



2022 ANNUAL REPORT

Public Service Commission

January – December 2022

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INTRODUCTION

MANDATE

In 1979, the Public Service Commission (PSC) came into existence upon the acceptance and approval of the Constitution of the Republic of the Marshall Islands (RMI). Article 7, Section 9 (1) of the Constitution of the Republic of the Marshall Islands, designates the Public Service Commission as the employing authority for the Public Service and shall have the general oversight and control of its organization and management and shall be responsible for reviewing the efficiency and economy of all Departments and offices of the Government.

PUBLIC SERVICE COMMISSION ACT OF 1979

The Public Service Act came into effect the same year in 1979. The Act in part, empowers the Public Service Commission to adopt and enforce all regulations necessary to execute its powers and duties under the Constitution and granted to it by Act. The Act extends the responsibility of PSC to include training, government leased housing, and an optional group life insurance. The Public Service Commission, vested by its authority, is responsible to the Cabinet, including the adoption and implementation of regulations and instructions for the workforce and workplace, standard operating procedures, and evaluation of work performance by public servants.

The members of the Commission make joint decisions in dispensing its mandate and functions, as stated in the PSC Act of 1979. The Commission consists of a Chair-person and two other members. The Commission shall work diligently and to make sure all proper measures are procured in an efficient and economical means in the performance by the service.

The Commission is responsible to the Cabinet for carrying out its duties and exercising its functions. And for this purpose, a report is furnished annually to the Cabinet at the end of each calendar year. The report depicts the state of the public service, the works and activities carried out during that year.

STRUCTURE

The Office of the Public Service Commission is generally made up of two main divisions:

1. The Division of Administration is responsible for general administrative functions of the office including managing the Government Housing program, as well as liaising and coordinating activities with the Government Life Insurance Company.
2. The Division of Personnel and Training is responsible in overseeing the management of personnel and recruitment of the public sector, including training needs and the efficient and effective execution of policies, programs and services. The Human Resource Management Information System (HRMIS) captures all the data for the public service.

OVERVIEW

This report is an account on all the data collected over the course of calendar year 2022, pertaining to Government personnel under the purview of the Public Service Commission. The Public School System (PSS) and the Marshall Islands Police Department (MIPD) are not under PSC's mandate, hence data and statistics were not included in this report.

Numeric and statistic data are depicted in this report on the state of the public service for the year 2022, in relation to the size and composition of the workforce. Information on personnel cost, demographics, employee trainings, performance management, housing, and insurance programs were compiled and recorded by the Office of Public Service Commission, mostly from the HRMIS, for the purpose of this report.

During August of 2022, the COVID-19 pandemic arrived the shores of the Republic and a Proclamation for State of Health Disaster was issued. The pandemic had a two-fold situation in the RMI, when it was still free of the pandemic and when it finally arrived. The human resource felt the direct hit and effects were damaging. This report captures the productivity of the public service, while also taking into account the challenges, limitations and costs that were met during the year. Based on this review, a set of broad and specific recommendations are outlined as a way forward to maintain efficiency for the purpose of quality public services and programs to benefit the Republic of the Marshall Islands.

The Public Service

Size and Composition

By the end of 2022, the size of the public service workforce was at a total of 1,184 employees, with the Government spending on personnel cost of \$21,428,140.00.

Of this, 88% (1046) of the workforce was Marshallese and the remaining 12% (138) were expatriates. Although more than a quarter of the workforce is Marshallese, the average annual salary per expatriate was \$26,960.00 compared to only \$16,929.00 per Marshallese. This is due to the hiring of professional expats in the areas of health, finance, engineering, and law. Experts in these fields have a higher pay level due to their demand in specialized areas. While we are seeing a growth in returns of the younger generation with degrees, the RMI still lacks local specialized doctors, lawyers, licensed engineers, and accountants.

Table 1. Profile of the RMI Public Service for CY2022					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1184	100%	\$21,428,140	100%	\$18,098
Female	492	42%	\$9,067,015	42%	\$18,429
Male	692	58%	\$12,361,125	58%	\$17,863
Retirees	127	11%	\$2,626,200	12%	\$20,679
Marshallese	1046	88%	\$17,707,685	83%	\$16,929
Expatriates	138	12%	\$3,720,455	17%	\$26,960

During the reporting year, the workforce declined by only 10 members when compared to the prior year, 2021 (Table 2). Though the decline in

Table 2. Profile of the RMI Public Service for CY2021					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1194	100%	\$20,898,054	100%	\$17,503
Female	525	44%	\$9,240,050	44%	\$17,600
Male	669	56%	\$11,658,004	56%	\$17,426
Retirees	117	10%	\$2,400,045	11%	\$20,513
Marshallese	1041	87%	\$17,019,199	81%	\$16,349
Expatriates	153	13%	\$3,878,855	19%	\$25,352

the workforce is less by 10 members, of importance to note is the continuous increase in personnel cost over the years. This year, personnel cost increased by \$530,086 in comparison to 2021.

Contributing factors for this noticeable jump in cost are: (1) contractual retainment of the higher management posts; (2) higher rates and incidences of salary increments; (3) higher frequency rates of recruitment and/or employment placements of the BA holders; (4) salary re-classification.

The slight decline in the workforce this year was influenced by: (1) border closure due to the pandemic which directly affected the recruitment of expatriates; (2) non-renewal of contracts by expatriates; (2) resignations; and (3) terminations.

Statistics also show the workforce had about 42% (492) female workers, while 58% (692) comprised of male workers. While there were fewer number of female workers in the workforce, their average annual salaries (\$18,429) continued to be slightly higher than their male counterparts (\$17,863).

	2022				Ttl Emps	Ttl Amount
	Marshalllese		Expatriates			
	# of Emps	Ttl Amount	# of Emps	Ttl Amount		
Auditor General	21	529,735	2	60,000	23	589,735
Cabinet	11	228,840			11	228,840
NNC	2	68,000	1	21,000	3	89,000
Office of the Chief Secretary	15	411,050			15	411,050
EPPSO	12	271,000			12	271,000
CCD	6	159,025			6	159,025
NEO	6	164,025			6	164,025
Weather	10	282,950			10	282,950
Council of Iroj	6	132,050			6	132,050
Finance (FBPS)	87	1,629,645			87	1,629,645
Banking Commission	12	261,135	1	33,000	13	294,135
DIDA	7	161,045			7	161,045
Foreign Affairs (MoFAT)	17	434,045			17	434,045
Health Services (MoHHS)	510	7,699,405	125	3,276,455	635	10,975,860
Internal Affairs (MoCIA)	57	1,018,210	1	24,000	58	1,042,210
Justice - Attorney General	13	485,000	1	38,000	14	523,000
Justice - Immigration	13	181,965			13	181,965
Justice - Labor	5	96,980			5	96,980
Justice - Public Defender	3	61,710	2	86,000	5	147,710
Nitijela	22	383,855			22	383,855
Public Service Commission	14	315,520			14	315,520
Public Works (MoWIU)	147	1,908,450	5	182,000	152	2,090,450
Resources & Development (NRC)	38	576,915			38	576,915
Transportation & Comm. (TC&IT)	12	247,130			12	247,130
	1,046	17,707,685	138	3,720,455	1,184	\$21,428,140

The data on Table 3 illustrate the total number of employees by Ministry and by cost. The top three Ministries with the highest number of employees were: the Ministry of Health and Human Services (MOHHS) with a total of 635 employees (cost of salary was \$10,975,860.00); followed by the Ministry of Works, Infrastructure and Utilities (WIU) with a total of 152 employees (cost of salary was \$2,090,450.00); and falling in third was the Ministry of Finance, Banking and Postal Services (FBPS) with a total of 87 employees (\$1,629,645).

In contrast, the least number of employees were employed by: the National Nuclear Commission (NNC) with only 3 employees (salary cost \$89,000.00), followed by the Division of Labor (salary cost \$96,980.00) and the Public Defender (salary cost \$147,710), with only five employees each.

Personnel Cost and Funding Sources

Table 4 below lists the source of funds utilized to compensate employees during the year by employee number and cost. Funding sources derived from the General Fund, Compact Fund, Federal Fund, Republic of China (ROC-Taiwan) Fund, MOHHS Fund, and other Funds. The data show that about 56% of the workforce or 612 employees were compensated under the Compact Fund (\$12,170,490.00), 337 were compensated under the General Fund (\$5,667,465.00), and 164 were compensated from the Federal Fund (\$2,682,349).

Fund	# of Emps	Ttl Cost	% of Total
Compact Fund	612.5	\$12,170,490	56.80%
General Fund	337.5	\$5,667,465	26.45%
Federal Fund	164	\$2,682,340	12.52%
ROC Fund	43	\$398,320	1.86%
MOHHS Fund	23	\$389,525	1.82%
Other Fund	4	\$120,000	0.56%
			0.00%
Total	1,184	21,428,140	100.00%

As previously noted, the Public Service personnel cost for the reporting year was \$21,428,140.00, which is an increased by \$530,086.00 or 2.5% compared to last year. The increase was a direct result of the establishment of new positions, contractual

retainment of higher management posts, salary increments, reclassifications, recruitment, and promotions.

It is important to take into consideration, which will need appropriate action, the continuous rise in personnel costs over the years. The rising cost shouldered by the nationally generated funding sources need serious attention and action. The same could also be true for funding grants from outside where precautionary actions are needed to avoid the loss of awards due to non-compliance.

Personnel Activities

The data on Table 4 display the number of personnel activities over the past year, showing the type of personnel action and number of actions taken place during the year. As shown on the table, there were a total of 951 approved action items during the year.

There was a total 121 new hires/or appointments to the public service, and 340 contracts were extended. While 68 employees resigned from the workforce, 1 was demoted, 8 were placed on retirement, 9 were deceased, and 26 were terminated from the workforce. There were 64 employees with salary increments, whereas 31 were promoted.

When compared to the prior year, there was no drastic change in the any of the activities except for contract extension. This year saw a 20% increase in the number of contract extensions compared to 2021 (273). Contractual services include expatriate contracts, senior management

Activities	2022
Appointment	121
Change of Position Title	15
Change of Status Probation to Permanent	79
Change of Status Permanent to Contract	18
Change of Status Contract to Permanent	5
Contract Extension	340
Change of Account	20
Demotion	1
Position Reclassification	11
Position Conversion	12
Promotion	31
Resignation	68
Retirement	8
Deceased	9
Salary Adjustment	36
Salary Increment	64
Salary Reclassification	52
Termination	26
Transfer	7
Transfer within Ministries/Agencies	28
	951.00

level positions, contracted persons aged 60 years, and positions that are funded by Compact and Federal programs. Therefore, the retainment of contractual services is essential for the efficiency of the Service. Additionally, contract extensions are important to avoid inconsistencies and missed deadlines in reporting requirements per Compact and Federal programs.

Gender

The Marshallese society value the traditional role between the two genders. There were two clear observations that suggest gender inequalities in the workplace.

The first observation is the gap between males and females. Males continue to dominate the workforce in number. Table 6 show that 58% (692) of the workforce was comprised of male, whereas 42% (492) of the workforce consisted of their female counterparts. Analytical review suggests the tendency that male continued to dominate physical labor positions in the fields of construction, maintenance, procurement, and shipping.

Table 6: Gender in the Public Service CY2022

Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1184	100%	\$21,428,140	100%	\$18,098
Female	492	42%	\$9,067,015	42%	\$18,429
Male	692	58%	\$12,361,125	58%	\$17,863

The second observation, which manifested itself over the years, is the difference in average cost between the two genders. Despite the male domination, there continues to be a notable gain earned by females on their average annual salaries. This year, the females earned an average salary of \$18,429, while their male counter-parts earned an average of \$17,863 – a variance of \$566 despite the male leading in number. Moreover, more females occupied managerial and senior level positions in particular, thus slightly representing an impressive gain in earnings.

Although the disparities may be unintentional, it is important to note that the trends may be based on society norms and cultural values.

Age

Table 7 below illustrate the age category by number of employees and total salary across the public service. The majority of the workforce was within the ages of 35- 44 (347 employees), with a salary cost of \$6,334,855. The data also suggests a young workforce, between 21-34 age (325 employees), with a salary cost of \$5,238,370. There continues to be growth in the number of college graduates with Associates and Bachelors' Degrees. Most of the young applicants were fresh out of college, perceptibly with little to no experience in the workplace. Therefore, in house and other training opportunities continues to be an important aspect for each Ministry's commitment for a smooth transition. The objective is to utilize the young and eager degree holders to eventually replace the older age group who are already on retirement age.

Table 7: Age Group (CY 2022)

Age	# of Emp	Ttl Salary
21-34	325	5,238,370
35-44	347	6,334,855
45-54	270	4,916,005
55-62	162	3,289,780
63plus	80	1,649,130
Total	1,184	\$21,428,140

During the year, 80 employees reached the retiree age of 63, with a total salary cost of about \$1,649,130.00. Compared the previous year in 2021, there was an increase this year by both number (9) and salary cost (\$189,660).

The increase in cost was due to the high rate of increments and the contractual retainment of higher paying management posts. There continues to be a number of retirees still in the workforce, whom are placed on a contractual basis once they reach the retirement age. As requested from concerned Ministries, experienced old-time employees are still needed, especially to train and hand over their expertise to the new inexperienced employees. Ultimately, as the employing authority for the public service, the Commission make the final decision. Per PSC Regulations 2008, as amended, Section 19 (3) states that the Commission may enter into a contract with an employee who reached 60 years old but less than 63 years; and Section 19 (4) further states that an employee over 64 years of age shall be retained unless the Commission determines otherwise.

PERFORMANCE MANAGEMENT

Performance Evaluation

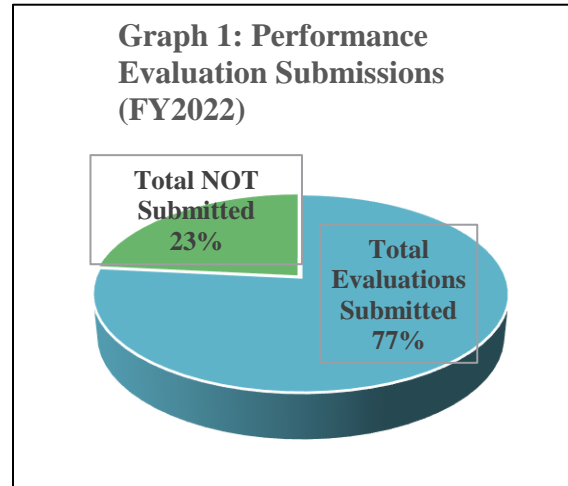
Performance management is an important aspect of human resource. Therefore, evaluating the state of the public service is a requirement, per PSC Regulations Section 30, 2008 as amended, which states each Head of Department (HoD) is required to submit the performance evaluation of each employee within the Ministry, on an annual basis.

The main objective of the performance evaluation is to assess the overall performance of an employee throughout the year, rating the extent to which they have delivered their outcomes, define job responsibilities, and it also provides a basis for remuneration, pay raises, promotions or disciplinary actions. The results on Table 8 take into consideration the number of employee

Table 8: Submission of Performance Evaluations (FY22)				
FY22	# of Evaluations submitted	# of Evaluations NOT submitted	Total # of Employees	Status
Council of Iroij	0	5	5	No Submission
EPPSO	12	0	12	Complete
MOFBPS	0	101	101	No Submission
MONRC	2	37	39	Incomplete
MOFAT	15	0	15	Complete
MoWIU	0	137	137	No Submission
MOTC&IT	11	1	12	Incomplete
MOCIA	46	19	55	Incomplete
MOHHS	433	232	665	Incomplete
Attorney General	12	3	15	Incomplete
Divisions of Immigration	12	0	12	Complete
Labor Division	3	2	2	Incomplete
Office of the Chief Secretary	14	0	14	Complete
Auditor General	22	0	22	Complete
Cabinet	7	5	12	Incomplete
Nitijela	0	22	22	No Submission
CCD	5	1	6	Incomplete
PSC	14	0	14	Complete
Public Defender	5	0	5	Complete
NEO	3	3	6	Incomplete
Weather Station	0	9	9	No Submission
National Nuclear Commission	3	0	3	No Submission
Total	612	573	1183	

performance evaluations and self-appraisals that were submitted by the twenty-two (22) line Ministries/Agencies under the purview of PSC. The data also revealed the overall performance capacity level of each Ministry/Agency that submitted evaluations.

Each Ministry responsible is to submit their employee performance evaluations before the due date of 30th November, each year. By the end of the 2022, of the total workforce (1,183) there were 906 (77%) submissions, while 277 (23%) failed to submit, and 6 were non-compliant with zero submission. Some submissions were incomplete and rushed. The six non-compliant Ministries/agencies this year were: the Council of Iroij, the Ministry of



Finance, Banking and Postal Services, the Ministry of Works, Infrastructure and Utilities, Nitijela, Weather Station, and the National Nuclear Commission. Although reminders were sent to all Ministries/agencies, this continues to be a problem every year.

Failure to comply with submissions may have an adverse effect on the following factors:

1. Efficiency and economy of the public service - PSC Regulations, 2008, as amended, Section 30 (1) (2) (3), states that all Ministries and agencies of the Government are required to administer and submit to the Commission the outcomes of their annual performance evaluations on an annual basis. Although only six Ministries/agencies did not comply, the total number of non-submitted evaluations was 227, that is (23%) almost a quarter of the workforce. The alarming number is due to the fact that MoWIU and MoFBPS are two of the Ministries with the highest number of employees. Moreover, the overall performance of the two large Ministries were not evaluated and the quality of performance is unknown.

2. Assessment of an employee and possible step increment - PSC Instruction 2017/001, states that payment of increment may be approved for each employee the next increment step in the grade assigned to the post if the employee has spent two (2) year satisfactory services on the present incremental step, and may be sooner than two years but not sooner than one year upon recommendation from the HoD. Incomplete or lack of performance ratings for two consecutive years may risk the possibility of an increment.

Public Service Performance

The overall performance of each Ministry/agency was evaluated in order to assess the state of the public service. For accuracy, these numbers were collected and entered into an excel database where they were analyzed to yield an average performance score for each Ministry, as shown on Table 9. The overall score is an appraisal of the quality of performance by each Ministry throughout the year.

PSC's grading scale tally criteria (Table 10) is used to determine each employee's performance, and in this case, the same scale was used to determine each Ministry/agency's overall performance.

As mentioned earlier, zero submission by a Ministry meant each employee's performance and the overall assessment of a Ministry are unavailable and questionable in regards to the quality and appraisal of performance by an employee and Ministry.

Two outstanding performances during the year was set by the Ministry of Foreign Affairs and Trade (MOFAT) with a 4.40 score, and the Ministry of Natural Resources and Commerce (MNRC) with a 4.30 score. While only the Office of the Chief Secretary performed on an average scale, the

Ministry/Agency	Overall Performance Rating
Council of Iroij	-
EPPSO	3.69
MOFBPS	-
MONRC	4.30
MOFAT	4.40
MOWIU	-
MOTC&IT	4.05
MOCIA	3.62
MOHHS	3.91
Attorney General	4.23
Divisions of Immigration	3.80
Labor Division	4.09
Office of the Chief Secretary	3.27
Auditor General	4.10
Cabinet	3.54
Nitijela	-
CCD	3.75
PSC	3.70
Public Defender	4.00
NEO	4.05
Weather Station	-
National Nuclear Commission	-

Performance Ratings	Performance Evaluation
0.08 - 1.49	Unsatisfactory
1.50-2.42	Below Average
2.50 - 3.33	Average
3.42 - 4.33	Above Average
4.42 - 5.00	Outstanding
--	No Submission

rest of the Ministries/agencies gave an above average performance. As mentioned earlier, the six Ministries/agencies that did not submit performance evaluations this year were: Council of Iroij, MoWIU, MoFBPS, Nitijela, Weather Station, and National Nuclear Commission.

There are several issues associated with the performance evaluations. The most common issue is the lack of communication between the HoDs and their supervisors/employees. Miscommunication may cause late or no submission of performance evaluations at all. Miscommunication may result in decreased productivity, morale and conflict between employees, hence lead to incomplete or unsigned evaluations. Other times, employees are not comfortable in expressing themselves through their self-appraisals, to the extent of hand delivering appraisals to PSC without the signature of their supervisors. Leniency on evaluations is another issue. In some instances, supervisors give good ratings to his/her staff without any constructive criticism as a result of favoritism or the fear of being reported by staff.

Employees have the opportunity to complete a self-appraisal of his/her performance during the year in review. Employees are expected to be frank and objective in making their own appraisals. The most common concern influencing performance is the need for capacity building specifically in the areas of: report and grant writing, leadership and management skills, human trafficking, passport examinations, management and communication. Also mentioned concerns were being overworked with low salaries and the lack of tools and work equipment.

Of importance to mention is the recently passed Labor Collective Bargaining Relations Act 2022, which provide a legal framework for employees in the Republic of the Marshall Islands to engage in collective bargaining and to enter into collective bargaining agreements with their employees; to govern the employer-employee relationship; and for related purposes.

HOD Evaluations

As the Head of Department of a Ministry/agency, evaluation of management is essential to assess the effectiveness of leadership. As proposed in the previous year, the Manager's Effectiveness Evaluation through an online monkey survey was made a reality during the reporting year. Employees on performance-based contracts, including all HODs, were subject to an online survey

completed by immediate staff. Moreover, HODs were subject to a mid-year review via the web survey, and an end of year performance evaluation review, as stipulated under Section 16 of each performance-based contract.

GOVERNMENT LEASE HOUSING

Section 54 of the PSC Regulation, 2008, as amended, under Residential Housing Quarters, states that leased housing shall be provided to all eligible employees of the Government. Additionally, the Public Service Commission Act, 1979, empowers the Commission to administer and control all housing owned or leased by the Government of the Marshall Islands. Further, the Government Employee Leased Housing Policy extends eligibility to all contracted expatriate employees and other employees who are deemed eligible as authorized by the PSC Housing Policy.

During the year reporting year, the government spent a total of \$1,143,000 to pay for leased housing to accommodate 127 employees. The number of teachers/professors of the RMI-Joint University of the South Pacific Education Program are also included in the number.

When compared to the previous year, housing cost decreased by \$72,000.00 this year with a drop

Table 11: Number of Leased Housing by Ministry & Cost (FY 2022)		
Ministry	# of Leased Housing	Cost
Office of the Chief Secretary	1	\$9,000.00
Ministry of Works, Infrastructure and Utilities	4	\$36,000.00
Ministry of Finance Banking & Postal Services/Banking Commission	1	\$9,000.00
Ministry of Health & Human Services	106	\$954,000.00
Ministry of Foreign Affairs and Trade	1	\$9,000.00
Attorney General	2	\$18,000.00
Auditor General	1	\$9,000.00
Public Defender	2	\$18,000.00
Economic Planning, Policy & Statistics Office	1	\$9,000.00
University of the South Pacific	7	\$63,000.00
Public Service Commission	1	\$9,000.00
Total:	127	\$1,143,000.00

in leased housing by eight (8).

The major contributor to the slight reduction in leased housing was the continues lockdown of the RMI boarder due to the pandemic, therefore restricting the entry of expatriates into the workforce.

The Ministry of Health and Human Services paid a total of \$954,000.00 for 106 leased housing to accommodate foreign employees/ expatriates. The cost almost amounting to a million for housing by one Ministry alone is alarming and must be observed.

While the government housing policy provides a guideline on housing matters, there are a number of housing procedures that need to be carefully designed in ways that best respond to the needs of both the tenant and landlord. Additionally, there is a plan to update the housing policy to reflect change in the current economy and cost of living today.

INSURANCE

IAC – Group Life Insurance Program

As stipulated under PSC Regulations, 2008 as amended, any government employee, at his option, can join Group Life Insurance Program with is coordinated by the Office of the Public Service Commission.

October 31, 2023 is the expiration of the RMI Group Life Insurance Program with IAC (Individual Assurance Company). While PSC has future plans to

advertise the group life insurance, renewal of the lease with the current provider is essential at this time. Fortunately, RMI has the opportunity to negotiate needful areas of improvement during the renewal process with IAC (request for proposal). An issue, which gained much attention during the Nitijela Standing Committee on Appropriations during PSC’s budget hearing is the current retirement scheme. At present, the MISSA retiree group rate is \$41.17 monthly with a benefit of only \$4,000.00 flat.

The total claims awarded during the year was \$171,567.50. When compared to the previous year in 2021 (\$643,277.72), benefits decreased by a substantial amount of \$471,710.22. While it is understandable that not many claims were made, these numbers also fluctuate every year. Likewise

Table 12: IAC Claims during 2021		
Type of claim	No. of Claims	Total received
Basic Benefit	3	\$92,567.50
Spouse Benefit	1	\$10,000.00
Child Benefit	0	0
Parent Benefit	5	\$33,000.00
Parent-in-law Benefit	12	\$36,000.00
Total Claims	21	Total: \$171,567.50

with new enrollees to the program; there were only 8 new enrollees this year compared to thirteen (13) in the previous year. It would be reasonable to focus on raising awareness on the insurance program, coverage and protection (Attachment 1: IAC Brochure).

ASC Trust – Retirement Savings Plan

By way of background, the RMI Government has an existing retirement savings plan with ASC Trust, a retirement management service provider based in Guam for the Micronesia region. Individual employees have the opportunity to apply for this plan through the Office of the Chief Secretary and PSC. Enrollment period is open before the government budget is passed. Once enrollment is closed, government and employee contribution costs are proposed into the new FY government budget. The RMI government will match an employee contribution, capped at 3%. Generally, a participant won't be able to withdraw the retirement savings while still employed, but may be entitled to withdraw all or portion of the money if retirement age is reached.

During the year, forty-five (45) new applicants thru PSC were approved for the retirement savings plan. As with the life insurance plan, more awareness on the retirement plan is necessary.

TRAINING & DEVELOPMENT

The Commission is required to provide adequate training of employees for the growth and development of the public service. However, the pandemic had an adverse effect in the growth and development of the service for two reasons. First, although the RMI was still free of the pandemic during the first part of the year, borders were closed and travel was restricted. Some employees were able to access trainings held online. Secondly, when the pandemic finally hit the RMI in August, the human resource felt a direct hit which claimed a few lives from the workforce. When the proclamation on the state of emergency expired in September, strict safety protocols started to ease off and a few funded capacity building/trainings were held towards the end of the year.

The other issue with the lack of training is funding. During the year, the government's 11% budget cut across all borders in FY22 restricted many activities and programs. For example, continual opportunities from Ergonosys LLC and Ken Knowledge, respectfully, were missed due to funding.

Fortunately, fully funded programs continued to place. For example, the two-year Public Financial Management (PFM) program funded by World Bank kicked off trainings during the year as planned and will continue until 2023.

Public Financial Management (PFM)

In 2021, the RMI Competency Framework for Public Financial Management (PFM) was finalized and trainings commenced in 2022 as planned. A variety of training opportunities will cater different areas of responsibility that ultimately support the capacity development for public financial management employees. The World Bank funded PFM project, which is under a signed agreement set for trainings, is valued at \$130,000.0. The two-year training program, which immediately took off in 2022, will benefit PSC employees. Courses are provided by USP (University of the South Pacific), CMI (College of the Marshall Islands) and USA Grad School. During the year, senior to mid-level leadership were extended the Executive Senior Leadership Program focused on ethics, leadership communications and critical thinking. Other trainings were held for the relevant PFM key staff on time management, budgeting and performance, financial statements, and compliance audit.

Inductions

PSC is required to hold inductions or orientations to newly hired employees. The purpose of an induction is to fully orient new employees on PSC mandates, regulations, Code of Ethics, performance management, insurance and other benefits. The sessions also offer a good opportunity for employees to ask questions and to seek any clarifications on any issue. Newly recruited employees are requested to attend the inductions and upon completion of a session, are required to sign an employee declaration form.

Inductions are held in groups, and this year three (3) inductions took place. Each group was between 25-35 participants, varied depending on the total number of new recruits. The three sessions were held on January 27, May 13, and July 26, 2022. Out of 89 total new recruits during

the year, 59 completed the orientation while 30 employees did not attend the sessions. New employees are informed about the inductions through their immediate supervisors.

HRMIS Training

During the year, a refresh one day training on the HRMIS (Human Resource Management Information System) was held for HR coordinators and relevant key users of the system. Participants were taught the process of uploading requests, updating actions, and preparing reports from the system. The turnout was outstanding and productive. The HRMIS system is an important asset to PSC where data crucial. The system keeps the data safe and updated daily. A large amount of PSC's budget is annually allocated to funding this important tool.

CHALLENGES AND LIMITATIONS

The Public Service Commission experienced challenges during the year, particularly the same challenges and trials during the course of the last two years, 2020 and 2021. The challenges continued to bring PSC to its heels while at the same time working in line with constitutional mandates and obligations. Limitations were encountered as a result of the following challenges:

A. COVID-19 Pandemic: The pandemic was most challenging during the course of the years following its fatal outbreak in 2020. The COVID-19 affected the social and economic scene of the world. Off-island trainings and workshops were ceased due to the border closure. But when the borders were opened, the effect it had on the human resource and its livelihood was catastrophic and put a strain on manpower. There was also the continuous need to re-hire trained nurses (on the COVID-19 pandemic), which proved to be very helpful during the year when the pandemic came.

B. Government 11% budget cut across all border: Already faced with limited funding, the budget cut was the major concern of all Ministries. This affected the Commission's ability to effectively carry out its mandates. For example, PSC Regulations, 2008, as amended, Section 7(d) states the Commission shall take the proper measure to provide adequate training of employees. While some

trainings were lost, increments were stuck and job openings were on hold. On a positive note, Ministries were circumstantial to avoid extravagance and waste as per PSC Regulations, 2008, as amended.

C. Out dated PSC regulations/policies/procedures: To contest to today's changing economy, it is imperative to update our very own regulations, policies and procedures. The recently operationalized Civil Service Reform strategic plan will accommodate the following RMI needs: update HR regulations, reset a remuneration framework consistent with minimum wage, develop a workforce and HR plan, enhance HRMIS utilization and interaction with FMIS, strengthen leadership development, develop training framework, and revise the public service performance management framework. The existing Government lease housing policy is also in plan for an update.

E. Human resource issues: This year was no different compared to previous years. HR issues continued to affect the public service. Deferred requests due to pending supporting documents from Ministries, the slow processing of (personnel) actions due to budgetary constraints, limited resources, outdated regulations, non-compliance, and the changing economic scene due to a new pandemic – all contribute to the matter.

The performance evaluation is one matter confronted with the issue of non-compliance. As evident in the report, there is lack of effort by the responsible personnel in each Governmental Ministries and Agencies to process and implement this very important tool. The lack of serious attention and action from Ministries in the performance evaluation process, and induction program for that matter, must be addressed. The Commission has been in frequent contact with all Heads of Departments/Agencies regarding the situation informing them the Commission will take necessary steps to bring the situation under control. Personnel appraisal and evaluation is essential in the public service system for staff rewarding and development.

Another issue, which is not new to the public service, is the lack of experienced Marshallese employees taking the helm in specialized areas. Although we have seen the return of more and more young Marshallese graduates, the public service still lacks local Marshallese in key areas of health, accounting and engineering. The slow process of personnel actions/contracts is another major issue, which is mainly due to the increase in the number of required signatures and funding source.

WAYS FORWARD

Standard Operating Procedures – Delegation of Authority

PSC Regulations, 2008 as amended, Part X, states that the Commission has the authority to issue the responsibilities of the Head of Department to a competent officer in an emergency or in the absence of the Head of Department. During the year, a Standard Operating Procedure (SOP) for the Delegation of Authority (DoA) was approved by the Commission. Setting solid guidelines and standards was necessary to ensure proper administration of DoA (Attachment 2: SOP). Implementation of the SOP was necessary to best streamline and ensure essential government services and programs are not affected, and to ensure the proper administration of a delegation.

Civil Service Reform

During the year, the Civil Service Reform strategy plan was finally operationalized. The 8-year rolling plan will assist the RMI in upgrading outdated policies, standard operating procedures and guidelines to contest with today's changing economy. The reformation will accommodate the following RMI needs: update HR regulations, reset a remuneration framework consistent with minimum wage, develop a workforce and HR plan, enhance HRMIS utilization and possible interaction with the newly established Ministry of Finance's FMIS (Financial Management Information System) strengthen leadership development, develop training framework, and revise the public service performance management framework.

Efficiency and Economy of the Government

A review and report of the State of the Economy Efficiency of the Government Departments and Agencies is a stipulation and should be an integral part of the PSC Annual Report produced for the Cabinet and Nitijela. To date, there has been no review and report on such for some reasons and others. The review and report should be conducted and produced by the Commission and be included as part of the annual report. The state of the economy efficiency report is essential to

show whether every resource is optimally allocated to serve while minimizing waste and capitalizing efficiency.

CONCLUSION

The Public Service Commission's mandate, by law, is the employing authority for the Public Service, including the general oversight and control of its organization and management of efficiency and economy of the Government. As required, an annual report on the state of the public service of the nation is prepared for the Cabinet.

This 2022 PSC annual report depict government personnel activities under the purview of the Public Service Commission. Statistical data on personnel cost and demographics are supported mostly by the HRMIS. Information on trainings, performance, housing, and insurance were also included in the report.

This report captured highlights as well as the challenges over the year. There were several challenges affecting the Commission's ability to carry out its mandate. Perhaps the new challenge was the arrival of the COVID-19 in the RMI. A State of Health Disaster proclamation was issued for the first month of the pandemic's arrival. The public service was 'hindered' due the instruction to avoid person-to-person contact in the workplace if you have the virus.

Based on this review, a set of broad and specific recommendations were outlined as a way forward to benefit RMI and to maintain efficiency for quality public services and programs. The Civil Service Reform is planned to improve and upgrade outdated regulations and procedures, anticipated to ease the human resource challenges and limitations within the public service. A new way forward is into analyzing the economy and efficiency of the service. It is recommended that a report on the state of the economy efficiency of the Government be included in the PSC report.

Based on the data provided, the size of the public service workforce was at a total of 1,184 employees with the issue of limited cost to shelter the workforce increasing salary of \$21,428,140.00. In conclusion, the Commission, in realizing the challenges faced by the public service, is attentive to positive outcomes to guarantee efficiency and economy in the RMI.

**Group Term Life Insurance
for RMI Government Entity
Employees and Retirees**

Group Term Life Insurance provides a low-cost foundation for the financial security of government entity employees, their families, and retirees.

Coverage is available for government entity employees and their eligible dependents. Coverage for government entity retirees is also available.

Employees become eligible for coverage upon hire or on the date they are deemed eligible by their employer.

Retirees become eligible for coverage upon their date of retirement from employment with a covered entity.



YOUR AUTHORIZED AGENT IS:

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PSC Building
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Life, Health & Accident
5500 N. Western Avenue, Suite 200
Edmond, Oklahoma 73118

IAC 1000B(MH)(1/2023)

Group Term Life Insurance for

**RMI
Government
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Employees
and
Retirees**



**Individual Assurance Company,
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About IAC

For more than 50 years, IAC has served communities and groups across the United States and in the Pacific islands by offering affordable life, health, and accident insurance products to residents and members.

IAC is proud of our long and prosperous relationship with the Public Service Commission of the Republic of the Marshall Islands.

Program Features

Eligibility

New employees may enroll when hired or as deemed eligible by their employer. Retirees are eligible for enrollment upon retirement from a covered employer. Optional coverage is available for eligible dependents for an additional charge.

No Medical Questions or Exams

IAC coverage requires *no medical examinations*, health questions, or physician statements for newly hired employees to obtain life insurance on their own life.

Benefit Amount

Your employee group life insurance benefit is based upon your annual salary amount.

Living Benefit Rider

A "living benefit" gives insured employees *early access while still living* to a portion of the life insurance benefit amount if they are diagnosed with a terminal illness while they are covered.

Accidental Death & Dismemberment

Insurance for accidental death or accidental loss of limb or eyesight is provided at no additional charge.

See policy for complete coverage terms and conditions.

See your Human Resources or Payroll office today for more information on how to enroll.

Your group term life insurance contact person is:

Standard Operating Procedure for Delegation of Authority

To best streamline and ensure that essential GRMI services and program delivery are not affected, and to ensure the proper administration of Delegation of Authority (DoA), the Public Service Commission is pleased provide the standard operating procedure for filling out and submission of DoA requests.

1. Delegation of Authority requests are to be, after being signed off by the concerned employee and immediate supervisor, submitted to the Commission two-weeks in advance of planned absence from regular duty station.
2. Delegation of Authority requests shall include the following information:
 - a. Clearly state the purpose of absence from work (personal, medical, attend conferences/meetings/seminar, educational leave, etc);
 - b. If an employee is to be out of the Office for reasons as approved and authorized by the immediate supervisor and the Commission, the necessary leave form is to be submitted for employee's file at PSC and Finance, payroll division along with the DoA request. The employee on leave shall be subject to and required to fulfill the leave policies and/or submit all required documentations as outlined under the PSC Regulations Section Part VI, Leave of Absence.
- 2.1. Duration of Leave – The DoA shall clearly specify the time (commencement and ending date) requested to be absent from work. A DoA may be extended only for the following reasons: changes of flight schedules from local/international travel agencies, changes in medical appointments from a certified medical doctor, or other reasons as determined by the Commission.
- 2.2. Official(s) to Serve as Acting – An official shall be identified to serve in such capacity. If more than one official is to perform the acting roles, at different times, the information should be made clear as well.
- 2.3. Others – Provide other relevant information that is deemed necessary/required.
3. Exception - Only in cases of medical emergencies, and/or other unforeseen national emergencies/disasters and/or other unforeseen circumstances will the Commission make an exception;