Chapter 4: The Features of Dutch MOCs

4.1 Introduction

The number of municipally owned corporations (MOCs) in the Netherlands is growing at a steady pace. Municipalities increasingly seem to opt for corporatization of service delivery, perhaps hoping that MOCs’ autonomy will bring performance improvements, service flexibility gains, or scale economies. Conversely, municipalities, by using MOCs, lose some control over service delivery, which may have some adverse effects.

Neither in the Netherlands, nor elsewhere, large-N research has been conducted into MOCs. Consequently, little is known about how municipalities govern MOCs, how monitoring takes place, and how the interaction between municipalities and MOCs works. Likewise, little is known about what factors contribute to MOCs’ performance. Our questionnaire “Municipally owned corporations in the Netherlands, 2018” is one instrument we use to address the need for more information among policymakers and municipal executives, professional managers and boards of MOCs, and the academic community.

For our questionnaire, supported by the Vereniging van Nederlandse Gemeenten, we addressed all 799 Dutch MOCs, and 177 organizations filled out our questionnaire entirely. The respondents’ responses offer us substantial insight in the functioning of MOCs.

We will answer many questions based on this information. This report, meant for respondents of our questionnaire, describes only a first step in our analysis. This report contains descriptive data and not causal relationships. In a later stage, we present more causal mechanisms underlying the behavior and performance of MOCs.

1 This chapter has been published in Dutch as Voorn, Van Genugten, and Van Thiel (2018). It was targeted at practitioners, and for that reason uses less referencing.
2 A selection of these causal mechanisms are included in Chapters 5 through 8 in this dissertation.
4.2 Process

4.2.1 Procedure

In February 2018, we sent a questionnaire to 799 Dutch MOCs. We submitted letters through postal mail, addressed to the boards of directors, which contained links to an online questionnaire developed using the software Qualtrics. We included a two-week deadline (from the sending time) and also added a request by the Vereniging voor Nederlandse Gemeenten (VNG) to fill in the questionnaire. In March 2018, we sent out a second letter, again containing the request of the VNG and a two-week deadline. After this deadline passed, we closed the questionnaire.

We found the MOCs included in this research through the paragraph ‘Verbonden partijen’ in the most recent annual reports of all Dutch municipalities. From November 2017 to January 2018, we systematically went through the annual reports of all Dutch municipalities, making a database containing all MOCs.

Of the 799 questionnaires that were delivered, 243 were started (30.4% of the questionnaires). Of the 243 delivered, 61 were incomplete, and 5 other respondents were upon further reflection excluded from our research. After this selection process, 177 fully completed questionnaires remained and were used for our research (73.7% of the completely filled out questionnaires).

4.2.2 Respondent characteristics

Beyond questions about the MOCs, we also asked some questions about the respondents. This gave us insight into the knowledge each respondent had about the organization.

We primarily requested surveys to be filled out by the director (professional manager) of MOCs. However, for sample size reasons, we addressed the letter linking to the questionnaires more broadly to the boards of directors. Table 1 shows who filled out our survey.
In 65.5% of cases, the questionnaire was filled out by the director(-secretary). In 11.9% of the cases, the secretary of the board filled out the survey, and in 22.6% of cases, others did.

**Table 1: Respondent job descriptions**

<table>
<thead>
<tr>
<th>Respondent job</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>107</td>
<td>60.5</td>
</tr>
<tr>
<td>Secretary of the board</td>
<td>21</td>
<td>11.9</td>
</tr>
<tr>
<td>Director-secretary</td>
<td>9</td>
<td>5.0</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>22.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>177</td>
<td>100</td>
</tr>
</tbody>
</table>

On average, respondents had worked for their organization for 8.4 years. This varied between 0 and 35 years.

### 4.3 Characteristics of the municipally owned corporations

We asked multiple questions about the characteristics of MOCs, including about corporate status, age, service sector, size in terms of budget and personnel, number of municipal shareholders, number and composition of other shareholders, and sources of income.

#### 4.3.1 Corporate status

One of the primary characteristics we determined was corporate status. When designing the questionnaire, one of the difficulties we faced was that organizations differ quite strongly when it comes to their internal structures. For instance, the term ‘shareholder’ is appropriate when addressing private-law enterprises (in the Dutch system, B.V.s, N.V.s, and C.V.s), but other terms were more appropriate for foundations (stichtingen), associations (verenigingen), and public law organizations (Wgr-organisaties). To simplify filling out the questionnaire for the respondents, we made the questionnaire’s terminology conditional on the corporate status of
the respondent. This approach was effective for the majority of respondents, but in some cases, respondents answered the question wrongly, and later noted that they found the terminology not entirely appropriate.

We compared these descriptive statistics of corporate status of respondents with our own data on the entire population of MOCs (N = 799). Table 2 compares the distribution of MOCs in terms of corporate status among our respondents and in the entire population of Dutch MOCs. Our sample is relatively representative of our population, although public-law organizations participated at a higher rate to our survey than MOCs with other corporate statuses.

Table 2 also shows that most MOCs are based in public law, although enterprises and foundations are common alternatives. Associations are used substantially less.

Table 2: Corporate statuses of municipally owned corporations

<table>
<thead>
<tr>
<th>Corporate status</th>
<th>N (Population)</th>
<th>% (Population)</th>
<th>N (Respondents)</th>
<th>% (Respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public-law organization</td>
<td>309</td>
<td>38.7</td>
<td>80</td>
<td>45.2</td>
</tr>
<tr>
<td>Enterprise</td>
<td>279</td>
<td>34.9</td>
<td>58</td>
<td>32.8</td>
</tr>
<tr>
<td>Foundation</td>
<td>189</td>
<td>23.7</td>
<td>38</td>
<td>21.5</td>
</tr>
<tr>
<td>Association</td>
<td>22</td>
<td>2.8</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>799</td>
<td>100</td>
<td>177</td>
<td>100</td>
</tr>
</tbody>
</table>

3 Other terms that changed to specific terminologies based on corporate status based on the respondents’ answer to this question were ‘board of directors’, ‘board members’, ‘director’, and ‘supervisory board’.
4.3.2 Service sector

Another relevant descriptive statistic is the service sector in which MOCs operate. We asked MOCs to describe their sector in a few words and then categorized these answers ourselves. Table 3 shows the service sector categorizations of MOCs.

We further specify the MOCs here to their corporate status and observe a relationship between service sector and corporate status. For MOCs operating in services such as general and financial services, environmental services, social affairs, and security and health, public-law organizations are the dominant organizational form. This shows that public-law organizations are most often used for tasks that are mandated by the national government. Enterprises are mostly used for MOCs with economic and development tasks, sports and well-being, and infrastructure and refuse collection tasks, most of which are services that require substantial investments. Foundations are used particularly in the education and culture services: 54.6% of the MOCs in this service sector are foundations. In other service sectors, foundations are used substantially less.

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4 Recoding service sectors for local public service delivery can be done in multiple ways, but one way is to recode using categorizations of ministries at the national level. The reason is that municipalities differ too much among each other in how they categorize service delivery to depend on municipal categorizations. Most municipally owned corporations are easily categorized in one of the sectors, although there are some debatable cases, such as companies for outside recreation, that could count as environmental corporations or sports and well-being corporations (we count them as the latter). We used the descriptions we got from the respondents to determine sector categorization.
Table 3: Municipally owned corporations organized by corporate status and service sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
<th>Association</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Finance</td>
<td>7 (63.6%)</td>
<td>1 (9.1%)</td>
<td>2 (18.2%)</td>
<td>1 (9.1%)</td>
<td>11</td>
</tr>
<tr>
<td>Economy &amp; Development</td>
<td>2 (7.4%)</td>
<td>22 (77.8%)</td>
<td>3 (11.1%)</td>
<td>0 (0.0%)</td>
<td>27</td>
</tr>
<tr>
<td>Infrastructure &amp; Refuse</td>
<td>7 (28.0%)</td>
<td>14 (56.0%)</td>
<td>4 (16.0%)</td>
<td>0 (0.0%)</td>
<td>25</td>
</tr>
<tr>
<td>Agriculture</td>
<td>17 (70.8%)</td>
<td>2 (8.3%)</td>
<td>5 (20.8%)</td>
<td>0 (0.0%)</td>
<td>24</td>
</tr>
<tr>
<td>Education &amp; Culture</td>
<td>8 (40.0%)</td>
<td>0 (0.0%)</td>
<td>12 (60.0%)</td>
<td>0 (0.0%)</td>
<td>20</td>
</tr>
<tr>
<td>Social Affairs &amp; Employment</td>
<td>24 (68.6%)</td>
<td>5 (14.3%)</td>
<td>6 (17.1%)</td>
<td>0 (0.0%)</td>
<td>35</td>
</tr>
<tr>
<td>Sports &amp; Well-Being</td>
<td>2 (11.8%)</td>
<td>14 (82.4%)</td>
<td>1 (5.9%)</td>
<td>0 (0.0%)</td>
<td>17</td>
</tr>
<tr>
<td>Security &amp; Health</td>
<td>13 (72.2%)</td>
<td>0 (0.0%)</td>
<td>5 (27.8%)</td>
<td>0 (0.0%)</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>58</td>
<td>38</td>
<td>1</td>
<td>177</td>
</tr>
</tbody>
</table>

4.3.3 Ownership

One of the most interesting descriptive statistics is how many MOCs are used to cooperate with other municipalities (see Table 4). In 72.1% of cases, MOCs are intermunicipally owned. Enterprises and foundations are used in equal proportions for intermunicipal cooperation, while public-sector organizations are used exclusively for intermunicipal cooperation, as Dutch legislation does not allow for single-owned public-law MOCs (see Table 5).
Table 4: Municipal ownership of municipally owned corporations

<table>
<thead>
<tr>
<th>Number of municipalities</th>
<th>N</th>
<th>%</th>
<th>% (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>51</td>
<td>28.8</td>
<td>28.8</td>
</tr>
<tr>
<td>2</td>
<td>11</td>
<td>6.2</td>
<td>35.0</td>
</tr>
<tr>
<td>3</td>
<td>19</td>
<td>10.7</td>
<td>45.8</td>
</tr>
<tr>
<td>4-5</td>
<td>22</td>
<td>12.4</td>
<td>58.2</td>
</tr>
<tr>
<td>6-10</td>
<td>26</td>
<td>14.7</td>
<td>72.9</td>
</tr>
<tr>
<td>11-20</td>
<td>35</td>
<td>19.8</td>
<td>92.7</td>
</tr>
<tr>
<td>21&gt;</td>
<td>13</td>
<td>7.3</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Municipal shareholders, specified to corporate status

<table>
<thead>
<tr>
<th>Number of municipalities</th>
<th>Public-law organization (% cumulative)</th>
<th>Enterprise (% cumulative)</th>
<th>Foundation (% cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 (0.0%)</td>
<td>34 (59.2%)</td>
<td>17 (44.7%)</td>
</tr>
<tr>
<td>2</td>
<td>2 (2.5%)</td>
<td>6 (69.0%)</td>
<td>3 (52.6%)</td>
</tr>
<tr>
<td>3</td>
<td>11 (16.3%)</td>
<td>5 (77.6%)</td>
<td>3 (60.5%)</td>
</tr>
<tr>
<td>4-5</td>
<td>13 (32.5%)</td>
<td>4 (84.5%)</td>
<td>5 (73.7%)</td>
</tr>
<tr>
<td>6-10</td>
<td>22 (60%)</td>
<td>2 (87.9%)</td>
<td>2 (78.9%)</td>
</tr>
<tr>
<td>11-20</td>
<td>24 (90%)</td>
<td>3 (93.1%)</td>
<td>7 (97.4%)</td>
</tr>
<tr>
<td>21&gt;</td>
<td>8 (100%)</td>
<td>4 (100%)</td>
<td>1 (100%)</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>58</td>
<td>38</td>
</tr>
</tbody>
</table>

We also asked for the shareholder status of MOCs by other government organizations and by private parties. In 23% of cases, other government organizations are shareholders. Out of those, 57.1% of the time, it is provinces, and in 21.4%, it is water district boards.

13.1% of the respondents reported that a private party was involved as a shareholder in the organization. Internationally, this is infrequent, but the Netherlands is often sketched as a country where public-private partnerships are rare, and the findings of this questionnaire
challenge this. Most public-private partnerships appeared in the sectors ‘Infrastructure & Refuse collection’ and ‘Economics & Development’, and in many cases, they involved development projects for housing or business parks.

4.3.4 Organization age and continuity

The average MOC is relatively recently founded, with an average founding year of 2001, although there is a large spread. The oldest MOC was founded in 1936 and the youngest in 2018. The relatively large number of recently founded MOCs could indicate two things. First, it could show the rise of the MOC as an organizational model. We know that this organization form has become more popular in recent years, not only in the Netherlands, but also worldwide. Second, it could illustrate that MOCs have relatively low continuity. Both possibilities fall within the pattern of expectations of earlier scientific findings, but require more research.

4.3.5 Organization size

Much can be said about the size of MOCs. Among MOCs, there are both those with budgets of under a million euros and less than ten employees, and those with thousands of employees and a nearly billion euros in budget. Table 6 divides MOCs into three similarly sized groups according to their budgets and personnel numbers.

Next, Table 7 and Table 8 split the organizations up by corporate status. What is noticeable is that public-law organizations are on average substantially larger than enterprises and foundations, both in terms of budget and number of employees. Furthermore, foundations and public-law organizations tend to have more employees in proportion to their budget compared to enterprises, which on average have a larger budget and fewer employees.
### Table 6: The size of municipally owned corporations

<table>
<thead>
<tr>
<th>Budget size</th>
<th>N (%)</th>
<th>Number of employees</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (&lt;4mln)</td>
<td>60 (33.9%)</td>
<td>Small (&lt;16)</td>
<td>59 (33.3%)</td>
</tr>
<tr>
<td>Medium (4mln-17mln)</td>
<td>58 (32.7%)</td>
<td>Medium (17-125)</td>
<td>59 (33.3%)</td>
</tr>
<tr>
<td>Large (17mln&gt;)</td>
<td>59 (33.3%)</td>
<td>Large (126&gt;)</td>
<td>59 (33.3%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>177 (100%)</strong></td>
<td><strong>Total</strong></td>
<td><strong>177 (100%)</strong></td>
</tr>
</tbody>
</table>

### Table 7: Budget size, split by corporate status

<table>
<thead>
<tr>
<th>Budget size</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (&lt;4mln)</td>
<td>17 (28.8%)</td>
<td>22 (37.9%)</td>
<td>20 (52.6%)</td>
</tr>
<tr>
<td>Medium (4mln-17mln)</td>
<td>25 (41.3%)</td>
<td>23 (39.7%)</td>
<td>11 (28.9%)</td>
</tr>
<tr>
<td>Large (17mln&gt;)</td>
<td>38 (47.5%)</td>
<td>13 (22.4%)</td>
<td>7 (18.4%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80 (100%)</strong></td>
<td><strong>58 (100%)</strong></td>
<td><strong>38 (100%)</strong></td>
</tr>
</tbody>
</table>

### Table 8: Number of employees, split by corporate status

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (&lt;16)</td>
<td>15 (18.8%)</td>
<td>26 (44.8%)</td>
<td>17 (44.7%)</td>
</tr>
<tr>
<td>Medium (17-125)</td>
<td>24 (30%)</td>
<td>23 (39.7%)</td>
<td>12 (31.6%)</td>
</tr>
<tr>
<td>Large (126&gt;)</td>
<td>41 (51.3%)</td>
<td>9 (16.6%)</td>
<td>9 (23.7%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80 (100%)</strong></td>
<td><strong>58 (100%)</strong></td>
<td><strong>38 (100%)</strong></td>
</tr>
</tbody>
</table>

### 4.4 Autonomy

Autonomy is one of the central topics in the questionnaire. Autonomy is an important characteristic of MOCs, and is often a key reason why MOCs are founded. However, MOCs can differ greatly with respect to the autonomy they have in practice.
4.4.1 Personnel autonomy

One potential advantage of MOCs is the larger autonomy they can have in HRM matters. Table 9 shows the autonomy that MOCs have in this regard. The table demonstrates that MOCs have a high degree of control over their HRM policies. In particular, MOCs have much control over temporary personnel policy (including ability to freely hire temporary and external personnel) and often have control over longer-term policy as well (involving decisions such as hiring new personnel, determining wages and deciding about lay-offs or promotions). Many organizations also have control over labor agreements and pension arrangements, although MOCs’ control over these is substantially less. Private-law organizations – both enterprises and foundations – have substantially more personnel autonomy than public-law organizations.

Table 9: The autonomy of municipally owned corporations in HRM matters

<table>
<thead>
<tr>
<th>Task</th>
<th>Yes</th>
<th>With consent</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring external personnel</td>
<td>171 (96.6%)</td>
<td>4 (2.3%)</td>
<td>2 (1.1%)</td>
</tr>
<tr>
<td>Hiring temporary personnel</td>
<td>167 (94.4%)</td>
<td>7 (4.0%)</td>
<td>3 (1.7%)</td>
</tr>
<tr>
<td>Hiring new personnel</td>
<td>155 (87.6%)</td>
<td>14 (7.9%)</td>
<td>8 (4.5%)</td>
</tr>
<tr>
<td>Conditions for promoting personnel</td>
<td>153 (86.4%)</td>
<td>11 (6.2%)</td>
<td>13 (7.3%)</td>
</tr>
<tr>
<td>Hiring procedures for personnel</td>
<td>148 (83.6%)</td>
<td>16 (9.0%)</td>
<td>13 (7.3%)</td>
</tr>
<tr>
<td>Firing employees</td>
<td>146 (82.5%)</td>
<td>17 (9.6%)</td>
<td>14 (7.9%)</td>
</tr>
<tr>
<td>Determining wages for employees</td>
<td>144 (81.4%)</td>
<td>19 (10.7%)</td>
<td>14 (7.9%)</td>
</tr>
<tr>
<td>Content / Execution shared labor agreements</td>
<td>106 (59.9%)</td>
<td>30 (16.9%)</td>
<td>41 (23.2%)</td>
</tr>
<tr>
<td>Pension arrangements</td>
<td>96 (54.2%)</td>
<td>32 (18.1%)</td>
<td>49 (27.7%)</td>
</tr>
</tbody>
</table>
4.4.2 Financial autonomy

Another often-named advantage that MOCs have is their autonomy in financial affairs. We tested the presence of this autonomy by asking exactly what MOCs are allowed to do. Our questionnaire’s findings are presented in Table 10.

MOCs often have much autonomy in decisions about purchasing material and ICT, as well as in setting tariffs and in shifting funds between budgets for personnel and material. Conversely, MOCs have substantially less freedom in taking loans and in shifting budgets between years, and the freedom to invest and to participate in other companies is only granted to a small group of municipally owned corporations. There appears to be no meaningful difference between corporate statuses in the financial autonomy of MOCs.

Table 10: The autonomy of municipally owned corporations in financial affairs

Question: Can your organization make independent decisions regarding...

<table>
<thead>
<tr>
<th>Task</th>
<th>Yes</th>
<th>With consent</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing material</td>
<td>165 (93.2%)</td>
<td>8 (4.5%)</td>
<td>4 (2.3%)</td>
</tr>
<tr>
<td>Purchasing ICT</td>
<td>161 (91.0%)</td>
<td>10 (5.6%)</td>
<td>6 (3.4%)</td>
</tr>
<tr>
<td>Shifting funds</td>
<td>120 (67.8%)</td>
<td>40 (22.6%)</td>
<td>17 (9.6%)</td>
</tr>
<tr>
<td>Setting tariffs</td>
<td>116 (65.5%)</td>
<td>49 (27.7%)</td>
<td>12 (6.8%)</td>
</tr>
<tr>
<td>Shifting funds</td>
<td>76 (42.9%)</td>
<td>76 (42.9%)</td>
<td>25 (14.1%)</td>
</tr>
<tr>
<td>Taking loans</td>
<td>70 (39.5%)</td>
<td>90 (50.8%)</td>
<td>17 (9.6%)</td>
</tr>
<tr>
<td>Making investments</td>
<td>47 (26.6%)</td>
<td>103 (58.2%)</td>
<td>27 (15.3%)</td>
</tr>
<tr>
<td>Participating</td>
<td>38 (21.5%)</td>
<td>106 (59.9%)</td>
<td>33 (18.6%)</td>
</tr>
</tbody>
</table>

4.4.3 Autonomy in sources of income

A last form of autonomy we asked about was autonomy in sources of income. Not all MOCs are solely dependent on municipal budgets. When MOCs have multiple sources of income, this can lead to greater autonomy.
Table 11 shows the sources of income for MOCs. MOCs are frequently dependent on municipal funding (accounting for on average 47.9% of their budgets), but also receive funding through tariffs to users (15.9%) or municipalities (9.5%). Sometimes, MOCs receive funding from other actors (7.2%) or receive different income (including subsidies, 19.5%).

There are large differences between different types of MOCs in terms of corporate status regarding their sources of income. Public-law organizations are most dependent on municipal budgets, and foundations are similarly quite dependent on this source of income. Enterprises are clearly less dependent, and obtain more funding from tariffs and other sources.

Table 11: Sources of income for municipally owned corporations

<table>
<thead>
<tr>
<th>Source of income</th>
<th>Unweighted average</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget municipalities</td>
<td>47.9%</td>
<td>62.7%</td>
<td>27.1%</td>
<td>50.4%</td>
</tr>
<tr>
<td>Tariffs for users</td>
<td>15.9%</td>
<td>4.7%</td>
<td>30.2%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Tariffs for municipalities</td>
<td>9.5%</td>
<td>12.5%</td>
<td>6.9%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Budget (other public sector)</td>
<td>5.9%</td>
<td>8.9%</td>
<td>2.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Budget (private parties)</td>
<td>1.3%</td>
<td>1.7%</td>
<td>1.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other</td>
<td>19.5%</td>
<td>11.9%</td>
<td>32.2%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.5 Trust and shareholder relations

4.5.1 Trust (general)

We asked multiple questions about trust between municipalities and MOCs. Trust in general is perceived as important in such relationships. Table 12 shows the findings from our questionnaire.

Overall, trust is high. Further research should be conducted into the cases where trust is low.

Table 12: Trust between municipalities and MOC

<table>
<thead>
<tr>
<th>Completely agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Completely disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>One organization shares all information with municipalities</td>
<td>37%</td>
<td>47%</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>One organization is prepared to be flexible to satisfy municipalities when necessary</td>
<td>39%</td>
<td>42%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>The interaction between the organizations and municipalities clearly demonstrates that we trust each other</td>
<td>43%</td>
<td>34%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Trust between our organizations and the municipality is high</td>
<td>36%</td>
<td>42%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Our organization identifies with the goals of the municipality</td>
<td>41%</td>
<td>39%</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Our organization has sufficient knowledge and resources to execute tasks</td>
<td>30%</td>
<td>55%</td>
<td>15%</td>
<td>0%</td>
</tr>
</tbody>
</table>

4.5.2 Consequences of multiple shareholders and stakeholders

The largest steering and trust problems appear to arise in organizations that are governed by multiple municipalities (see Table 13). This is not surprising and fits with the theory on this topic. On the one hand, such organizations must navigate between the sometimes-conflicting wishes of different shareholders and stakeholders. On the other hand, municipalities have to deal with having lesser control over such organizations. The findings of our questionnaire demonstrate that this is not always without problems.

Surprisingly, large municipalities are seen as less dominant for the common municipal strategy than predicted. It seems likely that larger municipalities could exercise greater control over MOCs than smaller municipalities, both because of greater governance capacity and
because of the larger amount of citizens that MOCs are responsible for, but this appears not to be the case for most MOCs. However, a small group of MOCs (21.1%) still emphasize this as a problem.

Upon further reflection, it appears that the degree to which the largest municipality is responsible for the shared municipal governance strategy on MOCs correlates strongly with corporate status. In public-law organizations, the largest municipalities appear to have a less decisive role in governance than in private-law organizations such as enterprises and foundations. This likely is a consequence of the legislation enshrined in Dutch public law.

**Table 13: The consequences of multiple ownership**

<table>
<thead>
<tr>
<th></th>
<th>Completely agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Completely disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is more important to be accountable to numerous clients than municipalities shareholders (N=10)</td>
<td>18.1%</td>
<td>25.5%</td>
<td>25.1%</td>
<td>10.3%</td>
<td>11.0%</td>
</tr>
<tr>
<td>The different municipalities express a shared vision (N=12)</td>
<td>18.1%</td>
<td>25.5%</td>
<td>25.1%</td>
<td>10.3%</td>
<td>11.0%</td>
</tr>
<tr>
<td>The different municipalities differ notably in how they organize and govern (N=14)</td>
<td>18.1%</td>
<td>25.5%</td>
<td>25.1%</td>
<td>10.3%</td>
<td>11.0%</td>
</tr>
<tr>
<td>The largest municipality determines the municipal governance of the organization (N=17)</td>
<td>18.1%</td>
<td>25.5%</td>
<td>25.1%</td>
<td>10.3%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

**4.6 Governance and performance management**

**4.6.1 Reporting**

An important way for municipalities to gain insight into the performance of MOCs is through reporting. MOCs appear to report extensively to municipalities. *Table 14* illustrates that the majority of municipally owned corporations report between 3 and 6 times per year to municipalities. Almost three-quarters of MOCs report more often than once a year to municipalities.

There appear to be noticeable differences between MOCs of different corporate statuses with regards to their frequency of reporting. Public-law organizations report more to municipalities than private-law MOCs.
Table 14: Reporting frequencies of MOCs, split by corporate status

<table>
<thead>
<tr>
<th>Regularity</th>
<th>Total</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>47 (26.6%)</td>
<td>10 (12.5%)</td>
<td>23 (39.7%)</td>
<td>14 (36.8%)</td>
</tr>
<tr>
<td>Semi-annual</td>
<td>26 (14.7%)</td>
<td>8 (10.0%)</td>
<td>11 (19.0%)</td>
<td>7 (18.4%)</td>
</tr>
<tr>
<td>Every 2 to 4 months</td>
<td>92 (52.0%)</td>
<td>56 (70.0%)</td>
<td>20 (34.5%)</td>
<td>15 (39.4%)</td>
</tr>
<tr>
<td>At least monthly</td>
<td>12 (6.8%)</td>
<td>6 (7.5%)</td>
<td>4 (6.9%)</td>
<td>2 (5.3%)</td>
</tr>
<tr>
<td>N</td>
<td>177 (100%)</td>
<td>80 (100%)</td>
<td>58 (100%)</td>
<td>38 (100%)</td>
</tr>
</tbody>
</table>

4.6.2 Performance indicators

Many variables can be reported by MOCs to their municipalities, but one of the most commonly reported items is to what extent they are meeting their performance targets. Table 15 shows that MOCs frequently utilize performance indicators. 71.8% of MOCs use performance indicators related to financial results, 61.6% use performance indicators tied to quality of service delivery, and 41.2% use indicators related to other societal effects. These societal effect indicators are often sector-dependent: for example, environmental organizations often use performance indicators about environmental quality and employment organizations often report labor participation rates. Only 9 percent of MOCs point out that they do not use performance indicators. There appear to be no clear differences between MOCs of different types of corporate status in the frequency and type of performance indicators used.

Table 15: Types of performance indicators

<table>
<thead>
<tr>
<th>Type indicators</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial results</td>
<td>127 (71.8%)</td>
</tr>
<tr>
<td>Service quality</td>
<td>109 (61.6%)</td>
</tr>
<tr>
<td>Other societal effects</td>
<td>73 (41.2%)</td>
</tr>
<tr>
<td>None</td>
<td>16 (9.0%)</td>
</tr>
</tbody>
</table>
In addition to reporting on their performance frequently, MOCs appear to have much say in how performance-indicators are set (see Table 16). MOCs are rarely not involved in this process. Often, performance indicators are formulated jointly; in the majority of cases, municipally owned corporations play a greater role than the shareholding municipalities. Comparatively, enterprises and foundations (and primarily the latter) have more control over setting performance indicators than public-law organizations do.

Table 16: Who formulates performance indicators?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
<td>1 (0.6%)</td>
<td>0 (0%)</td>
<td>1 (1.8%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Municipalities, after</td>
<td>8 (4.5%)</td>
<td>2 (2.5%)</td>
<td>4 (7.1%)</td>
<td>2 (5.6%)</td>
</tr>
<tr>
<td>consulting us</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We formulate them together</td>
<td>72 (40.7%)</td>
<td>46 (58.2%)</td>
<td>16 (28.6%)</td>
<td>10 (27.8%)</td>
</tr>
<tr>
<td>We do, after consulting</td>
<td>57 (33.1%)</td>
<td>24 (30.4%)</td>
<td>21 (37.5%)</td>
<td>11 (30.6%)</td>
</tr>
<tr>
<td>municipalities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We do</td>
<td>34 (19.8%)</td>
<td>7 (8.9%)</td>
<td>14 (25.0%)</td>
<td>13 (36.1%)</td>
</tr>
<tr>
<td>Total</td>
<td>172 (100%)</td>
<td>79 (100%)</td>
<td>56 (100%)</td>
<td>36 (100%)</td>
</tr>
</tbody>
</table>

Performance indicators are retrievable in various documents (see Table 17). Often, performance indicators that are not measurable are included in founding documents or statutes (45.2% of the time), although occasionally it happens that no performance indicators are included there (28.2%). Sometimes, performance indicators are even made explicitly measurable in such documents. More measurable performance indicators are regularly included in policy documents, (quasi-) contractual agreements between municipalities and municipally owned corporations, or in subsidy documents.
Table 17: Location performance indicators

<table>
<thead>
<tr>
<th></th>
<th>Yes, measurable</th>
<th>Yes, hard to measure</th>
<th>Yes, not measurable</th>
<th>Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy documents /</td>
<td>89 (50.3%)</td>
<td>38 (21.5%)</td>
<td>0 (0%)</td>
<td>35 (19.8%)</td>
</tr>
<tr>
<td>Long-term plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidy letters</td>
<td>83 (46.9%)</td>
<td>27 (15.3%)</td>
<td>24 (13.6%)</td>
<td>43 (24.3%)</td>
</tr>
<tr>
<td>Founding documents /</td>
<td>22 (12.4%)</td>
<td>25 (14.1%)</td>
<td>80 (45.2%)</td>
<td>50 (28.2%)</td>
</tr>
<tr>
<td>Statutes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Quasi-) contractual</td>
<td>70 (39.5%)</td>
<td>29 (16.4%)</td>
<td>12 (6.8%)</td>
<td>66 (37.3%)</td>
</tr>
<tr>
<td>agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal documents</td>
<td>38 (21.5%)</td>
<td>10 (5.6%)</td>
<td>6 (3.4%)</td>
<td>123 (69.5%)</td>
</tr>
<tr>
<td>Other</td>
<td>16 (9.0%)</td>
<td>4 (2.3%)</td>
<td>0 (0%)</td>
<td>157 (88.7%)</td>
</tr>
</tbody>
</table>

Interestingly, many MOCs do not believe that how they perform regarding performance indicators actually has consequences (Table 18). A large majority of the MOCs (92.7%) expect no benefits if they perform well. A smaller majority, but still three-quarters of the municipally owned corporations, also do not expect sanctions if they perform poorly.

Table 18: What are consequences on performance indicators?

<table>
<thead>
<tr>
<th></th>
<th>Nothing</th>
<th>Wages</th>
<th>Funds</th>
<th>Autonomy</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards</td>
<td>164 (92.7%)</td>
<td>9 (5.1%)</td>
<td>2 (1.1%)</td>
<td>0 (0%)</td>
<td>2 (1.1%)</td>
</tr>
<tr>
<td>Sanctions</td>
<td>136 (76.8%)</td>
<td>2 (1.1%)</td>
<td>13 (7.3%)</td>
<td>14 (7.9%)</td>
<td>16 (9.0%)</td>
</tr>
</tbody>
</table>

4.6.3 Communication with the local civil service
We also asked about the frequency of communication between MOCs and the local civil service (Table 19 on the next page). This communication appears to be frequent. Most MOCs (67.7%) communicate with municipal civil servants on a weekly basis; the large majority (89.2%) has contact at least on a monthly basis. Divided by corporate status, we found that public-law organizations have most communication with local civil servants, and half of these organizations have this kind of contact even on a daily basis.

Table 19: Frequency communication with the local civil service, by corporate status

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Total</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least daily</td>
<td>70 (39.5%)</td>
<td>40 (50.0%)</td>
<td>19 (32.8%)</td>
<td>10 (26.3%)</td>
</tr>
<tr>
<td>At least weekly</td>
<td>50 (28.2%)</td>
<td>19 (23.8%)</td>
<td>19 (32.8%)</td>
<td>12 (31.6%)</td>
</tr>
<tr>
<td>At least monthly</td>
<td>38 (21.5%)</td>
<td>16 (20.0%)</td>
<td>12 (20.7%)</td>
<td>10 (26.3%)</td>
</tr>
<tr>
<td>3 to 6 times per year</td>
<td>12 (6.8%)</td>
<td>3 (3.8%)</td>
<td>5 (8.6%)</td>
<td>4 (10.5%)</td>
</tr>
<tr>
<td>Semi-annually</td>
<td>6 (3.4%)</td>
<td>2 (2.5%)</td>
<td>2 (3.4%)</td>
<td>2 (5.3%)</td>
</tr>
<tr>
<td>Annually or less</td>
<td>1 (0.6%)</td>
<td>0 (0.0%)</td>
<td>1 (1.7%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>Total</td>
<td>177 (100%)</td>
<td>80 (100%)</td>
<td>58 (100%)</td>
<td>38 (100%)</td>
</tr>
</tbody>
</table>

Table 20 demonstrates the nature of this communication with the local civil service. This communication is often about operational affairs. Evaluative and strategic affairs are also discussed with some regularity.

Table 20: What is discussed during communication with the local civil service?
<table>
<thead>
<tr>
<th>Level</th>
<th>Rarely or never</th>
<th>Sometimes</th>
<th>Often</th>
<th>(Nearly) Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic affairs</td>
<td>20 (11.3%)</td>
<td>86 (48.6%)</td>
<td>46 (26.0%)</td>
<td>25 (14.1%)</td>
</tr>
<tr>
<td>Operational affairs</td>
<td>23 (13.0%)</td>
<td>26 (14.6%)</td>
<td>73 (41.2%)</td>
<td>55 (31.1%)</td>
</tr>
<tr>
<td>Evaluative affairs</td>
<td>13 (7.3%)</td>
<td>68 (38.4%)</td>
<td>71 (40.1%)</td>
<td>25 (14.1%)</td>
</tr>
</tbody>
</table>

4.7 Management

4.7.1 Members of the board

Besides external governance, internal management is a major factor in MOCs’ performance. We asked questions about the background of board members to gain information on this topic.

Table 21 shows the number of board members in MOCs. In this regard, foundations and associations operate differently than enterprises and public-law organizations. In both enterprises and public-law organizations boards tend to be very small, often limited to a single director in charge of day-to-day affairs (in 67.4% of cases). In foundations and associations, meanwhile, daily control is more divided (in 74.4% of cases involving a board of multiple people).

Table 21: Number of board members

<table>
<thead>
<tr>
<th>Number of board members</th>
<th>Enterprises and public-law organizations</th>
<th>Foundations and associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>93 (67.4%)</td>
<td>10 (25.6%)</td>
</tr>
<tr>
<td>&gt;1</td>
<td>45 (32.6%)</td>
<td>29 (74.4%)</td>
</tr>
<tr>
<td>Total</td>
<td>138 (100%)</td>
<td>39 (100%)</td>
</tr>
</tbody>
</table>

Municipally owned corporations are demographically not very diverse (Table 22). Relatively few boards feature women or people with a non-Dutch background.
Table 22: Demographic diversity of boards

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only men</td>
<td>115</td>
<td>65.0%</td>
</tr>
<tr>
<td>Both men and women</td>
<td>41</td>
<td>24.1%</td>
</tr>
<tr>
<td>Only women</td>
<td>21</td>
<td>10.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>177</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 22: Demographic diversity of boards (continued)

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only Dutch</td>
<td>171</td>
<td>96.6%</td>
</tr>
<tr>
<td>Both Dutch and non-Dutch</td>
<td>3</td>
<td>1.7%</td>
</tr>
<tr>
<td>Only non-Dutch</td>
<td>3</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>177</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

In background (Table 23) and expertise (Table 24), the management of MOCs is more diverse. Board members often have public sector backgrounds, but backgrounds in the private and non-profit sectors also often feature on boards.

Table 23: Background of boards

<table>
<thead>
<tr>
<th>Sector</th>
<th>Fully</th>
<th>Partially</th>
<th>Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector</td>
<td>41 (23.2%)</td>
<td>47 (26.5%)</td>
<td>89 (50.3%)</td>
</tr>
<tr>
<td>Public sector</td>
<td>71 (40.1%)</td>
<td>49 (27.7%)</td>
<td>57 (32.2%)</td>
</tr>
<tr>
<td>Non-profit sector</td>
<td>29 (16.4%)</td>
<td>18 (10.0%)</td>
<td>130 (73.4%)</td>
</tr>
</tbody>
</table>
Regarding expertise, many boards feature management backgrounds, service sector knowledge, and expertise in finance. We find differences here between MOCs of different corporate statuses. Public-law organizations often have much service sector knowledge, and enterprises less so. Foundations often feature financial experts in their boards, but they have access to less management expertise when compared to public-law organizations and enterprises (Table 24).

Table 24: Expertise of boards

<table>
<thead>
<tr>
<th>Expertise</th>
<th>Total (177)</th>
<th>Public-law organization</th>
<th>Enterprise</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>150 (84.7%)</td>
<td>71 (88.8%)</td>
<td>49 (84.5%)</td>
<td>29 (76.3%)</td>
</tr>
<tr>
<td>Service sector</td>
<td>132 (74.6%)</td>
<td><strong>66 (82.5%)</strong></td>
<td>36 (62.1%)</td>
<td>29 (76.3%)</td>
</tr>
<tr>
<td>Finance</td>
<td>103 (58.2%)</td>
<td>44 (55.0%)</td>
<td>32 (55.1%)</td>
<td><strong>26 (68.4%)</strong></td>
</tr>
<tr>
<td>ICT</td>
<td>25 (14.1%)</td>
<td>12 (15.0%)</td>
<td>7 (12.1%)</td>
<td>6 (15.8%)</td>
</tr>
</tbody>
</table>

4.7.2 Director

The director (professional manager) works full-time for MOCs in 58.8% of cases (see Table 25). There is a large difference here between different corporate statuses. Directors in public-law MOCs work full-time the most, and directors of foundations the least. This may relate to the fact that directors of public-law organizations are most likely to be monetarily compensated for their work, while this is less likely to be the case for directors of foundations (Table 26).

Table 25: How often does the director work fulltime?

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public law organization (80)</td>
<td>64</td>
<td>80.0</td>
</tr>
<tr>
<td>Enterprise (58)</td>
<td>30</td>
<td>51.7</td>
</tr>
<tr>
<td>Foundation (38)</td>
<td>10</td>
<td>26.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>104</td>
<td>58.8</td>
</tr>
</tbody>
</table>

Table 26: Does the director receive monetary compensation?
4.7.3 Supervisory board

73.4% of MOCs have a supervisory board. The large majority of MOCs communicate with this supervisory board on at least a monthly basis (Table 27). Informal communication is relatively rare.

Table 27: Communication with supervisory board

<table>
<thead>
<tr>
<th>Frequency communication</th>
<th>Formally</th>
<th>%</th>
<th>Informally</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>4</td>
<td>3.1%</td>
<td>3</td>
<td>2.3%</td>
</tr>
<tr>
<td>Annually or less</td>
<td>1</td>
<td>0.8%</td>
<td>1</td>
<td>0.8%</td>
</tr>
<tr>
<td>Semi-annually</td>
<td>1</td>
<td>3.1%</td>
<td>8</td>
<td>6.2%</td>
</tr>
<tr>
<td>3 to 6 times per year</td>
<td>10</td>
<td>7.7%</td>
<td>9</td>
<td>6.9%</td>
</tr>
<tr>
<td>Monthly or more</td>
<td>82</td>
<td>63.1%</td>
<td>82</td>
<td>63.1%</td>
</tr>
<tr>
<td>Weekly or more</td>
<td>32</td>
<td>24.7%</td>
<td>27</td>
<td>20.8%</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100%</td>
<td>130</td>
<td>100%</td>
</tr>
</tbody>
</table>

The content of such communication depends on whether communication is formal or informal.

At formal meetings, strategic affairs are primarily discussed, although this communication often also is of an evaluative nature. In informal communication, operational affairs are more often discussed, although evaluative and strategic communication also occurs frequently.

Table 28: What is formally discussed with the supervisory board?
Table 29: What is informally discussed with the supervisory board?

<table>
<thead>
<tr>
<th></th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Often</th>
<th>(Nearly) Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluative affairs</td>
<td>5 (3.9%)</td>
<td>21 (16.4%)</td>
<td>61 (47.7%)</td>
<td>41 (32.0%)</td>
</tr>
<tr>
<td>Operational affairs</td>
<td>12 (9.4%)</td>
<td>54 (42.2%)</td>
<td>44 (34.4%)</td>
<td>18 (14.1%)</td>
</tr>
<tr>
<td>Strategic affairs</td>
<td>2 (1.6%)</td>
<td>18 (14.1%)</td>
<td>46 (35.9%)</td>
<td>62 (48.4%)</td>
</tr>
</tbody>
</table>

4.8 Performance

Respondents assessed their own organization using several indicators (see Table 30). Eventually, we will link these performance variables with autonomy, corporate status, and governance, but this chapter is mostly descriptive.

The average mark respondents gave their organization overall was a 7.7 out of 10. Few MOCs rated their performance poorly, but it did occur. It is noticeable that directors of public-law organizations rated their organization on average lower than the directors of foundations (7.8) and enterprises (7.9).

Enterprises tend to rate themselves highly on performance indicators that are directly related to output, e.g. stability, effectiveness, efficiency, staff satisfaction and management. Foundations scored well on indicators related to the public nature of municipally owned corporations, namely motivation, responsiveness, democratic nature of service delivery, and flexibility. Public-law organizations scored worse in all categories. Further research should demonstrate why this is the case.
In general, MOCs rate themselves by far the highest on motivation and the lowest on democratic service delivery and efficiency (see Table 31). It creates an image of municipally owned corporations as organizations with high input, but limited output.

Table 30: Performance by corporate status

<table>
<thead>
<tr>
<th>Performance</th>
<th>Public-law organizations</th>
<th>Enterprises</th>
<th>Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>7.5</td>
<td>7.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Stability</td>
<td>7.4</td>
<td>8.1</td>
<td>7.5</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>7.3</td>
<td>7.8</td>
<td>7.3</td>
</tr>
<tr>
<td>Efficiency</td>
<td>7.1</td>
<td>7.6</td>
<td>7.1</td>
</tr>
<tr>
<td>Staff satisfaction</td>
<td>7.4</td>
<td>7.8</td>
<td>7.3</td>
</tr>
<tr>
<td>Management</td>
<td>7.4</td>
<td>7.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Service quality</td>
<td>7.4</td>
<td>7.9</td>
<td>7.7</td>
</tr>
<tr>
<td>Internal cohesion</td>
<td>7.2</td>
<td>7.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Accountability to society</td>
<td>7.3</td>
<td>7.6</td>
<td>7.6</td>
</tr>
<tr>
<td>Flexibility</td>
<td>7.3</td>
<td>7.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Democratic service delivery</td>
<td>7.4</td>
<td>7.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Responsiveness to society</td>
<td>7.2</td>
<td>7.7</td>
<td>7.9</td>
</tr>
<tr>
<td>Motivation</td>
<td>8.1</td>
<td>8.2</td>
<td>8.6</td>
</tr>
</tbody>
</table>
Table 31: Performance (overall)

<table>
<thead>
<tr>
<th>Performance</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>7.7</td>
</tr>
<tr>
<td>Motivation</td>
<td>8.3</td>
</tr>
<tr>
<td>Flexibility</td>
<td>7.7</td>
</tr>
<tr>
<td>Quality</td>
<td>7.7</td>
</tr>
<tr>
<td>Stability</td>
<td>7.7</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>7.5</td>
</tr>
<tr>
<td>Management</td>
<td>7.5</td>
</tr>
<tr>
<td>Responsiveness to society</td>
<td>7.5</td>
</tr>
<tr>
<td>Staff satisfaction</td>
<td>7.5</td>
</tr>
<tr>
<td>Accountability to society</td>
<td>7.5</td>
</tr>
<tr>
<td>Internal cohesion</td>
<td>7.4</td>
</tr>
<tr>
<td>Democratic service delivery</td>
<td>7.3</td>
</tr>
<tr>
<td>Efficiency</td>
<td>7.3</td>
</tr>
</tbody>
</table>

4.9 Business techniques

There are limited differences between MOCs of different corporate statuses in terms of the use of business techniques (see Table 32). Enterprises more often determine internal budget sizes based on performance, and are more likely to adjust business techniques to market, service, or target group developments. Public law organizations do this less and also use targets internally substantially less. Conversely, they are more likely to grant autonomy to lower management. Foundations only operate differently when it comes to long-term planning, doing this less than enterprises and public-law organizations.
Table 32: Business techniques of municipally owned corporations

<table>
<thead>
<tr>
<th>Business technique</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Often</th>
<th>(Nearly) Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual reporting</td>
<td>6 (3.4%)</td>
<td>9 (5.1%)</td>
<td>16 (9.0%)</td>
<td>146 (82.5%)</td>
</tr>
<tr>
<td>Innovative service delivery</td>
<td>13 (7.3%)</td>
<td>52 (29.4%)</td>
<td>80 (45.2%)</td>
<td>32 (18.1%)</td>
</tr>
<tr>
<td>Adjusting business techniques to changing environments</td>
<td>14 (7.9%)</td>
<td>43 (24.3%)</td>
<td>76 (42.3%)</td>
<td>44 (24.9%)</td>
</tr>
<tr>
<td>Multi-year planning</td>
<td>17 (9.6%)</td>
<td>30 (17%)</td>
<td>50 (28.3%)</td>
<td>80 (45.2%)</td>
</tr>
<tr>
<td>Setting internal targets</td>
<td>28 (15.8%)</td>
<td>56 (31.6%)</td>
<td>65 (36.7%)</td>
<td>28 (15.8%)</td>
</tr>
<tr>
<td>Setting quality standards</td>
<td>29 (16.4%)</td>
<td>45 (25.4%)</td>
<td>67 (37.9%)</td>
<td>36 (20.3%)</td>
</tr>
<tr>
<td>Evaluating worker performance</td>
<td>36 (20.3%)</td>
<td>28 (15.8%)</td>
<td>67 (37.9%)</td>
<td>46 (30.0%)</td>
</tr>
<tr>
<td>Conducting surveys among customers</td>
<td>39 (22.0%)</td>
<td>79 (44.6%)</td>
<td>34 (19.2%)</td>
<td>25 (14.1%)</td>
</tr>
<tr>
<td>Offering extra service for pay</td>
<td>43 (24.3%)</td>
<td>61 (34.5%)</td>
<td>47 (26.6%)</td>
<td>26 (14.7%)</td>
</tr>
<tr>
<td>Giving autonomy to lower management</td>
<td>48 (27.1%)</td>
<td>50 (28.3%)</td>
<td>59 (33.3%)</td>
<td>19 (10.7%)</td>
</tr>
<tr>
<td>Increasing internal budgets based on performance</td>
<td>66 (37.3%)</td>
<td>64 (36.1%)</td>
<td>35 (19.8%)</td>
<td>12 (6.8%)</td>
</tr>
<tr>
<td>Performance-based pay for employees</td>
<td>86 (48.6%)</td>
<td>46 (26.0%)</td>
<td>27 (15.3%)</td>
<td>18 (10.2%)</td>
</tr>
</tbody>
</table>

4.10 Further research

The findings in this descriptive report of MOCs raise multiple questions that will be subject of further research. Our research will primarily focus on what factors contribute to performance of MOCs. For instance, we investigate the apparent link between corporate status and performance. We are also interested in the effect of all other variables on performance. Finally, the absence of actual performance management (despite the pervasiveness of performance measurement) is surprising and we will conduct further research into this.