

**Merit Systems in Western Democracies**  
**Current Problems and Selected Best Practices**

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# Table of Contents

Executive Summary . . . . .	ii
Introduction . . . . .	1
The United States . . . . .	2
Britain . . . . .	7
New Zealand . . . . .	9
Conclusion: Selected Best Practices . . . . .	11
Appendix #1 . . . . .	13
Endnotes . . . . .	14

# MERIT SYSTEMS IN WESTERN DEMOCRACIES CURRENT PROBLEMS AND SELECTED BEST PRACTICES

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## EXECUTIVE SUMMARY

The Public Service Commission of Canada (PSC) is engaged in the promotion of Values-Based Merit which will provide the foundation for a staffing system that is both respectful of traditional values yet responsive and open to continuous improvement. In support of this initiative, the PSC Research Directorate is carrying out studies to foster a better understanding of merit values and their application.

This study is part of a series which explores different aspects of merit systems in public services. It begins with the assertion that Canada can avoid or mitigate the merit-related problems that other countries have experienced by focussing attention on the ethical dimension of public service reform. The paper examines these problems, and outlines some of the responses to them.

### Highlights

In the United States, the Merit Systems Protection Board (MSPB) and the Office of Personnel Management (OPM) are responsible for assessing the relative health of the merit system. Together they have identified a number of problems:

- According to the most recent merit survey, problems such as favoritism, discrimination, and a continuing inability to deal with poor performers exist at the federal level. The accompanying analysis indicates, however, that problems such as discrimination are more serious than they might initially appear to be, while those such as favoritism are less serious.
- The most recent MSPB audit of the OPM notes that while there is a renewed effort at the OPM to link the evaluation of all human resources policies to merit principles, the system is nevertheless facing multiple challenges.
- Employees associated with the OPM's oversight program periodically audit the performance of agencies regarding the implementation of government policies and programs, as well as compliance to the merit principles. While

their reports are potentially important tools in making improvements, in practice this is often not the case. The result is negative judgements of the oversight program.

- Another serious problem is the inadequate contribution of federal agencies to the oversight of their human resources responsibilities.
- While front-line managers must be properly selected, adequately trained, provided the right tools, and work within supportive agency cultures, several studies argue that this is currently not the case. They suggest instead that front-line managers do not always have a specific understanding of the practical application of merit system principles, and that they need and want more training and information.
- Along the same lines, individuals who become front-line managers do not receive training related to their human resources responsibilities, generally, and the merit system principles, specifically.

In Britain, recent evaluations of the merit system are different in tone. The following points are particularly noteworthy:

- The Office of the Civil Service Commissioners (OCSC) reports that ‘most departments are conscientiously applying the key recruitment principles underpinning selection on merit’, and that most violations are ‘of a technical nature’.
- The Office of the Commissioner for Public Appointments (OCPA) is in general agreement with the OCSC, but is nevertheless more critical of the health of the merit system. One disturbing theme that it identifies is a lack of openness and transparency. The most serious problem, however, relates to the need to take account of gender and ethnicity in making appointments. Specifically, the OCPA reports that there is a tension between this and the requirement to appoint on the basis of merit; it also reports that there is a lack of understanding as to what constitutes a merit-based appointment.

In New Zealand, the State Services Commission (SSC) is responsible for assessing the relative health of the merit system. It, too, has identified a number of problems:

- There is a lack of leadership from appropriate organisations and individuals. As a recent study observes, ‘the SSC has traditionally adopted a low-key stance on ethics; ethical conduct has tended to be an issue only when something has gone wrong, and lessons are then typically converted into rules or guidance material’. Other studies are more pointed. They claim that the SSC, among others, will need to demonstrate leadership with regard to fair practices, and particularly in the area of ‘equal employment opportunities’.

- One of the recent changes in New Zealand is the proliferation of Crown entities. They are non-departmental government organizations which are outside the legal Crown. The problems of Crown entities are many-fold. For example, they have been cobbled together in an *ad hoc* fashion; as a result each has different governance and accountability practices. Moreover, ‘an increasing number of employees in these organizations have a limited background in the public service, and their knowledge of the constitution and conventions of government is weak’. Perhaps most crucially, the SSC does not have the mandate to defend merit in this arena; the documents that it has created in order to proclaim the values of the public service have no bearing on Crown entities.

This paper concludes with the identification of some best practices. Here, the most noteworthy activity is the United States Merit Systems Protection Board tri-annual merit survey. It is a measure of the health of the American merit system, and at the same time an excellent source of information for the merit studies that the MSPB produces. Beyond the merit survey, there are other examples of best practices that should be identified. They include: the Office of Personnel Management’s publication of a merit training module to promote awareness of merit system principles; the MSPB audit of the OPM every three years - a design of a system in which one merit agency watches the other.

Also, the “Occasional Papers” series in New Zealand which offers thoughtful analyses of topical merit-related issues and the letter of accountability that the State Services Commission sends to new Chief Executives which makes explicit the application of the merit principles to these men and women in particular.

# Current Problems and Selected Best Practices<sup>1</sup>

## 1. Introduction

There are two general types of merit systems, explicit and implicit. The former has a legal foundation, while the latter are based on customary or traditional behaviours. This initial difference leads to others, including the way in which merit principles are promulgated. The specific techniques range from public service legislation to publications of central government organisations; the voices include top courts, key human resources actors, and ministers of departments. One common thread, however, is that the public services of Western democracies are evolving. They are giving more scope to managerial discretion. And in doing so, they are encountering a new set of challenges related to the protection of merit.

This certainly seems to be the case in Canada. Structural change began with the release of *Public Service 2000*. It was the first in a series of moves toward managerialism, decentralisation, and a flatter management structure. The Public Service Commission (PSC) is currently discussing what a mature merit system would look like, and it is beginning to articulate a values framework for the public service as a whole. Yet in a recent workshop on merit, a number of participants observed that “few middle and senior managers attended the workshop,” and they “expressed doubt that the PSC ‘walks the talk’.”<sup>2</sup> More important, in the just completed Employee Survey, thirty percent of the respondents suggested that the job selection process is unfair, forty-nine percent that classification system is unfair, and twenty percent that they have been harassed at work.<sup>3</sup>

These observations indicate that Canada faces substantial challenges with regard to the protection and promotion of merit. It is not the only country, however, which is facing these challenges. For example, in a recent merit survey of federal government employees in the United States, twenty-one percent of the respondents claimed that the job selection process is a “major problem,” thirty-two percent that the promotions process is a “major problem,” and twenty-two percent that discrimination is a “major problem.”<sup>4</sup>

Building on this initial comparison, Canada trails other Western democracies in terms of its movement toward decentralisation and delegation. Following a series of interviews with senior government officials, the Organisation for Economic Cooperation and Development (OECD) reported that “few respondents saw any significant changes in their relationships with central agencies, and tended to see a perpetuation of the traditional patterns of control.”<sup>5</sup> It seems reasonable to assume, then, that the challenges facing Canada will increase as its public service reforms bring it closer to the United States, Britain, Australia, and New Zealand. But as Kenneth Kernaghan asserts, “Canada can avoid the mistakes of other countries, including Britain and New Zealand, by focussing attention on the ethical dimension of public service reform *before* substantial reform has been carried out.”<sup>6</sup> The first step is to examine some of the specific merit-related problems that countries are facing, and to begin to see the character of their responses to them. The following paper attempts to do precisely that.

**The Nolan Committee:** During initial public service reforms in Britain, “the question of standards of conduct was not much considered...The need for efficiency in the delivery of services was given pre-eminent place”.

(source: Committee on Standards on Public Life, *First Report* (1994), p. 57)

## 2. The United States

As alluded to above, the Merit Systems Protection Board (MSPB) conducts a survey every three years to measure the adherence of federal agencies to merit principles. The most recent one took place in 1996.<sup>7</sup> Its results indicate that problems such as favouritism, discrimination, and a continuing inability to deal with poor performers exist at the federal level (see Appendix #1). The accompanying analysis indicates, however, that some of these problems are more serious than they might initially appear to be, while others are less serious. Discrimination belongs in the former category of problems. This is because the percentages increase substantially when they are examined in terms of visible minority groups. Twenty percent of federal employees as a whole think that discrimination is a “major problem”; but against this background, thirty-two percent of African-Americans think that it

is a “major problem.”<sup>8</sup> The survey adds that this result is consistent with those of previous studies, and thus is “not entirely surprising.”<sup>9</sup> The problem of favouritism, on the other hand, is less serious than it initially appears to be. For according to the accompanying analysis, definitions vary from one employee to another, and personal experiences with the job selection and promotion system affect employees’ judgements.<sup>10</sup> The implication is that accusations of favouritism may exist even if there is no evidence to substantiate them.

Despite this, the survey acknowledges that perception can be as important as reality when one is concerned with the application of values in the workplace.<sup>11</sup> For imagined or not, merit system abuses lead to cynicism, discouragement, and lower productivity. The question which follows is, of course: “what are agencies doing or not doing that would lead substantial proportions of employees to conclude that their organisations are regularly failing to accomplish the goals defined by the merit principles?”<sup>12</sup> To develop an answer, however, it is necessary to look beyond the survey itself, and toward other studies that both the Merit Systems Protection Board (MSPB) and the Office of Personnel Management (OPM) have done.

**Figure 1**

Does your agency have a problem when it:	Moderate problem	Major problem
Selects well-qualified persons when hiring from outside the agency	31%	20%
Selects persons on the basis of their relative ability, knowledge, and skills when hiring from outside the agency	29%	19%

(source: 1996 MSPB Merit Survey)

First and foremost, the MSPB is responsible for auditing the OPM’s performance on merit-related issues. The most recent report notes that there is a renewed effort at the OPM to link the evaluation of all human resources policies to merit principles.<sup>13</sup> Nevertheless, it argues that the system is facing multiple challenges, the first of which, ironically, is this very effort described above. According to the MSPB, the focus on merit helps supervisors avoid a narrow, technical understanding of issues. But it is equally necessary to recognise that different human resource policies have different effects on merit principles; to assume otherwise simply creates the potential for “trivialising” them.<sup>14</sup> This point is particularly important for front-line managers. For they are accepting additional human resources



responsibilities at a time when professional advice and support are decreasing. They thus need to have greater and more specific information in this area.<sup>15</sup>

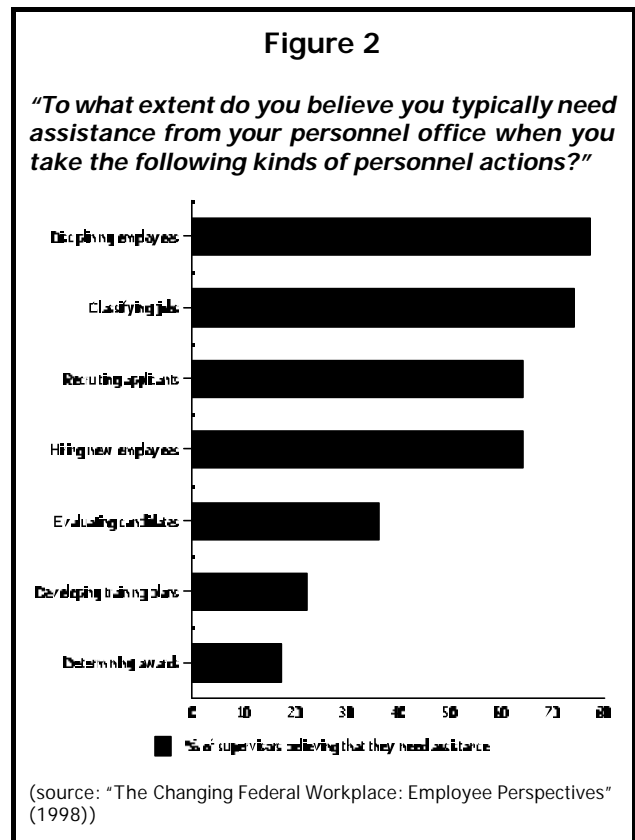
Another, related problem involves the use of information that the OPM's oversight program collects. Employees associated with this program periodically audit the performance of agencies regarding the implementation of government policies and programs, as well as compliance to the merit principles. Their reports are potentially important tools in making improvements. According to the MSPB, however, this is often not the case.<sup>16</sup> On the contrary, "even when the oversight group provides what may be useful or essential information that could result in improvements in HR practices, agencies may not see any change in government-wide policies or programs for a long time, if ever."<sup>17</sup> This lack of change, in turn, fosters negative judgements of the OPM's oversight program. It may also contribute to a belief in the existence of merit system abuses, that is, the situation captured by the 1996 MSPB merit survey. This seems to be the case at least with regard to specific issues such as poor performers, an issue which is discussed in greater detail below.

There are more general problems with regard to the effectiveness of the OPM oversight program. For example, it remains unclear how to define success in the area of human resources. Results are obviously important. But to what extent should the scales be tipped in their favour?<sup>18</sup> The MSPB argues that "insufficient attention to regulatory compliance is both unfortunate and short-sighted."<sup>19</sup> But at the same time, it observes that "attaining the proper balance between process and results is fraught with difficulty, and sometimes controversy."<sup>20</sup> Similarly, there is disagreement as to what should be measured, and how it should be done. According to the MSPB, this is partly because many aspects of human resources management lend themselves to subjective rather than objective assessment, including, for example, the new focus on values.<sup>21</sup> The most pressing problem, however, is the inadequate oversight programs of federal agencies. By law the protection and promotion of merit is a joint responsibility, one which belongs both to central organisations such as the OPM and to individual agencies.<sup>22</sup> But full participation on the part of agencies remains a distant goal. The MSPB reports that "although the OPM oversight program supposedly was redirected toward line management *20 years ago*,...it is still trying to convince managers to make HRM oversight an integral part of management today."<sup>23</sup> Staff reductions have

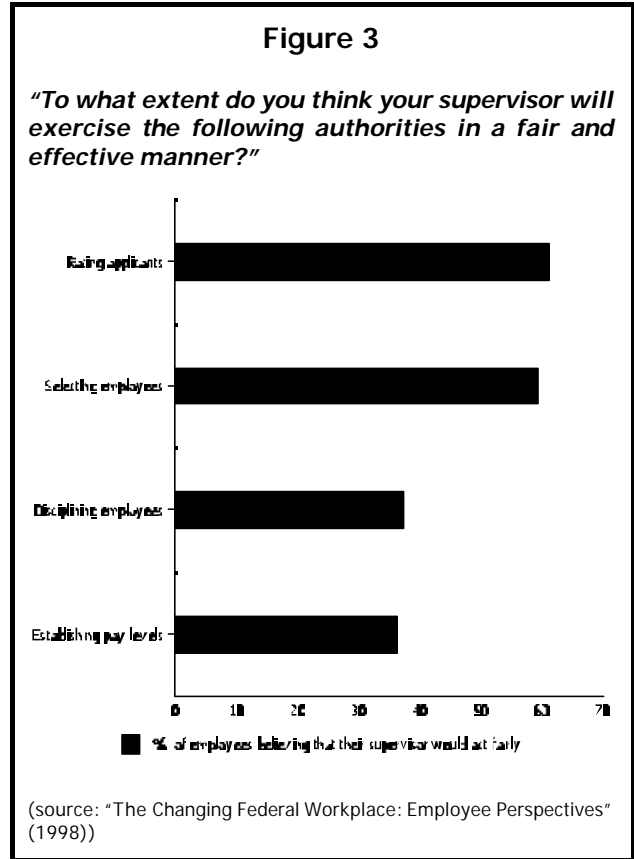
exacerbated this problem in several ways<sup>24</sup>. The resulting situation is a curious one. For agencies are demanding more human resources responsibilities while at the same time acting in ways that minimise their importance. The implication, then, is that merit concerns sometimes do not get the attention that they deserve.

At the very least, there is additional pressure on the front-line managers in these agencies—on the men and women who are accepting the bulk of these new-found responsibilities. One specific concern which emerges, here, is their accountability. For as the MSPB argues, it is not sufficient to assess the performance of human resources offices if the government really does give supervisors the authority to manage their staffs.<sup>25</sup> On the contrary, it is necessary to focus on the performance of the *individuals* who occupy these managerial positions.

Before this is done, however, central organisations and agencies must ensure that front-line managers are knowledgeable in the area of human resources, and are thus capable, for example, of protecting merit and of acting in accordance with established values. As such, they must be properly selected, adequately trained, provided the right tools, and work within supportive agency cultures. Yet several studies argue that this is currently not the case. They suggest instead that front-line managers do not always have a specific understanding of the practical application of merit system principles, and that they need and want more training and information.<sup>26</sup>



One recent study observes that “most federal supervisors do a commendable job of performing the technical work of their units, but have a much harder time with the human resource management tasks that are necessary to the ongoing effectiveness of the organisation.”<sup>27</sup> More precisely, it identifies three areas of human resources which cause problems for front-line managers: staffing, training, and performance management. With regard to staffing, they too often succumb to the pressures of filling a vacancy quickly—they aim for efficiency as opposed to quality; with regard to training, they ignore long-term goals such as assessing training needs and developing training strategies; and with regard to performance management, they favour temporary, makeshift solutions when dealing with problem employees.<sup>28</sup>



According to this same study, front-line managers have a difficult time dealing with human resources issues because they focus on short-term consequences and solutions.<sup>29</sup> This is the result of two things: the organisational cultures in which front-line managers work, and the selection processes for these managers. The latter is of particular consequence here.<sup>30</sup> To state it clearly, then,

*human resource management tasks, done well and with sensitivity to strategic issues, make possible the successful accomplishment of the technical work and long term health of the unit. But not all supervisors see this connection.*<sup>31</sup>

One reason that ‘supervisors do not see this connection’ is that they are promoted because of technical expertise rather than managerial potential. Another is that individuals with

excellent ‘people skills’ are not always encouraged to apply for supervisory positions.<sup>32</sup> This situation is more complicated still. For it is difficult to assess managerial potential; and there are far fewer opportunities to demonstrate it than there are to demonstrate more general, work-related abilities.

Perhaps most critically, individuals who become front-line managers do not receive training related to their human resources responsibilities, generally, and the merit system principles, specifically. Even if they do receive training, it focusses on the performance of specific tasks, and not the strategic implications of human resources issues.<sup>33</sup> The following three examples illustrate the importance of adequately training front-line managers. The first one centres on job postings. By law agencies are required to notify the OPM when they want to staff vacant positions within their organisation.<sup>34</sup> In 1997, however, they failed to do so thirty-three percent of the time. Importantly, ‘in almost half of the cases, agencies—and thus the managers and officers who work for them—*failed to understand* the requirements to announce vacancies’.<sup>35</sup> The second example relates to the ongoing problem of dealing with poor performers. In a survey of managers, twenty-one percent attribute the difficulties that they have in dealing with this problem to a lack of training; more importantly, perhaps, fifty-seven percent of new managers—those who have less than one year of experience—make the same assertion.<sup>36</sup>

The final example, on the other hand, demonstrates the positive effects that training can have. One study indicates that eighty-eight percent of managers have received training on managing diversity. And of these men and women, fifty-nine percent claim that this training has made them better managers.<sup>37</sup> This is an example from which one can learn a great deal about the protection of merit, and thus is discussed in more detail in the conclusion below.

### 3. Britain

Even a cursory comparison of Western democracies demonstrates that certain merit-related problems are common ones. Britain is a case in point. One problem in that country involves

the training of supervisory personnel. Specifically, the head of the British public service states that

*we have not always managed change well. We have too often been inclined to say to senior staff that they had to become managers—a major cultural change—without giving them the training which they needed or indeed any form of support at all. We simply expected them to be good at it overnight.*<sup>38</sup>

In other words, he points to the same issues which are discussed above in relation to the United States. Another common problem revolves around the accountability of departments and agencies—it revolves around the difficulty of infusing organisations on the periphery of government with the core public service values.<sup>39</sup> This, too, is mentioned above, and it will be explored in greater detail below in relation to Crown entities in New Zealand.

Overall, the evaluation of the British merit system is positive in tone. Two organisations are responsible for its protection and promotion, the Office of the Civil Service Commissioners (OCSC) and the Office of the Commissioner for Public Appointments (OCPA). The OCSC reports that “most departments and agencies are conscientiously applying the key recruitment principles underpinning selection on merit,” and that most violations “have been of a technical nature.”<sup>40</sup> Examples of these ‘technical violations’ include lack of internal audits on recruitment, inadequate publication of recruitment data, and lack of guidance on the use of exceptions to recruitment principles.

The OCPA agrees with the OCSC that departments have successfully implemented processes designed to select individuals based on merit. At the same time, however, it has identified a number of problems which deserve attention. These include: a lack of documentation, inconsistent treatment of applicants, unwarranted extensions of tenure, inadequate assessments of performance, poor process management, poor management of candidates’ expectations, unverifiable

**Merit:** All public appointments should be governed by the overriding principle of selection based on merit, by the well-informed choice of individuals who through their abilities, experience, and qualities, match the needs of the public bodies in question.

(source: OCPA *Code of Practice* (October 1999))

independent scrutiny, infrequent use of interviews, and resistance to taking account of gender and ethnicity in making appointments.<sup>41</sup> One common theme which emerges, here, is a lack of openness and transparency. For “*without supporting documentary evidence,*” for example, “*it is difficult for an outside observer to have confidence that appointments have been made according to the principle of merit.*”<sup>42</sup> Similarly, without full disclosure it is impossible to judge whether the independent assessor is truly independent. The most serious problem that the OCPA has identified, however, relates to the need to take account of gender and ethnicity in making appointments. It reports that there is a tension between this and the requirement to appoint on the basis of merit; it also reports that there is a lack of understanding as to what constitutes a merit-based appointment.<sup>43</sup> One possible explanation is that the OCPA’s definition of merit is insufficient or incomplete, the reason being that it does not explicitly refer to ‘equal opportunities’ or to employment equity. Whatever the case may be, this tension between representativeness and merit is an indication of what the public service as a whole is facing. The recent White Paper, *Modernising Government*, states the problem in the following way:

*The public service has a strong tradition of fairness. It is committed to achieving equality of opportunity. But we must accelerate progress on diversity if this country is to get the public service that it needs for the new millennium.*<sup>44</sup>

The government has thus linked diversity to merit, and has given this hybrid value a high priority in its agenda.

## 4. New Zealand

As with Britain, an examination of New Zealand illustrates the similarity of certain merit-related problems from one public service to another. For example, a recent survey in New Zealand revealed that many Chief Executives—heads of departments—have a short-term perspective; their “medium-term future” is six months rather than five years.<sup>45</sup> In addition to this, the survey revealed that almost fifty percent of Chief Executives believe that their human resources capabilities are inadequate.<sup>46</sup> Both of these issues are also discussed

above in relation to the United States. For that reason, it is not necessary to elaborate further.

A potentially more serious problem is a lack of leadership from appropriate organisations and individuals. As a recent study observes,

*it is clear that the State Services Commission (SSC) has traditionally adopted a low-key stance on ethics. Ethical conduct has tended to be an issue only when something has gone wrong, and lessons are then typically converted into rules or guidance material. This approach is not sufficient. A more active role is desirable to build awareness and sensitivity to ethical issues, and provide leadership to Chief Executives in the public service, in the same way that the Chief Executives provide leadership on ethics within their departments.<sup>47</sup>*

Other studies are more pointed. They claim that the State Services Commission (SSC), among others, will need to demonstrate leadership with regard to fair practices, and particularly in the area of 'equal employment opportunities'.<sup>48</sup> Chief Executives have made similar comments. They call for greater leadership from the SSC in a number of areas, including: strategic human resources management, ethics, aboriginal issues, and the general image of the public service.<sup>49</sup> This is not to say, however, that the SSC as an organisation is without initiatives. On the contrary, it has the legislative authority to establish "minimum standards of integrity and conduct<sup>50</sup>." It has in fact used this authority on several occasions. The SSC has attempted to protect and promote merit through a *Code of Conduct*, the "Principles, Conventions, and Practice Guidance Series," an 'expectations letter' which targets new Chief Executives. Yet it is difficult to know how much weight to place on these initiatives. For thus far the *Code of Conduct* has had "a quite limited penetration" in the public service.<sup>51</sup> Moreover, the 'expectations letter' was instituted only as a reaction to a lack of accountability for an accident in which fourteen people lost their lives.

Nevertheless, the most pressing concern at this moment centres on the *scope* of coverage of these ethics or values frameworks. For like the organisation which is responsible for them, their jurisdiction does not extend to the wider state sector. To explain the situation more fully, one of the recent changes in New Zealand is the proliferation of Crown entities. They are non-departmental government organisations which are outside the legal Crown. At present, there are more than three thousand Crown entities. They dominate areas such as health, education, transport, and science; in addition, they control more than two-thirds of the government's budget, and are responsible for more than half of its service connections to the public.<sup>52</sup> The problems of Crown entities are many-fold. They have been cobbled together in an *ad hoc* fashion; as a result each has different governance and accountability practices.<sup>53</sup> Appointments to Crown entities have created 'scandals with regard to remuneration and employment terms'.<sup>54</sup> Moreover, "an increasing number of employees in these organisations have a limited background in the public service and their knowledge of the constitution and conventions of government is weak."<sup>55</sup> And perhaps most crucially, the SSC does not have the mandate to defend merit in this arena; the documents that it has created in order to proclaim the values of the public service have no bearing on Crown entities.<sup>56</sup> Finally, the relations between these organisations and their political masters are often difficult because their respective roles are vague.<sup>57</sup> The net result of all this is that the SSC is publishing several discussion papers on this topic; and that the federal government has just unveiled a series of reforms entitled "the Crown entities initiative". It remains to be seen, however, what the outcome of this activity will be.

**Auditor-General:** "The nature of the responsibilities of Crown entities is such that the people working in these organisations are unlikely to have frequent or direct contact with Ministers. Therefore, they are probably less aware of the principles, conventions, and working guidelines that govern interaction between the public service and ministers".

(source: Office of the Auditor-General, "Report on Certain Matters..." (August 1997), p. 3)

## 5. Conclusion: Selected Best Practices



It is important to mention not only the challenges that countries are facing with regard to the protection and promotion of merit, but some of their best practices as well. Perhaps the best point-of-departure is Australia. What is particularly noteworthy is its new Public Service Bill. For it accomplishes two important things. First, the Bill meets the need to implement “a fully coherent, reformed management structure” through legislative change.<sup>58</sup> And second, in requiring the Commissioner of the Public Service and Merit Protection Commission (PSMPC) to issue written directions in relation to each of the values, it ensures that there is a mechanism for resolving conflicts that might arise between individual values, as well as for supporting programs for specific population groups.<sup>59</sup>

Apart from legislative change, the most noteworthy activity in the countries discussed above is the United States Merit Systems Protection Board tri-annual merit survey. It is a measure of the health of the American merit system, and at the same time an excellent source of information for the merit studies that the MSPB produces. These merit studies provide, in turn, a clear understanding of problems, an analysis of their source, and a list of recommendations in order to correct them.

Beyond the merit survey, there are a number of other best practices that should be identified. The first of these are **training initiatives**. In the United States, the Office of Personnel Management published a merit training module in July 1999. Its purpose is to promote awareness of merit system principles; its target audience includes executives, supervisors, and front-line managers. Similarly, in Britain both the OCSC and the OCPA include a practical Interpretation of the Recruitment Principles to ensure that managers understand and comply with them. A second set of best practices may be described as **oversight mechanisms**. As noted above, in the United States the MSPB audits the OPM every three years, and then publishes its findings. This is unique among the merit systems of Western democracies. For in essence, one merit agency watches the other; or put more succinctly, even the watcher is watched. Other best practices centre on **relevant research**. One example of this is the “Occasional Papers” series in New Zealand. It offers thoughtful analyses of topical merit-related issues. A fourth set of best practices involves the **dissemination of information** to wider audiences. In the United States, the MSPB distributes a quarterly merit newsletter. In a somewhat different vein, the British government

provided a frank synopsis of certain merit-related areas of concern in its most recent White Paper, *Modernising Government*. Finally, best practices in other countries also include **accountability mechanisms**. A good example of these is the letter that the SSC sends to new Chief Executives in New Zealand. It articulates the standards of behaviour that are expected of Chief Executives; more particularly, it makes explicit the merit principles as they apply to these men and women.

## Appendix #1: The 1996 MSPB Merit Survey

Does your agency have a problem when it:	Minor or no problem	Moderate problem	Major problem	Don't know
Selects well-qualified persons when hiring from outside the agency	20(%)	31	20	29
Selects persons on the basis of their relative ability, knowledge, and skills when hiring from outside the agency	25	29	19	28
Promotes people on the basis of their relative ability, knowledge, and skills	21	33	32	14
Makes selections based on fair and open selections when hiring from outside the agency	24	23	21	32
Makes selections based on fair and open competition for promotions	21	29	32	18
Ensures equal pay for equal work	33	21	26	21
Promotes high standards of integrity, conduct, and concern for the public interest among agency employees	43	25	20	12
Retains employees on the basis of the adequacy of their performance	30	28	27	15
Takes appropriate steps to correct inadequate performance	17	25	44	13
Separates employees who cannot or will not improve their performance to meet required standards	11	15	51	23
Protects employees against arbitrary personnel actions	24	20	19	37
Protects employees against personal favouritism	18	21	38	23
Protects employees against coercion for partisan political activities	33	9	8	50
Protects employees against reprisal for whistleblowing	21	10	15	55
Provides fair and equitable treatment for employees and applicants in all aspects of personnel management without regard to their political affiliation, race, colour, religion, national origin, sex, marital status, age, or handicapping condition	38	20	22	20

## Endnotes

1. This paper draws on many sources: government documents, articles posted on websites, information provided by the PSC library, contracted papers, and academic articles. Please note that the views of the author are not necessarily those of the Public Service Commission.
2. La Relève Secretariat, "The Values in Staffing Workshop: A Report on the Roll-out to Front-line PSC Staff" (June 1999), p. 3.
3. These percentages are drawn from questions #4, 42, and 60, respectively, of the Employee Survey.
4. Merit Systems Protection Board, "Adherence to the Merit Principles in the Workplace: Federal Employees, Views" (September 1997), p. 12.
5. Organisation for Economic Cooperation and Development, "The State of the Higher Civil Service After Reform: Britain, Canada, and the United States" (February 1999), p. 19.
6. Kenneth Kernaghan, "Towards a Public Service Code of Conduct - And Beyond", *Canadian Public Administration* vol. 40 n. 1 (Spring 1997), p. 46 (author's emphasis).
7. The next survey is being conducted this year. The results should be available in the year 2000.
8. Merit Systems Protection Board, "Adherence to the Merit Principles in the Workplace: Federal Employees, Views" (September 1997), p. 3.
9. *Ibid.*, p. 8.
10. *Ibid.*, pp. 5, 6.
11. *Ibid.*, p. 4.
12. *Ibid.*
13. Merit Systems Protection Board, "Civil Service Evaluation: The Evolving Role of the U.S. Office of Personnel Management" (July 1998), p. 5.
14. *Ibid.* Note that the MSPB emphasises this possibility, stating that "while the merit principles exhort agencies to good behaviour in a variety of areas, not every aspect of HRM is easily associated with a specific principle (or multiple principles). And relying so strongly

on merit system principles as a structure for evaluation reports risks detracting from the reports' value as a behavioural guide to managers and HR officials. OPM oversight reports should clearly identify the relative importance of issues they address...”.

15. The concern regarding the role that front-line managers have in protecting and promoting merit is a constant one, and will return again in this paper.

16. Merit Systems Protection Board, “Civil Service Evaluation: The Evolving Role of the U.S. Office of Personnel Management” (July 1998), p. 19.

17. *Ibid.*, p. 20.

18. This issue is discussed in greater detail in the first in this series of papers on the merit systems of Western democracies (see p. 5). In a peculiar way, it is also illustrated in *King Lear*. For at one point Albany says to Goneril, “how far your eyes may pierce I cannot tell: Striving to be better, oft we mar what’s well” (Act I, Scene IV).

19. Merit Systems Protection Board, “Civil Service Evaluation: The Evolving Role of the U.S. Office of Personnel Management” (July 1998), p. 15.

20. *Ibid.*, p. 29.

21. *Ibid.*, p. vii.

22. Government of United States, *U.S. Code*, sect. 2302, title 5, c.

23. Merit Systems Protection Board, “Civil Service Evaluation: The Role of the U.S. Office of Personnel Management” (November 1992), p. 17 (emphasis added).

24. Merit Systems Protection Board, “Civil Service Evaluation: The Evolving Role of the U.S. Office of Personnel Management” (July 1998), p. 18.

25. *Ibid.*, p. 33.

26. See, for example, Office of Personnel Management, “Human Resources Management (HRM) Accountability in Federal Agencies: Current Efforts and Future Directions” (January 1997), p. 2.

27. Merit Systems Protection Board, “Federal Supervisors and Strategic Human Resources Management” (June 1998), p. 2.

28. *Ibid.*, pp. 2-5.

29. *Ibid.*, pp. 5-6.

30. Inadequate selection processes may be the most important factor, but it is important not to ignore the effects of the organisational cultures in which front-line managers work. The first reason is that latter often reinforces the former—an agency culture which downplays the importance of counselling, training, and the like may exacerbate the deficiencies of front-line managers in the area of human resources.

With specific regard to organisational cultures, they can foster short-term outlooks in a number of ways: specific rewards and punishments; annual budget cycles; support for conflicting priorities; a lack of human resources or merit champions at senior levels; and senior management who rose through a system which is no longer considered practicable.

31. Merit Systems Protection Board, “Federal Supervisors and Strategic Human Resources Management” (June 1998), p. 8.

32. Several studies identify these problems in the selection processes for front-line managers. See, for example, Merit Systems Protection Board, “Federal Supervisors and Poor Performers” (July 1999), pp. 8-9.

33. Merit Systems Protection Board, “Federal Supervisors and Strategic Human Resources Management” (June 1998), p. 9.

34. Government of United States, *U.S. Code*, sects. 3327 and 3330, title 5.

35. Office of Personnel Management, “Opportunity Lost: Openness in the Employment Process” (April 1999), p. 10.

36. Merit Systems Protection Board, “Federal Supervisors and Poor Performers” (July 1999), p. 24.

37. Merit Systems Protection Board, “The Changing Federal Workplace: Employee Perspectives” (March 1998), p. 38.

38. Sir Richard Wilson, Head of the Home Civil Service, “The Civil Service in the New Millennium” (May 1999), p. 2 (emphasis added).

39. Kenneth Kernaghan, “Towards a Public Service Code of Conduct - And Beyond”, *Canadian Public Administration* vol. 40 n. 1 (Spring 1997), p. 49.

40. Office of the Civil Service Commissioners, *Annual Report 1997-98*, p. 18.

41. Office of the Commissioner for Public Appointments, *Annual Report 1997-98*, pp. 13-5.

42. *Ibid.*, 13 (author’s emphasis).

- 43.Cf. Cabinet Office, "Quangos: Opening the Doors" (June 1998), para. 65.
- 44.Government of Britain, *Modernising Government* (White Paper, March 1999), ch. 6, sect. 22.
- 45.State Services Commission, "Strategic Human Resource Capability Issues in the Public Service: Full Project Report with Recommendations" (1997), sect. 56.
- 46.*Ibid.*, sect. 59.
- 47.State Services Commission, "Occasional Paper No. 15: An Ethics Framework for the State Sector" (August 1999), p. 24 (emphasis added).
- 48.State Services Commission, "Strategic Human Resource Capability Issues in the Public Service: Full Project Report with Recommendations" (1997), sect. 48.
- 49.*Ibid.*, sect. 65.
- 50.Government of Australia, *State Sector Act* (1988), sect. 57.
- 51.State Services Commission, "Occasional Paper No. 15: An Ethics Framework for the State Sector" (August 1999), p. 10.
- 52.*Ibid.*, p. 11.
- 53.Hon. Simon Upton, "Media Statement: Crown Entities Package" (15 July 1999), p. 1.
- 54.State Services Commission, *Annual Report 1998-99*, p. 4.
- 55.State Services Commission, "Occasional Paper No. 15: An Ethics Framework for the State Sector" (August 1999), p. 6.
- 56.*Ibid.*, pp. 11, 14, 26.
- 57.State Services Commission, "Occasional Paper No. 18: Crown Entities: Roles of Ministers, Crown Entities and Departments" (September 1999), pp. 6-7; State Services Commission, *Annual Report 1998-99*, p. 3.
- 58.David Kemp, Minister Assisting the Prime Minister for the Public Service, Government of Australia, *Parliamentary Debates: House of Representatives: Official Hansard* (30 March 1999, 39<sup>th</sup> Parliament), p. 4684.
- 59.Parliament of the Government of Australia, *Public Service Bill 1999: Explanatory Memorandum* (November 1999), p. 31.

