



Office of the  
Merit Commissioner

## Merit Performance Audit

# 2016/17

UPHOLDING FAIR HIRING IN THE  
BC PUBLIC SERVICE



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## Executive Summary

The Office of the Merit Commissioner audited 257 randomly-selected appointments which were made between April 1, 2016 and March 31, 2017. In accordance with the *Public Service Act*, each audit makes two determinations: whether the recruitment and selection process was both properly designed and applied to result in an appointment based on merit; and whether the individual appointed was qualified. In 2016/17, as part of a number of audit changes to improve accuracy and clarity, a third overall finding was introduced - whether there was sufficient documentation to support the appointment decision and enable a complete audit to be conducted.

The audit results have been extrapolated to all appointments of a similar type made throughout the BC Public Service in the 2016/17 fiscal year, and are reasonably reflective of these appointments. With respect to recruitment and selection processes, 43.2 per cent of appointments audited were found to be the result of a merit-based process. A further 47.9 per cent of appointments audited resulted in a “merit with exception” finding, which is indicative of a process considered to be merit-based, but where errors were identified. The remaining 8.9 per cent of appointments audited were found to be the result of a process that was not merit-based. These overall findings are similar to last fiscal year.

Of interest are the types of errors identified with the respect to the recruitment and selection process which are examined and reported by the category or stage of the process in which they occurred. The majority of errors were found in the categories of short-listing, interviewing and testing, and past work performance. Common problems in these categories (and others) could be attributed to weaknesses with the foundation upon which most of the competition is based – the selection criteria. Another key element of a merit-based process, objective assessment standards, was absent or incomplete in several different categories. Lastly, a number of competitions were finalized without the assessment of all necessary factors of merit for employee candidates to be appointed, most notably past work performance and years of continuous service.

In all but three cases, the individuals whose appointments were selected for audit were considered to have the qualifications specified as required for the position.

Regarding the assessment of the state of documentation, the audit found two-thirds of the audited appointments were at least sufficiently documented, and the other third were insufficiently documented. Many audits required the acceptance of some verbal evidence in order to conduct a thorough audit.

The report includes five recommendations for deputy ministers and organization heads concerning: developing qualifications; preparing standards and evaluation criteria; completing assessment for employee candidates; making offers in rank order; and documenting hiring decisions throughout the process. Prior to being finalized, this report was shared with the Deputy Minister of the BC Public Service Agency and her response is attached as Appendix A.



## Overview

Section 8 of the *Public Service Act* (the *Act*) states that all appointments to and from within the public service must be based on the principle of merit. Section 5.1 requires the Merit Commissioner to monitor the application of merit by conducting random audits of these appointments. The overall results of these audits are reported to the Legislative Assembly and publicly reported through the Office of the Merit Commissioner's (the Office) website.

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The merit principle is commonly accepted to mean that appointments are made on the basis of an assessment of competence and ability to do the job, and are non-partisan.

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A summary of their merit performance audit results and detailed audit findings are provided to the deputy ministers or organization heads who have overall responsibility for the ministries, boards, commissions, agencies or other organizations where the appointments were made. It is expected that these senior managers will take the necessary action to improve hiring practices within their organizations and to share audit findings with the hiring managers, who have been delegated the responsibility to decide how best to recruit, assess and select applicants for appointments. The audits provide a way of holding managers accountable for results, of recognizing performance, and of identifying issues which could potentially develop into problems.

Audit results are also reported to the Deputy Minister of the BC Public Service Agency (Agency Head) who is responsible for staffing policy, support, and training in the BC Public Service, as well as establishing the accountability framework for human resource management in conjunction with the Deputy Ministers' Council.

## Audit Criteria and Process

Section 5.1(1)(a) of the *Act* specifies that the Merit Commissioner is responsible for conducting random audits of appointments to assess whether:

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



Consequently, each audit comes to a finding with respect to the recruitment and selection process, and the individual appointed. In addition, there is a third finding reached regarding whether there was sufficient documentation to support the appointment decision and to enable a complete audit to be conducted.

## Recruitment and Selection Process

In accordance with the established audit program, the Office's auditors determine whether the design and conduct of a hiring process led to a merit-based appointment. As part of this determination, they consider the application of relevant legislation, policy, and provisions of collective agreements, such as whether the factors of merit were appropriately assessed and the hiring decisions properly communicated to employee applicants. The overall approach is examined as well as specific aspects of the process which are categorized as: short-listing, interviewing and testing, past work performance, years of continuous service, and notification.

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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.

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Each recruitment and selection process is also assessed to determine whether the basic principles of fairness, transparency, relevancy, and reasonableness, which are integral to a merit-based process, were met.

In 2016/17, changes were made to how findings related to the recruitment and selection process are captured and reported. These changes were introduced to improve accuracy, clarity and precision while continuing to allow for general comparisons over time. The key changes made were:

- the elimination of the “did not demonstrate” finding;
- the distinction between findings of “merit not applied” and “merit with exception”;
- the separation of the formerly named category of “assessment” into two distinct categories titled “short-listing” and “interview and testing”; and
- the change of “documentation” from a category of error in the recruitment and selection process, to a separate overall audit finding.

Further explanation of the changes and impact of their introduction on the results are described in the relevant sections of the report.



The definitions of audit findings with respect to the recruitment and selection process have been simplified to better reflect the *Act* and to clarify the meaning of “merit with exception”. The new finding definitions are as follows.

- **Merit** – The recruitment and selection process was both properly designed and applied to result in an appointment based on merit.
- **Merit With Exception (MWE)** – The recruitment and selection process contained one or more errors in design or application: there was no identifiable negative impact on the outcome.
- **Merit Not Applied (MNA)** – The recruitment and selection process contained one or more errors in design or application: the impact on the outcome was known to be negative and as a result, the appointment was not based on merit.

The definitions have been revised to highlight that errors identified in the design or application of the hiring process will result in either a “merit with exception” or “merit not applied” finding. The same type of error may be identified in two similar competition processes; however, it is the impact of that error on the outcome that determines which of the two findings will apply. Where the impact on the outcome is unknown or mitigated by other factors, the finding is “merit with exception”. Where the error has direct and identifiable consequences for the outcome, such as the appointment of the wrong candidate or placement of an unqualified candidate on the eligibility list, the finding is “merit not applied”.

The audit also notes for improvement, aspects that are not of consequence to the overall merit of the process, but may have implications for the transparency of the hiring process.

The finding of “did not demonstrate” which was in place in previous years, has been eliminated as a possible determination. When there is insufficient evidence overall to demonstrate that the design or application of a process was based on merit, it is concluded that merit was not applied.

## Individual Appointed

Auditors also determine whether, at the time of appointment, 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 audited, one of the following findings is determined through the audit.

- **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.
- **Qualifications Not Demonstrated** – There was insufficient evidence provided to demonstrate that the individual, when appointed, possessed the qualifications specified as required for the position.

## Documentation

Prior to the 2016/17 Merit Performance Audit, problems identified with documentation were taken into account in determining a finding with respect to the recruitment and selection process. Although proper documentation is essential for accountability and transparency, issues of this nature do not generally have implications for the merit of a hiring process. Consequently, the state of competition documentation is now being reported as a separate audit finding instead of as part of the process determination. This change focuses attention on issues that truly impact merit while still highlighting the importance of hiring managers' responsibility to document hiring decisions. A separate summary of the overall state of the competition documentation is now included in each individual audit report.

With respect to documentation, one of the following findings is determined through audit.

- **Good** – Comprehensive information provided with no or minimal requirement to follow up.
- **Sufficient** – Most, but not all, information provided; missing information subsequently provided, explained, or had minor implications for conducting the audit.
- **Insufficient** – Several documents or a critical component either missing or not documented; reliance on verbal evidence required in order to conduct the audit.

Where there is a serious lack of evidence or conflicting evidence such that it is not possible to make determinations or draw conclusions regarding the process or appointee, the documentation finding would be “insufficient”. There would also be a corresponding recruitment and selection process finding of “merit not applied” and/or the finding with respect to the qualifications of the individual would be “qualifications not demonstrated”.

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Each audit results in three findings: whether the recruitment and selection process was based on merit, whether the individual appointed was qualified; and whether there was sufficient documentation to support the first two findings.

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## Scope

Any organization to which section 8 of the *Act* applies may be audited by the Office of the Merit Commissioner. A list of organizations subject to this oversight is included in Appendix B.

## Appointment Types

The merit performance audit focuses on those appointments that form the regular, long-term workforce of the BC Public Service. Specifically, these appointments are permanent appointments and temporary appointments that exceed seven months, and which are required by section 8(1)(b) of the *Act* to be the result of a process that assesses eligible applicants' knowledge, skills and abilities. Auditing these types of appointments, where a candidate's qualifications are assessed and ranked relative to that of other candidates (i.e., through a competition), reveals the most information about how the principle of merit is being applied.

## Time Frame

The 2016/17 Merit Performance Audit focused on appointments made from April 1, 2016 through March 31, 2017.

## Appointment and Sample Details

A total of 5,934 permanent appointments and temporary appointments exceeding seven months were reported for the time frame associated with the 2016/17 Merit Performance Audit. This information was derived from data from the Corporate Human Resource Information and Payroll System (CHIPS) provided by the BC Public Service Agency, and from the Liquor Distribution Branch's records of appointments which are maintained in a separate database.

In order for it to be possible to generalize the results of the audit to all 5,934 appointments, a simple random sample was selected each quarter from this population of appointments based on a pre-determined sample size. The total audit sample was 268 appointments, 11 of which were subsequently determined to be outside the scope of the audit, largely due to coding errors. The number of out-of-scope appointments represents four per cent of total appointments sampled. Additional details about the sample can be found in the report titled "Random Selection for the Merit Performance Audit 2016/17" which is posted on the Office of the Merit Commissioner website.





## Overall Results

The overall results for the 2016/17 Merit Performance Audit are presented in accordance with the audit findings made with respect to the recruitment and selection process, the qualifications of the individual whose appointment was audited, and the sufficiency of documentation.

### Recruitment and Selection Process

Table 1 shows the overall audit results related to the recruitment and selection process. The method of sampling allows for these results to be extrapolated from the audited appointments to the larger total population of the same types of appointments (i.e., permanent appointments and temporary appointments of more than seven months) made from April 1, 2016 through March 31, 2017. The results indicate the strengths and weaknesses in merit-based hiring in the BC Public Service during that time period.

<b>Overall Findings</b>	<b>Appointments Audited</b>		<b>Extrapolated Results - Estimated Population<sup>1</sup></b>	
Merit	111	43.2%	2,459	43.25%
Merit with exception	123	47.9%	2,725	47.93%
Merit not applied	23	8.9%	501	8.82%
<b>Total</b>	<b>257</b>	<b>100%</b>	<b>5,685</b>	<b>100%</b>

**Notes:**

1: Weighted extrapolations and margins of error are included in the “Random Selection for the Merit Performance Audit 2016/17” report posted separately on the Office of the Merit Commissioner website. Extrapolated results are presented to the second decimal place to show accurate numbers.

The audit found that 43.2 per cent of appointments in the sample were the result of a merit-based recruitment and selection process with no errors. A total of 47.9 per cent of audited appointments were in the “merit with exception” category indicating a design or application error(s) in the hiring process that did not have a known negative impact on the outcome. The “merit not applied” findings indicate there were identified errors which impacted the outcome in 8.9 per cent of the audited appointments.

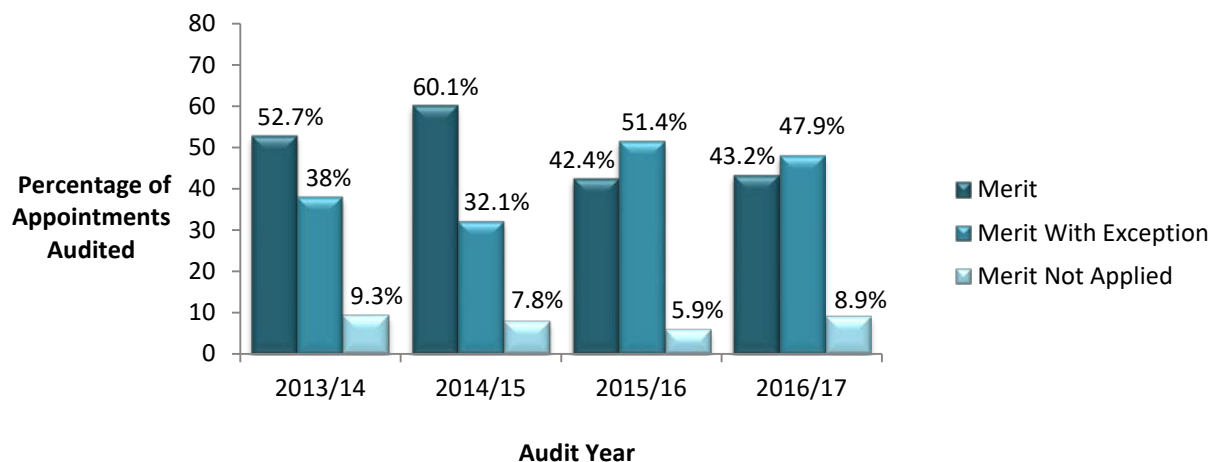
Based on the extrapolations of these findings, an estimated 2,725 appointments made throughout the BC Public Service in 2016/17 contained issues which were exceptions to merit-based hiring and 2,459 did not. An estimated total of 501 appointments made throughout the BC Public Service in 2016/17 have been the result of flawed processes (i.e., they were not merit-based).



## Year-to-Year Comparison of Overall Results

Audit findings related to merit in recruitment and selection processes continue to change over time. Chart 1 illustrates the frequency of findings in the samples of appointments audited since 2013/14. Caution should be applied when comparing 2016/17 audit results to prior years due to the changes made to the categorization of audit findings.

**Chart 1 - Frequency of Findings in Audited Appointments – Recruitment and Selection Process**



**Note:**

The former “did not demonstrate” findings were consistently less than 2 per cent and are not represented in this chart. In 2016/17, this type of finding was redefined as “merit not applied”.

The proportion of “merit not applied” findings has varied slightly from a high of 9.3 per cent in the 2013/14 audit to a low of 5.9 per cent in 2015/6. In 2016/17, the rate was 8.9 per cent of the audited appointments.

After fluctuating around an average of 35 per cent in samples from 2013/14 to 2014/15, the rate of “merit with exception” findings rose to a high of 51.4 per cent in 2015/16. Although the frequency of this finding decreased in 2016/17, it continued to be high at 47.9 per cent.

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In 2016/17, the relative percentage of findings remains unchanged from previous years. Almost half of the appointments audited had errors which warranted findings of “merit with exception”.

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## Recruitment and Selection Process Errors

While each audit results in one finding (“merit”, “merit with exception” or “merit not applied”) regarding the recruitment and selection process, often there is more than one error identified. In 2016/17, the 146 appointments that resulted in either a finding of “merit not applied” or “merit with



exception”, had a total of 234 errors. With respect to the 23 audited appointments that resulted in a “merit not applied” finding, three had a single error and 20 had multiple errors, of which at least one had an identifiable adverse impact (see Case 1). Of the other 123 appointments with errors that resulted in a finding of “merit with exception”, 78 had a single error and 45 had multiple errors.

#### Case 1 – Example of multiple findings

In an audited appointment, two errors were found. The first was an inconsistent approach used to assess past work performance; however, as all candidates passed and the assessment of this factor was not used to rank order candidates, there was no identifiable impact on the outcome. The other error was the omission of points for years of continuous service. This error did have a negative impact on the outcome, as a candidate was placed in the wrong rank order on the eligibility list. As a result, an overall finding of “merit not applied” was warranted.

The 234 errors are grouped into and reported out by the categories of approach, short-listing, interviewing and testing, past work performance, years of continuous service, and notification, in order to provide a sense of the types of problems and the frequency with which they occur. This year, the “process” category was renamed “approach” to distinguish it from “hiring process” or the “recruitment and selection process”, and to focus on the establishment of the overarching framework of the competition as opposed to the individual assessment stages. In addition, the “assessment” category was divided into two categories — “short-listing” and “interviewing and testing” — to recognize these as two distinct stages and to enable a more precise identification of where problems are occurring.

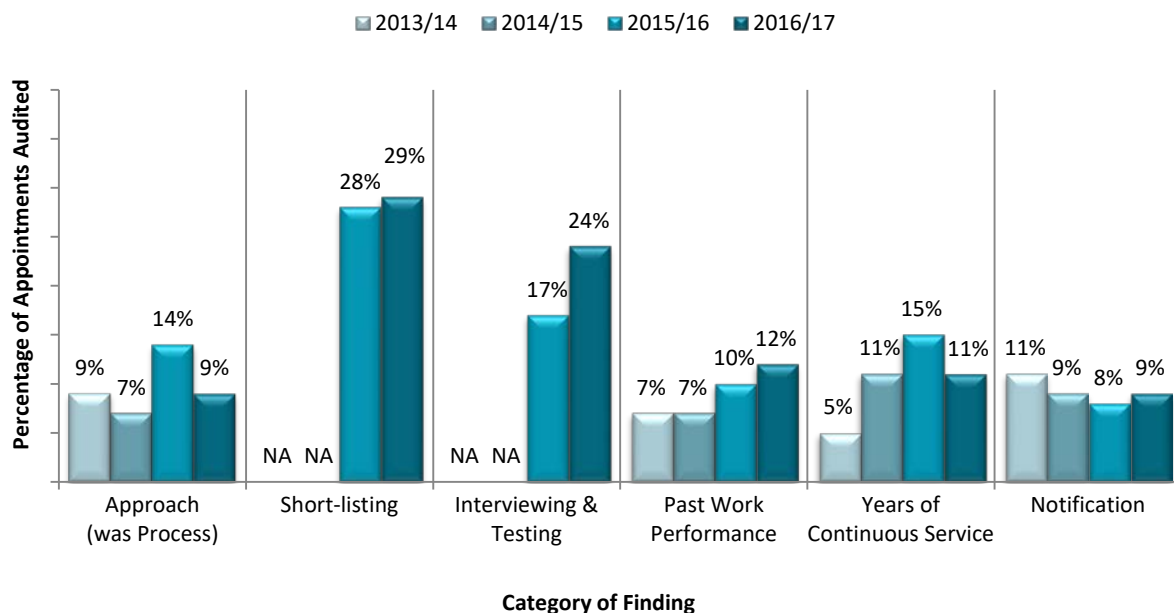
Table 2 provides a breakdown of the total 234 errors found by category, and indicates whether they resulted in a known negative impact on the outcome of the competition.

Category	Impact		Total	Per cent
	Error without impact	Error with impact	# of errors	% of errors
Approach	18	5	23	9.8
Short-listing	70	5	75	32.1
Interviewing & Testing	52	9	61	26.1
Past Work Performance	24	6	30	12.8
Years of Continuous Service	20	1	21	9.0
Notification	24	-	24	10.3
<b>Total</b>	<b>208</b>	<b>26</b>	<b>234</b>	<b>100</b>



Chart 2 provides a sense of the changing nature of the problems identified over time – depicting the relative frequency of appointments audited with errors by each category since 2013/14. This chart shows the number of errors in accordance with new categories (i.e., “short-listing” and “interviewing and testing” instead of “assessment”, and the removal of documentation as a determination for a finding with respect to the recruitment and selection process).

**Chart 2 - Relative Frequency of Appointments Audited with an Error by Category of Finding**



**Notes:**

- Percentages are rounded.
- Up to and including 2014/15, years of continuous service percentages in this chart are based on the number of BCGEU appointments audited. In 2015/16 and 2016/17, the years of continuous service percentage is based on the number of BCGEU and PEA appointments audited, as well as any excluded positions where the appointment used a calculation based on years of continuous service (199 BCGEU and PEA appointments, and 1 excluded appointment for 2016/17).
- The results for short-listing, and interviewing and testing for 2015/16 have been modified from what was reported in Merit Performance Audit 2015/16, so that an equivalent comparison for 2016/17 can be made.

Given the changes to the “assessment” category, it is no longer possible to make the same comparison between audit years with respect to this category. In previous years, where an audit may have found an issue in short-listing, as well as an issue in interviewing and testing, one error in “assessment” would have been reported. With the 2016/17 audit changes, these two issues would now count as two separate errors: one in “short-listing” and one in “interviewing and testing”. While this change does not affect the overall number of “merit not applied” or “merit with exception” audit findings, it does mean a comparatively overall lower number of errors in “assessment” would have been reported by category of finding in previous reports. As a result, direct comparisons can no longer be made with previous years with the exception of 2015/16, where the number of individual short-listing and interviewing and testing



errors were identified and reported in the body of that merit performance audit report. While the 2015/16 Merit Performance Audit found 111 errors overall with “assessment”, there were actually 90 individual errors in short-listing and 53 individual errors in interviewing and testing. These numbers are depicted as relative frequencies in Chart 2 to allow for a more meaningful, albeit somewhat limited, comparison of this year’s results to last year’s.

Appointments with errors in “approach” tend to represent a greater risk to merit-based hiring given the broader scope of issues and result in more “merit not applied” findings than errors in any other category. While the occurrence of errors in “approach” rose to a high of 14 per cent in 2015/16, they decreased in this audit cycle to less than 10 per cent. This percentage is close to the rates observed in earlier audits (2014/15 and 2013/14).

The highest number of errors occurred at the assessment stage which is consistent with results from the last few years. The separation of this category into “short-listing” and “interviewing and testing” more clearly indicates where problems are occurring. Short-listing errors were the most frequent and have remained constant from 2015/16 to 2016/17 occurring, on average, in 28.5 per cent of the sampled appointments. Although the frequency of observed interviewing and testing errors was less than short-listing, the rate has increased notably since 2015/16, from 17 to 24 per cent.

The rate of appointments sampled with errors related to the assessment of past work performance has historically been very low, hovering around one to two per cent. However, since 2013/14 the rate of errors in the samples has risen incrementally, and is currently at 12 per cent.

After rising to a rate of 15 per cent in the 2015/16 sample, the proportion of appointments where years of continuous service were either not considered or calculated incorrectly decreased to 11 per cent in the 2016/17 sample. Up to and including 2014/15, the percentages described in this report were calculated based on the number of positions covered by the provisions of the BC Government and Service Employees’ Union (BCGEU). For the 2015/16 and 2016/17 audits, the percentage calculated was also based on the number of positions audited covered by the Professional Employees Association (PEA)<sup>1</sup> as well as any excluded positions where the appointment used a calculation based on years of continuous service.

Notifying applicants of the competition outcome is largely an automated process with offer, regret and confirmation letters generated electronically by the BC Public Service Agency. This category of error has remained constant at eight or nine per cent for the past three years.

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<sup>1</sup> April 8, 2015, the PEA Master Agreement introduced a new provision that required this factor of merit to be assessed in the same manner as for positions in the BCGEU



## Individual Appointed

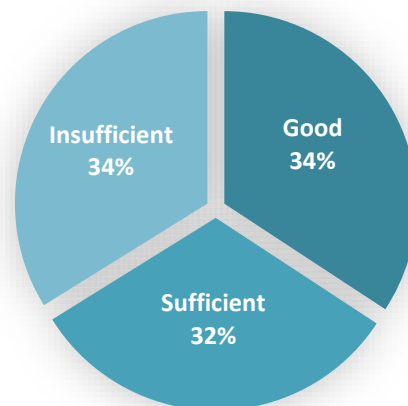
The audit confirms whether the individual whose appointment is under audit, when appointed, had the qualifications specified as required for the position. In 2016/17, all but three appointed individuals were determined to be qualified. These audit results are consistent with past years and continue to indicate that the vast majority of individuals being appointed meet required qualifications. There was no evidence of patronage in any appointments.

## Documentation

The audit considers whether the documentation of actions taken and decisions made throughout the competition was sufficient to demonstrate that a merit-based appointment occurred. Hiring managers are accountable for retaining evidence that a fair and transparent competition was held and that decisions were not arbitrary.

The results for this audit cycle reflect the Office's changed approach to auditing documentation. As seen in Chart 3 below, findings were nearly evenly split between the three categories.

**Chart 3 - Documentation Findings**



**Notes:**

Percentages are rounded.

### *Good*

For 88 (34.2 per cent) of the 257 audited appointments, the documentation was found to be “good”. In these cases the competitions were well documented. Little or no follow up with the hiring manager was required and the auditor was able to conduct a thorough audit based on the information provided.



### ***Sufficient***

For 82 (31.9 per cent) appointments, the documentation was found to be “sufficient”. In most cases it was clear at the outset the audit that a portion of the documentation related to the process was missing. For example, a batch of resumes or all past work performance assessments were not included in the file. Usually, upon request, the missing documentation was provided. In other cases, the auditor was required to contact the hiring manager regarding specific missing information (e.g., interview marking criteria) or apparent discrepancies (e.g., short-listing decisions). In these cases, clarification or additional documentation was submitted to substantiate key aspects of the process.

### ***Insufficient***

For the remaining 87 (33.9 per cent) appointments, the documentation was considered to be “insufficient”. Generally in these cases, an essential element required to conduct an audit was missing and auditors were required to consider verbal evidence in order to conclude the audit. In three cases, documentation was so inadequate that the appointment decision could not be justified and a recruitment and selection process finding of “merit not applied” resulted. In two of these cases, there was no evidence to support the appointment of a candidate out of rank order, and in the third case, without documentation to support assessment decisions, it was not possible to conclude that candidates were consistently and fairly assessed.

## **Analysis and Observations**

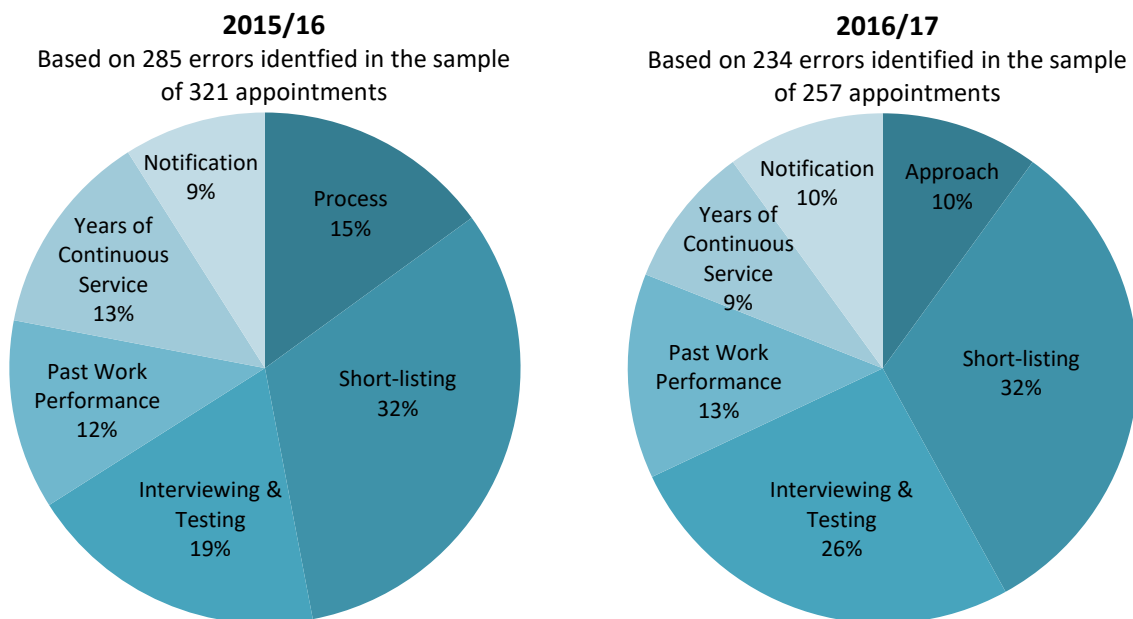
### **Recruitment and Selection Process**

The distribution of the total number of errors by category for 2015/16 and 2016/17 are depicted in Chart 4. Given the 2016/17 audit changes, the 2015/16 pie chart has been revised in order to allow for a meaningful comparison. The total number of errors was changed from 324 to 285 by the subtraction of “documentation” and “assessment” errors and the addition of “short-listing” and “interviewing and testing” errors.

In the 2016/17 audit, in terms of total errors found, the majority occurred in the categories of “short-listing”, “interviewing and testing”, and “past work performance” compared with the 2015/16 audit where it was “short-listing”, “interviewing and testing”, and “approach” (previously “process”).



## Chart 4 - Distribution of Errors in Audited Appointments



### Notes:

- Percentages are rounded.
- The results for 2015/16 have been modified from what was reported in "Merit Performance Audit 2015/16", so that an equivalent comparison for 2016/17 can be made,

The following section outlines observations on the competitions audited in 2016/17 and the types of errors identified with the recruitment and selection processes. Information is presented in the order of a typical competitive process. As this section focuses on the characteristics of the competitions reviewed, observations are made on the 240 hiring processes instead of the 257 appointments audited.

### Approach

The overall design and conduct of the recruitment and selection process is referred to as the approach. The key elements of a merit-based approach include: some form of notice or posting that provides the prospective applicant pool with the requirements for application and an opportunity to submit their candidacy; an established methodology; and specified standards for assessment. It is imperative that these elements be in place as this is the foundation upon which a fair competitive process is based.

The audit considers whether the opportunity was open to a reasonable applicant pool and all applicants (or candidates) were included or excluded correctly at the various stages. It considers whether the approach taken to a competition was transparent, and included clearly defined qualifications, a





methodology with identified tools or stages, and established standards for assessment. It also considers whether all applicants are accounted for as they progress through the process, and that the results are a logical outcome of the approach, with the best qualified candidate(s) offered appointments or placed on an eligibility list in accordance with their standing. Further, appointments made from a competitive process to positions other than the initial appointment, should be to positions that can reasonably be considered similar in their nature and classification.

#### **Case 2 – Good practice: well done approach**

In this competition which attracted over 600 applicants, all stages of the process upheld the principle of merit. Further, this large competition was well-managed and well-organized. Most notable were: extensive job information provided to applicants; clear criteria and individual rationales for short-listing decisions; pre-determined and tailored marking guides for interviews and written assessments; and verification of relevant competencies and assessment of other key performance aspects through reference checking. All assessments were based on factors relevant to the position and were consistently applied across candidates. As well, applicants were accurately tracked throughout the process and hiring decisions were fully substantiated, demonstrating accountability and transparency.

#### **2016/17 Observations**

Of the 240 competitions audited in the 2016/17 Merit Performance Audit, 95 per cent involved permanent positions and over 60 per cent were posted as open to external applicants. Of the 90 competitions that were restricted to internal applicants, 24 per cent were further restricted to the organization, a specific geographic area, an organizational unit within a ministry, or some other limited group of employees. Within the 240 competitions, there were also a number of comparatively large selection processes: 44 had more than 100 applicants and of these, five had over 400 applicants. There was also a large process with 1,002 applicants to establish an inventory of pre-assessed candidates interested in clerical and administrative opportunities. A number of organizations subsequently canvassed inventory candidates for interest in specific positions. Often, numerous appointments were made from these large hiring processes resulting in multiple appointments from the same competition being randomly selected for audit, or from the same process to establish the inventory.

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For multiple audits within one competition process, the same recruitment and selection process and documentation finding applies to each appointment; however, the finding for individual qualified may vary.

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With respect to “approach” audit findings, eight per cent (20) of the 240 competitions audited had one or more errors with the design or conduct of the hiring process. In five of these processes, the errors had an observable negative impact on the outcome of the competition and, as a result, warranted a finding of “merit not applied”.

### ***Inconsistent outcome***

The most commonly observed error in “approach” was that the order in which candidates were ranked or appointed was not consistent with the assessment results. In four competitions, the negative impact on the outcome was clear. In two of these cases, there was no merit-based rationale for appointing a lesser-ranked candidate over a higher-ranked one. In the third, the panel’s ad hoc decision to assess candidates’ alignment with role prior to finalizing the process changed who was to be appointed. The additional assessment evaluated suitability and ministry experience, which were neither related to the position nor objectively assessed. In the fourth case, a candidate was appointed from an expired eligibility list, contrary to the collective agreement and denying prospective new applicants a fair opportunity to compete.

There were a number of other competitions that had errors affecting candidate ranking which generally involved candidates with tied scores being placed in rank order through the use of criteria that were not merit-based, such as alphabetically by name.

### **Case 3 – Good practice: under implementation**

In this competition, candidates could be appointed at a full working level (2) or under implemented at a junior level (1). The panel summarized each qualified candidate’s experience, highlighted the relevant experience, completed a narrative summary of the qualifications, and documented their final decision as to whether each candidate would be appointed at level 1 or 2. The panel took a thoughtful and well-documented approach to determining the final outcome of the competition.

### ***Missing and added applicants***

In two large province-wide competitions for the same type of position, a number of applicants were unaccounted for in the processes. In one case, the audit was able to conclude that while there were applicants missing from the early stages of the process, candidates were generally treated fairly as they progressed through a standardized process. In the other case, in addition to applicants being unaccounted for, partially assessed candidates from a previous process were transferred into the competition at various stages. Combining candidates from another competition with different assessment standards and tools resulted in a finding of a flawed approach, as the basis upon which all individuals were assessed was neither fair nor consistent.



### ***Lack of transparency***

The audit observed some inventive and efficient approaches to conducting competitions, the most notable were the broader use of eligibility lists and the use of ongoing competitions without a fixed closing date. While most of these processes were well structured, errors, and areas for improvement with regards to the transparency of these approaches are identified.

***Eligibility lists*** – Of the 240 competitions audited, an eligibility list was established in approximately 50 per cent (123) of the processes. In 24 per cent (57) of the competitions, the appointment under audit was made from an existing eligibility list. In one process, a candidate on an eligibility list for a senior management position was appointed to a junior management position. While both positions were classified within the same salary band, the junior position had a different role and qualifications. The audit concluded that a different pool of individuals may have applied if a separate competition had been held. There were other competitions where candidates on an eligibility list were appointed to a similar, albeit different, position in the originating ministry or another ministry. In these cases, as the positions had similar functions and qualifications, the audit only noted the approach could have been improved if the posting had clearly indicated the types of positions for which the eligibility list would be used.

#### **Case 4 – Poor practice: lack of transparency**

In this competition the two highest-ranked candidates were appointed within the ministry which advertised the position. A third qualifying candidate was appointed to a position in a different ministry. While it was a reasonable decision given that it was a similar type of position with a comparable classification and qualifications, it would have been more transparent had potential applicants been advised that the results of the initial competition may have been used to fill similar vacancies in other ministries.

***Batched processes*** – An approach referred to as a “batched process” was used to fill positions where there were many existing vacancies, or where there were ongoing vacancies expected due to high turnover. In most competitions of this nature, the posting was open for several months attracting a large number of applicants who were reviewed in batches according to the date they had applied. Except for the posting, the consideration of each “batch” was treated as a separate competition for all purposes such as interviewing and notification. An error was found in one of these processes where it was unclear how applicants were grouped together for consideration thereby, making it difficult to determine if all individuals were fairly treated. An open-ended competition approach was also used to fill one position which was considered difficult to fill in order to allow time to attract a reasonable pool of applicants.

While the audit generally did not find fault with these “batched processes”, it is important that the specifics of the approach be defined and clearly conveyed at the outset whenever this approach is taken.



**Selection criteria** – As selection criteria are the foundation of a merit-based process, it is important that qualifications are accurate and clearly described prior to the start of any competition. In a number of competitions audited, the job posting referred applicants to the job profile for a list of the selection criteria, despite the fact there were only partial selection criteria, or in some cases, no criteria listed at all. In an unusual case, the notice of opportunity advised applicants to submit a letter describing their interest in the job and the qualities they would bring to the position. There were no selection criteria in the notice and no indication that a job profile was available to provide potential applicants with a fair opportunity to present their related qualifications. Case 5 describes the more typical scenario of incomplete stated qualifications.

#### **Case 5 – Poor practice: incomplete qualifications in job profile**

While the posting indicated that applicants “selected to move forward in the hiring process may be assessed on the knowledge, skills, abilities and competencies outlined in the attached profile, there were only behavioural competencies listed in this document. There were also differences between the behavioural competencies stated in the job profile and those used to assess candidates. A clearer, more transparent process would have ensured the job profile included all required qualifications to be assessed.

Numerous audits noted the need for greater consistency between the qualifications, particularly the knowledge, skills, and behavioural competencies, described in the job profile and those that were actually assessed during the process as an area for improvement.

#### **Restricted areas of competition**

There were two competitions where the audit found errors for inappropriate restrictions on the area of competition. In one case, an opportunity which was restricted to ministry employees for the purposes of business continuity and succession planning attracted one applicant. While there are provisions in the Act to limit vacancies to employees, these provisions are not intended to be at the expense of ensuring opportunities are available to a reasonable applicant pool. The audit found that the area of competition was overly restricted. Given the uncommon type of experience required, a broader area of competition may have resulted in a larger applicant pool. In the other case, an opportunity was originally posted as a geographically restricted internal opportunity; however, a few days prior to the closing date, the posting was changed to an out-of-service opportunity which was not geographically restricted. While this broadening of the area of competition may have increased the number of potential applicants, doing so mid-way through the advertising period could have disadvantaged individuals who had already determined that they were ineligible to apply.

In two other competitions, errors were found where individuals who were not eligible were given consideration: one was an applicant who resided outside the geographically restricted area, and the other was an applicant who did not meet the conditions for lateral transfer.



## Short-listing

Short-listing is the step in the selection process where the determination of which applicants meet the stated mandatory selection criteria is made, and, in some instances, additional criteria specified as preferred. Short-listed individuals are then considered candidates and further assessed in the selection process. Short-listing criteria generally include education and experience requirements (two factors of merit in the legislation), and other criteria such as professional certifications, licences, or accreditations which are identifiable through a review of applications and do not require a qualitative assessment.

The audit examines whether the criteria used for short-listing, upon which potential applicants would have based their decision to apply, were reasonable and consistent with the qualifications stated as essential. The audit also considers if the criteria were applied consistently across applicants and if short-listing decisions were reasonable, transparent and accurate. The key determination is whether those who met the short-listing criteria were considered for further assessment, while those who did not, were eliminated.

### 2016/17 Observations

Of the 240 competitions audited, 28 per cent (66) had one or more errors attributed to short-listing. Five of these errors had an identifiable negative impact on the outcome warranting a “merit not applied” finding.

There were some competitions with either no or limited evidence of a short-listing process. In almost all these cases, the applicants short-listed for further consideration were identified without any rationale to substantiate the decisions such as what the short-listing criteria were or how applicants were assessed in accordance with any stated criteria. Without this information, it was not possible to determine whether the basis upon which applicants were eliminated or advanced was fair and reasonable.

The rest of the competitions audited had some form of a short-listing process. Where short-listing errors were identified in these competitions, they were most likely due to the “relaxing” of stated required qualifications or an inconsistent assessment of applicants. In the cases of “relaxed qualifications”, the panel chose to reduce one or more of the stated education or experience qualifications in an effort to be more inclusive or to have a greater number of candidates advance. While these lesser requirements were usually assessed consistently for those who had applied, this decision had the effect of disadvantaging any individuals who may have applied had they known that the stated criteria would not be required, or would be amended.

A related concern is the increasing practice of referring applicants to the job profile for the qualifications required to be considered instead of including this information in the posting. This may inadvertently result in the reduction of qualifications, as illustrated in the following case study.



#### **Case 6 – Poor practice: education and experience requirements reduced at short-listing**

In this case, the job notice advised applicants that in order to be considered they must have clearly stated how they met “the education and experience as outlined in the attached job profile”. The job profile contained a number of education and experience qualifications; however, the panel only used some of these to assess applicants at the short-listing stage. As a result, the qualifications used to short-list were less than what the posting indicated applicants must demonstrate. Had the essential qualifications been accurately described and conveyed, other qualified individuals may have applied.

While referring applicants to the job profile rather than listing the criteria may be efficient, it is misleading for potential applicants if not all of the education and experience criteria intended for short-listing purposes are listed.

The other commonly identified error involved the inconsistent treatment of applicants with similar qualifications which may have had an impact on the fairness of the selection processes. In these cases, one or more applicants who did not meet the posted requirements were short-listed, while others with similar qualifications were not short-listed; or conversely, one or more applicants who appeared to meet the posted requirements were not considered further while others with similar qualifications were advanced. Depending on the circumstances, these discrepancies could be attributed to either the variable treatment of applicants or simple oversight, where an applicant is either left out or moved forward by mistake. In four competitions, inconsistent short-listing had serious ramifications on the outcome as candidates who did not meet the mandatory qualifications were advanced and either appointed or placed on the eligibility list.

#### **Case 7 – Poor practice: inconsistent application of short-listing criteria**

In this selection process, two employee applicants who did not possess all of the requisite qualifications were short-listed while several external applicants who were similarly qualified were eliminated from the process. It was the hiring manager’s understanding that all in-service applicants must be considered even if they were only somewhat qualified. As a result of this mistaken perception, applicants were treated differently depending on their status as opposed to their qualifications, with the two unqualified employee applicants receiving an unfair advantage.

A few errors were found with respect to the design of the short-listing method or criteria. In two competitions, a point-rated approach was used to short-list. This is not an issue in itself; however, in these cases, the point-rated approach was designed in such a way that applicants who did not possess the mandatory qualifications could still advance. In another competition, in addition to standard education and experience qualifications, points were awarded for behavioural competencies, knowledge



and skills. While it is possible that some of these qualifications could have been fairly identified and weighted as experience through a review of applications, others could not have been.

#### **Case 8 – Good practice: a sound point-rating approach to short-listing**

In this competition, the panel used a thorough and fair approach to short-listing candidates. Each candidate was required to meet the mandatory criteria which were: a degree, professional credential (or eligibility within a specified time period), and direct work experience. Applicants were also assessed on a four-point scale on the depth and scope of preferred experience in several areas. Those who met the three mandatory requirements and scored seven points or greater with respect to the preferred experience, were short-listed. This approach ensured that short-listed candidates were qualified while allowing flexibility with the mix of experience that candidates could bring forward.

In a few instances, the short-listing criteria that were applied included qualifications that had not been described in the posting or job profile and, as such, applicants were not provided a fair opportunity to address these qualifications in their application.

A number of audits noted additional areas for improvement in the design of the approach to short-listing, including those detailed below.

- Potential applicants were referred to the job profile for the minimum education and experience requirements, but the selection criteria listed in the job profile were not clearly defined as being education and experience requirements.
- Questions and answer options in self-assessment questionnaires were unclear to applicants.
- Requirements stated as knowledge, education and skills in the job profile were assessed through consideration of experience.

### **Interviewing and Testing**

An essential stage of a fair selection process is the assessment of the knowledge, skills and abilities (competencies)—three factors of merit specified as necessary to perform the job. This assessment can be undertaken using a variety or combination of methods, including interviews, written tests, practical exercises, presentations, and role plays. Assessment is normally staged so that only candidates who pass one aspect of the assessment process progress to the next stage. Candidates are assessed individually against predetermined criteria and their performance determines their continued status in the competition.



The audit considers whether the assessment methods were suitably designed and relevant, and whether there were sufficient job-specific marking criteria (e.g., behavioural indicators, ideal responses, answer elements, etc.) to allow for objective marking. The audit also examines if candidates were reasonably and consistently assessed in accordance with the marking criteria. Where scores or marks were allocated, they are examined to ensure calculations were correct and accurately recorded, and that the candidates were properly ranked.

#### **Case 9 – Good practice: relevant and consistent assessment of candidates**

In this competition, the panel designed an innovative and comprehensive assessment process. Candidates were evaluated through a practical exercise with multiple tasks, a role play, and a behavioural “round robin” interview which involved several interviewers meeting one-on-one with each candidate. The panel consistently marked candidates in accordance with comprehensive job-specific marking guides and the standardized competency interpretative guides. While all assessments were job related, of note, were the written assignment and the role play which simulated actual job functions.

#### **2016/17 Observations**

It is generally accepted that using multiple assessment methods adds credibility and validity to the selection process. Almost all competitions (98 per cent) audited in 2016/17 involved an interview and almost three-quarters (73 per cent) of these competitions included one or more additional methods of assessment such as a written exercise, role play, or presentation. In the other quarter, aside from the mandatory past work performance checks, an interview was the only method of assessing short-listed candidates.

Approximately 37 per cent of interviews involved only the assessment of behavioural competencies, and 59 per cent assessed a mixture of knowledge, skills and behavioural competencies.

Of the 240 competitions audited, 23 per cent (55) had one or more errors identified with respect to interviewing and testing. Five of these errors had a known adverse effect on the outcome which led to a “merit not applied” finding.

#### ***Methods and Marking Criteria***

The most frequent error found at this stage was a lack of assessment standards. In one competition, the absence of marking criteria had consequences for the outcome. In this case, there were minimal marking criteria and only candidates’ total point score for a test and total point score for the interview were recorded. Prior to concluding the process, it was apparent that the panel adjusted some candidates’ scores which changed who was the top-ranked candidate. The rationale provided was that





these adjustments were intended to correct marking mistakes; however, as there was no evidence to substantiate any marking mistakes and the need for amendments, the finding was “merit not applied”.

#### **Case 10 – Poor practice: lack of marking criteria**

In this case, the interview was composed of a mixture of question types. While there were ideal answers for the technical questions, there were no marking criteria for general skill and behavioural competency questions. The hiring manager provided verbal evidence that the responses to the behavioural competency questions had been evaluated in accordance with the basic competency definitions; however, there was no evidence provided that a behavioural competency rating scale was used in which target levels were identified and assessed. Further, there were no ideal responses or marking keys for the general skills questions. Without an objective basis for assessment, it is difficult to determine whether candidate responses were marked in a reasonable and consistent manner.

Errors of this type normally did not have a discernable impact on the outcome. Usually, one aspect of the assessment process was missing criteria such as behavioural indicators, ideal answers, or key elements by which to mark candidates. Without these objective standards, it was difficult for the audit to determine if candidates had been fairly and consistently evaluated; therefore, no conclusion could be drawn with respect to the impact of these errors on the outcome of the process. The lack of marking criteria was compounded when panel members marked responses independently and there was no final consensus among members with respect to an overall mark to be assigned.

In several competitions, errors were found where an element of subjectivity was introduced into the assessment process. In these instances, candidates were assessed for factors that were not clearly defined, not relevant to job performance, and which often lacked marking criteria

In other competitions with errors of this kind, candidates were awarded general marks for vague requirements such as “suitability” or “team fit”, or for their responses to broad introductory questions without any established marking criteria. While assessing suitability for the position may be reasonable depending on the circumstances, it must be based on relevant requirements, a defined assessment approach and objective standards.

Lastly, there were a number of competitions where the audit noted design of questions as an area for improvement. In these cases, panels intending to evaluate behavioural competencies used an approach and marking criteria that assessed knowledge, skills, and abilities.



### **Assessment and Results**

Audits identified a number of marking mistakes and in three competitions, these mistakes resulted in the wrong candidate being appointed warranting a “merit not applied” finding. In one case, an extra point mistakenly awarded allowed a candidate to pass a test when the individual had, in fact, failed; and in another case, an incorrectly transcribed test score was included in a candidate’s overall competition score, incorrectly positioning him as the highest-ranked candidate instead of placing second. In a third competition, candidates were inconsistently assessed.

Several other competitions had serious calculation or transcription errors. Where a marking error resulted in a candidate failing a component, the impact on the outcome was unknown as there was no way to predict how the candidate(s) would have performed in further assessment. Where candidates were placed in the wrong rank order, the impact was mitigated by other factors such as all qualifying candidates being appointed. Of note was an unusual mistake in a large inventory process where, following a series of tests, a number of candidates were placed in the wrong inventory stream. This oversight limited the candidates’ ability to apply on opportunities for which they were qualified, and allowed them to apply on opportunities for which they may not have been qualified.

#### **Case 11 – Poor practice: serious calculation error**

In this competition, candidates’ final rank order was based on their overall competition score which was calculated from the combined point scores of the written test, interview, and years of continuous service calculation. Due to a recording error of the point score of one candidate’s written test, candidates were placed in the wrong final rank order — the first-place and second-place candidates should have been reversed. As a result of this serious error, the candidate erroneously identified as successful was appointed.

There were many other competitions where notes for improvement were recorded due to minor marking errors. As candidates' scores determine relative merit and standing in a competition, it is important that marks are accurately determined and recorded.

### **Past Work Performance**

Past work performance evaluations are conducted to verify assessment findings and other aspects of the process such as application requirements self-reported by candidates. It is also a means to ensure any other requirements of the position are met (e.g., reliability or standards of conduct). As a factor of merit in legislation, past work performance must be considered and, as specified by BC Public Service hiring policy, include at least one employment reference from a current or previous supervisor, or equivalent. Generally, information supplied by referees or other sources (e.g., performance evaluations) is considered by the hiring panel in accordance with the requirements of the position, and used to



determine a rating (pass/fail) or score for this phase of the selection process. The audit looks to confirm whether the approach to assessing past work performance was fair and relevant to the position, and included a supervisory reference. The audit also considers if the evaluation of candidates' performance was consistent and reasonable given the position requirements, and that the resulting determinations were substantiated by the evidence collected.

### **2016/17 Observations**

Of the 240 competitions audited, 12 per cent (28) had one or more errors with respect to the assessment of past work performance. In four cases, the error had a discernable negative impact on the outcome.

#### **Case 12 – Good practice: failed past work performance**

In this competition, the panel conducted a thorough and objective past work performance assessment which involved verifying competencies and assessing other aspects of performance from several referees for each candidate. In one candidate's case, a similar pattern of weakness in several key aspects of performance was identified through the initial three references. The panel decided they required more information in order to make a decision. Following the completion of two additional references, the panel reviewed all the information gathered, weighted the references in accordance with the referee's knowledge of the candidate, and determined that the candidate did not meet the standards required for this position. Their process, deliberations and resulting decision were clearly summarized and documented to file.

#### ***Past Work Performance Not Assessed***

The most serious and frequent kind of error identified at this stage was that past work performance had not been assessed for employee candidates appointed or placed on eligibility lists for future appointment. In one instance, where there were no references for the two appointed candidates, the hiring manager advised this assessment had been overlooked. As these candidates were hired without the consideration of a key factor of merit, the finding was "merit not applied".

In a number of other competitions, employee candidates were notified of their placement on eligibility lists without an assessment of past work performance, although they were advised that any future appointment would be subject to satisfactory completion of reference checks. As the subsequent assessment of past work performance could potentially affect a candidate's final status in a competition, premature notification of the outcome may obstruct an employee candidate's right of recourse, including the right to request a staffing review by the Merit Commissioner. Employee candidates should be fully assessed prior to final decisions concerning the competition outcome to ensure accurate feedback and that final notification can be provided.



### ***Flawed Design***

Another common error identified was the use of an unreasonable approach to assess past work performance which, in three competitions, had a direct impact on the outcome and led to “merit not applied” findings.

In two of these processes, candidates were eliminated when one of several referees was unable to speak to aspects of performance due to limited time supervising the candidate, or when the nature of duties performed while reporting to a specific supervisor did not include the elements of performance which were of interest to the hiring panel. In both cases, in spite of having other complete and favourable references for these individuals, no consideration was given to the circumstances leading to the incomplete reference, nor were alternative referees sought. Candidates were directly disadvantaged by this somewhat perfunctory approach by being eliminated from the competition.

In a number of other competitions, the audit identified errors or noted areas for improvement where referees were asked to point-score. Generally, having referees point-score candidates’ performance lacks the objectivity and consistency provided by having a panel member determine the points warranted based on the referees’ observations of performance.

#### **Case 13 – Poor practice: referee scored past work performance**

In this process, candidates’ overall competition scores and their final rank order was based on the combined interview and past work performance assessment scores. Past work performance was assessed by a single, albeit different, referee for each candidate, who was asked to point-rate performance in a number of areas. Generally, having referees point-rate performance lacks the objectivity and consistency brought by having a panel member or members determine the points warranted based on the referees’ descriptions and observations of performance. However, the impact of this erroneous approach was heightened as nearly half of the points to be awarded in the competition were left to the discretion of a sole referee, whose approach to evaluating work performance may have been different than that of the other referees or of the panel. As a result of points awarded for this factor, the final standing of candidates was impacted including that of three individuals who did not qualify because of their past work performance score.

There were also several errors identified in competitions that used more than one approach to assess past work performance.



## Years of Continuous Service

In accordance with the *Act*, an employee's years of continuous service with the BC Public Service must be taken into consideration in certain circumstances before the final determination of a merit-based selection is made. These circumstances and the formula for calculation of years of service are specified in the employer's collective agreements with the BC Government and Service Employees' Union (BCGEU) and the Professional Employees Association (PEA). The application of points for years of continuous service may affect the final order in which candidates are ranked and appointed. For those positions not covered by the BCGEU or PEA agreements, as a factor of merit, years of continuous service must be considered but there is no requirement to apply a specified formula. If included as part of the assessment, the weighting calculation and results of the assessment should be outlined.

The audit considers if the circumstances were present in a selection process to warrant the calculation and application of points for years of continuous service in accordance with collective agreement provisions, and if so, were calculations accurate and correctly considered. For other positions where assessments were conducted, the audit examines if assessments were consistently and accurately made.

### 2016/17 Observations

Of the 240 competitions audited in 2016/17, this provision of the BCGEU or PEA collective agreements applied to 182 of these processes. In one additional competition for an excluded position, the appointment included the calculation of years of continuous service. In nine per cent (16 of the 183 competitions) of the competitions, an error involving the calculation of years of continuous service was identified. One of these errors resulted in an incorrect outcome and a finding of "merit not applied".

Where issues were identified, almost half were due to the fact that this factor was completely overlooked or incorrectly determined not to be applicable. As a result, in one competition, candidates were placed on the eligibility list in the wrong order. There were a few instances where the points for this factor were calculated but due to an oversight, they were not included as part of the final marks for candidates. Where such an omission had consequences for the rank order of candidates, the impacts were mitigated as all candidates were appointed or no eligibility list was established.

The rest of the competitions where errors were identified with the assessment of years of continuous service either used an incorrect formula or incorrect information to complete the calculation—whether it was a candidate's number of years of service, their score, or the overall competition points. The audit determined that the correct calculation of years of continuous service would not have altered the final ranking of candidates and where it did, the outcome was mitigated (e.g., all qualifying candidates were offered appointments).



## Notification

Notification to unsuccessful employee applicants of the final outcome of the hiring process is an important element of a merit-based hiring process. Not only does such notification contribute to transparency and management accountability for hiring decisions, it is necessary to enable the requirements of the *Act* with respect to employees' recourse rights to be meaningfully fulfilled. Timely notification allows employees to seek feedback and challenge the merit of an appointment through the staffing review process, should they choose to do so.

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An unsuccessful employee applicant's right to request a review of a staffing decision relies on the correct provision of final notification of the competition outcome.

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The audit examines competition documentation to ensure that all unsuccessful employee applicants, including those who may not have been eligible or short-listed, were accurately advised of the final results of the selection process in a timely manner. The audit also notes where some necessary details regarding the final outcome may have been omitted or were inaccurate. Any identified problems with notification do not result in findings of "merit not applied" as notification does not have a direct impact on the design or application of the process, or its initial outcome.

### 2016/17 Observations

In 2016/17, of the 240 competitions audited, eight per cent (20 competitions) had errors related to notification.

The notification shortcomings identified in the audit were that one or more employee applicants did not receive final notification of the appointment decision. This problem was observed in cases where interim notification had been issued to employee applicants eliminated at an early stage (e.g., deemed ineligible or eliminated at short-listing), but were not issued a letter notifying them of the final outcome; or where an unsuccessful employee candidate was overlooked when final notification letters were being issued.

The audit also noted a number of appointment processes where notification practices could have been improved to increase transparency. Most commonly, information was missing such as the fact that there were multiple initial appointments, an eligibility list was established, or the name and classification of the successful employee candidate, which is a collective agreement requirement for appointments to positions covered by the BCGEU and PEA collective agreements.



#### **Case 14 – Good practice: customized correspondence and clear source for feedback**

At the end of this staffing process, the regret letter was customized for those applicants who did not advance past the short-listing and interviewing stages. The letters also contained a clear offer of feedback from the hiring manager along with direct contact information. This was a more personal method of notifying unsuccessful applicants than use of the standard letters which tend to be impersonal and do not always accurately reflect the circumstances of the competition or the applicant.

### **Individual Appointed**

In all cases except three, it was found that the individual appointed met the qualifications specified as required for the position. Two audits resulted in a finding of “qualifications not demonstrated” where there was insufficient evidence to demonstrate that the individuals, when appointed, possessed the qualifications required. In the first case, the individual’s application and cover letter did not demonstrate the education and experience required for the position. In the second case, the individual’s past work performance was not assessed. There was one finding of “not qualified” is described in case study 15.

#### **Case 15 – Poor practice: errors result in unqualified successful candidate**

An essential requirement for this position was several years of administrative experience for which there was no stated or advertised equivalency. A candidate, who did not possess the requisite years of this type of experience, was short-listed in error. The same candidate completed a written test where she was mistakenly awarded points for an incorrect response which allowed her to pass when, in fact, she had failed this assessment. Even though the candidate did not demonstrate the qualifications required at two different stages of the competition, due to these errors she advanced through the process and was ultimately successful.

### **Documentation**

While there were documentation issues identified at all stages of the hiring process, the stages which had the most notable issues with documentation were “short-listing”, and “interviewing and testing”. Recurrent problems with short-listing documentation included various incomplete or inconsistent versions of the short-listing document, none of which could be confirmed as the final version. With respect to interviewing and testing documentation, a number of audits identified missing materials, often involving assessment standards. It is important to note that where a credible explanation of the marking criteria was provided, the audit would make a finding with respect to documentation only. In cases where an unsatisfactory or no explanation was provided, the audit made a finding with respect to the relevant aspect of the recruitment and selection process, rather than with respect to



documentation. Some common reasons for incomplete documentation were that the hiring manager believed the information had been submitted, was unaware the particular document was required, or had submitted an incorrect, incomplete, or draft version of the document.

#### **Case 16 – Good practice: well-documented selection process**

The audit of each appointment includes an assessment of the state of the documentation in the competition file. This audit found that the documentation of this competition was excellent with no requirement to contact the organization for further information. Further, the auditor noted: “great tracking, great interview material with obvious marking criteria as well as rationales. Personalized regret letters to those in latter stages. All was accounted for.”

The size of a competition had a direct bearing on the quality of documentation. For competitions with less than 100 applicants, there were fewer findings of “insufficient” documentation than there were in the large competitions. The documentation challenges in the larger competitions usually involved unclear applicant status, incomplete tracking lists, and multiple versions of the same documents at various stages of completion. Given the scale of the large competitions, hiring managers were not always able to account for all applicants throughout the process, or for all hiring decisions.

#### **Case 17 – Poor practice: incomplete documentation and insufficient rationale**

In this competition, there was general evidence of the progression of applicants through the process as well as the fair application of structured tools; however, with varying and inconsistent information on multiple tracking spreadsheets, it was difficult to determine the number of applicants advancing at each stage. Also, aspects of documentation were incomplete (e.g., assessments of past work performance and applications) and insufficient rationale for short-listing decisions. While some of the initial missing documentation was subsequently provided, the auditor had to rely on verbal evidence and explanations from the hiring manager in order to conduct and complete the audit.

## **Conclusion**

The overall results of the audit found that with three exceptions, all individuals appointed were qualified, and while the number of “merit not applied” findings rose, they were found in less than 10 per cent of the appointments audited. The number of “merit with exception” findings were slightly reduced from 2015/16 but remained high, indicating that most processes had at least one error in their design or application.





Following the 2015/16 Merit Performance Audit when it was observed that the range of errors which fell into the “merit with exception” category was very broad, changes were made in 2016/17 to limit the circumstances which result in this finding to errors which have a direct bearing on the merit of the recruitment and selection process. To that end, errors or shortcomings in documentation, which for the most part relate more to management accountability than the application of merit, were removed as a determinant of a process finding and are now reported as a distinct finding.

Documentation of hiring decisions is as important to public accountability as is the documentation of financial decisions; however, it is clear that audits cannot be conducted based on competition file evidence alone. In the 2016/17 audit, the majority of audits required some follow up with either the BC Public Service Agency or hiring managers. Further, in almost half of these cases, it was necessary to consider verbal evidence in order to complete the audit. While ad hoc verbal evidence is valuable in explaining discrepancies or complex processes, it should not become the only evidence available of hiring decisions or the status of applicants in a competition.

With respect to recruitment and selection process findings, the distribution of errors across categories was quite similar to 2015/16, although with observable decreases in errors in the approach and the consideration of years of the continuous service categories. Most of the problems continue to be in the short-listing, and interviewing and testing stages with the more common errors in these categories (and others) attributed to the weaknesses with the same element upon which most of the competition is based – the selection criteria. Postings referred potential applicants to job profiles for qualifications that did not exist, panels decided at the time of short-listing that one or more mandatory qualifications were, in fact, not necessary, education and experience requirements were either altered or dropped, and interviews were conducted that assessed qualifications different than those stated as required. As the qualifications specified as required for a position, from the posting stage to appointment, form the basis for a merit-based process, it is essential that attention be paid to properly defining selection criteria, as without this solid foundation, decisions made throughout the process by both potential applicants and hiring managers can be compromised.

Further, it was observed with respect to several of the phases of the process that objective standards by which to assess candidates were often absent. For example, no rationale or basis for decisions was evident in the short-listing stage, and in the interviewing and testing stage there was no marking criteria for some aspects. With respect to the assessment of past work performance, subjectivity and inconsistency was introduced when a panel would ask candidates’ referees to score their past work performance, rather than collecting observations of work performance upon which the panel would determine a score based on common criteria.

The 2016/17 audit examined several large competitions typically held to establish inventories of qualified candidates, or to fill positions across the province. The 2015/16 report observed that given the magnitude of such processes, the chance of errors grows and as such, so does the importance of



addressing potential systemic problems. While the effort and the commitment to merit-based hiring was evident in the overall design and coordination of these competitions, they posed a challenge to audit. Most of the difficulty arose due to a lack of evidence to support hiring decisions, which in some instances resulted in significant process errors. Notably, groups of applicants were unaccounted for and also it was not always possible to determine whether offers and eligibility lists were fairly managed in accordance with candidates' merit-based ranking. As the date of an initial or a subsequent appointment from an eligible list has an immediate effect as well as an ongoing effect on an employee's employment status (e.g., seniority), making offers in the correct order is an important element of merit-based appointments and deviations should be justified and documented. It was evident that some ministries continued to struggle with the administration of these sizable competitions, while others had developed a fair and effective means of tracking applicants and managing eligibility lists.

The audit continued to see the broader use of eligibility lists in all competitions. If this trend is to continue, it is important that it be clearly communicated to potential applicants not only that an eligibility list may be established but also how it may be used, so that they can determine whether or not they wish to apply. Caution must also be taken to ensure that any employee candidate placed on an eligibility list has been fully assessed with respect to the factors of merit, including past work performance and years of continuous service. As required by the *Act*, both factors must be taken into account in an assessment process prior to determining the final outcome. Without a complete assessment, the correct ranking, order of appointments, and order of placement of employees on an eligibility list cannot be determined, and employees would not have accurate knowledge of their success or failure in a selection process. Without this knowledge, employees are unable to appropriately exercise their rights of recourse, should they so wish.

Overall, the 2016/17 Merit Performance Audit found the large majority of appointments are based on merit. Improvements were noted in the overall "approach" findings as well as the assessment of years of continuous service. There were also a number of issues found that impact the quality of the hiring process. While hiring to and from within the BC Public Service is for most appointments considered to be based on the principle of merit, there are aspects of the hiring process, particularly the foundational pieces, which require attention. It is recognized that the preparation for and management of a selection process can be time-consuming and therefore difficult given operational pressures, and that often there is an urgent operational need to fill positions; however, the investment in the hiring process, especially at the front-end when qualifications and standards are established, significantly reduces any risk to merit-based hiring. The following recommendations highlight areas where improvement could strengthen merit-based hiring.



## Recommendations

Based on the findings and most significant issues identified through the 2016/17 Merit Performance Audit, the Merit Commissioner makes the following recommendations which are, for the most part, directed to deputy ministers and organization heads. It is recognized, however, that BC Public Service Agency action and assistance may be necessary to support the implementation of these recommendations.

1. Specify clear and accurately defined qualifications for a position as these form the foundation of a merit-based process.
2. Establish specific job-related assessment standards and criteria for all methods of assessment in order to have an objective and consistent basis for the evaluation of candidates.
3. Fully assess employee candidates who may be offered an appointment or placed on an eligibility list, including consideration of their past work performance and credit for their years of continuous service, to ensure correct outcome and notification.
4. Respect the merit-based rank order of candidates when making initial and eligibility list offers of employment.
5. Ensure each stage of assessment is documented sufficiently to support hiring decisions, particularly concerning all applicants and their status at each relevant stage in the process.



## **Appendix A**

### **Response from the Deputy Minister of the BC Public Service Agency (Agency Head)**



November 20, 2017

CLIFF #6069

Ms. Fiona Spencer  
Merit Commissioner  
Office of the Merit Commissioner  
#502 – 947 Fort Street  
PO Box 9037 Stn Prov Govt  
Victoria, BC V8W 9A3

Dear Ms. Spencer:

Thank you for sharing the preliminary results of the 2016/2017 Merit Performance Audit Report and providing me the opportunity to respond. I am pleased to provide a response to your Report as the Deputy Minister of the BC Public Service Agency.

The Merit Performance Report indicates that 257 random audits of appointments were conducted to examine whether recruitment and selection processes were properly applied to result in merit-based appointments, and whether individuals appointed were qualified. I am pleased to see an increase to competitions with 'merit applied' findings and there was no evidence that any appointments were the result of patronage. The BC Public Service strives to appoint individuals that possess the qualifications required for the position while we continue see an increase to the number of positions hired across the public service.

Further to the introduction of a third finding regarding the sufficiency of documentation, there have been recent updates to MyHR content to support hiring managers' understanding of the importance of competition documentation. Hiring managers are accountable for their hiring decisions and ensuring they appropriately document their files as per the Hiring and Deployment Policy. Fulsome documentation allows an auditor the information they require to confirm appointments were based on the principles of merit without seeking verbal evidence.

I note the most common areas for the findings of "merit with exception" or "merit not applied" were across the short-listing, interviewing and testing, and past work performance categories. Over the past year, we have expanded on the resources and supports available to hiring managers to address these areas. Due to the overwhelmingly positive response and high participation rates from our live hiring webinars, we have expanded the availability of these sessions so they are now available in a self-serve format, available to public servants even before they initiate a staffing request. These informative hiring sessions focus on posting preparation, short-listing, assessment and providing feedback. Additional topics for future webinar sessions continue to be developed.

The commitment and dedication to on-going improvements in hiring will allow the BC Public Service to embrace, identify and promote the use of transparent and efficient hiring practices. Notwithstanding, I feel there is still more work that can be done to show continuing improvement as several issues the Report raised have been previously identified. Given the improvements to date, I am confident we will continue to see advancements in all aspects of the hiring process. The ongoing development and updating of MyHR content, improved tools and resources for hiring managers and hiring staff remains a priority for me and will take into account the recommendations you have made to me and to deputy ministers.

.../2

Driven by high priority workforce needs, the use of short term temporary appointments, lateral assignments, eligibility lists and strategies to mobilize talent across the public service will continue to play a key role in how we staff positions and address succession management needs. In order to embrace and expand the inclusiveness of the BC Public Service as a diverse employer, we will need to consider our corporate hiring practices through the lens of employment equity groups such as Indigenous and visible minority applicants and people with disabilities. Applicant inventories will continue to play a key role in our recruitment initiatives along with the implementation of hiring strategies to efficiently recruit in the BC Public Service.

I am committed to recruiting and retaining a diverse workforce through efficient merit based hiring practices where all employees see themselves reflected. As transparent and innovative corporate hiring strategies are developed, I would be pleased to discuss these with you.

Yours truly,



Lori Halls  
Deputy Minister  
BC Public Service Agency

pc: Joanne Hanson, ADM, Hiring and Service Operations, BC Public Service Agency



## Appendix B

### Organizations Subject to Oversight by the Merit Commissioner

(As of March 31, 2017)

#### 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  
Public Safety and Solicitor General  
Small Business and Red Tape Reduction  
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  
Public Guardian and Trustee  
Public Sector Employers' Council Secretariat  
Royal BC Museum  
Safety Standards Appeal Board  
Surface Rights Board