



Merit Commissioner

Annual Report 2014/15

UPHOLDING FAIR HIRING IN THE
BC PUBLIC SERVICE





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Office of the Merit Commissioner

The Honourable Linda Reid
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings, Room 207
Victoria, British Columbia V8V 1X4

Dear Madam Speaker:

It is my honour to present the 2014/15 Annual Report of the Merit Commissioner. This report is submitted pursuant to section 5.2 of the *Public Service Act*, Chapter 385 of the Revised Statutes of British Columbia.

As an Officer of the Legislative Assembly, I would be pleased to appear and report further on these matters at the request of the Members of the Legislative Assembly.

Respectfully submitted,

Fiona Spencer
Merit Commissioner

Victoria, British Columbia
May 2015



Fiona Spencer
Merit Commissioner

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Message from the Merit Commissioner

This Annual Report, covering the 2014/15 fiscal year, highlights our focus on our core lines of business: the random audits of appointments to and from within the BC Public Service, and the conduct of reviews of specific appointment decisions upon request of unsuccessful employee applicants. Our audits of appointments let us gauge the extent to which hiring practices are in line with legislation, public service policy and collective agreement provisions. They allow us to carry out a retrospective analysis of processes to assess if they were properly designed and conducted in a fair and transparent manner and if the rationale to support each hiring decision was reasonable and readily available.

When we conducted our 2012 Merit Performance Audit, the results showed an overall upward trend in the number of appointments with issues or flaws when compared to previous years. The 2013/14 audit showed a continuation of that trend. Despite these results, we are encouraged by three things. First, that each employee appointed was considered to have met the qualifications as specified for the position. Second, that many if not all, problems identified are considered fixable with training, changes in hiring practice, communications, or attention to detail. And third, that there is a commitment in the public service to improvement. Where our recommendations have been implemented or attention has been focused on matters identified as problematic, positive change has resulted. This confirms for me that ongoing audits continue to be important to a merit-based hiring system.

Our goal going forward is to continue to add value through our audits by ensuring they are relevant and timely. This enables the BC Public Service Agency, organization heads and hiring managers to be aware of potential problem areas and to implement change. As the BC Public Service Agency looks at ways to improve staffing processes and increase efficiency – by introducing new and different approaches such as pool

hiring and centralized screening – we can, through audits, raise cautionary flags if we see implications for merit-based hiring and point out where corrections or adjustments may be necessary to policy or practice.

In 2014/15 I received 19 staffing review requests. This was the second-highest annual number in the history of this Office. In 2013/14 there were 12 requests, and in the previous year, seven. Through these reviews we were not only able to address specific issues of concern to employee applicants, but also to examine a variety of complex matters related to hiring practices. Consequently, the results of staffing reviews, while first and foremost focussed on the appointment under challenge, also provide an opportunity to identify areas where more general changes or improvements to practice may be required. We continue to note through our reviews the impact of unclear or incomplete information sharing, especially at the feedback stage, and note that open and transparent communication is an effective way to increase employees' confidence that they have been treated fairly and that appointment decisions are merit-based.

I am pleased and proud of the work the Office of the Merit Commissioner does to bring forward issues related to merit-based hiring, to respond to employee concerns and to identify areas for improvement in the BC Public Service. Through this work, we influence positive change in hiring practices.



Fiona Spencer, Merit Commissioner

The Office of the Merit Commissioner

The Merit Commissioner is appointed by the Legislative Assembly on a part-time basis for a three-year term. The Office of the Merit Commissioner (the Office) consists of a small team of core staff supplemented by contract auditors.



Our Audit Advisory Committee provides a forum for discussion, consultation, advice and guidance with respect to our audit program and process. Members are selected for their professional qualifications, relevant knowledge about the public service and expertise related to performance audits. The Committee meets periodically with the Merit Commissioner and her staff to provide audit advice, contribute to audit planning and examine issues of interest.

The Office is guided by the principles of fairness and impartiality. We apply to ourselves the same standards of integrity in performance and accountability that we apply to others and make certain all those who contact the Office are treated with respect. We are passionate about our work and understand that a vital part of being independent is to have the courage to deliver facts and recommendations about where improvements are needed, as well as to report on progress and accomplishments.

The Merit Principle

The *Public Service Act* (the *Act*) states that all appointments to and from within the BC Public Service must be based on the principle of merit. Merit is commonly accepted to mean that appointments are based on an assessment of competence and ability to do the job, and are non-partisan.

Vision

A professional and non-partisan public service that is hired and promoted on the principle of merit.

Mission

To serve the people of British Columbia through their elected representatives of the Legislative Assembly, by monitoring public service appointments to ensure the application of the merit principle in hiring and promotions in the BC Public Service.

Role

The Merit Commissioner provides independent oversight of and insight into the conduct of merit-based hiring in the BC Public Service. The Office achieves this oversight by randomly auditing staffing appointments, conducting special audits and studies, and reviewing appointment decisions upon request by employee applicants. The Office also informs hiring managers, employees and the public of our findings through reports, studies and educational materials. As well, we deliver presentations to increase awareness about the value of merit-based hiring practices. The Merit Commissioner reports annually to the Legislative Assembly on the application of the merit principle in the BC Public Service.

Stakeholders

The Office provides oversight of provincial government organizations that have employees appointed under the *Public Service Act*, including: ministries, tribunals, agencies, boards, commissions, independent offices of the Legislature, and the offices of the Courts. The Office broadly shares responsibility for upholding merit-based hiring and promotions in the BC Public Service with the BC Public Service Agency and other key stakeholders within these organizations as illustrated in Table 1.

Table 1 - Stakeholder Responsibilities for Merit-based Hiring

Deputy Minister, BC Public Service Agency (Agency Head)

- Sets staffing policy and the accountability framework for human resource management with the Deputy Ministers' Council
- Provides staffing support and training to client groups
- Delegates responsibilities for staffing activities to deputy ministers and heads of organizations
- Authorizes direct appointments
- Receives and takes action as appropriate on the Merit Commissioner's audit and study findings

Deputy Ministers and Organization Heads

- As a Council, carry out the corporate human resource plan
- Create and lead a culture supportive of merit-based hiring
- Sub-delegate staffing activities to line managers/supervisors
- Hold hiring managers accountable for hiring decisions
- Respond to requests at the second step in the staffing review process
- Receive and take action as appropriate on the Merit Commissioner's audit and staffing review decisions

Hiring Managers

- Acquire and maintain the knowledge and skills required to conduct merit-based hiring processes
- Make fair and unbiased hiring decisions
- Respond to requests at the first step in the staffing review process

Fair hiring practices are of significant interest to employees and are key to their engagement and retention. Employees can have a positive impact on hiring practices when they raise issues and concerns as that helps us to gauge the state of merit-based hiring within the BC Public Service, and may contribute to informing the Office's work related to future audits and special studies.

The bargaining units that represent most BC Public Service employees (BC Government and Service Employees' Union [BCGEU], the Professional Employees Association [PEA], and the nurses' unions), as well as the BC Excluded Employees' Association, have long records of encouraging and supporting merit-based hiring in the public service.

Our Work

The Office of the Merit Commissioner (the Office) has two main lines of business: conducting merit performance audits and, upon request, reviewing individual staffing decisions. The following sections include synopses of work completed during 2014/15 and work underway. Detailed reports related to work completed can be found at www.meritcomm.bc.ca.

Merit Performance Audits

Overview

The Office monitors the application of the principle of merit in the BC Public Service by conducting random audits of permanent appointments and temporary appointments greater than seven months. Any organization to which section 8 of the *Public Service Act* (the *Act*) applies may be audited by the Office.

Appointments on Merit

Section 8(1) of the *Act* states that, other than some defined exceptions, appointments to and from within the public service must (a) be based on the principle of merit, and (b) be the result of a process designed to appraise the knowledge, skills and abilities of eligible applicants.

Our Work

We conduct audits in accordance with generally accepted professional audit standards and methodology, work with independent statisticians to ensure rigour and objectivity in obtaining random and representative samples, and incorporate quality assurance reviews into the audit process.

In accordance with Section 5.1(a) of the *Act*, the purpose of a merit performance audit is to determine:

- (a) whether the recruitment and selection processes were properly applied to result in appointments based on merit, and
- (b) whether the individuals when appointed possessed the required qualifications for the positions to which they were appointed.

Recruitment and Selection Process

In accordance with an established audit program, we determine whether the design and conduct of a hiring process led to a merit-based appointment. As part of this determination, we consider the application of relevant legislation, policy and provisions of collective agreements; such as whether the factors of merit were appropriately assessed, and whether the hiring decisions were properly communicated to employee applicants. The overall approach (i.e., process) employed to recruit and select applicants is examined, as well as specific aspects of the process, which we categorize as assessment (e.g., short-listing, testing, and interviewing), past work performance, years of continuous service and notification. In addition, consideration is given to whether there was sufficient supporting documentation (i.e., evidence) of the actions taken and decisions made. The detailed audit program can be viewed at www.meritcomm.bc.ca.

With respect to each recruitment and selection process, one of the findings described in Table 2 is made.

Individual Appointed

We also determine, in accordance with the established audit program and based on the evidence provided, whether the individual appointed possessed the education and experience specified as required for the position and met the minimum criteria established for the other factors assessed during the process. With respect to the individual whose appointment is being audited, this determination leads to one of the findings described in Table 3.

Factors of Merit

Section 8(2) of the *Act* sets out the matters to be considered in determining merit, which must include the applicant's education, skills, knowledge, experience, past work performance and years of continuous service.

Table 2 - Recruitment and Selection Process Findings

Merit	The appointment was the result of a process designed to assess the factors of merit based on the duties to be performed, the process was applied in an objective and transparent manner, and assessment decisions were fair and reasonable.
Merit with exception	Overall, the appointment was the result of a merit-based process; however, an issue was identified with the design or application of the process which did not have an identifiable negative impact on the outcome.
Merit not applied	The appointment was not the result of a merit-based process as a critical flaw or error was found in the design or application of the process which resulted in an identifiable negative impact on the outcome.
Did not demonstrate	There was insufficient evidence provided to demonstrate that the design or application of the process was based on merit.

Table 3 - Individual Appointment Findings

Qualified	The individual, when appointed, possessed the qualifications specified as required for the position.
Not qualified	The individual, when appointed, did not possess the qualifications specified as required for the position.
Did not demonstrate	There was insufficient evidence provided to demonstrate that the individual, when appointed, possessed the qualifications specified as required for the position.

Our Work

Audit findings for each appointment are reported to deputy ministers and heads of organizations as appropriate, and the overall results are provided to the Deputy Minister of the BC Public Service Agency (Agency Head) and made available to the public. The audit findings and report acknowledge and support good hiring practices throughout the BC Public Service and also hold managers accountable for hiring decisions. The merit performance audit is also a means of bringing issues and opportunities for improvement to the attention of the Agency Head, deputy ministers and organization heads.

Audit Determinations

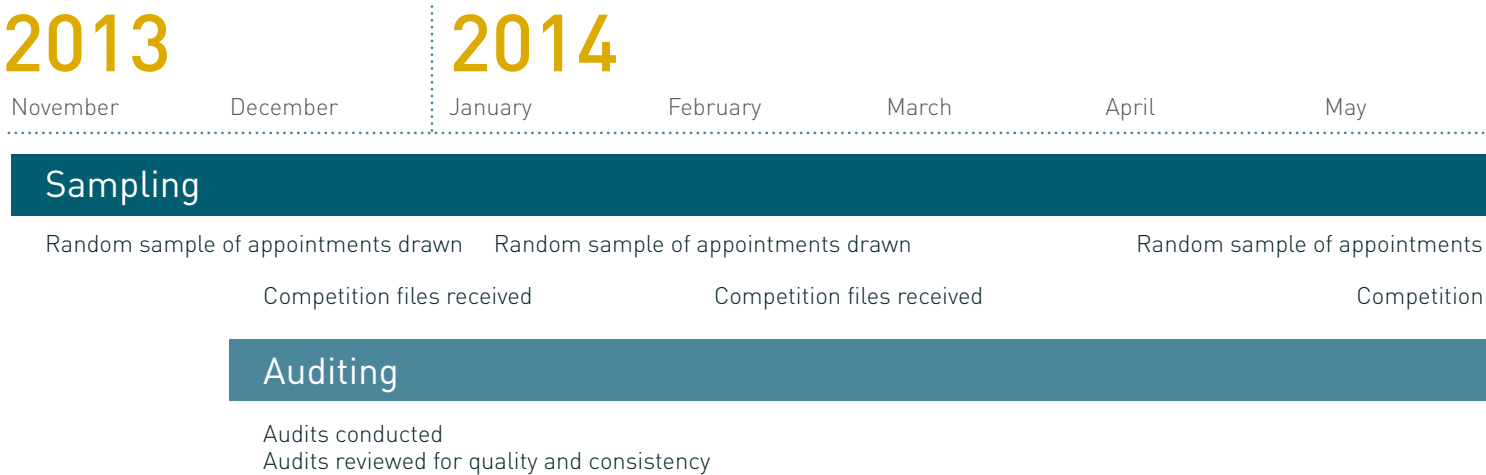
Each audit results in two determinations: whether the recruitment and selection process was based on merit and whether the individual appointed was qualified.

Work Undertaken

2013/14 Merit Performance Audit

Previous annual merit performance audits have covered appointments made during a calendar year. Commencing with the 2013/14 Merit Performance Audit, the Office moved to a fiscal year audit cycle. We conducted a seven-month audit in 2013/14 to facilitate the shift, to allow for a review of the audit program, and to ensure that a high quality audit could be conducted given the resources available. A graphic representation of the timeline for the 2013/14 Merit Performance Audit is depicted in Chart 1.

Chart 1 – 2013/14 Merit Performance Audit Timeline

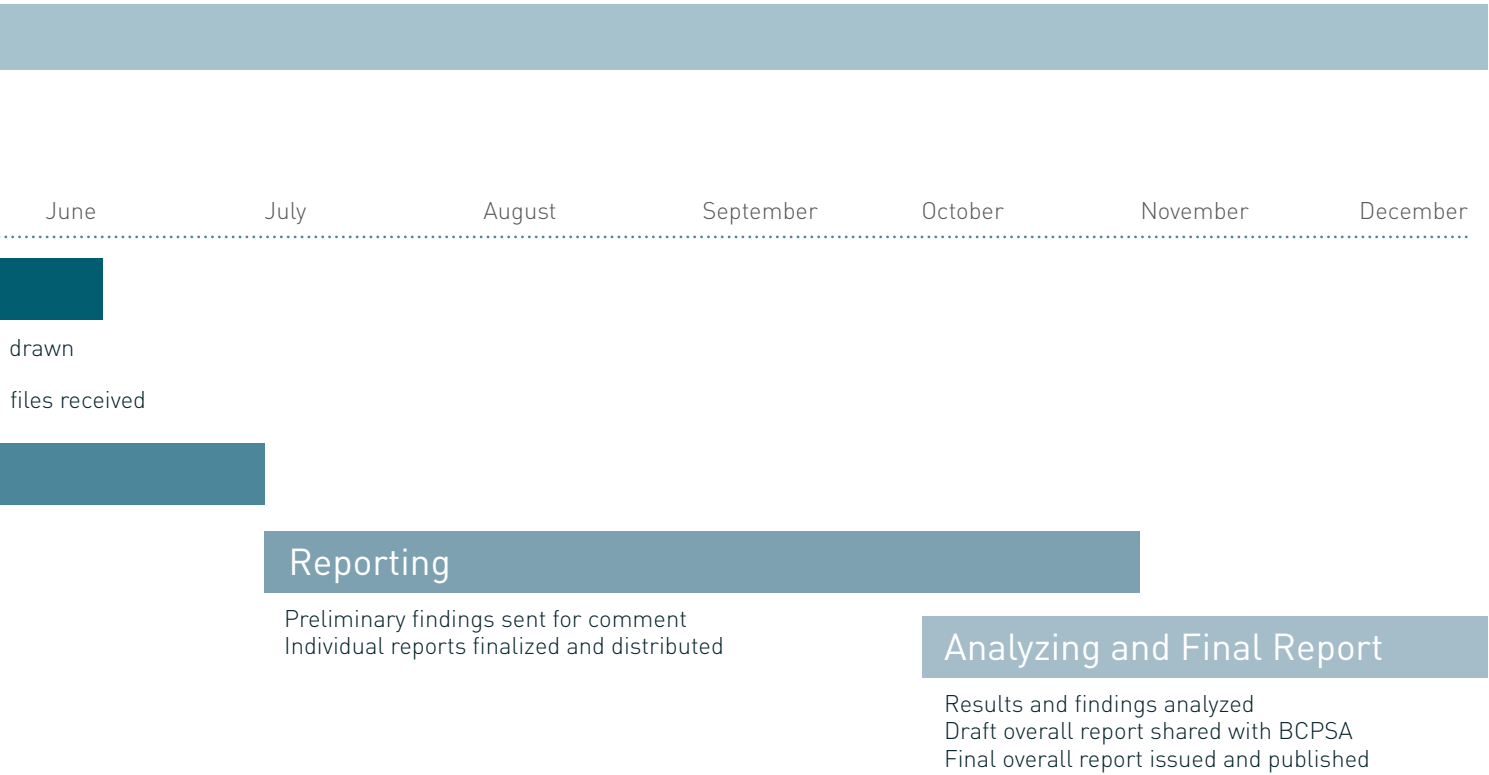


The appointments audited in the 2013/14 Merit Performance Audit were randomly selected by BC Stats from a population of 2,163 appointments made between September 1, 2013 and March 31, 2014. To ensure the appointments to be audited were representative of the overall appointment population, the appointment data was stratified by ministry/organization size (up to 1,000 employees and more than 1,000 employees) and appointment type (permanent, temporary exceeding seven months, and direct). An overall sampling rate of 7.5 per cent was chosen to ensure that the audit results would be generalizable to the same types of appointments across the BC Public Service. A total sample of 161 appointments was selected, of which 11 were determined to be outside the scope of the audit and were removed from consideration. The Office conducted audits of the remaining 150 hiring processes.

Where preliminary findings of “merit not applied” were made, we provided the responsible deputy minister or organization head with the draft results and the opportunity to provide additional or clarifying information. Final audit reports were shared with the deputy minister or organization head. After all individual audits were concluded we completed a comprehensive analysis of the audit findings.

Individual Appointed

With respect to the qualifications of those appointed, the 2013/14 Merit Performance Audit found no evidence that unqualified individuals were appointed.



Recruitment and Selection Process

The audit found that nearly 91 per cent of appointments were the result of a recruitment and selection process where there was a finding of either “merit” or, in cases where issues were identified but it could not be confirmed that the outcome would have been affected, a finding of “merit with exception.” However, considering the “merit with exception” and the “merit not applied” findings together, the audit showed that there were either issues or critical flaws in 47 per cent of the appointments. By extrapolation therefore, issues or flaws to merit-based hiring processes were present in an estimated 965 appointments made throughout the BC Public Service during the seven-month audit period in 2013/14. The types of issues and flaws identified are categorized and described in Table 4.

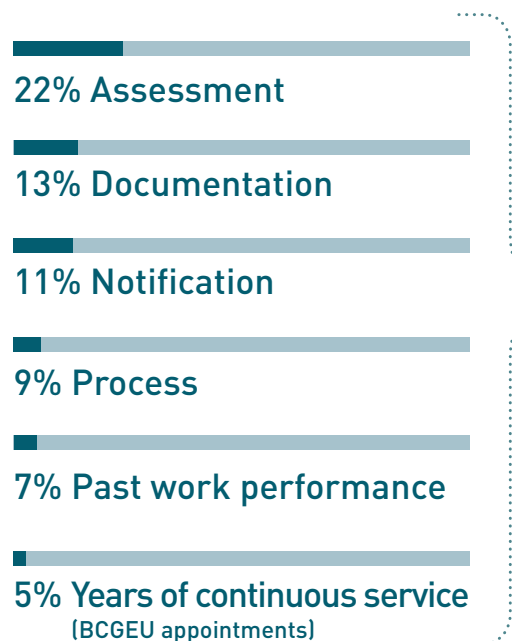
Table 4 - Categories of Issues and Flaws

Category	Audit Considerations
Process	Was the overall approach to recruit and select applicants fair, reasonable and transparent, given the job and its requirements?
Assessment	Were applicants consistently and appropriately evaluated in accordance with the following factors of merit: education, skills, knowledge and experience?
Past work performance	Was this factor properly assessed, including at least one reference from a supervisor or equivalent?
Years of continuous service	Was this factor properly considered, and assessed where applicable?
Notification	Were employee applicants notified of the final outcome of the hiring process?
Documentation	Was there was sufficient documentation to show that process, actions and decisions were transparent, consistent, relevant and reasonable?

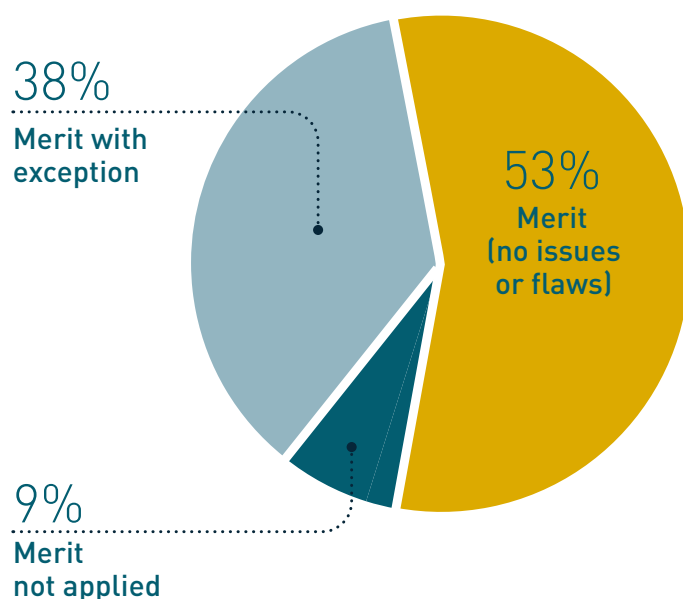
The frequency of the identified issues and flaws leading to “merit with exception” or “merit not applied” findings are indicated in Chart 2. While some appointments had more than one issue or flaw identified, there was only one overall finding reported for each audit.

Chart 2 - 2013/14 Merit Performance Audit Findings

Issues and Flaws Identified in the Hiring Process



Audit Findings



The highest number of identified issues and flaws were found under the category of assessment. This is a concern as the incidence of appointments found to have assessment issues or flaws has increased considerably over the last three merit performance audits. Also frequently identified were documentation and notification issues; however, there has been improvement in both these categories over time. While issues and flaws related to process are generally few, it is noted that these have increased since 2012. The Office will monitor the findings in this category closely, as they tend to reflect more serious flaws in the overall structure of an appointment process and are more likely to have a negative impact on the outcome.

Summary of 2013/14 Merit Performance Audit Recommendations

Based on the analysis of the 2013/14 Merit Performance Audit findings, the Merit Commissioner made a number of recommendations to the Agency Head and to deputy ministers and organization heads as to where hiring practices might be improved.

Our Work

The recommendation to the Agency Head was to improve systems and procedures related to the provision of notification of competition results to unsuccessful applicants. Recommendations to deputy ministers and organization heads were to ensure that areas of competition are reasonably established, that hiring managers use standards appropriately, and that the assessment of past work performance is properly designed and applied. A recommendation made to both parties was to ensure that sufficient rigour is applied during the conduct of the hiring process.

These recommendations were included in the report provided to the Legislative Assembly in November 2014 and published on our website.

Work Underway

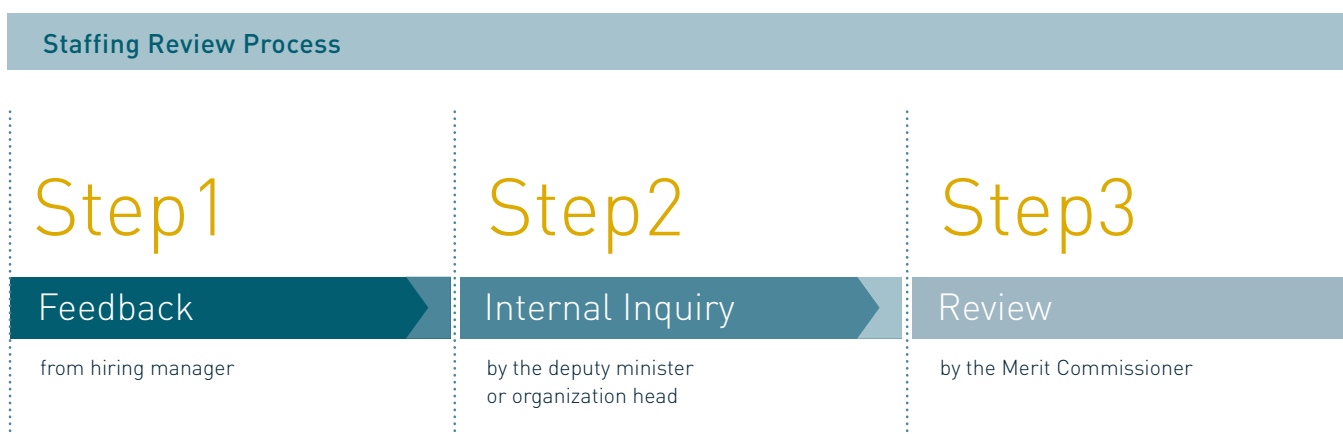
2014/15 Merit Performance Audit

The 2014/15 Merit Performance Audit of appointments made from April 1, 2014 through March 31, 2015 is currently underway. Random samples of appointments were drawn each quarter, and in February 2015 audit reports for 130 appointments from the first two samples were provided to deputy ministers and organization heads. In September 2015, the audit reports for appointments identified in the last two samples will be distributed. The final comprehensive report, including the analysis and summary of the overall audit results, will be issued and published in November 2015.

Staffing Reviews

Overview

The *Public Service Act* provides employee applicants who are unsuccessful in competitions for permanent appointments or temporary appointments exceeding seven months with the right to request a review of the appointment decision. There is a three-step staffing review process which an employee may initiate when notified of a competition outcome.



The third step in the process, a review by the Merit Commissioner, is available to employees who are applicants for bargaining unit positions. Should the employee proceed to this step, the Merit Commissioner conducts an independent review based on the employee's stated grounds and determines whether the appointment or proposed appointment is based on merit. If the appointment is determined to be merit-based, the Merit Commissioner upholds the appointment decision; if not, she directs a reconsideration of the appointment decision. The Merit Commissioner's decisions are final and binding. In general, decisions are issued within 30 days following receipt of the documents necessary to conduct the review.

Work Undertaken

2013/14 Report on Staffing Reviews

An analysis of the 10 eligible staffing reviews conducted during 2013/14 was completed in the spring of 2014 and a final report was published on our website in June 2014. Given the relatively small number of reviews, broad conclusions were not drawn; however, the report discussed several common grounds identified in the reviews. These grounds, representative of employee concerns, included: the proper consideration or weight given to a factor of merit (typically experience); the transparency, relevancy and/or validity of practical assessments such as written tests and role plays; the appropriate assessment of past work performance where it

Our Work

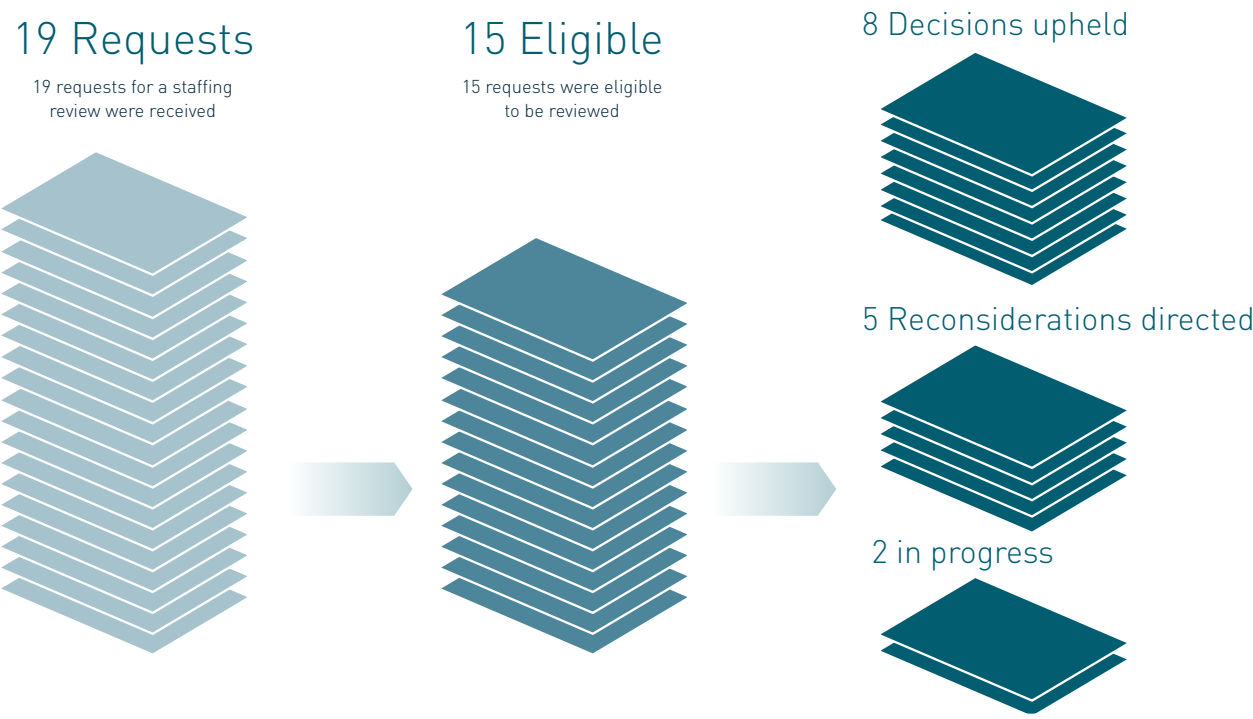
was based on a sole and/or inappropriate referee, or where the candidate had previously passed this factor in a similar process; and possible panel bias.

Through the conduct of these staffing reviews the Office did not identify any significant or concerning shifts in merit-based hiring practices. Generally, the hiring processes were found to be merit-based: the factors of merit were assessed in a reasonable and objective manner, the practical assessments were job-related, and the assessments of past work performance were sufficient and fair. Reconsiderations were directed in three cases where specific flaws were identified, each different and unique to the particular circumstances. It was evident in many cases that incomplete or unclear feedback continues to contribute to unsuccessful employee applicants’ concerns about hiring processes – highlighting the importance of clear and accurate communication of decisions and results.

2014/15 Staffing Reviews

In 2014/15, the Merit Commissioner received 19 requests for review of appointments made in eight different ministries or organizations and in various locations of the province. The majority of requests related to in-service competitions for permanent appointments. One request was withdrawn prior to the start of the review and another three were deemed ineligible as they were received outside the timelines set by regulation. Reviews of the remaining 15 appointments were undertaken.

Each review included an analysis of the documented evidence contained within the competition file, supplemented by information obtained through discussions with the employee requesting the review, the hiring manager and other hiring panel members, as necessary. Each review was guided by the requirements of legislation, collective agreement provisions, and hiring policies. Consideration was given as to whether the hiring process was fair and transparent, the assessment conducted was relevant to the job, and the decisions made were reasonable.



The Merit Commissioner issued 13 decisions in 2014/15. Each decision was rendered after thoughtful consideration of the employee's concerns and a thorough examination of the hiring process. In eight of these cases, the appointment was found to be merit-based. In the other five cases, the Merit Commissioner found that the appointment was not merit-based and as such, directed the responsible deputy minister or organization head to reconsider the appointment.

The reviews were concluded on average within 28 days and the detailed reports shared with the employee and responsible deputy minister.

Grounds for Review

In 2014/15, the most frequently submitted grounds for review were:

- insufficient consideration of the factors of merit, in particular the assessment of extensive related experience;
- inappropriate use of a behavioural interview or incorrect marking of behavioural competencies;
- lack of information or clarity around the assessment process or tools (e.g., test or interview questions); and
- inappropriate assessment of past work performance or years of continuous service.

Work Underway

2014/15 Report on Staffing Reviews

An analysis of the staffing reviews conducted in 2014/15 is being undertaken and a final report will be published in the summer of 2015. Recurring themes in employees' grounds for review provide the Office with insight into areas where future audits or studies of specific aspects of the hiring process may be warranted.

Special Studies

Study of Self-Assessment Questionnaires

After observing an increase in the use of self-assessment questionnaires as a means of screening or short-listing candidates for positions in the BC Public Service, we initiated a study of this recruitment and selection tool. The study was aimed at identifying the risks, if any, that such a tool may pose to merit-based hiring and determining if measures are in place to minimize any risks identified. As part of this study, a current literature search regarding self-assessment questionnaires was undertaken, previous audit observations and findings related to the use of this tool were examined, and the guidelines for and use of self-assessment questionnaires in the BC Public Service were reviewed. Information will be published on our website in June 2015.

Outreach

The Office is committed to engaging with our stakeholders and examining best practices in other jurisdictions in the interest of improving practices and increasing effectiveness.

In 2014/15, the Office requested feedback from hiring managers, one of our key stakeholder groups, on how the audit was conducted. Hiring managers who were responsible for an appointment selected for audit in the first two samples of the 2014/15 Merit Performance Audit were given the opportunity to provide comment on their interaction with the Office's auditors and the audit process undertaken, and to identify areas for improvement. There was a high response rate to this survey and the overall feedback received was positive. We will consider building this feedback process into our audit program on an ongoing basis.

Merit-based hiring is an important part of:

- building a qualified and professional public service;
- sustaining an engaged and productive workforce;
- demonstrating credible leadership; and
- maintaining public trust.

Budget

The Office of the Merit Commissioner's (the Office's) operating budget and expenditures for the 2014/15 fiscal year are shown by expenditure type in Table 5.

In November 2014, the Merit Commissioner met with the Select Standing Committee on Finance and Government Services to review results of the work of the Office over the previous year, establish priorities for the year ahead and review budget requirements for the next three fiscal years. The Committee acknowledged the work of the Office and endorsed the Service Plan as it was presented. Subsequently, the Office was allocated a budget of \$1,054,000 for fiscal 2015/16. Details of this budget allocation are also shown in Table 5.

Table 5 – Budget and Expenditures

	Approved Budget 2014/15	Actual Expenditures 2014/15	Approved Budget 2015/16
Salaries & Benefits	\$694,000	\$665,551	\$611,000
Travel Expenses	\$13,000	\$15,287	\$15,000
Office Expenses	\$257,000	\$207,690	\$328,000
Professional Services	\$75,000	\$125,411	\$100,000
Total	\$1,039,000	\$1,013,939	\$1,054,000

Note: As of April 1, 2015, shared services costs previously reported as salary & benefits, are reported as office expenses.

Appendix A

Organizations Subject to Oversight by the Merit Commissioner

(as of March 31, 2015)

Ministries

Aboriginal Relations and Reconciliation
Advanced Education
Agriculture
Children and Family Development
Community, Sport and Cultural Development
Education
Energy and Mines
Environment
Finance
Forests, Lands and Natural Resource Operations
Health
International Trade
Jobs, Tourism and Skills Training
Justice
Natural Gas Development
Social Development and Social Innovation
Technology, Innovation and Citizens' Services
Transportation and Infrastructure

Independent Offices

Auditor General
Elections BC
Information and Privacy Commissioner
Merit Commissioner
Ombudsperson
Police Complaint Commissioner
Representative for Children and Youth

Courts of British Columbia

Provincial Court of BC
Supreme Court of BC
BC Court of Appeal

Other Public Sector Organizations

Agricultural Land Commission
Auditor General for Local Government
BC Human Rights Tribunal
BC Pension Corporation
BC Public Service Agency
BC Review Board
Community Care and Assisted Living Appeal Board
Destination BC
Employment and Assistance Appeal Tribunal
Environmental Appeal Board
Financial Institutions Commission
Financial Services Tribunal
Forest Appeals Commission
Forest Practices Board
Health Professions Review Board
Hospital Appeal Board
Independent Investigations Office
Islands Trust
Office of the Premier
Oil and Gas Appeal Tribunal
Property Assessment Appeal Board
Provincial Capital Commission
Public Guardian and Trustee
Public Sector Employers' Council Secretariat
Royal BC Museum
Safety Standards Appeal Board
Surface Rights Board



Merit Commissioner

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