

The Mediating Role of National Culture Dimensions Between Human Capital and FDI Attraction in Chad

Khalil Abakar Moussa Kaya

Faculty of Economics and Management,
Universiti Kebangsaan Malaysia (The
National University of Malaysia), Malaysia
khalilbinkaya@gmail.com

Mohd Azlan Shah Zaidi

Faculty of Economics and Management,
Universiti Kebangsaan Malaysia (The
National University of Malaysia), Malaysia
azlan@ukm.edu.my

Rohayu Abdul Ghani

Faculty of Economics and Management,
Universiti Kebangsaan Malaysia (The
National University of Malaysia), Malaysia
rohayu@ukm.edu.my

Abstract

Attention to human capital has been widely recognized as critical in influencing Foreign Direct Investment (FDI) in host countries. While numerous studies have examined the direct effect of cultural factors on FDI attraction, there remains a notable gap in research exploring the mediating role of national culture dimensions, particularly in the context of Central Africa. Chad, in particular, continues to underperform in leveraging the potential benefits of FDI. This is largely attributed to several structural challenges, including limited human resource capacity. The aim of this study is to examine the mediating role of Hofstede's cultural dimensions (power distance, uncertainty avoidance, and individualism versus collectivism) in the relationship between human capital and FDI attraction in Chad. Adopting quantitative research design, data were collected using a structured questionnaire. The target respondents included top-level management personnel such as managers, directors, and executives of foreign firms operating in Chad. PLS-SEM was employed to test the hypothesized relationships. The analysis revealed that human capital had no effect on FDI attraction in Chad, whereas national culture dimensions; specifically, power distance, uncertainty avoidance, and individualism versus collectivism significantly mediate the relationship between human capital and FDI attraction in Chad. This study offers several practical implications for policymakers, investors, development agencies, and other stakeholders involved in promoting FDI in Chad and comparable emerging economies.

Keywords

National Culture Dimensions, human capital, FDI attraction, Chad

1. Introduction

The government of Chad is implementing several policies in an effort to boost FDI inflow (Ganama et al., 2020). The Chadian tax code offers incentives to new business start-ups, new activities, or substantial extensions of existing activities, provided that the companies are active in some specific sectors such as industrial, mining, agricultural, forestry, and real estate (Ali et al., 2019). Furthermore, FDI inflows in Chad is slightly increased from USD 558 million in 2020 to USD 562 million in 2021; and the stock of FDI amounted to an estimated USD 7.6 billion in 2021 (Moustapha, 2020). The majority of FDI in the country goes toward oil exploration and infrastructure development (Nations Encyclopedia, 2019). Also, the services sector has been attracting a significant amount of foreign investment, mostly through telecommunications and banking sectors (Moustapha, 2020). Hence, among the factors that make Chad an attractive destination for FDI is that Chad is among the Central African Economic and Monetary Community (CEMAC) common market and of the Organisation for the Harmonization of Business Law in Africa (OHADA) (Mboko and Ibara, 2020). Moreover, Chad is giving incentives to foreign companies, including a tax exemption of up to five years (Mboko and Ibara, 2020). In addition, the government is implementing effective laws to foster competition and establish clear rules that attract FDI. Besides, Chad has massive natural resources including minerals, oil, gas, and agricultural land as well as supplying livestock to several African countries including Nigeria, Cameroon, Niger, and Egypt (African Development Bank, 2018). These resources can offer significant investment opportunities in industries such as mining, energy, and agriculture in Chad (Ali et al., 2019). However, lack of diversification of the economy in Chad impacting the foreign investors and added to difficulty of starting new businesses are major constraints (Knoema Corporation, 2018; the World Bank, 2019). Also, the poor state of infrastructures, a narrow domestic market and shortage of skilled labour are another challenges facing by the government in Chad in attracting the FDI (Moustapha, 2020). Nevertheless, the government has set reforms aimed at boosting business climate and planned to decrease property registration cost. Although the country is open to investments, there are still several challenges regarding FDI attraction in Chad due to the relatively unfavourable business climate (IMF, 2022).

FDI is an important driver of economic development in many developing countries (Gregorio, 2016). Thus, over the last two decades, a significant number of African countries have launched initiatives aimed at increasing FDI (Adeola et al., 2023). Also, it has been largely found to positively affect economic growth in transition economies (Mazibuko, 2021). FDI has become an important source of external finance for developing countries (Henok, 2021). Over the last two decades, FDI inflows have increased significantly worldwide, particularly in developing countries (Sadeghi et al., 2018; Meressa, 2022; Abdoul-kader, 2022). However, most African countries have not experienced the same level of FDI inflows as other developing regions, such as East Asia, despite starting from a relatively similar developmental position (Mboko, 2020; Bahati and Mbithi, 2022). Consequently, Chad is among the African countries that do not appear to benefit fully from FDI (Gueme, 2020), largely due to its limited success in attracting foreign investment (Ferdinand and Moussavou, 2023).

Moreover, FDI in Chad has been significantly fluctuating, where the highest amount received was 5.1% in 2015 and 2019, while in 2012, FDI was at 4.688%. However, in 2014, the country's FDI inflow was -4.85%. This negative value explains that the value of disinvestment by foreign investors is higher than the value of capital newly invested in the country. Another reason is that the price of energy in Chad is classified among the highest in the world (Nations Encyclopedia, 2019) which have been proven to be the most discouraging indicator of FDI attraction (Ganama et al., 2020). The main challenges facing Chad include inadequate human capital, poor infrastructure, and a small private sector, all of which are compounded by ineffective governance and policy implementation (Ekodo and Ndam, 2020; Ferdinand and Moussavou, 2023).

Human capital is the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (Van et al., 2021). According to Alalawneh (2020) the term human capital is refer to the quality of the labour force. In general, high-skilled labours, in comparison to low-skilled labours, handle machine and technologies more efficiently and adapt to new changes more easily, and thus having higher labour productivity, which is proved to have a positive impact on FDI inflows in some previous studies (Su & Liu, 2016); (Osuna, 2016); (Abbas, 2022). Numerous studies have also found a significantly positive correlation between human capital and FDI inflows, and have acknowledged the crucial role of capital human in attracting FDI into the host country (Rizvanolli, 2012); (Demissie, 2015); (Alalawneh, 2020); (Henok, 2021); (Dankyi et al., 2022). However, the question of whether human capital is the main engine of FDI in the developing countries remains a matter of argument (Mboko, 2018); (Bajrami et al., 2019). Human capital is one of the most influential determinant of international investors (Mboko, 2018). In other words, it plays a significant role in improving economic conditions globally (Adekoya, 2018). Hence, FDI contributes directly and indirectly to the economy growth by improving knowledge and

technological spillovers, improving the stock of human capital as well as encouraging production and consumption (Aust and Isabel, 2020; Dong et al., 2021; Utesch-xiong and Kambhampati, 2022).

Previous studies have investigated various determinants of FDI inflows across different contexts (Alharthi et al., 2024) (Maibetly and Idris, 2022). However, the majority of these studies have examined FDI from an economic perspective using econometric approaches and secondary data from international databases such as the World Bank and International Monetary Fund (IMF) (Alkathiri, 2020; Dang and Nguyen, 2021; Konat, 2022; Korsah et al., 2025). There is limited research that explores FDI attraction from a management or behavioral perspective, particularly by considering how national culture dimensions may influence the role of human capital in attracting FDI. Moreover, empirical studies focusing on developing economies such as Chad are scarce. This highlights a clear research gap, calling for an investigation into how Hofstede's cultural dimensions specifically power distance, uncertainty avoidance, and individualism versus collectivism shape the relationship between human capital and FDI attraction in Chad, through a management-oriented and context-specific approach.

1.1 Objectives

The aim of this study is to examine the role of Hofstede's cultural dimensions in shaping the relationship between human capital and FDI attraction in Chad. Specifically, the study seeks to determine the mediating effect of national culture dimensions in the relationship between human capital and FDI attraction.

The research objectives of this study are as follows:

1. To examine the effect of human capital on FDI attraction in Chad.
2. To investigate the effect of national culture dimensions namely power distance, uncertainty avoidance, and individualism versus collectivism on FDI attraction in Chad.
3. To determine the mediating role of national culture dimensions in the relationship between human capital and FDI attraction in Chad.

2. Literature Review

2.1 Foreign Direct Investment

Foreign Direct Investment (FDI) is an international venture in which an investor residing in the home economy acquires a long-term influence in the management of an affiliate firm in the host economy (Porrás, 2016). It is one of the major driving forces behind international trade (Kargbo, 2017). However, the impact of foreign direct investment on economic growth appears to be as a conditional on the level of human capital and absorptive capacity of a host economy (Bykova, 2017). FDI is defined as a phenomenon of international business in investment that reflects the objective of a resident entity in one economy aiming to obtain a lasting interest in a foreign corporation (United Nations Industrial Development Organisation, 2008). Foreign direct investment is also designated as an investment reflecting a lasting interest of control by a foreign direct investor, resident in one economy, or enterprise resident in another country considered a foreign affiliate (UNCTAD, 2018). Researchers (such as Ardiyanto et al., 2012; Michiels, 2018) have also considered foreign direct investment as an important channel for the technology transfer between countries. Since it is an important element that promotes international trade through access to foreign markets, and can be an important vehicle for economic development as well (Ardiyanto et al., 2012; Michiels, 2018). Similarly, the Organisation for Economic Co-Operation and Development (OECD) defines FDI flows as the record of the value of cross-border transactions related to direct investment during a given period (usually a year or a quarter) (OECD, 2008; OECD, 2018). For example, a foreign investor owns at least a 10% equity capital stake of the ordinary share in an incorporated enterprise or equivalent for an unincorporated enterprise. A FDI is an international venture in which an investor residing in the home economy acquires a long-term influence in the management of an affiliate firm in the host economy (Ronald and Wall, 2018; Jaiblai and Shenai, 2019; Jaiblai and Shenai, 2019; Islam *et al* (2020).

Moreover, there are several determinants of FDI identified across multiple contexts, encompassing both economic and non-economic factors (Tanna, 2019; Alkathiri, 2020). Among the economic determinants, variables such as market size, infrastructure development, trade openness, macroeconomic stability, availability of natural resources, and tax incentives have been widely recognized for their influence on FDI inflows (Demissie, 2015; Abbas et al., 2022; Korsah et al., 2025). A stable economy with a large market, efficient infrastructure, and skilled labour force enhances productivity and reduces operational risks, thereby attracting foreign investors (Henok, 2021). Beyond these economic factors, non-economic determinants such as institutional quality, governance effectiveness, human capital, and cultural values play a critical role in shaping investment decisions (Alalawneh, 2020; Mazibuko (2021). Therefore, both human capital and national culture stand out as key, interrelated determinants of FDI attraction, especially in developing

economies, where social structures, workforce quality, and cultural characteristics significantly affect foreign investment inflows.

2.2 The Role of Human Capital in Foreign Direct Investment Attraction

Human capital refers to the knowledge, skills, and competencies possessed by individuals that facilitate the creation of personal, social, and economic well-being (OECD, 2001, as cited in Randolph et al (2007). More recently, Dankyi et al (2022) emphasized that human capital encompasses the collective attributes and capabilities of individuals that enhance productivity and contribute to sustainable economic growth. Previous studies have revealed that human capital has a significant impact on FDI attraction, as a more skilled and educated workforce increases productivity, facilitates technology transfer, and reduces operational risks for foreign investors. Previous studies have revealed that human capital has a significant impact on FDI attraction (Iwai and Thompson, 2012; Van et al., 2021). Abbas (2022) argues that human capital in the host country may have a positive, negative, or insignificant effect on FDI inflows. Similarly, Sadeghi *et al* (2018) reported that human capital and FDI inflows are significantly correlated. In addition, Alalawneh (2020) asserted that human capital is a crucial factor in improving the investment climate and attracting foreign investment. Therefore, in this study the following research hypothesis was established:

H1: There is a significant relationship between human capital and Foreign Direct Investment attraction in Chad.

2.3 The Role of National Culture in Foreign Direct Investment Attraction

According to Hofstede (1980) national culture refers to the shared values, beliefs, norms, and behavioral patterns that distinguish one society from another and influence how individuals and organizations interact. Cultural differences can affect managerial practices, negotiation styles, risk perceptions, and trust, all of which play a crucial role in shaping international business decisions, including FDI (Tang, 2012; Beugelsdijk et al., 2018). Understanding the cultural context of a host country helps foreign investors evaluate how compatible their business operations are with local norms and institutional environments (Harun, 2020). Hence, Goraieb (2019) examined the influence of cultural distance on FDI. The results show that similarities in power distance between two countries positively affect the FDI stock between them; meaning that companies prefer countries culturally similar to their home country. Conversely, a high level of uncertainty avoidance in one or both countries of a dyad negatively affects FDI stock, indicating that companies avoid culturally distant or unpredictable environments. Similarly, Kapás and Czeglédi (2020) empirically confirmed a strong level effect, showing that cultural values have an economically significant influence on FDI flows. National culture dimensions can act as mediating variables because they shape how individual and collective behaviors translate organizational and economic resources into outcomes.

In the context of FDI, cultural values influence how human capital is perceived, utilized, and integrated into business operations (Beugelsdijk et al., 2018). For instance, in societies characterized by high power distance, decision-making tends to be centralized, which may limit the innovative potential of skilled labor and thus weaken the positive effect of human capital on FDI attraction (Özdaşlı et al., 2018; Feng et al, 2022). Conversely, in cultures with lower power distance, empowered employees can better leverage their skills and knowledge, enhancing a country's attractiveness to foreign investors (Hofstede, 2011). Similarly, high levels of uncertainty avoidance may discourage risk-taking and adaptability, reducing the efficiency with which human capital contributes to investment opportunities (Kapás and Czeglédi, 2020; Behram, 2023). In contrast, cultures that tolerate uncertainty encourage flexibility and innovation, amplifying the positive effects of human capital on FDI (Feng et al, 2022).

Furthermore, past studies have confirmed that national culture dimensions play a significant mediating role in shaping the relationship between various organizational and economic factors (Farooq et al., 2020; Ahmad et al., 2021; Almansoori and Ahmad, 2023). These studies suggest that cultural values and practices such as power distance, uncertainty avoidance, and individualism versus collectivism serve as behavioral and institutional mechanisms that influence how human capitals translate into performance outcomes (Elmoez, 2018; Goraieb, 2019; Kapás and Czeglédi, 2020; Behram, 2023). Therefore, national culture dimensions are not merely contextual variables but act as crucial mediators through which human capital exerts its influence on foreign direct investment attraction.

H2: There is a significant relationship between power distance and Foreign Direct Investment attraction in Chad.

H3: There is a significant relationship between uncertainty avoidance and Foreign Direct Investment attraction in Chad.

H4: There is a significant relationship between individualism versus collectivism and Foreign Direct Investment attraction in Chad.

H5a: Power distance mediates the relationship between human capital and Foreign Direct Investment attraction in Chad.

H5b: Uncertainty avoidance mediates the relationship between human capital and Foreign Direct Investment attraction in Chad.

H5c: Individualism versus collectivism mediates the relationship between human capital and Foreign Direct Investment attraction in Chad.

3. Research framework

Figure 1 illustrates the conceptual research framework developed for this study, outlining the hypothesized relationships among the key constructs. Human capital as the independent variable, national culture dimensions (i.e., power distance, uncertainty avoidance, and individualism versus collectivism) as mediating variables, and FDI attraction as the dependent variable. The framework visually depicts the direction of influence proposed in each hypothesis, serving as the foundation for empirical testing and guiding the overall research design.

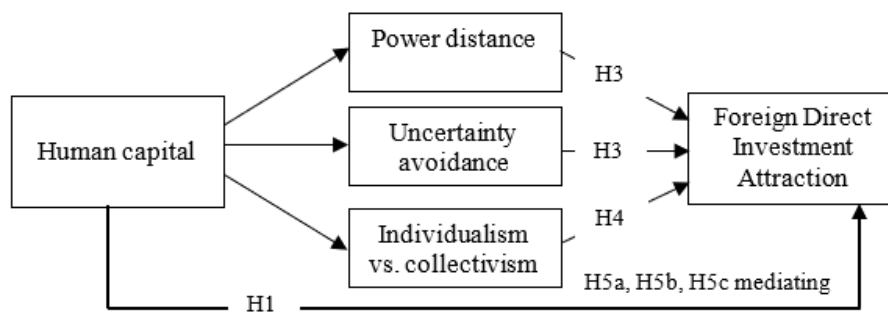


Figure 1. Proposed Conceptual Framework

4. Methods

This study investigated how human capital effect FDI attraction in Chad. Furthermore, the study also determined the mediating role of national culture dimensions (i.e., power distance, uncertainty avoidance, and individualism versus collectivism). This study adopted a quantitative and deductive research design. The questionnaire was used as an instrument for data collection. The items of the survey were adopted from previous studies. The 8 items for human capital measurement was adapted from the research of Felício et al. (2012) and Chowdhury and Ahmed (2015). For national culture dimensions 15 items were adopted from Hofstede (2011); Aziz and Morita (2016). Moreover, for the FDI attraction 15 items were adopted from Villaverde and Maza (2015) and (Alkathiri, 2020). All items were measured using a five-point Likert scale, with 5 being strongly agree and 1 strongly disagree.

4.1 Data Collection

A non-random sampling technique was employed to collect data from a sample of 417 top-level management personnel, including managers, directors, and executives of foreign firms operating in N'Djamena, Chad. This approach was appropriate given the limited accessibility of foreign firms and the need to target respondents with sufficient knowledge of investment operations and organizational practices (Sharma, 2017). Data was collected through a structured questionnaire administered physically over a period of three months. The questionnaire captured information on human capital, national culture dimensions, and FDI attraction using validated measurement scales adapted from previous related studies. The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), a robust multivariate technique suitable for testing complex models with mediating variables and for predictive-oriented research involving relatively small or non-normally distributed samples (Hair et al., 2019). This method was employed to evaluate the measurement and structural models, ensuring both reliability and validity in testing the hypothesized relationships.

5. Results and Discussion

5.1 Measurement Model analysis

PLS-SEM was chosen for its strength in hypothesis testing and its effectiveness in exploring complex relationships among latent variables (Hair *et al.*, 2019). Prior to the main data analysis (structural analysis), a measurement model evaluation was conducted to ensure the reliability and validity of the data. This step involved evaluating indicator loadings, internal consistency reliability (e.g., Cronbach's alpha and composite reliability), Average Variance Extracted (AVE), and discriminant validity (Hair *et al.*, 2017); (Shmueli *et al.*, 2019). The structural model analysis was conducted only after confirming that the measurement model met all necessary validity and reliability criteria (Ibarra-Sáiz *et al.*, 2020); (Zeng *et al.*, 2021). Table 1 presents convergent validity and reliability results.

Table 1. Convergent Validity and Reliability

Indicator	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
FDI attraction	0.954	0.960	0.665
Human Capital	0.893	0.913	0.569
Individualism vs. Collectivism	0.835	0.887	0.636
Power Distance	0.860	0.901	0.647
Uncertainty Avoidance	0.894	0.922	0.703

The results revealed that both Cronbach's alpha and composite reliability values exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency reliability (Hair *et al.*, 2019). Additionally, the Average Variance Extracted (AVE) values for all constructs were above 0.50, confirming adequate convergent validity. During the data validation process, three items were removed from the FDI attraction construct to improve measurement quality. As shown in Figure 2, the factor loadings for all retained items were also acceptable, with each exceeding the minimum threshold of 0.50. These results suggest that the observed variables effectively represented their respective latent constructs, thereby establishing the measurement model's reliability and validity (Hair *et al.*, 2022).

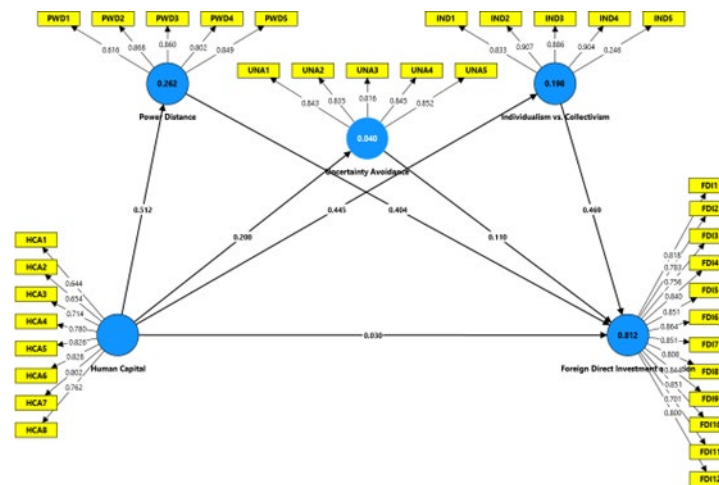


Figure 2. Measurement Model

Discriminant validity was further assessed using the Fornell–Larcker criterion and the Heterotrait–Monotrait (HTMT) ratio, both of which indicated satisfactory results and confirmed that each construct was distinct from the others (Hasim *et al.*, 2025). Table 2 presents the HTMT results.

Table 2. Heterotrait-monotrait ratio (HTMT)

Indicator	FDI attraction	Human capital	Individualism vs. Collectivism	Power Distance	Uncertainty Avoidance
FDI attraction	FDI attraction				
Human Capital	0.482				
Individualism vs. Collectivism	0.510	0.480			
Power Distance	0.692	0.583	0.731		
Uncertainty Avoidance	0.618	0.209	0.713	0.502	

For the HTMT criterion, all values were below the conservative threshold of 0.85, indicating adequate discriminant validity and confirming that the constructs were empirically distinct from one another (Henseler et al., 2015). In addition, the Fornell–Larcker criterion was satisfied, as the square root of the AVE for each construct exceeded its correlations with other constructs, further supporting discriminant validity (Purwanto and Sudargini, 2021). These results collectively confirm that the constructs used in this study were both reliable and conceptually distinct. Table 3 presents the discriminant validity results based on the Fornell–Larcker criterion.

Table 3. Discriminant validity based on Fornell-Larcker criterion

Indicator	FDI attraction	Human capital	Individualism vs. Collectivism	Power Distance	Uncertainty Avoidance
FDI attraction	0.815				
Human Capital	0.468	0.754			
Individualism vs. Collectivism	0.655	0.445	0.797		
Power Distance	0.524	0.512	0.658	0.805	
Uncertainty Avoidance	0.581	0.200	0.705	0.447	0.838

5.2 Structural Model analysis

The structural model refers to the component of the overall model that examines the relationships between latent variables (Hair et al., 2019). In PLS-SEM, the structural model consists of paths or arrows that represent the hypothesized relationships among the latent constructs. These paths illustrate the directional influence that one construct exerts on another (Kante et al., 2018). Table 4 presents the results of the structural model analysis, highlighting the relationships between human capital, power distance, uncertainty avoidance, uncertainty avoidance and FDI attraction.

Table 4. Significance test for the structural model path coefficient, t-statistics and p-values

Direct research hypotheses	Std β	Std Error	t-statistic	p-value	Decision
Human Capital -> FDI attraction	0.030	0.026	1.116	0.264	Negative
Power Distance -> FDI attraction	0.405	0.050	8.030	0.000	Positive
Uncertainty Avoidance -> FDI attraction	0.110	0.031	3.554	0.000	Positive
Individualism vs. Collectivism -> FDI attraction	0.469	0.049	9.573	0.000	Positive

The results revealed that human capital had an insignificant effect on FDI attraction; therefore, research hypothesis H1 is rejected. This may be attributed to Chad's limited industrial diversification and the dominance of resource-seeking FDI, where investment decisions depend more on natural resources and institutional factors than on the availability of skilled labour. This finding contrasts with the results of Alalawneh (2020) who examined the effect of human capital and FDI on economic growth in Jordan and found a significant positive relationship. Similarly, Dankyi et al (2022) revealed that human capital and FDI are positively correlated, while Ibarra-Olivo et al. (2024) confirmed that human capital factors such as technical and vocational education and training significantly enhance FDI attraction in host countries.

In contrast, the national culture dimensions power distance, uncertainty avoidance, and individualism versus collectivism had significant and positive effects on FDI attraction. Consequently, research hypotheses H2, H3, and H4 are supported. These findings suggest that cultural factors play a more influential role in attracting FDI within the Chadian context, emphasizing the importance of aligning investment strategies with cultural characteristics of the host country. These results are consistent with the findings of Goraieb (2019), who examined the influence of cultural distance on foreign direct investment and found that similarities in power distance between countries positively affect FDI inflows. Similarly, Feng et al. (2022) investigated how cultural diversity impacts foreign direct investment and found that cultural diversity tends to inhibit FDI, primarily by limiting population density and urbanization two important factors in investment attractiveness. However, Kim et al. (2020) reported that cultural distance negatively influences ownership decisions, particularly among inexperienced firms, highlighting how unfamiliar cultural environments may deter investment or shape firms' entry modes. Table 5 presents the mediating results.

Table 5. Mediating results

Mediating hypotheses	Std β	Std Error	<i>t</i> -statistic	<i>p</i> -value	Decision
Human Capital -> Uncertainty Avoidance -> FDI attraction	0.022	0.009	2.521	0.012	Mediated
Human Capital -> Power Distance -> FDI attraction	0.208	0.029	7.075	0.000	Mediated
Human Capital -> Individualism vs. Collectivism -> FDI attraction	0.211	0.029	7.279	0.000	Mediated

Although human capital had no direct effect on FDI attraction, the results revealed that the national culture dimensions power distance, uncertainty avoidance, and individualism versus collectivism significantly mediate the relationship between human capital and FDI attraction in Chad. Therefore, research hypotheses H5a, H5b, and H5c are supported. This indicates that cultural values shape how human capital translates into investment attractiveness, suggesting that the effectiveness of human capital in attracting FDI depends largely on the prevailing cultural context. Consistent with these findings, Farooq et al. (2020) reported that cultures characterized by long-term orientation tend to value persistence and future-oriented planning, which in turn supports the attraction of sustainable and long-term foreign investments. Similarly, Aleqdat (2021) and Shin et al. (2023) suggested that societies those emphasizing personal freedom, enjoyment, and openness to external influences are more conducive to economic liberalization and, consequently, more attractive to foreign investors (Figure 3).

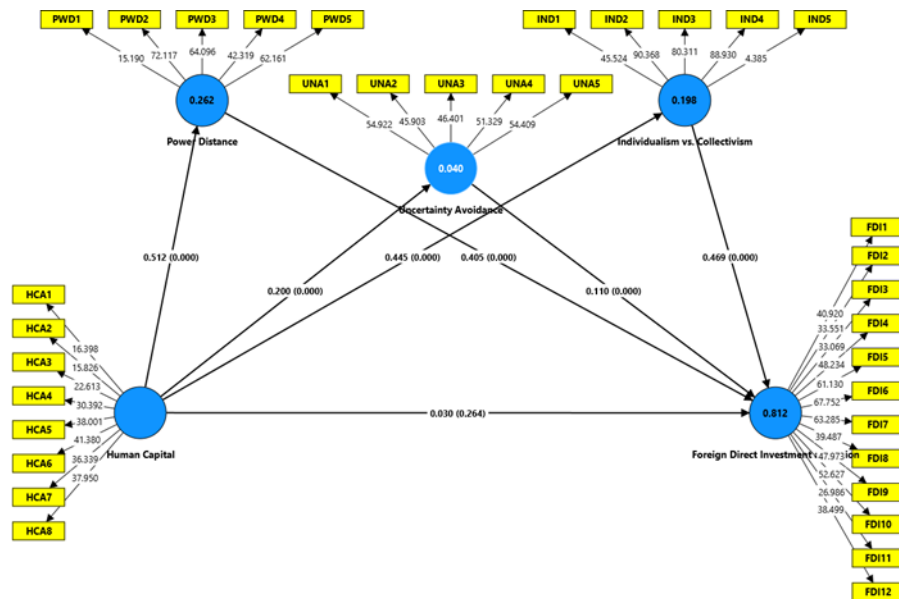


Figure 3. Structural Model

Figure 3 presents the structural model, which visually depicts the hypothesized relationships among the study variables and the magnitude of their respective path coefficients. The model illustrates both the direct and mediating effects tested in this research, showing how human capital, through the mediating influence of national culture dimensions improve FDI attraction in Chad. Overall, the structural model demonstrates that national culture plays a crucial mediating role, reinforcing the theoretical argument that cultural context significantly shapes the impact of human capital on FDI attraction.

6. Conclusion

This study contributes to the growing body of knowledge on the determinants of FDI by illuminating the mediating role of Hofstede's national culture dimensions in the relationship between human capital and FDI attraction in Chad. The findings confirm that human capital, through its interaction with the cultural dimensions of power distance, uncertainty avoidance, and individualism versus collectivism, significantly influences FDI attraction in the Chadian context. Incorporating national cultural attributes provides a deeper and more nuanced understanding of how foreign investors respond to diverse institutional and operational environments. From a theoretical standpoint, these findings advance an integrated conceptual framework that bridges institutional, developmental, and cultural perspectives on FDI. From a practical perspective, the study underscores the critical need for policymakers, international investors, and development stakeholders to account for cultural dynamics when designing strategies to attract sustainable FDI. Aligning investment policies and institutional reforms with prevailing cultural patterns can enhance investor confidence, strengthen engagement with local stakeholders, and foster long-term developmental outcomes. Finally, this research highlights the importance of adopting culturally sensitive approaches to FDI promotion in developing-country contexts and advocates for further cross-country comparative and longitudinal studies to validate and extend these findings. Such efforts would support the creation of more inclusive, adaptive, and culturally aligned investment environments across Africa and other developing regions.

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Biographies

Khalil Abakar Moussa Kaya is a scholar in Technology Management and International Economics, holding a Ph.D. in Technology Management from Universiti Tun Hussein Onn Malaysia (UTHM) and currently completing a second Ph.D. in International Economics at Universiti Kebangsaan Malaysia (UKM). He has over seven years of combined academic, research, and industry experience, including service as an Assistant Human Resource Manager, supervising students, delivering lectures and seminars, and contributing to curriculum development. His research focuses on Technopreneurship, Strategic Leadership and Human Resource Management, Organizational Behavior, Human Capital, and Economic Development. Dr Kaya has led applied research projects at the Institute for Social

Transformation and Regional Development (TRANSFORM) and is proficient in quantitative modeling, SPSS, SEM-AMOS, PLS-SEM, and research project management, with strong interdisciplinary collaboration skills. Passionate about innovation and sustainable development, he strives to foster a dynamic learning environment that bridges theory and practice, preparing students to become effective and ethical leaders in the global knowledge economy. He published journal and conference papers in Scopus and WoS-indexed journals and serves as an active reviewer for journals such as IBIMA, the Journal of Science and Technology Policy in China, and the International Journal of Environmental Sciences.

Mohd Azlan Shah Zaidi is a Professor at the Center for Sustainable and Inclusive Development Studies (SID), Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM). He received a Bachelor's degree in economics from the University of Texas at Austin, USA, a Master of Economics from UKM and a Ph.D (Economics) from the University of New South Wales, Australia. He has served as a Deputy Director at the Center for Academic Development, UKM; Executive Deputy Director at the Center for Strategy UKM, Deputy Dean for Research and Innovation Affairs and Chairman of the Center for Sustainable and Inclusive Development Studies at the Faculty of Economics and Management, UKM. He currently holds the position of Dean at the Faculty of Economics and Management. His research areas are applied macroeconomics, monetary policy and public policy. In term of consultation works, he has involved in projects with several public and private agencies such as the Ministry of Finance Malaysia, Permodalan Nasional Berhad, the Economic Planning Unit and MPOB. He has published more than 50 articles in various journals including WOS and Scopus indexed journals. He has been an active reviewer for high ranked journals such as Economic Modelling, Applied Economics, International Journal of Finance and Economics and Economic Analysis and Policy.

Rohayu Abdul Ghani is currently an Associate Professor in Human Resource Management at the Centre for Value Creation and Human Well-Being (INSAN), Faculty of Economics and Management, Universiti Kebangsaan Malaysia. She has been in academia since 1996 and held various academic administration positions. Dr. Rohayu is a Universiti Utara Malaysia BBA alumnus and later received her MSPHRM from UTexas at Arlington and her PhD from Cranfield University, UK. Her research interests are mainly in the field of Human Resource Management, specifically in Work-Life Balance, and Talent Management. She has vast experience in the field of Talent Management, particularly in leadership development and succession planning both as an academic and as a practitioner. She was the founding Director of the Centre for Professional and Leadership Development, UKM (Profesional-UKM), a position she held for seven years. She has also delved in research on Waqf particularly waqf within higher education context. She has published in various journals and books, as well as policy papers. Amongst her contribution to national policy are the University Good Governance Index (UGGI), Code of University Good Governance (CUGG) dan UniTP Enhancing University Income Generation, Endowment & Waqf.