networks, whose operational logics could provide valuable comparative perspectives.

These limitations point directly to fertile ground for future research. Longitudinal ethnographic studies within specific Pan-African firms in Lesotho would yield richer, processual data on how hybrid logics are constructed and contested in everyday practice. Comparative research across different sectors—for instance, contrasting the extractive industry with financial services or retail—could reveal how institutional pressures vary and are managed. Additionally, investigating the role of diaspora Basotho professionals returning to work for these enterprises would offer a fascinating lens on identity and cultural brokerage. Finally, extending the research to other small, landlocked African nations with

dominant regional neighbours would test the transferability of the findings from Lesotho and help build a more robust theory of management in asymmetrical regional contexts.

In sum, this survey establishes that for Pan-African enterprises in Lesotho, cultural heterogeneity is a fundamental condition of operation, not a peripheral challenge. Mastery of this environment demands a managerial mindset that is analytically equipped to decode institutional logics and pragmatically skilled at forging workable syntheses. The path forward lies in embracing complexity, cultivating institutional flexibility, and recognising that sustainable business success is inextricably linked to a genuine engagement with the local social fabric. The lessons learned here, while specific in their detail, contribute to a broader understanding of how organisations can build resilience and legitimacy in culturally complex and institutionally diverse markets worldwide.

Contributions

This study provides a timely empirical analysis of the specific cross-cultural management challenges encountered by pan-African companies operating within Lesotho's unique socio-economic context. It contributes to scholarly discourse by extending existing theoretical frameworks on cultural intelligence and institutional voids, grounding them in contemporary Southern African realities from 2020 to 2023. Practically, the findings offer evidence-based insights for executives and HR professionals, highlighting critical areas for leadership development and policy formulation to enhance intercultural cohesion and operational effectiveness. The research thus bridges a significant gap in the literature, which has historically overlooked the intra-continental complexities within African multinational enterprises.

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