

UNIVERSITY OF TWENTE.

Draft 19 November 2024

HR/GA

MEMO

How to proceed with and clarify employee participation in the case of UT wide organisational change

To: UT organisation, and specifically the University Council
From: Executive Board
Goal: This memo is input for the discussion on how to proceed with and shape decision-making about UT wide organisational change with suitable participation, in accordance with the established University of Twente Regulations for Organisational Changes (2019): first step: 'Advance discussion on the organisational issue'.
Goal: agreement on the method of employee participation appropriate to the current circumstances of the UT. These circumstances are likely to continue in the next 2-3 years. This method is proposed in sections 4 and 5.
Date: 27 November 2024: an additional plenary meeting between University Council – Executive Board, to follow up on the advance announcement on possible organisational change UT Wide made on 6 November 2024.
9.30 – 10.00 Vleugel 100 / online

1. Introduction

In September 2024, the Dutch government announced major budget cuts. The developments around the national budget, the national Budget Memorandum, and departmental budgets of the Minister of Education, Culture and Science (ECS) and the Minister of Foreign Affairs only confirmed what was already revealed in the governance accord of the coalition this spring. The previous Minister of ECS had already initiated the Internationalisation in Balance Law (WIB), which is being followed through by the current minister.

It's important to note that these announced budget cuts are in addition to the saving targets that we had already set and were facing due to increased costs and decreased student numbers over the last few years (laid down in successive Spring Memoranda 2024-2028 and 2025-2029). Strategic decisions have already been made e.g. on substantially reducing the LTSH-investments towards achieving these targets. The latest saving target numbers in this respect are included in the latest Budget plan UT 2025-2029.

In the meantime, immediate measures have been in place since July 2024: a stop on external hiring, vacancies, and student jobs in order to meet the saving targets already set. Furthermore we have also decided to phase out University College Twente by stopping the influx into the ATLAS programme.

2. The need for adaptation by reinventing our UT

There are broadly three reasons, set out in the Strategic Board's position paper (September 2024) Reinventing our UT, why the UT needs to change course in the upcoming year(s). First, we are under significant financial pressure, more so than most other universities. Second, our student influx numbers have been declining the last 2-3 years. We thus miss out on funding and

talent. Third, due to demographic and political developments, we expect a further contraction in student numbers, with corresponding financial implications. The latest influx numbers (September 2024) show a small increase, but this is not of such magnitude that it compensates the declining trend of the past years. We thus have to intensify our actions in 2025 to address these changes.

These changes will lead to substantial shrinkage of our student number-related variable budgets in the coming five years, as explained in the Budget plan UT 2025-2029. To adapt to the future situation structural changes are needed.

3. Several reasons for the necessity for organisational changes UT wide

Given the current situation and the uncertainties for the future, we as UT have to become more adaptive and flexible and strengthen our position as an entrepreneurial university of technology.

Due to the immediate measures and the departure of colleagues (another job, retirement), several alterations have already taken place in order to become more focused and cost-effective, whether or not through an organisational change. An example of this is the organisational change CES-SP last June. In response to the departure of a supervisor, it was decided to divide the team members over 2 existing teams, a team at CES and a team at SP.

- 3.1. As mentioned, due to a likely decrease of students and accordingly lower student number-related government funding, we have to re-evaluate our student – staff ratio and organise our education more efficiently. It is very likely that the WIB will therefore lead to a large drop in influx of international students in at least several programmes, which can have consequences for the viability of these programmes. This can be a serious threat for all programmes, since it is not yet clear which bachelor programmes, if any, can expect to receive an exception to the proposed rule to become a Dutch-language programme.
- 3.2. It follows that the scope of the services also needs to be adjusted commensurately.
 - 3.2.1. The services will have to become more harmonised/standardised and more efficient and cost-effective. (Improve lead time, gain more reliable business information, reduce costs, better contact with stakeholders, etc.)
 - 3.2.2. Over the years the (costs of) services have grown centrally and as well as decentrally.
 - 3.2.3. Many (new) subjects / domains of services & support require a multi-perspective and integral approach (community building, integral-, social-, knowledge safety, wellbeing, inclusion, leadership, talent development, etc.)
- 3.3. Some of the 5 currently defined [building block clusters](#), intend to propose organisational changes which can only be effective when implemented UT wide, for example new, more efficient, forms of interfaculty activities and future proof education initiatives.

4. Intended direction Executive Board on organisational changes UT – to discuss

In view of the current (financial) situation and the future threats to the UT as listed in section 3, the EB anticipates that a UT wide organizational change cannot be avoided. The combination of the current situation with ongoing measures and expected governmental measures, require a nonstandard approach, namely to be able to make timely adjustments, instead of too early or too late.

In other words, we foresee that several organisational changes will be needed within UT in the coming period, all of which have to be well prepared, planned and implemented. While it is impossible to detail exactly which changes we foresee, it's good to mark that we will rigorously consider whether our current structure (form and numbers of faculties, services, institutes, interfaculty units and activities) is fit for purpose. Consequently, these changes cannot be deployed synchronously. However, these will affect each other. The impact for staff of the various operations will differ in severity.

The following organisational processes are or will be running parallel in time with different scopes:

Short- to medium-term change processes that are already ongoing in response to targets to achieve a healthy/balanced financial situation:

- (A) Low impact cross-unit organisational changes (category 2) aimed at continuity, quality, efficiency and cost reduction UT wide. To date: Organisational Change CES – S&P, June 2024
- (B) Local organisational change or reorganisation based on the task every unit has to meet the financial target for 2025 and 2026. To date: the reorganisation at the faculty S&T

Longer-term change process in line with the institutional plan 2026 – 2029: Reinventing UT

- (C) UT wide organisational change in line with policy – way forward of 'Reinventing the UT' to be described in the institutional plan 2026-2029 (C).

5. A more detailed explanation of the change processes

- (A) Low impact cross-unit organizational changes aimed at continuity, quality, efficiency and cost reduction UT wide

These low impact cross-unit organisational changes affect the organisation and/or working methods of the relevant units or UT as a whole, without far-reaching legal consequences (such as threat of dismissal). These are indicated in the Organisational Change Regulations (2019) as category 2 organisational changes.

These cross-unit organisational changes take place to deal with problems as a result of the immediate measures, the departure of colleagues, or quick wins as a result of the building block clusters. They are aimed at efficiency and cost reduction in the short term, while retaining quality and continuity of essential processes, and should not wait until we can connect these to 'Reinventing our UT' and include them in the institutional plan.

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Alle initiatives to cross-unit organizational changes are reported to the EB. The EB then decides whether it falls under 'A' or will be brought under 'C'. If such low impact cross-unit organizational changes are decided by the Executive Board, the right of consent naturally lies with the University Council. The right of advice may lie with the local participation bodies or the UC depending on the scope of the change. For each of these category 2-organisational change, an organisational change plan has to be drawn up and the decision-making process including the employee participation process has to be followed.

(B) local organisational change at one unit – based on the task to meet the financial target for 2025 and 2026.

Within the units, the financial target has to be met with measures which do not affect other units. That means that these measures do not directly lead to (a) job change(s), a transfer of position(s) to or removal of position(s) within (an) other unit(s).

If meeting the financial target requires an organisational change or reorganisation within the unit, the participation process is local, i.e. early discussion takes place with the local participation body and advice and consent falls within the unit and the local council. For the faculty S&T, this has already been set in motion with the faculty council. The reorganisation plan for S&T is in the making.

Due to uncertainties, possible setbacks and the fact that several intended governmental measures have not been included in the Budget plan 2025-2029, other units potentially also have to prepare for an organisational change or reorganisation in order to achieve their financial target for 2025-2026. The relevant measures will have to take place within the unit and not cross-unit, accordingly, the participation process takes place locally.

(C) UT wide organisational change in line with policy – way forward 'Reinventing the UT' to be described in the institutional plan 2026-2029

In the coming period up until summer 2025, the institutional plan 2026-2029 will be drawn up based on the position paper 'Reinventing our UT'. In this plan we describe the future outlook on our academic content (DNA) and a suitable organisational form that follows the essence of the content and our adjusted way of working. The answer to the question: 'what kind of university do we want to be?' in the context of a changed national higher educational landscape will be articulated in our institutional plan 2026-2030, which has to be ready for decision-making half May 2025. Input will be collected from the organisation in several ways, with the Executive Board together with Strategic Board in the lead.

This institutional plan will sketch most likely scenarios (for the future), and have the characteristics of a transition plan, including a kind of pathway with milestones. Accordingly in coming spring it will be more clear what kind of organisational changes we expect to carry out towards the future. In parallel the 5 building block clusters will come up with proposals and plans for further improvements for the longer-term including proposals for suitable organisational changes.

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Decision making on the institutional plan will take place at UT level, the University Council has the right of consent, and the Supervisory Board has the right of approval.

A plan for organisational change or reorganisation will follow and be in line with this institutional plan. It is intended to establish one organisational change plan at UT level, in which the Executive Board decides, and early discussion and advice and consent lies with the University Council. It still has to be determined whether this will be an organisational change (category 2) or a reorganisation (category 3).

The aim is to adopt this plan by the end of December 2025 with consent of the University Council. It is most likely that the implementation of the organizational change plan will take place in phases.