

Method of participation based on the current regulation on organisational changes

- Concept - *The Dutch version is leading*

From: Executive Board
To: University Council and, through the University Council, local participation bodies
Objective: To clarify and tighten the method of employee participation appropriate to UT's current uncertain financial situation and current government policy
Date: 4 October 2024

Introduction

UT is in financial dire straits, but not insurmountable. This also applies to the other Dutch universities. Substantial adjustments are needed to return to financial health. There have been several financial setbacks in recent years (inflation, rising energy costs, fewer students, higher wage costs) and with the current government's policies, major cuts are on the horizon for the coming years.

Since 2023, UT has engaged in austerity measures, as described annually in the Spring Memorandum. Faculties and services (administrative units according to the [BBR](#)) have currently been given a 2025 financial target to meet based on the frameworks set out in the Spring Memorandum 2025-2029.

In order to meet this financial target, an administrative unit may have to reorganise¹ or implement an 'organisational change category 2'² (hereafter: 'organisational change') in the short term.

It is important that the employee participation process for organisational changes is carefully run through and also shaped in such a way that the role of the employee participation remains well suited to the UT's current uncertain financial situation and uncertain government policy. The current Organisation Change Regulations (2019) are guiding in this regard as well as the applicable laws and regulations.

In doing so, we must be prepared for the increasingly tight financial frameworks imposed from the government in the coming years. We therefore foresee that several organisational changes will be needed within UT in the coming period, which, due to the uncertainties, cannot be deployed synchronously. However, these will (may) affect each other.

The current Organisational Change Regulations (2019) do not fully provide for this. Therefore, it is important to agree on a clear working method on how we concretely shape co-determination, to avoid differences of interpretation on this regulation and to answer practical questions in a timely manner.

Meanwhile, it is clear that the TNW faculty has committed to reorganisation in the short term, given its inability to meet the imposed financial target by 2025. It is not known at this stage whether other administrative units will also have to implement an organisational change or reorganisation in the short term.

¹ Organisational change category 3 within the meaning of the Organisational Change Regulations

² Organisational change category 2 within the meaning of the Organisational Change Regulations

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The following is the concrete working method on the participation process to be followed taking into account the current situation in which the UT finds itself. This working method describes for which employee participation body the right to advise and for which employee participation body the right to consent is proposed in the event that an administrative unit (faculty or department) has to implement a reorganisation or an organisational change.

This procedure is submitted to the university council and from the university council to the local participation bodies. The feedback from the local participation bodies will be discussed by the university council with the Executive Board. The intention is to then agree on the joint working method.

Outline proposal working method

Since the administrative units are partly interlinked and together form the UT, it is important to give UT-wide frameworks to the administrative units. Work is currently underway on these financial and substantive UT-wide criteria and frameworks. These criteria and frameworks will be finalised in the next two months and will be passed on from the Executive Board to the administrative units. In terms of finance, this mainly concerns the 2025 budget and in terms of content, it concerns, among other things, the need to provide (faculty-transcending) education from the various disciplines at the UT.

The administrative units should each prepare their own organisational change or reorganisation plan if, in their judgment, an organisational change or reorganisation is necessary to meet their own financial target. In other words, the financial target may thus result in a plan (at administrative unit level) containing a proposed decision by this administrative unit to make an organisational change or reorganisation of this unit.

As mentioned earlier, it is important to recognise that the administrative units are partly interlinked through teaching, research and support processes. Choices in one unit may influence choices in the other unit. Thus, there may be partly cross-unit aspects. To monitor and assess the coherence between the plans of the various units, the Executive Board proposes to consider any reorganisations and organisational changes at unit level as 'cross-unit', as named in the Regulation on organisational changes (2019).

The employee participation process³ is then as follows:

1. The administrative unit asks the local participation council for advice on which category of organisational change applies, category 2 (organisational change) or category 3 (reorganisation) within the meaning of the Organisational Change Regulations (2019). In the case of a proposed reorganisation, this advice on the category also counts as notification under Article 9.2 of the CAO-NU.
2. The administrative unit then draws up its own organisational change plan or reorganisation plan for its own unit. Here, it is very important that the local participation council is closely involved in the selection criteria and further content of the plan. This ensures that the local participation council is given a good opportunity to contribute ideas and advice before the formal advice is

³ The decision-making process is not fully written out now. This is laid down, among other things, in the Organisational Changes Regulations.

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requested. The administrative unit contacts the relevant other administrative unit(s) in case of cross-unit aspects.

3. The administrative unit formally requests advice on the draft organisational change plan or draft reorganisation plan from the personnel section of the local participation council. Because of the major involvement in the process prior to this (see 2), a solid advice from the local participation council is expected, which weighs heavily for the follow-up process.
4. The administrative unit takes the weighty advice of the local participation council and (re)submits the draft organisational change plan or draft reorganisation plan to the Executive Board.
5. The Executive Board takes a proposed decision on the administrative unit's draft organisational change plan or draft reorganisation plan, after the Executive Board has assured itself that the process including local employee participation has proceeded properly up to that point.
6. The Executive Board seeks the approval of the staff section of the UC on the draft organisational change plan or draft reorganisation plan of the administrative unit concerned.

The local participation council refers specifically to:

In the case of a faculty → staff delegation of the faculty council

In case of a central service → the relevant service council

Practical implementation of the proposed course of action

The practical implementation of the co-determination process for current and possible future organisational changes and/or reorganisations following the financial targets imposed on the administrative units following the Spring Memorandum 2025-2029 (or a forthcoming Spring Memorandum) is proposed as follows:

- The Executive Board continues to periodically notify the UC on the status of unit-level plans;
- The UC will receive for notification a copy of the formal notification ex article 9.2 of the CAO NU from the Faculty Board or from the service director to the local participation body and the OPUT;
- The UC will receive a copy of the request for advice to the local employee participation body, including the draft organisational change plan or draft reorganisation plan, for notification;
- The UC will receive a copy of any notification under the Notification of Collective Redundancy Act for notification;
- The UC will not withhold its consent on the sole ground that any reorganisations and/or organisational changes at unit level will not take place simultaneously.
- The UC weighs the advice of a local participation council heavily when deciding whether or not to agree to a plan for organisational change or reorganisation of an administrative unit. The UC may choose to seek external legal advice in the event of a negative advice from a local participation council.

Justification of the proposed course of action

Financial target per administrative unit and reorganisation plan or organisational change plan per administrative unit

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Imposing a financial target on the administrative units is a legitimate measure to ensure that UT returns to financial health and it is appropriate to the way UT is organised.

The actual situation differs per administrative unit and the unit itself primarily determines which (strategically) difficult choices need to be made. The urgency also differs per unit and an advisory process (if a reorganisation or organisational change is involved) will not have the same (time) course everywhere. For instance, draft reorganisation plans or draft organisational change plans will not be ready to be submitted to the local employee participation body for advice at the same time.

Not all decision-making and participation processes are synchronised

One cannot wait to reorganise at unit level (as is currently the case with the TNW faculty) until all plans are known within the entire UT. If it did wait, it would only result in TNW's fixed costs remaining at an unhealthy high level for longer, with the possibility that more forced redundancies may have to follow.

There is no legal rule opposing the proposed procedure. This is because it concerns reorganisations or organisational changes within independent parts of the UT. These parts (administrative units) can also be regarded as independent business establishments within the meaning of the Dismissal Regulation. The Dismissal Regulation offers scope to reorganise per business unit.

It is conceivable that an organisational change or reorganisation at administrative unit A will have a negative (financial) effect on administrative unit B, because of the existing mutual cooperation links. Administrative unit B will then be asked for a response as to how these negative (financial) effects will be absorbed by administrative unit B. This does not mean that the employee participation body of administrative unit B will then automatically also be involved in the organisational change or reorganisation in question.

This effect - if applicable - will have to be made transparent by the administrative unit in the draft organisational change plan or draft reorganisation plan. In this way, this effect can be taken into account in the decision-making process and by the employee participation body when exercising its advisory and consent rights.

Consequences for employees if organisational changes are not synchronised

The possible options for re-employment of redundant employees vary over time but this need not make the position of the redundant employee in a reorganisation that takes place later in time any worse 're-employment-wise' than that of the redundant employee in a previously declared reorganisation.

There is currently a vacancy freeze at 1^e cash flow but, given the size of the organisation, vacancies will still arise, for example for positions in essential positions that need to be filled, so it is impossible to predict how favourable (or unfavourable) that situation is at any given point in time for a given redundant employee (given his or her own specific knowledge, level of education, competences and other relevant characteristics).

Furthermore, it is important to mention that there is no order among the re-employment candidates based on when they applied for re-employment, but - as much as possible - on the basis of length of service. Should the same job be suitable for several employees, the one with the most years of service will be placed first wherever possible. Finally, we will investigate whether it is (legally) possible to register employees as re-employment candidates with the re-employment committee at an earlier stage, if desired.