Heads and tails: both sides of the coin: an analysis of hybrid organizations in the Dutch waste management sector
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6. Case Study 1: TOM

6.1 Introduction

My first case study took place in 2006 at one of The Netherlands’ big cities’ waste incineration plant, which I will call Tom. At that time, this plant was among the ten largest in the world and burnt about 940,000 tonnes of waste per year, originating from both households and businesses. The heat resulting from the incineration of waste was turned into steam, driving turbines for the production of electricity. About 530,000 megawatt hours were produced this way in 2006. This was enough to provide about 156,000 households with electricity, as well as the city’s public transport system and municipal buildings. The hot water produced provided district heating.

Coinciding with the opening of a new plant in 1993, a covenant was signed with neighbouring municipalities and a private waste collector, in which these parties bound themselves to have their waste burnt by Tom. In 2001, its managing director was granted more freedom to run the organization like a business. Tom started focussing more and more on private customers, and made plans to build a new state of the art waste burning plant exclusively for these private customers.

In 2006, I was given the opportunity to study Tom’s hybrid character. I was given access to confidential internal documents, observed meetings and conducted some 15 one-on-one interviews with both key people from within the organization as well as their most important external partners.

I have split my findings in two parts: first I will discuss the history and background of the organization (6.2). I will then describe how and why it transformed into a hybrid organization, which effects this had and how they were dealt with (6.3). Each of these parts focuses in turn on Tom’s structure and activities, its strategy and culture, and governance and politics. In this chapter’s final section (6.4), I will summarize by listing my key findings.

6.2 History and background

6.2.1 Structure and activities

Tom was established during the first quarter of the 20th century when plans of the municipality’s sanitation department to dump waste in an area of natural beauty met with fierce protests from the gentry. Because of these protests, Tom was founded as part of the sanitation department to burn the waste instead. The organization was later
split off from the sanitation department to become a municipal enterprise, when as part of a larger decentralization drive at the beginning of the 1990s, the municipality decentralized its waste collection services to newly created boroughs.

TOM’s main activity was to incinerate waste delivered to its plant by municipal waste collection companies, as well as their commercial counterparts. By-products of this process, sustainable energy and hot water for district heating, were sold in a joint-venture with an energy company. TOM was also active in waste recycling. It ran a hazardous waste depot, several drop off points for bulky and chemical waste and a regional transhipment station for household appliances.

According to its annual report, about 260 employees worked at TOM at the time of my case study. The majority of staff were middle-aged men between 40 and 54 years old. 16% of TOM’s workforce was over 55. Mobility among the workforce was low, or so several interviewees on the managerial level complained. TOM’s employees were civil servants and hence had to swear an oath of office. TOM was headed by a managing director with a long service record and a very good reputation in the waste management community. He seemed to me to brim with energy and was a tireless advocate for his organization on the municipal, national and even international level. Constantly developing new business ideas, he reminded me more of an entrepreneur than a stereotypical civil servant. Some members of TOM’s management told me the municipality was not always happy with so much initiative and often had to rail him in again.

Besides TOM’s managing director, the organization’s board of directors consisted of the directors of its eight business divisions. Some interviewees called this structure ‘democratic’, as each department had its representative in the board of directors. Others described it as inert as its main focus was to generate consensus. Even seemingly straightforward decisions, I was told in one interview, like which manager should be issued with a PDA, could take several weeks.

In 1993, TOM’s most recent plant became operational. This plant was owned by the municipality and rented to the organization. At the same time a covenant was signed between its parent and about twenty neighbouring municipalities, which all agreed to have their waste burnt by the organization. A similar deal was struck with one private waste collection company. I was told in interviews that the reason this private waste company received this preferential treatment was purely technical. The company had its own facilities for storing waste which gave TOM the opportunity to compensate for fluctuations in the amount of municipal waste. This guaranteed an optimal exploitation of the plant’s incineration capacity.

Of all the waste TOM burnt every year, about 60% originated from the parties of the covenant. In order to ensure the plant could always operate at full capacity, the
remainder of the plant’s capacity was filled with waste from commercial waste collection companies based on long-term contracts. The parties with which the covenant had been signed only had to pay the cost price for having their waste burnt. The municipalities also did not have to pay VAT, as the covenant was seen as a local joint venture and TOM’s activities as one public organization providing services for another. All other customers had to pay the market rate for waste incineration.

By charging the partners of the covenant a cost price based on the balance of profits and costs of the whole operation, any profits made from incinerating the waste for commercial customers was in effect paid out as a discount. Likewise, if the incineration at market rate generated a loss, this would be shared out by the partners of the covenant by raising their rates. This had, however, not yet been necessary. On the contrary, many interviewees boasted: for many years TOM’s cost price and hence the fees the citizens of the municipalities of the covenant had to pay for waste disposal, were the lowest in The Netherlands.

In 2006, TOM had (according to its annual report) a turnover of about € 114.3 million and generated profits of about € 11 million. In 1998, three years before the organization’s managing director had been granted more autonomy by the municipality’s local council, TOM had had a turnover of about € 80.4 million and generated profits of about € 4.3 million.

Figure 6.1 Financial development TOM (based on overview in annual report 2006, all amounts in millions of €)

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<td>Profit</td>
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6.2.2 Strategy and culture

Several interviewees on the managerial level described TOM before its hybridisation as a prototypical agency (or, in their words, ‘task organization’) with a focus on providing services for the municipalities of the covenant. The organization did not develop an own strategy of how to fare on the waste management market but followed the orders it received from town hall.

TOM also had the stereotypical culture of an agency in those days. The managers I interviewed complained that its employees were mainly focussed on executing their own tasks and lacked cooperation skills. One manager described them as ‘thinkers’ and ‘solosists’, toiling away on ‘their own little islands’ or in their ‘silos’.
The dominant group in the organization was, according to my interviewees, its operational staff which, as one interviewee jokingly told me, consisted mainly of ‘moustachioed middle-aged men’ with a technical background. Several interviewees told me that TOM had a ‘macho culture’ in which power played a significant role. They also referred to its ‘bureaucratic’ culture as its employees had ample means at their disposal to object to decisions by the organization’s leadership and regularly made use of them. One of TOM’s managers called these employees ‘spoiled children’ that liked to ‘grumble’.

Several interviewees told me that at this time non-compliance with organizational regulations was more rule than exception. There even was a saying stating that at TOM it was ‘tolerated to behave in an intolerable manner’. In many of my interviews, the managers decried this situation. The representative of TOM’s works council I interviewed described this behaviour in a more positive light. According to him not slavishly sticking to rules and regulations had in the past often led to innovation.

6.2.3 Governance and politics

As a municipal enterprise TOM was an integral part of the municipality’s structure. This meant that an alderman was ultimately responsible and the municipality liable for how it conducted its business. The alderman was supported by the municipality’s administrative service (bestuursdienst in Dutch) and was (like the whole college of aldermen) accountable to the municipal council. The municipalities of the covenant could make their voices heard through an advisory council.

The responsible alderman mandated the day-to-day running of the organization to its managing director who, on paper, had no autonomy of his own but was expected to follow the orders he received from town hall. In reality he had far more autonomy, mainly due to the specialist nature of waste incineration and, according to several interviewees, that it was not very high on the list of the municipality’s policy priorities.

In a report drawn up by a management consultancy to facilitate the decision making process concerning TOM’s eventual transformation into what was called ‘a proactive service provider’ in 2001 (see the following section), the tasks of the various parties in the organization’s governance regime at various stages of the political process were visualized as follows:
6.3 Hybridity and its effects

6.3.1 Structure and activities

Tom’s managing director lobbied at the municipality for more autonomy to run the organization like an enterprise. He also proposed extending its incineration capacity by building a new plant. The alderman responsible for Tom commissioned a management consultancy to advise on a new status for the organization in 2001.

In their report, the consultants concluded that three trends would dominate the waste management sector over the coming years: vertical integration (waste collection, disposal and recycling in one hand), internationalisation (the creation of a European and international waste management market) and consolidation (by mergers and acquisitions). They predicted that as a result there would soon only be three kinds of waste incineration companies: public service providers (or ‘dienstverleners’, mainly disposing of household waste), market players (or ‘marktspelers’, which incinerate both household and business waste) and niche players (or ‘nichespelers’, which focus on a single waste stream).

According to the consultants, Tom fitted into the category of public service provider at this point. It could develop into a market player should it decide to use its new incineration capacity solely for burning business waste. Should the organization decide to only slightly increase its share on the market for the incineration of business waste,
TOM would develop into a hybrid of the two, a so-called proactive service provider (‘proactieve dienstverlener’). With both options, the municipality had the choice to either let TOM remain a municipal service, autonomize or even privatize the organization or let it enter into a public-private partnership with a commercial enterprise.

Based on the predicted effects of both options on three criteria (total cost, environmental impact, effect on municipal control) the management consultants advised the municipality to see TOM as a proactive service provider from now on, which formalised the status quo in which TOM’s managing director de facto had more autonomy than he had de jure. The alderman went along with this view. However, she decided against a possible autonomization of the organization and instead decided that TOM would remain an integral part of the municipality, also in its new role as proactive service provider.

In 2003 the municipal council also decided to allow TOM to increase its total incineration capacity from 900,000 to 1,540,000 kilotons by constructing a new, technically highly innovative plant, which was scheduled to be completed by 2007. This decision was remarkable on two grounds. First, it was made at a time when, as I was told, most commercial waste management companies were reluctant (or not able to) make such a big investment. Second, the new plant was planned to burn business waste only. According to figures presented in a new report drawn up by the same management consultancy firm three years later, when TOM’s managing director was lobbying for its autonomization (see 6.3.3), TOM would then generate 45% of its turnover by burning commercial waste, 28% by selling electricity and only 25% by incinerating household waste.

TOM’s managing director, told me in an interview he hoped that by focussing on the market for the incineration of business waste, he could reduce TOM’s cost price the partners of the covenant had to pay even further. But by becoming more dependent on developments on the very cyclical commercial waste management market the risks for the signatories of the covenant increased too, as the municipalities were now more likely to be forced to cover TOM’s losses on that market, which would in turn lead to higher waste disposal fees for their citizens.

However, according to my interviewees within TOM’s organization, there was no discussion at the municipalities about amending or even cancelling the covenant at this point. Only TOM’s management seemed convinced that this document was now outdated, though not necessarily because the new plant increased the financial risks of the municipalities. On the contrary, according to TOM’s managers it was simply not fair that also the parties which had not invested into the new plant (ie, the 21 neighbouring municipalities and one commercial waste management company) would soon reap its
expected benefits. TOM’s managing director tried to lobby to have the covenant amended but to no avail.

The construction of the new plant turned out to be a financial and image fiasco for the municipality as well as TOM. It was completed only after a delay of several months and at substantial extra cost. There were also technical problems. It not only took much longer than planned until the new plant could eventually burn waste and produce energy. As write this, it also has not yet managed to run at full capacity.

A report on this matter, written on behalf of the municipality by a commission headed by a professor of public administration, concluded that the problems with the new plant were due to mismanagement both at TOM as well as at town hall. TOM’s board of directors had originally planned to manage the new plant’s construction entirely by itself but lacked the skills necessary to successfully oversee such a vast project. They hired a professional project manager only when the first problems and delays had already occurred.

The municipality was at fault, the commission concluded, because it never critically assessed the optimistic information it received from TOM’s management. It naively accepted TOM’s claims that it needed the best plant money could buy and that this major investment could easily be paid back with the profits it would generate on the electricity market.

6.3.2 Strategy and culture

After the municipality’s decision to allow him to run his organization as a proactive service provider, TOM’s managing director mapped out an entrepreneurial strategy aimed at making the organization more businesslike. One of the first steps in this strategy was to rebrand TOM as an enterprise even though it officially still was a municipal service. Its annual report, was revamped from a tool for accountability purposes aimed mainly at the municipality, to a glossy product catalogue, portraying TOM as a dynamic company on the look-out for new business opportunities.

However, I learned in interviews TOM did not try to hide the fact that it was still owned by a municipality, as its management hoped that it could profit from the municipalities good reputation, especially on the credit market. TOM also needed its backing for further investments in the cost-intensive waste incineration market, especially at a time when private parties were reluctant to do so.

In order to help him with his entrepreneurial strategy TOM’s managing director hired a new financial and a new marketing director. Both were men in their mid-forties who had earned their spurs in the business world. Like TOM’s other employees both new members of the board had to take an oath of office but told me they did not feel like civil servants at all. To me they did not look or sound like the civil servant cliché
either, with their sharply cut business suits and their English language management speak. TOM’s managing director had brought them into the organization by not only offering them a market-oriented salary, but also the use of a company car. One of them told me this had led to wrinkled noses at the municipality at first. TOM’s managing director had none the less pushed through his decision to hire them by stating that he needed managers with market expertise, especially as the organization was soon to provide more services for commercial parties.

Both new managers told me they were not at all impressed by what they found at TOM. For example, according to the new financial director there was no effective financial management. The organization was in his eyes ‘feral’ as it knew no pressure and money was never a real issue. He told me:

‘When I came to work at [TOM] I found an organization that was completely unused to working under pressure. There always was enough money. Each year a budget had to be handed in at town hall but reality often differed widely from these figures. The reasons for these contradictions (often labeled ’maintenance costs’) were never seriously questioned.’

Also TOM’s new commercial director was very critical of the organization. According to him there was no professional sales function. He told me this was because TOM never had to sell or market its products in the past. This had to change now as TOM was on the verge of expending its share in the market for the disposal of business waste. TOM’s new commercial director began to build up a commercial department from scratch. To help him do this, he brought in several new employees with a commercial background.

Shortly after the arrival of the two new directors, TOM’s board of directors was brought back from nine to four members: the managing director, the new financial and marketing directors, and an operations director. This new slimmed-down board decided that TOM had to change drastically and had to transform from, in the words of its members, ‘a task into a market organization’. To achieve this purpose an ambitious programme was launched, aimed at making TOM more professional and market-oriented (though it was never made explicit what both adjectives were supposed to mean).

As a first step, TOM’s original nine departments were consolidated and reorganized, cutting away layers and functions and streamlining their work processes. Another step taken was to ask yet another firm of management consultants to conduct a scan of the current culture among TOM’s employees. It concluded that they (1) were very critical about each other and their management, (2) refused to take responsibility for problems, (3) tried to exert power in order to remain in control (which created a ‘political climate’ within the organization) (4) were very competitive with each other and (5) were constantly seeking the approval of their superiors.
This picture did not match the culture the board of directors felt the organization needed. The board stated that TOM’s new culture should be based on a clear vision for the future and aimed at generating results in an open and supportive working environment which stimulated employees to be decisive. They should be both creative and methodical. Coaching was to help them to develop their professional skills and to teach them how to better cooperate with each other.

The change in culture proved to be a long-winded and difficult process. According to the representative of TOM’s works council I interviewed this was mainly because for many of the organization’s employees, especially its blue-collar work force, culture and values were rather vague concepts. Many of TOM’s employees interpreted the management’s battle cry that TOM had to develop into a professional and entrepreneurial organization as a thinly-veiled criticism on their past performance. This caused irritation and astonishment as the organization was doing well in economic terms.

This paradox made TOM’s employees suspect an ulterior motive behind the management’s attempt to change the organization’s culture. They saw the whole cultural transformation programme as a violent breach with the past and a pretext to limit their autonomy by introducing strict rules and procedures. For example, the representative of TOM’s works council told me: ‘I really do not recognise my organization anymore. They [the management, PMK] are taking away our enthusiasm, our spontaneity, our freedom and the human-oriented character of our work. It is all replaced by coercive procedures. Our people [those on the operational level, PMK] do not recognise themselves in that, it frightens them.’ At the time of my research at TOM, several veteran middle managers had already left the organization because they could not identify with its new strategic course and cultural orientation.

There were also tensions between TOM’s operational employees and its management, because of the latter’s decision to attract new employees for commercial functions. TOM’s operational staff was beginning to feel marginalized by better paid office staff, as the representative of its works council told me:

‘Our operational employees are very sceptical towards those working in the office. They have the feeling that the organization is getting top-heavy, with many well paid office workers. That only creates jealousy.’

However, according to the managers I interviewed, this influx of fresh blood was necessary to transform TOM from a task into a market organization. It was also meant to break with the dominance of its technicians (the moustachioed middle-aged men), who, according to their managers, believed strongly that the organization was theirs, as in their eyes it was mainly thanks to them and their professional expertise that the ovens burned and that the organization was making money. Especially TOM’s financial
director was keen to challenge this view of affairs. According to him, commercial excellence was now more important than technical excellence: ‘It’s not all about keeping the ovens burning anymore. Our new paramount focus is making money!’

The managers’ strategy to cope with the tensions that had arisen with the organization’s operational staff was to try and better explain why they thought TOM needed to change. But they did not fundamentally alter their top-down approach of pushing through the cultural transition process, which led to a stand-off with the organization’s staff.

6.3.3 Governance and politics

TOM’s new directors were very critical of the civil servants they had to answer to at the municipality. They not only played political games, but also often did not know what they were talking about, the directors complained when I interviewed them. TOM’s financial director described them as follows:

‘There is a small group of good people working at town hall but also a big grey base, which there’s always been at the municipality. It surely is no lean and mean killing machine.’

He continued:

‘The alderman and the administrative service understand too little of what is happening here. They do not know what our drives and responsibilities are and lack a framework for answering questions like: are our costs acceptable? Are our revenues high enough? The only thing they do is benchmark our tariffs against those of other companies.’

According to this director, the reason for this lack of expertise was that TOM was very different compared to the municipality’s other services. He even went as far as to characterise his organization as a ‘misfit’ in the municipal organization. This situation became especially irksome as the organization transformed from what its management described to me as a task into a market organization. According to the members of its board of directors, an organization such as TOM, which showed entrepreneurial initiative, needed and wanted good checks and balances at town hall. But municipal oversight was limited, as waste management was apparently not a particularly interesting subject for politicians.

My interviewee at the municipality’s administrative service agreed with this view and concluded: ‘I doubt that there is any municipal control of [TOM].’ He described that TOM both literally and figuratively operated at quite a distance from town hall. Not only was its plant situated the outskirts of town, but TOM’s activities were also so different from those of other municipal agencies that this civil servant only had a rough idea of what the organization did to begin with. There also was nobody in the administrative service he could ask for more information:
‘Due to the many examples of autonomization and outsourcing of the 1990s, we not only lost much expertise about ‘enterprises with public tasks’ from within the civil service. There are now also less politicians and higher ranking civil servants with affinity for this type of organizations.’

Because of this, TOM had more leeway than other agencies, this interviewee stated. The municipality’s role in its governance was limited to checking whether TOM had achieved its goals at the end of every year, but there was hardly any municipal input left on the formulation of these goals.

In the eyes of its managing director this situation posed a threat to the organization and the municipality, especially as TOM was extending its commercial activities. That is why he lobbied for an autonomization because this would create a better system of checks and balances, including the installation of a supervisory board. TOM’s managing director hoped this board of experts would not only help the organization to better use the chances operating on the waste management market offered, but to also provide it with the countervailing powers it lacked. TOM’s board of directors acknowledged this was necessary, as their organization had the tendency to be overenthusiastic and getting ahead of itself. However, the municipality decided against an autonomization.

TOM had not only alienated from its public principals but also from its public customers. It already had more dealings and better contacts with its commercial clients, even before its new plant was finished that was intended to only burn their waste. My interviewees at the organization were critical about the municipalities who, in their eyes, were not really interested in how TOM conducted its services. This was due to the fact, I was told, that they were captive customers. They did not have any choice but to have their waste incinerated by TOM and did not really care how that was done, as long as the price they had to pay did not increase extraordinarily. It also irritated my interviewees at TOM that the municipalities treated the organization as their property and not as a knowledgeable partner in waste management.

I put these complaints to two of TOM’s municipal customers. They agreed that they had no choice but have TOM burn their waste but claimed to be very interested in how this was done. They actually complained about not receiving enough information from their counterparts at TOM whom they describe as sometimes arrogant and often not very empathetic. These municipal customers were also under the impression that TOM’s employees much preferred dealing with their commercial customers, whom they even consulted on strategic issues. My interviewees at TOM’s commercial department did not full-heartedly agree with this view, but acknowledged that in the past they might not have paid as much as attention as they should have on their relationships with the organization’s municipal customers. They assured me they were now trying their best to amend this situation.
6.4 Key findings

In this chapter I answered my empirical research questions for my first case study, TOM. This section summarizes my key findings in this case.

My first empirical research question is *In which ways is the case organization hybrid?* I answered this question by comparing how TOM scored on the ten dimensions of the model described in section 2.7, before and after its transformation into a hybrid organization (see appendix 4 for a summary on how and why I scored TOM the way I did).

Within less than ten years, TOM had transformed from a municipal agency into a hybrid organization. Figure 6.3 shows how it scored on the dimensions of my model in 1993, just after its parent municipality had signed a covenant with several other municipalities and a private waste management company. In the words of several interviewees, TOM was a task organization at the time, which focussed nearly exclusively on providing services for the partners of the covenant. It had a bureaucratic and macho culture, with the organization’s technicians as the dominant group who did not bother too much with company rules and regulations. Officially an alderman was in charge of the organization with very little managerial and executive autonomy for TOM’s managing director. But in reality the managing director had more autonomy due to the specialist services his organization provided.

*Figure 6.3 TOM as an agency*
In 2001, TOM was labelled a proactive service provider. The alderman was still politically responsible but TOM’s managing director now enjoyed considerable levels of managerial and executive autonomy comparable to that of a director of an autonomized organization. TOM’s board of directors had instigated a cultural transition programme aimed at promoting entrepreneurial behaviour and at transforming TOM from a task into a market organization. TOM was also on the brink of extending its commercial activities. It was just finishing the construction of a second incineration plant, which was supposed to burn waste delivered by commercial waste management companies. With the new plant operational, TOM would generate more turnover by burning commercial than by burning household waste. The diagram in Figure 6.4 shows how the organization would look then.

*Figure 6.4 TOM as a hybrid organization*

I used the two charts in my research process to not only illustrate TOM’s transformation into a hybrid organization but also as an indicative-diagnostic tool to point me to those dimensions on which its new hybrid status could be expected to either produce positive or negative effects. I did this to answer my second empirical research question *Which positive and negative effects of hybridity can be observed in the case study and how are they dealt with?* In TOM’s case effects of its new hybrid status were to be expected on the dimensions concerning its activities, funding and market environment, its culture and strategy and the increased autonomy of its management.
TOM’s managing director told me that his organization’s new hybrid status was beneficial both for TOM and for the municipalities it provided its services for. He described that TOM already used the profits it generated on the market place to reduce the tariffs its municipal customers – and thus their citizens – had to pay. He claimed that by employing more activities for commercial customers he would be able to decrease these tariffs further still. This was a noble aim, but I unfortunately can not confirm whether TOM really managed to keep its cost price low by cross-subsidizing its public activities with private money, as its annual report did not differentiate between takings from public and private sources.

I did not only find it hard to substantiate TOM’s managing director’s claim that hybridity already had a positive effect both for his organization and citizens. It proved difficult to find any positive effects due to TOM’s new hybrid status. But there were several negative effects, which I summarize below.

Unfair competition

This was an issue at TOM on two grounds. First, its municipality had decided to build a new waste incineration plant. This new plant, although built with public money, would only burn the waste of commercial waste management companies. TOM argued that at this time no commercial company would have made such an investment. Second, the covenant TOM had signed with several municipalities and a private waste management company meant they would reimburse TOM for any financial losses on the market place. Because of this strong backing, the organization could in theory operate less prudently than its private rivals. The risk to the signatories of the covenant increased as TOM was on the brink of burning more waste for private companies. TOM’s managing director tried to rule out this risk by lobbying for an amendment or termination of the covenant and for an autonomization of his organization. This would limit the financial liability of the municipalities and would also prevent those municipalities that had not invested into the new incineration plant from reaping its expected financial benefits. But his arguments fell on deaf ears, as the municipalities refused to break open the covenant.

Neglect of public activities

The municipalities whose waste TOM burnt were captive customers. As it extended its commercial activities, the organization focussed on its commercial customers instead, which had the option to leave if they were not satisfied with its services. This led to frustration at the municipalities who thought that they were not taken seriously. At the same time, TOM felt that the municipalities had little interest in waste management, as long as it did not cost them too much. When I conducted my research at TOM, the organization had already acknowledged this problem. Steps were taken to
include the municipalities in the strategic discussions the organization’s marketing department had with its commercial customers.

Cultural tensions

The cultural transformation project instigated by Tom’s board encountered the resistance of the organization’s operational staff, who saw it as a pretext to limit their autonomy by introducing strict rules and procedures. Also, the board’s decision to bring new employees with commercial backgrounds into the organization led to tensions, as it created jealousy and made the organization’s blue-collar staff fear being marginalized. The managers’ strategy to cope with these tensions was to try and better explain why they thought Tom needed to change. However, they did not fundamentally alter their top-down approach of pushing through the cultural transition process. Because of this, the stand-off between the organization’s board and its operational staff persisted.

Alienation of public principals

Tom had always been different from other municipal agencies because of the specialist and technical nature of the services it provided. This meant that the civil servants of its municipality found it hard to control the organization as they lacked the necessary insight in how it conducted its work, and had no expertise on the waste management sector. According to Tom’s managing director, this posed a threat to both the organization and the municipality as it was expanding its commercial activities. That is why he lobbied for autonomization. He was convinced that this would give the organization a better system of checks and balances, such as a supervisory board.