

Orientation of the Change in the Remuneration Fee/Structure Autumn 2024



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Dear General Assembly,

We would like to inform you about the ongoing developments related to the remuneration structure in BISO, which has been a key topic of discussion among the campus managements and the board. This briefing aims to provide a thorough overview of the process and the changes that have been adopted.

Background for the sustainable remuneration structure

BISO has faced deficits in recent years, which has created a need for sustainable financial management. The board has therefore recognized the necessity of changing the remuneration structure, as the current model is not considered sustainable for the organization. Additionally, there has been a request for additional operational support from BI due to insufficient income.

As a result, a project was initiated to develop a “sustainable remuneration structure.” For BI to provide additional operational support, they required a 50% reduction in remuneration across the organization. This includes all paid positions, both national (such as the Control Committee, General Manager, the Board, etc.) and the campus managements.

It was decided that the remuneration would be cut by 50%, and the funds from these cuts would be allocated to student activities on campus. Additionally, the increased operational support of NOK 305,280 would be distributed per campus. These changes will take effect from July 1, 2025.

However, this decision led to strong reactions from the campuses, particularly regarding the lack of involvement and transparency in the process. Significant concerns arose about recruitment and resource distribution in relation to the workload. This revealed the need for a more in-depth exploration of a sustainable remuneration structure, not only to improve financial management but also to ensure the organization’s long-term sustainability.

To address these challenges, extraordinary board meetings, focus groups, and surveys were established. The goal of these measures has been to find sustainable alternatives

that ensure sound financial management and efficient resource allocation for the work carried out at each campus.

We will now present the initial resolution, the work done towards alternative solutions, and the final decision.

Initial decision on remuneration structure

Background for the change in remuneration structure

BISO has faced financial challenges and deficits in recent years. The board identified an urgent need for a sustainable remuneration structure, especially following the increase in remuneration for the Oslo Management, which caused dissatisfaction within the organization. There was also a request for additional operational support from BI, contingent upon a 50% reduction in BISO's remuneration costs for BI to consider providing this support. The board has also expressed a desire to reduce the risk related to remuneration. Remuneration should be compensation for the time spent on BISO and for the responsibilities held in local and national positions.

Process

To develop a proposal for a new remuneration structure, the Operations Unit (AU+) conducted interviews with the campus presidents and gathered their perspectives. The interviews included questions about the potential positive effects of reducing remuneration and how such changes could impact leadership culture and work morale.

Proposals for future remuneration

The report presents several proposals for future remuneration:

Proposal 1: No changes; the current remuneration structure is maintained.

Proposal 2: 50% reduction in all remuneration. Savings: NOK 1,298,500.

Proposal 3.1: Reduction in both the number of positions in campus leadership and remuneration. Savings: NOK 1,295,900.

Proposal 3.2: Reduction in remuneration only, without changes in the number of positions. Savings: NOK 1,297,100.

Proposal 4.1: Gradual reduction in both positions and remuneration over two years. Savings: NOK 1,296,000.

Proposal 4.2: Gradual reduction in remuneration over three semesters, with no changes to positions. Savings: NOK 1,269,000.

Proposal 5.1: Long-term reduction in both the number of positions and remuneration. Savings: NOK 1,298,500.

Proposal 5.2: Long-term reduction in remuneration only. Savings: NOK 1,267,500.

Each of these proposals takes into account the student body and the need to allocate funds to student welfare.

Recommendation from the Operations Unit

The Operations Unit (AU+) has recommended a gradual implementation of remuneration reductions to minimize negative effects on motivation and performance. They emphasize the importance of clear communication about the reasons for the changes and the necessity of maintaining the volunteer culture in BISO. The AU+ recommendation highlights the need to allocate funds to student welfare while reducing remuneration costs. The AU+ recommended proposal 3.1 in a report delivered to the board before the summer.

Board decision before the summer

The board chose proposal 3.1 at a meeting before the summer. The increased operational support BISO gained through this decision amounted to NOK 305,280 annually. The distribution is decided as follows: 40% (Oslo), 30% (Bergen), 20% (Trondheim), and 10% (Stavanger).

Final decision on remuneration structure

Background

BISO has faced significant dissatisfaction among the campus managements regarding the decision to reduce remuneration. The concerns focus on how these changes might affect recruitment, motivation, and the quality of work. There is a fear that reducing remuneration will weaken the ability to attract and retain qualified individuals in key roles, as well as reduce work performance. Additionally, there is a desire to free up funds for student activities by reallocating them from remuneration.

Involvement of the organization

To ensure that all voices were heard in the process, focus groups with the campus managements were conducted. Participants were required to familiarize themselves with the AU+ proposals before the discussions. In addition, an anonymous survey was sent out to gather feedback from all campuses. This approach has provided valuable perspectives and contributed to a more informed decision-making process.

Proposals for future remuneration

Several proposals for changes to the remuneration structure are presented:

Proposal 1

Bergen: Reduction in position, savings of NOK 30,000 per semester

Oslo: NOK 2,500 (25%) cut in remuneration, savings of NOK 150,000 per semester

Trondheim: NOK 500 cut per position, savings of NOK 24,000 per semester

Stavanger: NOK 250 cut per position, savings of NOK 11,000 per semester

Total savings: NOK 420,600 per year (18%)

Proposal 2

Bergen: Reduction in position and remuneration by NOK 500/month, savings of NOK 51,000 per semester

Oslo: Reduction in position and remuneration by NOK 2,500/month, savings of NOK 195,000 per semester

Trondheim: Reduction in position and remuneration by NOK 500/month, savings of NOK 43,500 per semester

Stavanger: Reduction in remuneration by NOK 250/month, savings of NOK 10,500 per semester

Total savings: NOK 591,000 per year (26%)

Proposal 3

Bergen: Reduction in position and remuneration by NOK 500/month, savings of NOK 51,000 per semester

Oslo: Remuneration cut to cover up to master semester fee, savings of NOK 127,500 per semester

Trondheim: Reduction in position and remuneration by NOK 500/month, savings of NOK 43,500 per semester

Stavanger: Reduction in remuneration by NOK 250/month, savings of NOK 6,000 per semester

Total savings: NOK 456,600 per year (20%)

Proposal 4

Bergen: Reduction in position and remuneration by NOK 750/month, savings of NOK 61,500 per semester

Oslo: Reduction in position and remuneration by NOK 2,500/month, savings of NOK 195,000 per semester

Trondheim: Reduction in position and remuneration by NOK 500/month, savings of NOK 43,500 per semester

Stavanger: Reduction in position and remuneration by NOK 250/month, savings of NOK 27,000 per semester

Total savings: NOK 646,800 per year (28%)

Proposal 5

Based on principles from the workshop on 23.09.24. Remuneration is distributed with a base payment and an additional amount based on student population. The campuses receive additional payments reflecting student volume: Stavanger (10), Trondheim (20), Bergen (40), Oslo (80).

Maximum remuneration: NOK 8,500

Risk: All campuses may increase their quota to 100, but this is considered unlikely.

Proposal 6

From the workshop on 23.09.24. Remuneration is based on a percentage of the monthly remuneration rate, adjusted to Proposal 4.

Operational support

Total: NOK 152,615 annually.

Oslo NOK 79,011

Bergen NOK 36,666

Trondheim NOK 30,557

Stavanger NOK 6,381.

This distribution was decided at a board meeting.

Conclusion

The changes to the remuneration structure have sparked mixed reactions among the campus managements. On the one hand, reducing remuneration could strengthen the volunteer culture and free up funds for student welfare. On the other hand, there are concerns that this will weaken recruitment and the quality of work and create an imbalance in expectations and responsibilities. More part-time work may be required with significant reductions, which could negatively impact the campuses due to the lack of time to fulfill their roles.

It is recommended to proceed cautiously with the implementation of remuneration cuts, with thorough consideration of how this might affect the organization's long-term sustainability and the best interests of the students.

The final board decision is proposal 5, resulting in a reduction of NOK 673,300. The cut in the decision made by the board before the summer was approximately NOK 1,300,000.

Budsjett 2025									
Type honorar	Antall mottakere	Honorar pr pers mnd V25	Antall mottakere H25	Basisutbetaling	Tillegg (Base)	Tillegg Totalt	Honorar per pers mnd H25	Totalt per år	
CL Oslo	10	NOK 10 000,00	9	NOK 3 500,00		80 NOK 4 000,00	NOK 7 500,00	NOK 1 065 000,00	
CL Bergen	8	NOK 5 000,00	7	NOK 2 500,00		40 NOK 2 000,00	NOK 4 500,00	NOK 429 000,00	
CL Trondheim	8	NOK 3 750,00	7	NOK 2 500,00		20 NOK 1 000,00	NOK 3 500,00	NOK 327 000,00	
CL Stavanger	7	NOK 3 000,00	6	NOK 2 500,00		10 NOK 500,00	NOK 3 000,00	NOK 234 000,00	
								Totalt	NOK 1 995 000,00
Column1	Antall mottakere	Honorar per pers V25	Honorar per pers H25	Totalt per år					
GM	1	NOK 50 000,00	NOK 37 000,00	NOK 87 000,00					
Styreleder	1	NOK 30 000,00	NOK 22 200,00	NOK 52 200,00					
Eksamensstyremedlem	4	NOK 5 000,00	NOK 3 700,00	NOK 34 000,00					
Committee Leader	2	NOK 5 000,00	NOK 3 700,00	NOK 17 400,00					
KK Manager	1	NOK 10 000,00	NOK 7 400,00	NOK 17 400,00					
KK Senior	5	NOK 5 000,00	NOK 3 700,00	NOK 43 500,00					
KK Advisor	3	NOK 2 500,00	NOK 1 850,00	NOK 13 050,00					
Total				NOK 265 350,00					
Totalbudsjett 2025		Reduksjon	Reduksjon i %						
NOK 2 260 350,00		NOK 336 650,00	13%						
Budsjett 2026									
Type honorar	Antall mottakere	Basisutbetaling	Tillegg Base	Tillegg totalt	Honorar per pers mnd	Totalt per år			
CL Oslo	9	NOK 3 500,00		80 NOK 4 000,00	NOK 7 500,00	NOK 810 000,00			
CL Bergen	7	NOK 2 500,00		40 NOK 2 000,00	NOK 4 500,00	NOK 378 000,00			
CL Trondheim	7	NOK 2 500,00		20 NOK 1 000,00	NOK 3 500,00	NOK 294 000,00			
CL Stavanger	6	NOK 2 500,00		10 NOK 500,00	NOK 3 000,00	NOK 216 000,00			
Total						NOK 1 698 000,00			
Column1	Antall mottakere	Honorar per pers V26	Honorar per pers H26	Totalt per år					
GM	1	NOK 37 000,00	NOK 37 000,00	NOK 74 000,00					
Styreleder	1	NOK 22 200,00	NOK 22 200,00	NOK 44 400,00					
Eksamensstyremedlem	4	NOK 3 700,00	NOK 3 700,00	NOK 29 600,00					
Committee Leader	2	NOK 3 700,00	NOK 3 700,00	NOK 14 800,00					
KK Manager	1	NOK 7 400,00	NOK 7 400,00	NOK 14 800,00					
KK Senior	5	NOK 3 700,00	NOK 3 700,00	NOK 37 000,00					
KK Advisor	3	NOK 1 850,00	NOK 1 850,00	NOK 11 100,00					
Total				NOK 225 700,00					
Totalbudsjett 2025		Reduksjon	Reduksjon i %						
NOK 1 923 700,00		NOK 673 300,00	26%						