POLITICAL CONTINGENCY AND THE IMPLEMENTATION OF QATARIZATION

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ABSTRACT

This paper represents an exploratory study that examines political contingency in a less liberal regulatory regime such as the 'positive state' or the 'developmental state'. As an example of a state-led policy, the implementation of a workforce localization policy is examined through an intensive case study on the oil- and gas-based industries (OGBI), the most significant economic sector in Qatar. In particular, the paper identifies the strategies and mechanisms that the government utilizes in its efforts to gain commitment from public enterprises to replace its expatriate workforce with nationals. The empirical analysis focuses on two main themes: state influence on public organizations and the HR practices that are used to enhance workforce localization. The findings reveal that the government has adopted some innovative control strategies that are not widely acknowledged within the literature. These include its continuous re-shuffling and replacement of decision-makers and key personnel in state enterprises. Moreover, the government dominates by playing an active role in forming OGBI strategies through appointing the Minister of Energy to the highest hierarchical positions such as chairman and managing director in the industries. However, state enterprises' reactions to the state-led localization policy vary considerably. The study provides new evidence that public organizations do not always comply with politically-determined policies. The evaluation of the implementation of localization strategy shows that there are three approaches toward what may be called 'Qatarization', namely, strategic adaptation; pragmatic acceptance, and implicit avoidance. The approaches are strongly associated with understanding the policy aims and linking the policy to HR practices.

***Keywords:** political contingency; workforce localization; developmental state; Qatarization.*

I. INTRODUCTION

It is widely acknowledged that Human Resource Management (HRM) policies and practices are influenced by the state (Scott 2000). The political contingency, which is represented in ministerial intervention, formal roles, and state-led policies and targets, influences the formulation and the implementation of strategies in public enterprises more significantly than private businesses (Batstone et al. 1984). Although the role of the state and its influences on HRM has been thoroughly investigated since the 1980s, especially in the UK whereby studies, including Batstone et al. (1984); Ferner

(1985); Ferner and Colling (1991); and Martinez Lucio et al. (1997) have shed light on the dynamics of state policy, regulation, and activity in relation to the development and implementation of business strategies and HRM practices at an organisational level, it can be argued that it is still under-theorized in specific areas. One of these under-explored environments is the 'developmental state' (Ashton et al. 1999; 2000; Ashton 2004) or the 'positive state' (Majone 1994; 1995). In these types of regulatory regimes, the state exercises significant influence on the public sector through direct intervention in the economy and the labour market. It can be assumed, therefore, that the way the state pursues change is not unified across the world, since the role of the state in the economy varies according to the adopted regulatory system. For example, in more liberal economies, the government usually influences the market indirectly through legislation and regulation, while in less developed economies state intervention is usually by more direct means such as public ownership (Majone 1994).

The importance of the current study, therefore, arises from the gap in the knowledge regarding political contingency in the less liberal regulatory regimes. Although, as argued above, the role of the state in the labor market varies according to the regulatory regime, more scientific examinations have focused on the transformation from a less to a more liberal regulatory system, such as the shift that occurred in the late 1970s in Europe from the so-called 'positive state' to the 'regulatory state' (Majone 1994). Most of the studies in the following period investigated the role of networks and agencies in forming and supporting regulation. While the regulatory systems in many countries, especially in the developing world, have not yet matured and the state plays a dominant role in their economic and social lives, less effort has been made to examine the nature of government intervention in these societies. Specifically, countries that can be described as 'positive states' have received less attention in the literature than those countries with more advanced regulatory systems. Therefore, investigating the role of the state in one of the 'developmental states' or 'positive states' would contribute to the existing knowledge by expanding current understanding of the mechanics of policy change in these regimes.

This research focuses on the case of Qatar, which is one of the countries that required the public sector to implement a politically-determined localization strategy. As a valid example of a less liberal regulatory regime, Qatar is best described as a 'positive state', since the state owns most of the productive and important sectors of the country and the government plays a dominant role in creating employment. The country is rich in oil and gas and is undergoing a massive state-formation process. This process requires the full utilization of natural as well as human resources. As a human resource utilization strategy, the Qatari government has introduced and maintained a workforce localization strategy. This study, therefore, seeks to provide an in-depth understanding of the government's influence on the implementation of a state-led policy, such as the workforce localization strategy, in a less liberal regulatory regime, such as Qatar. That will be achieved by investigating six government and semi-government organizations from oil and gas based industries (OGBI) in Qatar.

Localizing the workforce is a long standing international issue (Rees et al. 2007). It is defined by scholars as the process of developing job-related skills within the local population with the final objective of replacing expatriates with local employees (Wong and Law 1999; Worm et al. 2001; Law et al. 2004). In Qatar, localization, which is referred to locally as 'Qatarization' is defined as "the identification and development of quality, competent Qatari males and females to assume permanent positions" (Al-Horr 2010: 124). An adjective was later added to the term. Localization policies are now called 'quality Qatarization' which means recruiting and developing Qataris to a standard comparable with their counterparts around the world (Qatarization 2010). Despite it is severely underrepresented in scholarly literature (Forstenlechner 2010a), localization is an interesting policy to study because it is usually perceived as an HR policy. It differs from the state-led policies in the UK, i.e. privatisation, modernisation and commercialization, since the implementation of policies usually influences most aspects of a firm's operations such as production, finance, marketing and HRM, while the responsibility for implementing the localization policy is usually delegated to the HRM departments. This characteristic, therefore, makes it an appealing case for a study that focuses on the influence of political contingency on HRM policies and practices in the public sector.

II. LITERATURE REVIEW

The core argument of this research is that public corporations are performing economic functions within a politically-determined environment which influences the strategy formation process, target-setting, and managerial practices in these organizations. Many commentators such as Batstone et al. (1984), Ferner and Colling (1991), and Pendleton (1997) argue that the most crucial feature distinguishing public sector firms from private firms is the political contingency that determines the relationship between the government and the public corporations. Therefore, it is widely acknowledged in the public administration literature that public corporations usually pursue politically-led objectives, that might not always be based on the needs of the economic system (Eliassen 1993). Chapman (1999) adds that the managerial concentration on managing the political dimension in some cases exceeds the focus on the needs of the organization's primary clients. The services these public corporations provide, therefore, are presented not just as being in the interests of business, but in the interests of the nation or of the public (Fogarty and Brooks 1989; Jessop 1994). In other words, the service provided can be labelled as a 'public service' (Batstone et al. 1984: 275).

Historically, one of the key consequences of this political contingency is the 'arm-twisting' relationship between the government and public enterprises. For example, although profitability was one of the core elements of the commercial paradigm that the public firms were obliged to work within, the government frequently overrode the commercially-oriented plans of management, especially when it involved cuts in the service, in order to achieve national objectives such as reducing unemployment (Ferner 1985, 1988). A number of policy instruments were used to maintain this 'arm-twisting' relationship, but the most common method was financial control. The aim of the financial restrictions was to encourage pub-

lic enterprises to improve the quality of their products and services, while maintaining or reducing the financial resources needed to provide the service (Pollitt 1993).

Moreover, as a result of the pursuit of macroeconomic goals such as commercialization and modernization, management strategies and the corresponding HR policies and practices were influenced by these goals. It is argued that government intervention in public enterprises has led to a shift in managerial practices toward emphasizing value for money and high-quality outputs instead of the standardized 'model employer' practices in the public sector whereby the welfare needs of the workforce are placed at the top of the priority list. In addition, a number of public enterprises undertook radical restructuring of the managerial hierarchy, usually involving derailing the organisational structure. Other HR practices such as overtime, redundancy, and pay determination were all influenced by government intervention. For example, overtime was substantially reduced; early retirement and redundancy were encouraged; and performance-related pay was introduced (Pendleton 1997; Oswick and Grant 1996).

The workforce localization strategy, which is a common policy in many parts of the world such as China, Singapore, Malaysia, and the Middle East, is a typical example of a state-led policy that illustrates the political contingency associated with the role of the state in implementing a macro strategy in public enterprises and its implications on the HR practices in these firms. Forstenlechner (2010b) asserts that most practitioners and academics believe that localization is not actually advantageous for organizations operating in the region. The only tangible benefits for organizations adopting localization "is the gain of legitimacy and goodwill with legitimizing actors such as respective governments and the ruling class" (Forstenlechner 2010b: 240). localization is even been sometimes described as a numbers game for the sake of PR (Forstenlechner 2008). Al-Waqfi and Forstenlechner (2010) add that increasing citizens' workforce participation in GCC countries represent an increasingly urgent challenge to respective governments as well as local and multinational organizations.

It is notable that, despite all the contextual differences between the UK and the Gulf Cooperation Council (GCC) countries, for instance, they share the fact that the government has intervened in the public sector to achieve macro-policy targets. However, the nature and the extent of the intervention vary. While the UK government introduced extensive legislation prescribing goals and methods, financial incentives and restrictions, and an 'arm-twisting' relationship through which public services are to be provided (Kirkpatrick et al. 2005), the main instruments used by the GCC authorities were both quantitative and qualitative in nature. The former included setting employment targets and quotas and increasing the costs of using foreign labour. The latter typically involved investing in improving the skill formation process for nationals.

It is essential to note that, in this review of political contingency in the public sector, considerable emphasis has been placed on the analyses carried out in the UK. The reason for studying the UK public sector is because Britain has been in the vanguard of the public services reform movement; therefore, it seemed logical to study the change

process in this country to determine what lessons can be learned by other countries contemplating similar future reforms (Morgan and Allington 2003; Flynn 2000; Hood 1995). To summarise, the example from the UK of the influence of state-led policies on HRM policies and practices shows that HRM in the public sector has been widely affected by government intervention, and as a result, the role and the traditional features of HRM in the public sector have been replaced by new managerial practices. Analytical examination of the UK-based literature would help to develop a theoretical framework to work with when studying another context, provided that the similarities and differences between the two contexts are acknowledged.

III. RESEARCH APPROACH AND JUSTIFICATION

Since this is an exploratory study that examines the political pressures on public organizations in Qatar to pursue state-led targets, the use of an inductive method in the form of an intensive qualitative case study inquiry is necessarily dominant. The main reason for this is that the research explores an under-developed area of the literature concerning the relationship between the government and public enterprises in Qatar and the effect of this relationship on the HRM function in these organizations; thus, more detailed data such as policymakers' as well as public employees' perceptions and experiences uncovers more unexplored tension. This tension could be a result of competing government and organizational targets. For example, implementing a workforce localization strategy in Qatar (Qatarization) would eventually increase employment costs, especially those associated with em-

ployees' training and development, which contradicts the cost-efficiency target that profit-oriented organizations try to achieve. Therefore, an intensive qualitative approach has been chosen to gather comprehensive data from all stakeholders that are involved in the Qatarization process: government officials, education policymakers, public organizations' management, and staff.

In order to achieve the research aim of investigating the government's efforts to use public organizations as instruments to achieve national targets, the research uses a multi-level case study approach. The first is the research undertaken in Qatar, one of the countries that has been implementing a localization strategy since the 1980s, yet has had very little attention in the mainstream literature on workforce localization. The case study on the sectoral level is in the OGBI. This sector is chosen for its methodological qualities: firstly, this sector is at the heart of the economy of Qatar since its revenue accounts for over 70 per cent of the national income; secondly, the sector leads other sectors in implementing the Qatarization policy. The OGBI were the first to initiate Qatarization plans in the early 1980s, and the sector was the first to introduce a sectoral Qatarization strategy rather than leaving it to the individual organizations, and, finally, the sector is composed entirely of public corporations, and therefore, the influence of the government on them is expected to be high, which makes them an appropriate choice for the current study. The third level of the case study approach examines six government and semi-government enterprises. The examination includes Qatar Petroleum (QP), which is the largest firm in the OGBI and it represents government ownership of all the companies operating in the sector. In

addition, five QP subsidiaries are also investigated. For the purpose of maintaining participant anonymity, the names of the five cases are replaced by aliases, namely: Company A; Company B; Company C; Company D, and, Company E. Table 1 includes the number of participants in each employment level; Table 2 shows the distribution of the interviewees among the participating companies and employment levels; and Table 3 reports the distinctive characteristics of each case study.

A case study approach is useful for exploring the motives that encourage the government and organizations to implement a Qatarization scheme; moreover, the barriers standing on the way can best be explored through case studies. Furthermore, detailed case studies can answer the question of whether tensions are raised within the organization or between the organization and the government as a result of implementing the localisation scheme. In order to obtain these detailed responses, semi-structured interviews that are used to allow respondents the freedom to express their views, opinions and perceptions, which is the essential motive for adopting a qualitative approach. The themes that are covered in the interviews are developed from the major findings of the relevant literature. In addition to the interviews, a wide range of related secondary data such as government statistics and organisations' documentation is also used, since this is very useful for historical statistical analysis and for identifying progress. The other rationale for using secondary data is for triangulation purposes. The responses provided by the interviewees, especially those related to the progress of the Qatarization process and the current status of the implementation, were compared with official government statistics and the companies' documentation to check their compatibility.

IV. FINDINGS AND DISCUSSION

Based on the identified gap in the existing public management literature regarding political contingency in positive or developmental states, the main objective of this research was to understand the mechanics of policy change in less liberal regulatory regimes such as developmental or positive states.

Investigating Qatar as a case study extended the understanding of the complexity of the role of the state in the labour market. One of the key findings of the current study is the fact that Qatar shares some of the features described in the public administration literature, but the case study also illustrates a distinctive situation of complex networking and dual roles of key political actors. In this regard, the current case study confirms that, despite all the contextual differences between the regulatory state, which facilitates its intervention through indirect means such as regulation, and the positive state, which usually exercises direct intervention such as public ownership, a feature common to both is that the government has intervened in the public sector to achieve macro-policy targets. However, the nature and the extent of the interventions vary. The examination of the Qatari case has provided new evidence of the role of complex networks, the exercise of an 'arm-twisting' relationship, and the importance of target setting and of the monitoring process. It has illustrated how these tensions are dealt with differently in other countries.

Table 1
The number of participants in each employment level.

Position	Number	Areas to be explored with the interviewees
Macro-Level Policy Makers	3	The political contingency and the state influence on public enterprise strategies.
Educational Policymakers	4	The political contingency in coordinating the education institutes (public sector) and the OGBI (public enterprises)
Public/semi-government Top Management	9	The political contingency and the state influence on public enterprise strategies and how these are reflected in the HRM function.
Operational/Line Management	6	The tensions that are raised and the HRM practices which are implemented in response to the state-led localisation strategy.
Staff/Senior Staff	12	The tensions that are raised and the HRM practices which are implemented in response to the state-led localisation strategy.
Total	**34**	

Table 2
The distribution of the interviewees among the participating companies and employment levels.

	Top Management	Operational/Line Management	Staff/Senior Staff	Total
QP	3	1	1	5
Company A	1	2	3	6
Company B	1	1	1	3
Company C	1	1	2	4
Company D	2	1	3	6
Company E	1	1	1	3
Total	9	7	11	**27**

Table 3
The distinctive characteristics of each case study.

	Company Type		Company Age		
	Upstream	Downstream	Long-established (over 15 years)	Medium from 5 to) (15 years	Newly-established (under 5 years)
QP	✓		✓		
Company A		✓	✓		
Company B		✓		✓	
Company C	✓			✓	
Company D	✓			✓	
Company E		✓			✓

The evaluation of the implementation of the workforce localization policy in the OGBI in Qatar showed that political contingency is present in pursuing such a policy in the sector. It confirms that the state used its ownership of the public corporations to oblige them to accept the Qatarization policy. A key person clearly stated that 'QP is not encouraging its subsidiaries! It is forcing them to participate. In other words, QP has become the custodian of the Qatarization policy in OGBI' (Central Training Manager, QP). The nature of the policy was considered to be macro-economic, since participating companies could not expect to experience any direct benefit from the policy in their performance; instead, the policy aimed to benefit the Qatari economy in terms of reducing unemployment and capturing foreign remittances. Responses such as 'When you employ Qataris, you do not only help the company, but you are helping the country as well ... It is reasonable to aim for nationals to be in charge of the industry' (Head of Training, Company D) or comments such as, 'At the end, we are protecting national interests, looking after the well being and business continuity for the state of Qatar' (HR Manager, Company D) are very common among participants. This confirms the views explored in the literature review that public managers differ from those of private firms in terms of pursuing politically-determined strategies and targets (Batstone et al. 1984; Ferner 1985).

Similar to the historic circumstances in the UK (Kirkpatrick et al. 2005), the intervention of the Qatari authorities has expanded to cover target-setting and to impose a monitoring process. Unlike the situation in the UK, where the performance and profit targets were sometimes achievable, the Qatari authorities have set a very high localization target that even government officials believe to be unrealistic. This led a number of participants to argue that 'Qatarization' is only a 'show' or a 'game' and the government is not serious about the pre-determined targets. This argument is supported by the inconsistency in defining the Qatarization targets, and the absence of any incentives or penalties for meeting or failing to meet the policy targets. It can also be argued that this vagueness in the Qatarization policy is intentional on the part of the authorities in order to allow the participating companies a room to manoeuvre. In other words, instead of confronting the companies with a persistent and politically-determined policy, the authorities obliged the companies to join a loose policy to which they are tightly bound. This is another key difference between the Qatari context, which has similarities to positive and developmental states, and the situation in the UK, which represents the regulatory state. The difference lies in the ambiguity of the aim of the policy in Qatar; in more advanced countries, the state-led policies were focused on achieving certain aims. In the UK, for example, the emphasis was on 'achieving revolutionary change, dismantling existing structures and moving toward a minimalist or "night watchman state"' (Kirkpatrick et al. 2005: 15).

The third distinctive feature of the political contingency in Qatar is that, unlike the common financial restrictions tool used by the different governments in the UK (Pendleton 1997), the Qatari government influenced the strategy formation process in public enterprises through manipulating the management of these organizations. This can be understood in the light of one of the views on operationalzing regulations, which con-

siders it to be 'all mechanisms of social control – including unintentional and non-state processes' (Baldwin et al. 1998: 4). In other words, the state is influencing the market, not only through the regular command and control method, but also through networks and actors (Martinez Lucio and MacKenzie 2004).

To place this in the Qatari context, the state maintains the implementation of the Qatarization policy in public firms by appointing people 'loyal' to QP, who also have good access to the political elites through their networks and social connections, to most key positions in the OGBI. This was apparent when the respondents from the top management category clearly stated that whenever they needed to justify their situation they talked directly to the Minister of Energy, who is responsible for monitoring Qatarization in the OGBI. The use of networks in this and similar situations has benefited both parties, that is, the state and the management teams of public corporations. On the one hand, it has helped the state to introduce targets and quota systems without any significant resistance from public management. On the other hand, it has allowed public management the opportunity to contact the decision maker directly, and in some cases, influence him to relax some of the requirements or the consequences for non compliance. For example, as illustrated earlier in this study , Company E was granted an exemption for not include its unskilled labor in the overall Qatarisation percentages and quotas. In addition, there were no penalties for any of the companies that had never met the Qatarization targets. The networks were also useful in another case. During a meeting, management in the OGBI reached an

unofficial agreement to limit employee mobility within the sector. As a result, poaching within the OGBI was significantly reduced.

The other instrument that the state applied to pursue its politically-determined policy in the OGBI is through the multiple functions of the head of the OGBI. Mr Al Attiyah, the Minister of Energy, dominated a number of crucial positions in the OGBI, such as chairman and general manager of certain companies, in addition to his position in the government. This situation, whereby the same person has a number of conflicting roles ranging from being a member of the government to managing semi-government companies, has provided Mr Al Attiyah with the means to coordinate these conflicting parties and steer them toward a unified state-led policy, i.e. Qatarization, with minimum explicit resistance from the companies. However, these conflicting roles might lead employees to wonder where the strategies come from, as one participant comments:

> The Minister of Energy is the Chairman of QP and the Chairman of [Company B], so it is difficult to distinguish between whether a policy is an intervention of QP and the Ministry of Energy or if it is coming from the company itself (HR Manager, Company B).

This is a key factor in the relationship between the state and the state-owned companies. The above quotation illustrates the confusion that personnel in the energy industry feel as a result of the multiple roles of the Minister. Consequently, whenever conflicting interests arose, the interests of the state took precedence over the interests of the individual organizations. This can be

considered to be one of the elements leading to an 'arm-twisting' relationship between the state and state enterprises that Batstone et al. (1984) identified.

As a result of this relationship between the state and public corporations, the sorts of challenges arising from implementation of the state-led Qatarization policy differ from those associated with modernization and commercialization policies, which were politically driven in the UK. In the UK, the challenges were mainly over the strategy formation process. The state offered incentives and applied financial restrictions to influence public firms' strategies; on the other hand, public management engaged in a negotiation process with the government over company-related benefits. In Qatar, however, there is less evidence that this sort of challenge was involved. Instead, public management claim that they are committed to Qatarization and are willing to implement it whenever possible; however, they argue that it is difficult to achieve the policy targets due to a number of 'external' challenges that are out of the companies' control. The participants believed that broader labour market conditions such as skill shortages are a key factor in hindering the achievement of localization goals. Despite the state's continual search for appropriate rules of action to enhance Qatarization in the OGBI, the policy faces a number of challenges. The empirical examination has shown that there are two major external aspects that affect strategic planning and policy formulation regarding localizing the workforce at the macro-level: the growth and structure of the population and the educational system.

The population size has had a direct effect on the Qatarization policy, since the small size of the indigenous human capital has resulted in an extreme dependence on non-nationals. The low average age of the population, the high male/female ratio, and the low participation of Qatari nationals in the labor force, especially in the non-government sector, all seem to be correlated to the fact that there is only a small indigenous population and, therefore, a significant non-national population. Therefore, it is clear that it would not be possible to implement a social and economic development plan without foreign labor. Thus, reliance upon the non-national population seems unavoidable, at least at the current stage of development.

With regards to the educational system, it has a direct and negative influence on the efficiency and effectiveness of such a process. The current system is blamed for not being able to provide the different sectors of the economy, particularly the OGBI, with a qualified national workforce in terms of an 'adequate' level of general or technical skills. As a result, the overall formulation of the Qatari human capital might not be well utilized in the country.

Surprisingly, one of the key demands of the interviewees, especially those from the OGBI, is more state intervention in the labour market to correct the imbalances causing the aforementioned external challenges. Most participants believe that the state is able to coordinate the different government authorities, such as educational institutes, labour authorities, and public sector employers, to match the educational outputs with the industry requirements and to reduce the competition to attract nationals among the various employers in the public domain. This contradicts with the general notion in the literature that public management seeks

greater control and less state intervention in their domain. One explanation for this situation could be the strong loyalty of public management, who are usually appointed by the state, to the state's aims and vision.

In conclusion, the first contribution of the present research to the existing debate of political contingency in the public sector is to show that a less advanced regulatory regime, such as the one in Qatar, is proved to be similar in some aspects to what used to be the situation in more liberal regulatory systems, such as the UK, while differing from them in other aspects. It is similar in terms of using public ownership as a means to pursue macro-level policies, while it differs in how public ownership is utilized. It is argued for the key instrument that the Qatari authorities employed is controlling the key administrative and executive positions in the OGBI by appointing loyal people to these posts and maintaining formal and informal networks both among them and between them and the state.

The other contribution of the current study is extending the knowledge regarding HRM in general, and more specifically, how workforce localization policies are implemented in different contexts and how this affects the HR function. As to the implications of the current study for the HRM field, the findings highlighted the importance of understanding how 'external' factors shape HRM decisions. Although the classic HRM models such as the 'matching models' (Fombrun et al. 1984) and the 'Harvard framework' (Beer et al. 1984), and later input such as Pettigrew's contribution have all recognized the role of the external environment in shaping a business strategy, the main concern with these models has been their focus on the HRM

levers and their consistency. In other words, less emphasis was placed on the role of the state in the labour market in the mainstream HR literature. Therefore, the current study makes a considerable contribution to linking the notion of political contingency to HRM policies and choices by arguing that HRM in Qatar is configured differently compared to elsewhere as a result of the state interference in the labour market.

The present study has also made a contribution to HRM literature on the implementation of localization policies. The study has revealed the limitations of the prescriptive literature for understanding the complexities of localization within specific labour market and institutional contexts. When there is a supply shortage in the national labour market and when the available nationals are unqualified and unprepared actively to fill the positions held by expatriates, localization processes may be destined to failure (Gamble 2000). The validity of the prescriptive literature is also questionable; since that research was conducted in the MNCs in China, its generalization in other contexts might be limited.

When it comes to the implementation of the Qatarization policy on the micro-level, the participating companies differ in their attitudes to the policy. Three approaches can be recognised: strategic adaptation, pragmatic acceptance and implicit avoidance. A number of companies, namely QP, Company C, and Company D, have strategically adapted the Qatarization process to achieve the 50 percent target. Both management and employees in these companies share a similar understanding of the policy aims and objectives, focusing on the 'Quality' Qatarization. Moreover, a greater degree of com-

mitment to the policy than that displayed by other companies could be found across the different organizational levels that were established through continuous communication and sufficient financial resources. Furthermore, the plans and HR practices such as recruitment and training are continuously monitored and amended. With regards to recruitment, these companies have not limited themselves to the traditional forms of attracting national talents; instead, innovative methods were used to attract nationals. With respect to training, the establishment of individual training programmes and successor planning are common tools to achieve quality Qatarization. The way in which these companies engaged in Qatarization allowed them to achieve the highest Qatarization percentages among the participating companies. This confirms the assumption that communicating the localization policy's aims and objectives and then linking them to HR practices can lead to successful implementation (Fryxell et al. 2004, Wong and Law 1999, Law et al. 2004, Warner 2004).

Two out of the six cases examined, namely, Company A and Company B, seemed to show less commitment to the policy. Despite their 'official' commitment to the Qatarization policy, there is no communication between the different organizational levels regarding the policy, and only meagre financial resources are allocated to attracting nationals to their workforce. Moreover, insufficient communication resulted in a lack of awareness among the workforce in these companies of the nature and aims of the Qatarization strategy. Conflicting definitions, some focusing on numbers, some focusing on training, were provided by the interviewees in these cases. Once those conflicting definitions are resolved, the link between HR levers and the Qatarisation policy in these two companies could be identified. Both companies considered training a key activity to achieving Qatarization through developing nationals and qualifying them to replace expatriates. These companies, however, have employed only the traditional recruitment method of advertising vacancies to attract nationals.

The third approach to Qatarization was implicit avoidance. Among the six visited cases, Company E is putting the least effort into achieving the Qatarization targets. The Qatarization policy in Company E is concerned only with increasing the number of nationals in the workforce rather than focusing on developing them. Therefore, they make no training facilities or training programmes available to nationals. As for the recruitment practices, the company avoids employing new national graduates, and at the same time, breaches the agreement with the OGBI and poaches qualified nationals from the sector. Moreover, the financial resources allocated to attracting nationals and developing them are much lower than those in the remaining participating companies.

In conclusion, this second contribution of the current research to the existing HRM and localization literature is to emphasize the importance of considering the external environment when examining HRM policies and practices, since these can be configured differently as a consequence of external influences. In addition, the current study has demonstrated that the challenges and the implications of the workforce localization policy also vary according to external influences. The three approaches are summarized in Table 4.

Table 4

Summary of the findings from each case site

The Implications The Approach	The Nature of Qatarisation	The Commitment to Qatarisation	The Link with Training	The Link with Recruitment	The Links with other HR levers
Strategic Adaptation (Company C; Company D; QP)	Aims to achieve 'Quality' Qatarisation through developing nationals in an appropriate time.	More committed than other companies. The commitment is represented by frequent communication and allocation high financial resources.	The priority for nationals; offering pre-service and in-service training programmes; using IDP & successor planning; offering educational sponsorships.	The priority for nationals; using the traditional methods for attracting nationals; continuously looking for and trying out innovative ways to attract nationals.	No other strong correlations between Qatarisation policies and other HR levers.
Pragmatic Acceptance (Company A; Company B)	Aims to increase the 'Quantity' of nationals in the workforce.	Less evidence of commitment since there is no communication and financial resources are low.	The priority for nationals; offering pre-service and in-service training programmes; using IDP; offering educational sponsorships.	The priority for nationals; using the traditional methods to attract nationals.	Company A uses appraisal system and reward scheme to encourage positive participation in the Qatarisation policy.
Implicit Avoidance (Company E)	Claims to seek increasing the 'Quantity' of nationals in the workforce.	Less evidence of commitment since the company poach the national employees of the other OGBI.	No training except the pre-service training offered by QP.	The priority is for experienced nationals while only a few new national graduates are employed.	No correlations between Qatarisation policies and HR levers

As mentioned earlier, the Qatari case was initially chosen to represent the 'positive state' which is one of the types of regulatory models that Majone (1995) has described: the positive state and the regulatory state. A positive state also shares some of the features of Ashton et al.'s (2000) model of the developmental state. For example, the Qatari authorities have direct interference in the labour market, which is one of the features of both the positive state and the developmental state. The Qatari authorities also have to facilitate their intervention through public ownership, which is another feature of the positive state. However, instead of using budgetary instruments such as borrowing and spending, the Qatari government influences the public sector through rule making and legislation, both of which are characteristic of the regulatory state. This case, however and despite leaning more toward the less liberal system of the positive state, proves that a rigid categorisation system to identify the positive state and regulatory state might be misleading, since each regime could share some the features of the other regime. In summary, this study contributes to filling the previously identified gap in the literature regarding examining the political contingency concept in less liberal regulatory regimes.

V. CONCLUSION

The intensive case study undertaken at the OGBI has illustrated the processes by which the state intervenes in public firms' strategy and target formation, as well as the means by which these organizations implement the Qatarization strategy. The current research has identified the tensions resulting from state intervention. Another example of the contributions of the current study is

the identification of the diverse approaches toward Qatarization within the participating companies. The rich data collected from the interviews have helped to highlight the differences in management reaction to the policy and the implication of the policy on the HR practices in the participating companies. Moreover, the intensive research approach made it possible to recognize informal means and techniques that are used to avoid Qatarization or to act against the rules, for example, poaching national employees from the OGBI. Based on the contributions of the present study, it can be argued that the situation in Qatar is not just another case of political contingency; rather, it is a unique case which has proved to be enlightening, especially in expanding current knowledge of the role of the state in a certain type of regulatory regime such as the developmental state.

In addition to providing new insights into both of these areas, the findings have established an agenda for future research. Since the present study has focused only on the OGBI, further research should examine similar processes in other sectors. Investigation of other public, private, and mixed sectors in Qatar might provide stimulating findings especially, when compared to the OGBI. In turn, such comparisons and further interpretations might provide a good basis for assessing the similarities and differences in aspects of the implementation of the Qatarization process. Moreover, future research might highlight some of the main challenges facing such a process in these sectors and industries. Furthermore, since the case study of the current research was the country of Qatar, an example of a developmental state, further research examining a similar process in other developmental states, for instance

Malaysia and Singapore or other GCC countries such as UAE and Saudi Arabia, would extend current understanding of how the external environment influences HRM policies in this type of regulatory regime. This would provide a basis for comparisons and, hence, further interpretations of the notion of political contingency in less liberal regulatory regimes.

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