

## Article

# Hybridity as a Result of the Marketization of Public Services: Catalyst or Obstruction for Sustainable Development? Deductions from a Study of Three Hybrid Waste Management Organizations in The Netherlands

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**Abstract:** Increasingly, hybridity, i.e., the combination of contrasting and conflicting elements within organizations, is seen as a way to create innovation and synergy in dealing with complex societal questions, leading to more sustainable development. Much research on the subject deals with the phenomenon of social enterprise, but hybridity also takes place in other, more traditional organizational settings. For example, many governments have created hybrid organizations by embracing new public management (NPM) as a way to overcome the perceived shortcomings of traditional, hierarchical forms of public administration, such as inefficiency and the lack of an entrepreneurial spirit. Here, hybridity is often not so much seen as a way to increase sustainability but rather as a way to cut cost and to increase the quality of service provision. This article adds the sustainability dimension to this discussion through a deductive approach, reinterpreting the results from a study on the effects of the hybridity of three municipal waste management organizations in the Netherlands. The main conclusions are that hybridity leads to a more professional management style but also to more attention on output than on outcome. The article discusses what this means in terms of pursuing sustainability and sustainable development.

**Keywords:** hybridity; hybrid organizations; waste management; new public management; new public governance; public value management



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## 1. Introduction

There is growing interest in the role that hybrid organizations, i.e., organizations that combine contrasting and conflicting elements, can play in dealing with the social, environmental and economic aspects of sustainable development through innovation and synergy [1–3]. Their hybridity is due to the combination of different governance regimes and institutional logics, as they operate on the borders between the realms of state, market and society [4–11]. An oft-mentioned example of such hybrid organizations are social enterprises [5,12–15] that integrate “economic and social value creation” [16].

However, hybridity is not a new phenomenon, nor does it only occur in relation to social enterprises [6,10,17,18]. Over the last decennia, many governments have created hybrid organizations by embracing new public management (NPM). NPM promotes the marketization of public services and is based on contracts, outsourcing and privatization. The main rationale for its introduction was to overcome the perceived shortcomings of traditional, hierarchical forms of public administration, such as inefficiency and the lack of an entrepreneurial spirit in public service provision. These shortcomings are due to how government agencies are organized and the public management techniques they use [17,19,20]. Traditionally, public service provision through government agencies is based on strict hierarchies, with policies being implemented by government agencies highly specialized in areas of professional expertise. This leads to the creation of “silos”

and “stovepipes” that strictly delimit functional areas within organizations, which impedes the organization’s agility and its ability to cooperate with others [19]

In contrast, NPM “was modelled on the multidimensional form of leading private-sector corporations, each with a corporate headquarters overseeing various business units, which it controlled through setting and monitoring performance outcomes” [19]. Under NPM, policies are implemented by public service providers at arm’s length from the world of government, as this is thought to help inject an entrepreneurial spirit and to give the organizations’ managers the autonomy that they need to run their organizations as if they were businesses. However, the marketization of public services does not entail a full-fledged privatization and hence a change in ownership. Moreover, at arm’s length, public service providers still have to deal with government (often still the owner, main customer and source of funding) and have to adhere to its rules and regulations, while also embracing NPM’s more commercial outlook. This combination of public and private sector logics, in what is often described as a layering or sedimentation process [21–24], is what makes these marketized arm’s length public service providers hybrid organizations [17,25–28].

While sustainability and sustainable development are the main reasons for establishing social enterprises, under the new public management logic which was at play behind the marketization of public services, hybridity is mainly seen from an entrepreneurial standpoint as a way to cut cost and to increase the quality of service provision through running government agencies as if they were enterprises from the business world [8,29]. The main advantage of such an approach is that “operating in institutional interstices and combining multiple logics (i.e., considering and adhering to multiple prescriptions) might open up opportunities, as organizations can access broader sets of resources and expand their practices, which allows them to be innovative, to create new products and services and to pioneer new ways of organizing” [14]. This can be beneficial for the economic success of the organization, help reduce pressure on the public purse and increase customer satisfaction.

Sustainability and how hybrid organizations can add to sustainable development, typically are no issues in discussions on the marketization of public service providers. However, this does not mean that marketization and hybridity will not have any effects on these topics. This is why this article adds the issue of sustainability to the discussion about how the effects of organizational hybridity as a result of NPM can be interpreted. This is especially interesting, as on the one hand NPM-induced hybridity could also lead to innovation concerning sustainability and sustainable development, as well as to the above-mentioned benefits for the organizations, the governments that own them and their customers. Furthermore, on the other hand, as hybridity due to NPM also has its risks [19,20], these could also influence the quest for sustainability in a negative way. As all activities are broken down into clear and measurable results following the marketization logic of NPM, fragmentation can occur. Moreover, as each organization is only held accountable for its own actions and results, fierce competition between organizations is encouraged, overshadowing other values that rather thrive through cooperation and collaboration, such as sustainability. These possible negative effects of NPM have given rise to a rivalling theory, called public value management (PVM) [20]. How using insights from this theory can help deal with the effects of hybridity through NPM for sustainability and sustainable development, will be addressed in the conclusions of this article.

The main research question of this article is: What are the effects of hybridity as a result of the marketization of public services for sustainability and sustainable development? This question is answered by pursuing an inductive approach, reinterpreting the results from a study on the effects of the hybridity of three municipal waste management organizations in the Netherlands. Sustainability and issues concerning sustainable development were not the main focus of the research on which this article is based, but hybridity and hybrid organizations. A deductive research design was used in this earlier study to see what the already available theory tells us about hybridity in organizations, to test it on hybrid organizations in real-life and to use the lessons from this exercise to build a stronger

theory. For this article, an inductive research approach was followed, whereby based on observations at three hybrid organizations in waste management, the author attempted to identify the issues hybridity in waste management organizations rises with regard to sustainability and sustainable development.

The following section will describe the developments in the Dutch waste management sector that led to increased hybridity and the emergence of hybrid waste management companies. We will then, based on in-depth case studies of three Dutch municipally owned waste management organizations [30,31], look at the effects their hybridity had for these organizations themselves, their relationship with their municipal owners, their customers and their competitors. This will be followed by a discussion of the role hybridity and hybrid organizations can play in sustainable development.

## 2. Materials and Methods

### 2.1. Research Site: The Dutch Waste Management Sector

In terms of sustainable development, waste management is a dirty, yet societally vital activity, especially in the world's sprawling cities [32]. It is to everyone's advantage that the refuse society produces is properly collected, treated and disposed of. After all, no one wants waste bags piled high on the streets, not just because of the unpleasant sight and smells, but also the public health hazards it would cause, the pests it would attract, and the potential dangerous side effects, such as the pollution of air, water and soil. However, waste management is a business too. In 2016, French Veolia, the industry's biggest player, had revenues of about EUR 24 billion. Suez, another French company and German Remondis, numbers two and three, had revenues of about EUR 15 billion and EUR 6 billion, respectively [33].

Because of the public interests at stake in waste management described before, governments around the world traditionally have taken on an important role in waste collection and disposal. In the Netherlands, as in several other countries [33], the safe and timely collection and disposal of citizens' waste is a statutory task of local governments (municipalities), for which they traditionally employed their own waste management services, landfills and incineration plants. However, over the last twenty years or so, governments' involvement has changed as many public utilities, including those in waste management, have undergone a process of liberalization and marketization in many countries as a result of NPM [33–35]. This not only has turned the waste management sector into a waste management market, but also changed the character of the municipal organizations already active in the sector, as they had to become more business-like and hence turned into hybrid organizations.

In the Netherlands, the market for waste collection and disposal was liberalized in 2000. Before, it was highly regulated by a waste management council made up of national, regional and local governments, in charge of planning the capacity needed for effective waste management [34]. There were severe restrictions (e.g. waste was not allowed to be transported across provincial borders, nor abroad) and a lack of competition, making waste disposal artificially expensive. Another reason for this was that government tried to steer waste from landfill to incineration by levying a hefty landfill tax.

The liberalization of the waste management sector meant that municipalities now have the choice to still provide waste management services themselves or to contract them out to another municipal service or to a private competitor. These private waste management companies already play a role in the disposal of waste of businesses and industries (which is not a task of local governments). Most of them are subsidiaries of big international business conglomerates, such as the already mentioned Veolia, Suez and Remondis.

Most Dutch municipalities (76.5%) still employ public sector organizations for the collection of household waste in 2020 [36]. Most of those, employed by 37% of municipalities, are government-owned enterprises. Often, these are former municipal services that have been put at arm's length. However, there also are municipalities that have kept their waste collection services as integral parts of their bureaucracy: 19% of municipalities use their

own municipal waste management service and 2.5% that of a neighboring municipality. Local joint ventures are employed by 18% of (mostly smaller) municipalities.

Municipalities can also choose not to have their waste collected by public, but by private sector waste management companies, either by contracting this task out to them or by forming public-private partnerships. Private sector companies are employed by 22.5% of municipalities in 2020, mostly by those that were too small to make an own collection service economically viable. There is also a small number of municipalities (1% in 2020) that partner with a private company in order to organize their waste collection services.

As stated earlier, municipalities are not obliged to also collect business waste; businesses have to take care of this themselves. Like municipalities in the collection of household waste, they can choose from an array of arrangements. They can contract out the collection activities to the municipal collector, a private collector or a public company. This market segment is mostly dominated by private waste management companies, but public enterprises increasingly compete in this market.

After collection, waste needs to be disposed of. In the Netherlands, this is done either by incineration or by landfilling. In contrast to waste collection, waste disposal companies generally deal with both municipal and business waste, as making a distinction would be artificial and counterproductive. Landfilling is discouraged by levying a high landfilling tax, so most waste that cannot be recycled is incinerated. There are 12 waste incineration plants, which are owned by nine companies. Five of these companies are owned by local and regional governments.

To summarize: waste management as one important activity in enhancing a society's sustainability, is a local matter in The Netherlands, with municipalities (local governments) in charge. They are responsible for the whole waste management cycle regarding household waste from waste collection to waste disposal, but do not need to provide these services themselves. They can also buy them through processes of contracting and outsourcing from private companies, of which there are several. These private, often multinational waste management companies especially play a role in dealing with industrial waste, for which businesses have to take care of themselves. However, formerly municipal waste management companies are also active now in this market segment, as after hybridization, they had to look for new and additional ways to create funding. These two developments mean that hybridity plays a role in waste management in The Netherlands in two regards: (1) the Dutch waste management sector itself is a hybrid with public and commercial organizations with different tasks and responsibilities. Moreover, (2) also of the organizations operating in this sector are hybrids, as they are mixing public and private sector characteristics. Taken together, this makes sustainability in this respect a hybrid activity as well.

## *2.2. Research Method: Three In-Depth Case Studies*

The insights in this article on the effects of hybridity for organizations operating in the Dutch waste management sector are based on three in-depth case studies of two hybrid waste collection and one hybrid waste incineration companies in The Netherlands [30]; see Table 1. One of the waste collection companies was owned by several mid-size and small municipalities in the mainland Netherlands, while the second was owned by the government of one of the islands in the then Netherlands Antilles (which were then de facto and are now also de jure treated equally as municipalities on the mainland). The waste incineration company looked at in this research was owned by one of the Netherlands' major cities. All three case organizations had recently (during the last five to ten years) been hybridized by placing them at arm's length of their municipal owners with the explicit task to behave more like public sector enterprises.

**Table 1.** Information on case organizations.

	Field of Activity	Owner	Legal Status
Case organization 1	Waste collection	Several mid-sized municipalities Netherlands' mainland	Limited liability company
Case organization 2	Waste collection	Island government Netherlands' Antilles	Limited liability company
Case organization 3	Waste incineration	Major Dutch city	Part of municipality, but with autonomy in certain matters

At these organizations, 10–15 semi-structured interviews were held with the organizations' management, members of their supervisory and work-relations councils and with their contacts at the municipalities that owned them, both at the political (aldermen) as well as on the administrative level (civil servants). Moreover, relevant documents were studied, such as annual reports and internal documents and memos. Finally, also relevant meetings were observed, such as those of the supervisory boards and shareholder meetings. For an overview of which data were collected, see Table 2. The findings of each individual case study were compiled into a case study report that was presented to and discussed with the organization in question. This was done to test the internal validity of each case study. Insights from all three case studies were subsequently presented to a panel of directors of other hybrid waste management organizations in order to test their validity and representativeness. This was done to test their external validity and to ensure that the case studies describe developments that also take place in a wide array of other hybrid organizations in the Dutch waste management sector.

**Table 2.** Notes on data collection.

	Interviews	Written Sources	Meetings Observed
Case organization 1	9 interviews at management level 4 interviews with members supervisory council 1 interview with chairman works council and group discussion with 5 operational interviews 1 interview with shareholder representative	Internal documents and correspondence, especially with regard to marketization. Annual reports Documents for and minutes of meetings supervisory, shareholder and works council Information on website Service contract with municipalities	Annual shareholders' meeting Meeting of supervisory board
Case organization 2	8 interviews at management level 3 interviews with members supervisory council, 2 of which were representatives trade unions 1 interview with chairman of trade union 1 interview with shareholder representative	Internal documents and correspondence, especially with regard to marketization. Annual reports Documents for and minutes of meetings supervisory, shareholder and works council Information on website Statutes	At the time of research, no meetings of the supervisory or shareholders' board were scheduled.
Case organization 3	8 interviews at management level 2 interviews with members works council 3 interviews with shareholder representatives	Internal documents and correspondence, especially with regard to marketization. Annual reports Documents for and minutes of meetings supervisory, shareholder and works council Information on website Documents concerning the organization's cultural transition program	Company-wide team meeting Works council meeting

### 3. Results: The Effects of Hybridity for Three Dutch Waste Management Companies

This paragraph summarizes the results of the aforementioned three in-depth case studies on the effects of three Dutch waste management companies' hybridity. We will first look at the internal effects of hybridity, i.e., how the organizations' structure and staff changed due to their new hybrid status. We will then look at how hybridity changed the relationship between the organizations and their municipal owners, as well as their relationship with the municipalities' citizens (their customers) and with their private sector competitors. Each paragraph starts with a description of the changes due to hybridity and their general effects, followed by a discussion on what these effects meant with respect to sustainability issues.

#### 3.1. Internal Effects

As hybrid organizations, all three case organizations now operated at arm's length from the municipalities that owned them. This changed the dynamic between the organizations' management and their staff. Their relationship became more business-like and staff members lost the status and privileges that they had previously enjoyed as civil servants.

In order to help their organizations to behave in a more market-like manner, the CEOs of all three waste management companies started ambitious trajectories to change their organizational cultures, which were perceived as overly bureaucratic and risk-averse. This was also done in order to make the organizations behave in a more professional manner and to stop cases of organizational misbehavior. This was necessary, as in the past, while they still were municipal departments, personnel management had very little to no priority in all three organizations. Waste management was often perceived by local politicians as a boring, technocratic activity, which (as long as it was done right) was surely not a vote winner. That is why there was hardly any political attention or control and no incentive for proper management. Municipalities often used their waste management departments as employment opportunities for those who had few chances elsewhere or for non-performing staff members employed at other departments, which, due to the civil service privileges mentioned earlier, could not easily be fired.

This lack of oversight and control meant that there were several cases of organizational misbehavior, which the organizations' management now tried to stamp out. For example, although being part of the municipal bureaucracy meant there were many rules and regulations in the three waste management companies studied before they were hybridized; in day-to-day practice, these rules were anything but enforced. This could take the form of employees scavenging recyclable materials and selling them for their own profit, for example, a form of fraud. Such practices were put to an end when the organizations were hybridized: from now on, efficiency was crucial to the organization's survival. Therefore, compliance with the rules and performance became highly important, as not doing so was costing the organizations money.

Another way in which the organizations tried to professionalize their work processes after being hybridized, was to engage in certification processes, e.g., to gain ISO certificates. This was done in order to enhance the quality of the organizations' work, and by doing so, become more competitive.

The new more business-like course taken by the organizations' management was not to everybody's liking. In all three organizations, several employees left soon after they had become hybridized as they were unable to adapt to the new circumstances. Most of them were the technical professionals and middle managers, who used to be the powerful men within the organizations, before they were hybridized. When the organizations studied were still municipal departments, their top-level management lacked authority and the technical staff could run the organization as they saw fit. After all, they were the experts. Similarly, the middle managers often ran their sections as their own personal fiefdoms. This changed as soon as the organizations had to become more business-like, as new commercially oriented staff were brought in. Now these salesmen were running



the show, or so at least some of the original staff members thought, alienating them from their organizations.

What do these changes mean in terms of sustainability? For this, we have to discuss how their hybridity affected the role the three organizations played in working towards sustainable development through waste management. On the one hand, their hybridity made the organizations and their employees behave in a more professional manner. This can be seen as a positive effect of the organizations' hybridity on their contribution to creating a sustainable society. After all, they now managed waste in a more professional and proper manner, with skilled staff members in charge that did not see the organization purely as a way to enrich themselves. Processes of quality certification also played a role in this.

However, on the other hand, another and more negative narrative is possible as well. The three cases also show that with hybridity, there came more focus on management and business, with a diminished focus on technology and the technologically best way to deal with waste. In this sense, hybridity can be seen as negative for sustainability, as it means that business interests would now have a more important role in the organizations' strategies, perhaps even trumping sustainability and contributing to sustainable development as the organizations' main focus.

### *3.2. Effects on the Organizations' Relationship with Their Municipal Owners*

Their new hybrid status also led to changes in the relationship between the three organizations and their municipal owners. When the organizations had been municipal departments, local politics had the final say in what they did and how it did it. In practical terms, this meant that politicians had the ultimate say, not only on how often waste was collected, but also concerning questions of staffing (who to hire?) and investments in new technology.

In day-to-day practice, some of the decision-making power concerning these issues had already been transferred to the head of the municipal waste management service, but the ultimate decision-making power lay with local politicians. This often resulted in frustration at the organizations' end, who perceived the democratic process as slow and unclear. Decisions were being taken by local politicians who often had no experience and expertise and, in some instances, also completely no interest in waste management. Therefore, they were ill-equipped to make decisions about investments into new garbage trucks or collection systems. At one waste management organization, the managing director complained that before the organization had been put at arm's length as a hybrid organization, it had taken months for the aldermen to decide to let him order a new truck, a quite essential investment for any waste management company. This frustration with political inertia often became one of the reasons for their directors to lobby politicians to put the organization at arm's length, which they saw as the only way to further professionalize the organization by investing in new technologies and innovative business practices.

However, their newfound hybridity did not mean that local politics did not play a role at all anymore. Once an organization is put at arm's length, local government's role splits into two distinctive components: on the one hand, its role as commissioning body, and on the other, the organization's owner or shareholder. As the commissioning body, local government contracts the waste management organization to collect and dispose of household waste. Agreements are made (and laid down in a contract) about price and service level, but the details of the execution are now the organization's own responsibility. This does not necessarily make the relationship easier: since the politicians whose task it is to deal with the organization still lack expertise (and often even more so than before, as the municipal experts on waste are now the waste management organization's employees, rather than the municipalities'), there is often poor oversight on the contract's fulfilment. In two of the organizations studied, supervisory boards were set up to create a better system of checks and balances. These boards were hybrid too, as they consisted of experts as well as political appointees. At one organization, this led to conflict, as politically appointed

members of the supervisory board tried to install a crony of the chairman of the board as the organization's new deputy managing director. This attempt could only be foiled by strike action of the organization's staff and a lengthy legal procedure.

By letting themselves be influenced by political interests, members of an organization's supervisory board act more according to local government's second role, that of shareholder, whose main interest is getting a return on investment. In one of the organizations studied, this resulted in an annual struggle between the municipal shareholders who demanded to be paid a dividend, and the organizations director, who wanted to use surpluses to make long term investments in his company.

Regarding all this, in terms of sustainability, one could lament a diminished level of political control on the three waste management organizations after hybridization, which can be seen as undesirable with an important societal issue such as sustainable development. However, as these cases also make clear, political control can also be limited in organizations which are not hybrid and this is mainly due to politicians focusing not on long-term strategic issues (such as sustainability), but rather on the mundane minutiae of an organization (e.g., where to put the stamp on a letter, to use the metaphor used by one of the organizations' directors). As the examples in the previous section show, there also were instances of total political neglect of the waste management organizations before they were hybridized. So, one could argue that hybridity, or lack of it, do not seem to be the real issue here concerning sustainability. Whether an organization achieves its goals in this respect at all times rather depends on politicians' willingness to accept sustainability as an important issue and to treat it accordingly by making it a major topic in their political oversight.

### *3.3. Effects on the Organizations' Relationship with Citizens*

Before they were put at arm's length, all three municipal waste management services were integral parts of their municipalities' bureaucracy, i.e., of a hierarchy with local politicians at the top. In this system, they were financed by lump-sum and there was hardly any incentive to behave in a more efficient and effective manner. After all, there was no direct link between the performance of the organizations and the funding that they received: even without being overly efficient or customer-friendly, the organizations were assured of their funding. If anything, trying to be more efficient could work to their disadvantage, as budgetary savings might be seen by politicians as a sign that the organizations could easily make do with a little less for the next year.

This situation changed with the hybridization of the organizations: they now were expected to behave like businesses and were financed based on performance, i.e., on the output they generated, and service levels agreed upon in the contracts they had signed with the municipalities. Practically, this meant that only services which had been paid for were rendered: e.g., whereas before in one of the cases, bulky waste may have been picked up along with regular waste collection, this was now only done at particular dates, based on the contract that the company had with the municipality, which specified that the collection of bulky waste would only be reimbursed at certain times in the year. This allowed for a more efficient use of the organization's resources and kept the costs for waste collection under control, which benefited the tax-payer, but also meant a decrease in the service level experienced by citizens.

From a sustainability standpoint, these developments can be seen as negative, as they might encourage citizens not to take too much trouble when disposing of their waste, i.e., not making special appointments for the collection of bulky waste and/or not paying extra to have it disposed of. Here, hybridity with its business-like focus, can be seen as a risk, as it throws up extra hurdles for citizens, for who sustainable development in general, and waste management especially, are not very high on their agenda to begin with.

### *3.4. Effects on the Organizations' Relationship with Their Competitors*

In the past, there had been a clear division of tasks between private sector waste management companies and municipal waste management services. The latter dealt with



the waste of the households within their own municipality, while the former dealt with business waste and collected household waste in a small number of municipalities which, for one reason or another, did not have their own waste services (mainly municipalities that were too small to make such services commercially viable). This clearly demarcated world was turned on its head due to on the one hand the liberalization of the waste management sector, allowing companies to compete for contracts in the whole country, and on the other hand, due to the hybridization of many municipal waste management services, which now became competitors of their private sector rivals.

In order to ensure that there was a level playing field, municipalities treated their hybridized waste management companies as any other business. That meant that it was no longer a matter of course that they would contract waste collection services to these companies. They now had to tender for these contracts in competition with other companies.

Municipal waste management organizations not only embraced private sector management techniques, but also started to compete with commercial waste management companies, either by also tendering for contracts with other municipalities or by tendering for contracts for the disposal of business waste. Commercial waste management organizations did not take the challenge lying down but rather accused their hybrid competitors of unfair competition, through regulation favoring public service provision by organizations in which governments have a controlling stake or simply because of the personal contacts representatives of these organizations have at town hall. They also questioned whether waste management was a task of government organizations and whether it would not be best to leave it to the market.

The three case studies show that hybrid waste management organizations do indeed have several competitive advantages in comparison with their private competitors. Whether this ought to be seen as a problem is debatable, however. For example, one of the cases studied was that of a Dutch municipality that invested in a brand new and exceptionally sustainable waste incineration plant for its waste management company, which was purpose-built burn business waste only. From the standpoint of the organization's commercial rivals this action was despicable, whereas the municipality underlined the public interest it tried to achieve with this eco-friendly investment in economically difficult times, in which private companies had mostly avoided investing in new technologies. Unfortunately, in the end, this investment proved to become a big problem for the municipality in question. It had chosen a revolutionary design for its new sustainable plant, which quickly ran into technical problems. A costly readjustment of the system was needed, which forced the municipality to invest much more money than budgeted originally.

With regard to sustainability, the fact that hybrid municipal waste management companies have become competitors of commercial waste management companies, can be seen as a positive development. After all, ideally organizations in which politics also plays a role and which are close to the public sector, might pursue values such as sustainability and sustainable development with more fervor and rigor than organizations whose main objective is to make a profit. Whereas wasting public money through risky investments is never a good idea, market activities by former municipal (and thus public) organizations do not necessarily have to be a problem. Hybrid organizations being active in the marketplace can be seen as leading to market distortion, but the question remains whether not all government interventions in the marketplace can be seen as such and whether they are not merited, especially when dealing with important topics such as sustainability and sustainable development (which might not be necessarily high on a commercial party's agenda).

#### 4. Discussion

The three case studies show that putting an organization at arm's length and granting its management more autonomy to run it like a business, as is the logic behind the marketization of public services through NPM, can be an incentive to develop more professional organizational and managerial practices. In the past, there was a lack of political control

and oversight. Some middle managers used this power vacuum to run their departments as personal fiefdoms and some personnel members used it to steal from the organization through committing fraud with recyclable materials. The organizations' CEOs used the hybridization of their organizations as a welcome opportunity to tighten the reins. Behavior that used to be accepted before, or at least ignored, is now stamped out. There now was a new sheriff in town who was determined to run each organization no differently than any other company.

From a sustainability perspective, running waste management organizations in a professional manner seems like a positive thing. After all, with a topic as important as waste management, nobody wants organizations and their staff behaving like reckless cowboys.

Putting an organization at arm's length increases the managerial autonomy of its CEO. This was also the case with the CEOs of the three case organizations and was of course a positive development for them, as it meant that they did not have to wait anymore for the democratic process as input for their decisions. They now had more autonomy to drive forward their own agendas, which mostly focused on innovation through upgrading technology and embracing private sector management techniques.

Moreover, this can be seen as positive from a sustainability perspective. Here, hybridity focusses attention on what really is necessary for the organization to conduct its primary activities, without micromanagement by politicians and other public officials.

However, more autonomy for the organizations' managers becomes problematic when it is, as in the cases discussed, not balanced with appropriate political oversight and control. This is mainly due to waste management not being perceived as an important political topic. Expertise about waste management in municipalities is rather limited at the best of times and often leaves the municipal organization together with their waste management services. This becomes a major problem in cases when municipalities not only are not interested in good oversight and control of their hybrid organizations but, as at least happened in one of the cases described, rather sees a position in the organization's supervisory board as a way to reward a political crony.

This lack of oversight and control is indeed problematic, not only with regard to sustainability and sustainable development as public values, but from a more basic democratic standpoint as well. However, the main fault in the cases studies studied did not lie with the organizations or their hybridity. Rather, the lack of political oversight and control was due to a total neglect of politicians who saw sustainability and sustainable development, translated as waste management, not as a vote winning subject they needed to address. Much work still had to be done to persuade local politicians of the importance of sustainability.

As hybrid organizations, all three waste management companies described in this article were under pressure to work more efficiently than before. This was in the interest of the organization and also of the municipalities that owned them, as more efficiency meant less cost and perhaps even the pay-out of a dividend. However, this increased efficiency came at a cost for citizens, as organizations only provide the services that they are contractually obliged to deliver. In this respect, hybridity had a negative effect on the pursuit of sustainability and sustainable development.

Finally, putting municipal waste management services at arm's length and having them behave as businesses has surely shaken up the Dutch waste management market, increasing competition. The activities of hybrid organizations in this market can be seen as distorting competition, but there is something to say about this tilting of the level playing field, as long as this is done with an eye on the creation of public value that commercial companies would not necessarily produce, as was the case with the building of the new waste incineration plant mentioned before. Here, hybridity is actually a good thing, when it is a means to achieve the ultimate goal of sustainability and sustainable development.

## 5. Conclusions

What do the insights from the three case studies in the Dutch waste management sector tell us about what hybridity as a result of the marketization of public services through NPM means for sustainability and sustainable development? In all three cases, new public management regimes were adopted, which led to the creation of hybrid organizations positioned at arm's length and with the explicit task to behave like commercial companies. Furthermore, this is what they did, with a new focus on managerial control and efficiency. This can be seen as a positive effect of their hybridity, as it led to the organization operating in a more professional manner by adopting private sector management techniques and practices. It also granted their CEOs more autonomy to invest in their organizations, for example by buying new waste collection vehicles or by investing in new waste incineration technologies. At first sight, this is mainly beneficial for the organization itself and its market share, but can also be seen as positive with regard to how best to tackle the wicked problem of sustainable development through innovation.

However, the three case studies also clearly show the limitations of hybridity as a result of new public management. This is mainly due to NPM's tendency to mainly focusing on efficiency and by only providing those services that have been agreed upon from the outset. This limits the organizations' capability to quickly adapt to changing demands and by doing so be customer-friendly, e.g., by making it easy for citizens to get rid of their bulky waste without having to make a special appointment or without having to wait for a special date beforehand, in order to prevent a situation when bulky waste is being ditched by citizens out of complacency.

Another negative effect of NPM that can be witnessed in the three cases, is that municipalities perceive waste management companies merely as businesses providing handy revenues for the public purse, and less as important actors in working towards sustainable development. This focus on the organizations' output can obscure our vision on how they can contribute to the ultimate outcome of sustainability.

How can waste management companies in the Netherlands, but also in other EU member states, go beyond NPM to achieve more meaningful contributions in working towards sustainable development? This can be done by adopting what O'Flynn [20] describes as public value management (PVM), or "a shift away from the primary focus on results and efficiency toward the achievement of the broader governmental goal of public value creation." [20]. In comparison to the competitive ideology of NPM, which is focused on results, PVM is post-competitive and focuses on relationships. Whereas in NPM, as we have seen, the achievement of previously agreed upon performance targets is the ultimate goal, PVM allows for the persecution of multiple goals, allowing organizations to respond to ever shifting preferences of citizens and other users.

In the case of how sustainable development as a wicked problem can best be addressed, this means that we need to start by discussing as a society what we see as the role waste management can or should play in sustainable development and how this can be achieved. Head and Alford [19] do several recommendations for how this could be done. We need a broader discussion about the problem of sustainable development and possible solutions, based on the principles of collaboration and coordination. In practice, this means that waste management is nothing that can or should be left to waste management companies alone (be they either public or private), but should be dealt with in cooperation between state, market and society. This asks political and organizational leaders to employ new leadership roles, which are more transformational and adaptive, and to create enabling structures and processes, which go beyond the hierarchy of traditional public administration and the narrow focus on efficiency and results of new public management.

In such a world, hybrid waste management organizations still have a vital role to play. However, this role should be broader than only mimicking private sector organizations' focus on efficiency and business. What is needed instead, is smart hybridity [17]. These organizations could use their hybrid position to focus on new and innovative ways of how to address the sustainability challenge based on pooling expertise from different worlds.

As hybrid organizations, they have to combine different and often conflicting institutional logics and ways to look at the world. They could use this to their advantage to find new ways of how to combine the multiple goals at play in waste management together with other societal actors, not in competition, but in processes of coproduction and collaboration. Only then will hybridity really be a catalyst, rather than an obstruction in the pursuit of sustainability and sustainable development.

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