



SIGMA

Support for Improvement in Governance and Management

A joint initiative of the OECD and the European Union, principally financed by the EU

**Agentia Nationala
a Functionarilor Publici**

The Merit System and Integrity in the Public Service

**by Willy McCourt
University of Manchester, UK**

**Conference on Public Integrity and Anticorruption
in the Public Service**

Bucharest, 29-30 May 2007

Introduction: Two recent controversies

Public appointments are often a Cinderella function overseen by superannuated officials put out to grass, and roughly since the fall of the Berlin Wall many governments have been more preoccupied with shedding staff than with taking them on. But the recent controversies surrounding the current President of the World Bank and the Secretary-General of the organization sponsoring this conference, the OECD (whose kind invitation I am honoured to accept), show what can happen when public organizations' appointment systems or decisions are publicly challenged.

In this context, one of Mr Gurría's remarks during the controversy is interesting:

'Clearly, the OECD's internal management practices must be exemplary. That is why I have initiated changes in management and hiring procedures to ensure that the OECD Secretariat follows best practices at all levels.'

Note the word 'exemplary'. In an era of media scrutiny, the public expects that public appointments will be based on merit, and seen to be so based. What we are discussing in this session is becoming ever more important.

What is merit?

Yet it is not as easy to define 'merit' as we may think. As a starting point we can define it as 'the appointment of the best person for any given job'. That is bland, but the practical implications can be controversial. For example, many of our governments wish to advance the position of women and disadvantaged ethnic minorities. Now I support affirmative action, as you would expect a member of Northern Ireland's disadvantaged Catholic minority to do (we benefit from special, albeit limited legal provisions). But only up to a point. I believe that affirmative action should stop short of giving a job at the point of selection to one candidate who is less able than another, even if the more able candidate is a member of an advantaged group (and the less able is a Northern Ireland Catholic!). Why? Because when we prefer the less able candidate, we are preferring to offer our citizens a poorer quality of service: that is what 'less able' means (or ought to mean). And, to my mind at least - I wonder if you agree? - the *necessity* of providing the best service that we possibly can overrides the *desirability* of improving the position of disadvantaged groups. This is not always a popular position to take, as I found when I acted as an advisor to the Presidential Commission on the Transformation of the Public Service in South Africa in 1997.

In fact taking our bland definition to its logical conclusion has four implications which run counter to the practice of many public agencies:

TABLE 1 IMPLICATIONS OF A 'BEST PERSON' DEFINITION

IMPLICATION	CURRENT PRACTICE
1. applies to jobs at every level	a focus on the point of entry
2. the appointee is the best candidate	the appointee is merely able to do the job
3. posts are open to all eligible candidates	posts are restricted to certain candidates
4. the appointment process is systematic, transparent and challengeable	the appointment process may be arbitrary, secretive and unchallengeable

Let us flesh that out:

1. *Jobs at every level*: merit principles apply as much to promotion as to initial recruitment
2. *The best candidate*: demonstrably the most able among a number of candidates, any of whom could do the job adequately
3. *Open to all*: no internal-only appointments or restricted shortlists
4. *Systematic, transparent and challengeable*: we welcome challenges to our decisions, including from the unsuccessful candidates, viewing them as valuable feedback which will help us make better decisions in future

Thus in a pure merit system all public appointments, from top to bottom, are made following a competition based on merit rules that are publicly understood and can be challenged if a breach is suspected.

Exceptions to merit

But do those four things happen anywhere outside my university 'ivory tower'? Yes, they do – and not just in rich countries. In Namibia, a middle-income country in southern Africa, even the post of Head of a government ministry is publicly advertised, precisely because of the hateful memory of the way that senior appointments were restricted to white people before independence in 1990. Moreover, Namibia's public appointments are eminently challengeable: rejected applicants were successful in 75% of appeals against recruitment decisions which were considered by Namibia's Public Service Commission in 2003/4.

Still, probably no administration operates a pure merit system as defined here. But since by definition it is the 'best person' who will provide the best quality of service to the public, exceptions to the merit rule require a case by case justification. Here are five possible exceptions.

1. *Elected officials*. Firstly and obviously, some officials are elected, not appointed.
2. *Political and 'direct' appointments*. Those elected officials may hand-pick some political advisers. There may be relatively many of these (as in the US, where a Bush appointee presided over the relief fiasco that followed Hurricane Katrina in New Orleans) or relatively few (as in the UK), but in most cases should be narrowly confined to senior staff who are working directly to politicians (thus posing a challenge to administrations where there are many political cadre posts). Top officials who hand-pick their staff may get their fingers burnt.
3. *Affirmative action*. Several administrations, including Cyprus, Malaysia and the US, have used 'quotas' and the like in public appointments to speed up the advance of members of a disadvantaged group, such as women or certain ethnic groups (the Turkish minority in Cyprus, the indigenous majority in Malaysia). A closely specified quota system can have democratic legitimacy and may advance social harmony, but alternatives which preserve merit are possible.
4. *Internal appointments and transfers; local managers' discretion*. Most administrations have restricted certain promotion posts to existing staff in order to minimize transaction costs and to

provide career development opportunities (the ‘mandarin system’). In the same way, local managers may have discretion to make some appointments.

5. *Other appointments: succession plans, secondments, temporary ‘acting up’, reallocation of duties, sub-contracting to employment agencies etc.* These are other ways in which administrations customarily fill some individual jobs.

It is probably reasonable that merit should be overridden in some such cases: it would be perverse, for instance, to abolish in the name of fairness a transfer system which was introduced to minimize corruption. But, with the obvious exception of elected officials, there should still be a commensurate procedure which preserves merit as far as possible. This should preferably represent a minimal adaptation of the normal procedure so that the problem of double standards does not arise. It cannot be right, for instance, that in a staff survey, 89% of Trinidad’s public servants said they did not know how they had been assessed in their last staff appraisal (the basis for promotion decisions), and that 31% of them did not even know when it had been written. The fact remains that exceptions such as the ones I have listed contradict merit, and require a strong justification.

Obstacles to merit

Exceptions to merit which we can justify in the name of some higher good are one thing, but blatant abuses are something else. One such abuse is financial corruption. It can take elaborate forms, as in the semi-public sale of transfer posts in one Indian irrigation agency.ⁱ I expect that most of us are already familiar with the debates surrounding corruption, so I confine myself to the distinctive twist which public appointments give to it, before moving on to three other staffing issues.

Political patronage (clientelism) and nepotism. Financial corruption, while common, is usually covert because it is widely disapproved of. But in many countries the ‘patron’ can present himself or herself as a social altruist, discharging a noble obligation to political supporters, family members and others. Thus nepotism is ‘morally obligatory’ in Nepal; or, as Chicago’s former mayor, Richard Daley, once put it ‘It’s a father’s duty to help his sons!’ⁱⁱ This makes it harder to eradicate, though enforcing anti-patronage rules and a better definition of merit (see below) will help. Of course appointments on the basis of either kinship or money will have equally negative consequences for state performance.

Discrimination. I give only qualified support to affirmative action, but I wholly deplore discrimination based on gender, race or other irrelevant personal factors. To me it is a damaging irony, for example, that governments that have gender issues at the heart of their policies may discriminate against women, consciously or unconsciously, when they appoint their own staff. Appointment practices should be ‘audited’ to remove institutional discrimination.

Definitions of merit. A faulty definition of merit may facilitate corruption. Firstly, if merit is defined to mean merely ‘able to do the job’, and there are many candidates thus able, selectors can exploit the resulting ambiguity to appoint their (barely able) relative or supporter in preference to another (outstandingly able) candidate. It will be harder for a patron to insert a client into a job where knowledge and skill requirements are precisely specified than into one where they are left vague. This is a subtle but important point.

Making merit real: Institutional arrangements for selection

Gross violations of merit, where money changes hands or appointments are based on political allegiance, can have deep social roots which are hard to pull up. But 'merit' has an important part to play. In a country where merit is ingrained in civil servants' attitudes and informal professional peer pressure is sufficient to control it (again, such countries do exist), the role of institutional arrangements can be downplayed. Thus in the UK merit is so well established that the government has felt free to privatize the central recruitment function, and all operational functions have been devolved to line departments.

But where merit has only a precarious toehold, a central agency such as the Service Commissions of the Commonwealth and its associated countries may be appropriate, as in the following example.

BOX 1 PUBLIC APPOINTMENTS IN SRI LANKA: CORRECTING THE INSTITUTIONAL FRAMEWORK

In a country where political patronage is rampant, the government has acted decisively to combat it by passing the Seventeenth Amendment to the Constitution in 2001 to release the Public Service Commission (PSC) and the other Service Commissions from political control. Up to 2001, the PSC was a political football, with every government using it to give jobs to its supporters. That has changed. The Leader of the Opposition now has a real say in the appointment of the PSC's commissioners, who serve a three-year renewable term which is separate from the electoral cycle. The PSC's first Chairman was a retired ambassador, forthright and politically unaligned.

The PSC remains subject to political pressure, but its new structure puts it in a much stronger position to resist it.

Source: McCourt (2006).

Other institutional arrangements should also be considered, such as:

- legal provisions (hence, for instance, Poland's perseverance with the drafting of a civil service law through several changes of government)
- separation of the political and administrative spheres
- setting up an 'elite' senior service (as in Argentina)
- drawing up an internal code of conduct

They will not abolish patronage overnight; indeed they are constantly threatened by the very pressures that they seek to contain. But the evidence of countries like Sri Lanka is that their persistence at least establishes a zone which can be used as a base for extending the influence of merit.

How to identify merit

A sound institutional framework provides a level playing field for candidates. But as someone who lives in Manchester, I am well aware that football fans don't go to Old Trafford (Manchester United's ground) to see the playing field, but the game that is played on it. Institutional arrangements to ensure fairness are only the starting point. We must go on to improve the *quality*

of the selection process in order to improve the quality of the staff we appoint (and therefore of the service they will provide). International agencies like the World Bank sometimes recommend a system of university-style competitive examination (as in Pakistan and Korea), or systematic scrutiny of educational qualifications (as in Singapore). Certainly such methods are fair and command public confidence. But they do not recognize merit, because the link between what is tested and the requirements of work is weak (one meta-analysis, for example, found a correlation of only 0.10 between qualifications and job performance – which in plain words means that qualifications explained only 1% of the difference in performance between people doing the same job).

On the other hand, sophisticated commercial selection tests where that link is strong, widely used in rich, especially English-speaking countries are not available for sale elsewhere, and recreating them would require a critical mass of organizational psychologists which very few governments possess. Moreover, such methods would not be justified for the bulk of public appointments, including manual appointments. Fortunately, however, other methods, both valid and practicable, are available. In the light of research and organizational practice, a good appointment procedure will have these elements:

1. *a job analysis* leading to a written statement of the duties of the job (the job description) and the knowledge and skills which the jobholder will need (the person specification)
2. *an advertisement disseminated to eligible groups*, including a summary of the job analysis
3. *a standard application form*
4. *a scoring scheme* based on the person specification
5. *a shortlisting procedure* to reduce applications, if necessary, to a manageable number
6. *a final selection procedure* based, again, on the person specification, and preferably including a selection method or methods in addition to the panel interview
7. *an appointment decision* based on the scoring scheme
8. *notification of results* to both successful and unsuccessful candidates
9. *'post-interview counselling'* offered to unsuccessful shortlisted candidates
10. *induction* on what the panel found out through selection about the successful candidate

An 'assessment centre' procedure, comprising a number of selection methods which include an interview and written or oral activities as appropriate, remains the gold standard of public selection. Invented in Germany, it is used in several countries which have borrowed from the UK civil service model. But recent research shows that the validity of the unfashionable panel interview can match that of the assessment centre, provided that it is structured, based on job analysis, conducted by trained interviewers, and culminates in an appointment which reflects panel members' independent scores. However, using at least a second method at the final stage gives another useful point of view on the candidate.

Finally, copies of relevant documentation should be retained for a short time, so that reasons for appointment and rejection are to hand if decisions are challenged. Documentation is also useful for giving feedback to unsuccessful internal candidates for development purposes ('post-interview counselling'). All of this can be reinforced by a widely disseminated written 'code of practice', and by training for selectors.

What should governments (and individuals) do?

Merit practices are by no means universal in rich country governments and private companies. Race discrimination, for instance, remains widespread in the UK where I live. Moreover, appointments are not made in an organizational vacuum, and are affected by the general climate and practices which surround them. That said, strengthening appointments on merit is one simple and powerful way in which governments can improve the quality of their services. Governments can move forward by if they take these steps:

- declare publicly that they are committed to making staffing decisions on merit
- specify the exceptions to the merit rule and the reasons for them
- understand the forces which oppose merit (patronage etc.)
- audit existing practices to remove institutional discrimination
- establish appropriate institutional arrangements
- establish good practice selection procedures

Of course only governments can affect institutional arrangements. But every one of us as individual public servants can do something too. If you agree with me that by improving the quality of our staffing decisions we can improve the quality of the service that our citizens receive, then I would like to invite you to think of just one action you can take to improve the quality of your agency's staffing decisions, even if it is no more than making sure that the next time you interview, your interview structure is based on selection criteria and a person specification.

Thank you for your attention.

Further reading

McCourt, W. (2006) *The human factor in governance: Managing public employees in Africa and Asia*, London: Palgrave.

McCourt, W. and D. Eldridge (2003) *Global human resource management: Managing people in developing and transitional countries*, Cheltenham, UK: Edward Elgar.

Willy McCourt, Reader in Development Policy and Management in the Institute for Development Policy and Management, University of Manchester.

ⁱ Wade, R. (1985) 'The market for public office, or why India is not better at development', *World Development*, 13: 467-497.

ⁱⁱ The quotations are from Kondos, A. (1987) 'The question of 'corruption' in Nepal', *Mankind*, 17: 15-33; and from Clark, T. (1994) 'Clientelism, U.S.A.: The dynamics of change', in Luis Roniger and A. Günes-Ayata (eds.), *Democracy, clientelism and civil society*, Boulder, Colorado: Rienner, 121-44.