



2023 ANNUAL REPORT

Public Service Commission

January – December 2023

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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 2023, 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 2023, 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.

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 2023, the size of the public service workforce was at a total of 1,117 employees, with the Government spending on personnel cost of \$20,826,194, a decreased of \$601,946 compared to last year.

Of this, 89% (996) of the workforce was Marshallese and the remaining 12% (121) were expatriates. Although more than 3/4 of the workforce is Marshallese, the average annual salary per expatriate was \$29,223.00 compared to only \$17,360.00 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 CY2023					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1117	100%	\$20,826,194	100%	\$18,645
Female	473	42%	\$8,788,645	42%	\$18,581
Male	644	58%	\$12,037,549	58%	\$18,692
Retirees	123	11%	\$2,671,665	13%	\$21,721
Marshallese	996	89%	\$17,290,220	83%	\$17,360
Expatriates	121	11%	\$3,535,974	17%	\$29,223

During the reporting year, the workforce declined by 67 employees when compared to the prior year, 2022 (Table 2). The 0.25% decline in the workforce compared to last year also resulted in a decrease in personnel cost by \$601,946

Table 2 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	44%	\$9,067,015	44%	\$18,429
Male	692	62%	\$12,361,125	59%	\$17,863
Retirees	127	11%	\$2,626,200	13%	\$20,679
Marshallese	1046	94%	\$17,707,685	85%	\$16,929
Expatriates	138	12%	\$3,720,455	18%	\$26,960

this year. Contributing factors for the reduction in the workforce during the year: (1) non-renewal

of contracts by expatriates, (2) resignations, (3) terminations and (4) retirements. A growing concern is the resignation of employees, where some have opted for other opportunities and migration to the United States.

Statistics also show the workforce had about 42% (473) female workers, while 58% (644) comprised of male workers. Therefore, the high number of male workers in the workforce resulted in a slightly higher cost than their female counterparts by a total average cost of \$3,248,904.

The data on Table 3 illustrate the total number of employees by cost and by Ministry/Agency. The top three Ministries with the highest number of employees were: The Ministry of Health and Human Services (MOHHS) with a total of 587 employees (total cost for salary was \$13,182,950.00); followed by the Ministry of Works, Infrastructure and Utilities (WIU) with a

Table 3 Number of Employees by Cost per Ministry for CY 2023

	2023					
	Expatriates		Marshallese		Ttl Emps	Ttl Amount
	# of Emps	Ttl Amount	# of Emps	Ttl Amount		
Auditor General	1	27,000	20	510,735	21	537,735
Cabinet			10	232,560	10	232,560
NNC	1	21,000	2	68,000	3	89,000
Office of the Chief Secretary			14	426,045	14	426,045
EPPSO			12	271,000	12	271,000
CCD	1	21,000	5	149,000	6	170,000
NEO			6	166,025	6	166,025
Weather			9	288,025	9	288,025
Council of Iroj			6	132,050	6	132,050
Finance (FBPS)			84	1,610,350	84	1,610,350
Banking Commission	1	33,000	11	241,135	12	274,135
DIDA			6	140,045	6	140,045
Foreign Affairs (MoFAT)			17	413,045	17	413,045
Health Services (MoHHS)	104	2,962,590	483	7,257,770	587	10,220,360
Historic & Preservation Office (CHPO)	1	23,400	7	157,000	8	180,400
Internal Affairs (MoCIA)			50	892,510	50	892,510
Justice - Attorney General	1	35,000	16	562,300	17	597,300
Justice - Immigration			12	175,600	12	175,600
Justice - Labor			5	96,980	5	96,980
Justice - Public Defender	2	86,000	3	61,710	5	147,710
Nitijela	1	45,000	22	394,755	23	439,755
Public Service Commission			13	309,965	13	309,965
Public Works (MoWIU)	7	246,000	129	1,843,605	136	2,089,605
Resources & Development (NRC)	1	35,984	42	638,290	43	674,274
Transportation & Comm. (TC&IT)			12	251,720	12	251,720
	121	3,535,974	996	17,290,220	1,117	\$20,826,194

total of 136 employees (total cost of salary \$2,089,605.00); and falling in third was the Ministry of Finance, Banking and Postal Services (FBPS) with a total of 84 employees (total cost of salary \$1,610,350).

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: Source of Funding			
2023			
Fund	# of Emps	Ttl Cost	% of Total
General Fund	629	\$12,583,209	60.42%
Compact Fund	284	\$4,623,165	22.20%
Federal Fund	163	\$2,699,835	12.96%
MoHHS Donor Fund	25	\$461,305	2.22%
Infrastructure Fund	12	\$367,970	1.77%
ROC Fund	2	\$18,710	0.09%
Other Funds	2	\$72,000	0.35%
Total	1,117	20,826,194	100.0%

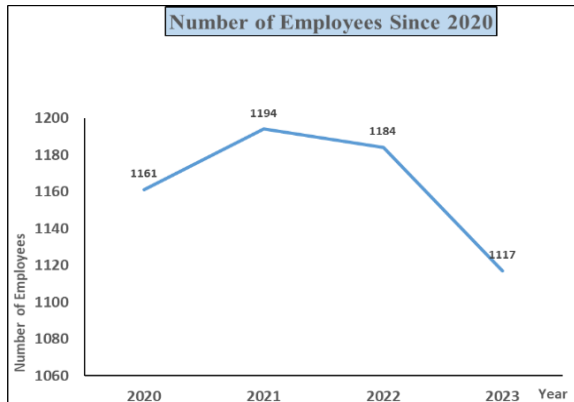
Table 4 lists the source of funds utilized to compensate employees by number and cost. Funding sources derived from the General Fund, Compact Fund, Federal Fund, Republic of China (ROC-Taiwan) Fund, MOHHS Fund, and other Funds. The data show that about 60.42% of the workforce or 629

employees were compensated under the General Fund (\$12,583,209.00), 284 were compensated under the Compact Fund (\$4,623,165.00), and 163 were compensated from the Federal Fund (\$2,699,835).

As previously noted, the workforce fell by 67 employees, hence the total cost on Public Service personnel for 2023 was decreased by \$601,946.00 compared to last year. The 2.8% decrease in personnel cost was a direct result of the decline in the workforce.

The data show that last year in 2022, the workforce decreased by only 10. This year, the workforce further declined by 57. This is a result of contract non-renewals by expatriates, resignations, terminations and retirements.

GRAPH 1: Number of Employees since 2020



A continuing factor is the migration of employees to the United States looking for other opportunities. Some employees have opted for relocation to other employment within the country. International organizations¹ presence on-island such as the World Bank and Asian Development Bank have job offers with bigger rates that the Government cannot afford. There is a need for serious attention and

action to the gradual decline in the workforce, as depicted in Graph 1. A sharp decline in the workforce may affect the quality, efficiency and economy of the service may be affected.

Personnel Activities

Table 5: Activities during CY 2023

Activities	2023
Appointment	99
Change of Position Title	5
Change of Status Probaton to Permanent	41
Change of Status Permanent to Contract	7
Change of Status Contract to Permanent	1
Contract Extension	292
Change of Account	1
Demotion	0
Position Reclassification	3
Position Conversion	5
Promotion	14
Resignation	62
Retirement	3
End Of Contract	29
Deceased	7
Salary Adjustment	8
Salary Increment	60
Salary Reclassification	10
Termination	22
Transfer	3
Transfer within Ministries/Agencies	23

Table 5 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 695 approved action items during the year.

There was a total of 99 new hires/or appointments to the public service, and 292 contracts were extended. While 62 employees resigned from the workforce, 3 were placed on retirement, 7 were deceased, and 22 were terminated from the workforce. There were 60 employees with salary increments, whereas 14 were promoted.

¹ International Organization Immunities Act 1974, Section 303 (a) International organizations shall, to the extent consistent with the instrument creating them, possess the capacity: (i) to contract; (ii) to acquire and dispose of personal property; and (iii) to institute legal proceedings.

When compared to the prior year, there was no drastic change in the any of the activities except for contract extension. This year a total of 292 contracts were extended compared to previous year in 2022 where 340 contracts were extended. Contractual services include expatriate contracts, senior management level positions, employees who have reached 60 years of age, and positions that are funded by Federal programs and other sources of fund. Therefore, retained contractual services were essential for the efficiency of the Service, for continuity, as well as experience, expertise and the need of the Ministry.

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 the number of males and females. The data show that males continue to dominate the workforce in number. Table 6 illustrate 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 CY 2023

Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1117	100%	\$20,826,194	100%	\$18,645
Female	473	42%	\$8,788,645	42%	\$18,581
Male	644	58%	\$12,037,549	58%	\$18,692

The second observation, which manifested itself over the years, is the difference in average cost between the two genders. In comparison to last year and years before, the annual salary for males is now higher than females. As shown in Table 6, this year, the females earned an average salary of \$18,581 while their male counter-parts earned an average of \$18,692 – a variance of only \$111. Moreover, more females occupied managerial and senior level positions in particular. 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 (329 employees), with a salary cost of \$6,260,050. The data also suggests a young workforce, between 21-34 age (294 employees), with a salary cost of \$4,821,994. 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.

During the year, 74 employees reached the retiree age of 63 or above, with a total salary cost of about \$1,587,375. When compared to the previous year in 2022, data on retiree show there was a decrease this year by both number (6) and salary cost (\$61,755). The decrease in cost was mostly due to retirement and resignation. 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 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, based on PSC Regulations².

Age	# of Emp	Ttl Salary
21-34	294	4,821,994
35-44	329	6,260,050
45-54	262	4,859,775
55-62	158	3,297,000
63plus	74	1,587,375
Total	1,117	\$20,826,194

² 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.

MINISTRY	TOTAL EMPLOYEES	TOTAL SUBMITTED	# of NO SUBMISSION	COMPLETE	INCOMPLETE	LATE
ATTORNEY GENERAL	17	17	0			12
Immigration	12	11	1			1
Labor	5	4	1	2	2	4
AUDITOR GENERAL	21	18	3	18		
CABINET	10	4	6	4		
CCD	6	3	3	2	1	2
CHPO (CIA)	8	3	5			4
COUNCIL OF IROIJ	6	3	3	2		
EPPSO	12	10	2	10	1	10
MOCIA	50	3	47	3	7	
MOFAT	17	11	6	4	6	
MOFBPS	84	40	44			40
Banking Commission	12	12	0	6		6
DIDA	6	6	0			5
MOHHS	587	353	234	270	39	92
NRC	43	2	41			2
MOTC&IT	12	10	2	10		
NEO	6	1	5	1		
NITIJELA	23	3	20	3		
NNC	3	0	3			
OCS	14	9	5			9
PSC	13	11	2	11		
PUBLIC DEFENDER	5	3	2		4	
WEATHER	9	0	9			
WIU	136	63	73	55	8	3
	1117	600	517			

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

performance evaluations and self-appraisals that were submitted by the twenty-one (21) line Ministries/Agencies under the purview of PSC.

Each Ministry is responsible to submit staff performance evaluations before the due date of 30th November every year. By the end of the 2023, there were only 601 submissions of the total workforce (1,117). Non-compliance in late submissions or no submissions at all is not new. The data illustrate that a total of 517 evaluations were not submitted, and zero submissions from the National Nuclear Commission and the Weather Services. Failure to comply with zero and late submissions is a major issue we continue to face every year.

Hence, the following factors are affected:

1. Assessment of the Ministry – The efficiency and economy of the public service is responsibility of the Commission. 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.
2. Assessment of the employee – SC 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. Non-compliance of submission affects the performance ratings and risk the possibility of an increment.
3. Employment contract extension - One of the requirements to extend an employment contract is for the commission to review the performance evaluations. The evaluation of an employee helps determine whether an employee is entitled for an extension based on performance.
4. Change of employment status - PSC Instruction 2017/003 (1) established that employment probationary period is between 3 to 6 months and changing status to permanent solely depends on performance. However, there some employees still on probation because no evaluations were submitted.
5. Data – Quality and complete data is essential to illustrate the performance of the service.

Lack of communication, or disagreement on performance between Heads of Department and employees is a major contributor. It may result in decreased productivity, morale and conflict

between employees, hence lead to incomplete or unsigned evaluations. On the other hand, leniency is another factor. 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. Other times, employees are not comfortable in expressing themselves through their self-appraisals, to the extent of personally hand delivering appraisals to PSC without their supervisor endorsement.

Employees have the opportunity to complete a self-appraisal of his/her performance during the year in review, and are expected to be frank and objective in making their own appraisals. The most common concern raised in most self-appraisal forms are the need for capacity building in the areas of report and grant writing, leadership and management skills, human trafficking, passport examinations, management and communication. Other concerns raised by employees include low salaries, the lack of tools/work equipment, lack of transportation, understaff and overworked.

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 \$1,143,000.00 to pay for leased housing to accommodate 127 employees as shown on Table 9. The number of teachers/professors of

Ministry	Number 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

the RMI-Joint University of the South Pacific Education Program are also included in the number. The number of leased housing have remained unchanged from the previous year.

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. The lease per rental is set at \$9,000 annually based on the current housing policy. That is, each rental housing is paid at \$750 per month regardless of the number of bedrooms. Moreover, there is a need to update the current housing policy to reflect the current most economical environment. Additionally, there has been numerous requests from landlords to update the policy to consider raising the rental fee and to place different prices according to the number of bedrooms.

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.

The RMI Group Life Insurance Program

with IAC (Individual Assurance Company) offers optional life insurance to employees, including a retirement scheme with MISSA (Marshall Islands Social Security Administration).

During the year, an opportunity was presented to discuss any proposed changes to the existing IAC terms when the insurance program was due for renewal. The contract with IAC was successfully extended through October 31, 2025, although RMI’s proposal to increase retirees’ coverage was considered by the insurance company on the affordability of coverage, program administration and the low number of MISS enrollees.

Type of Claim	No. of Claims	Total Received
Dependent Benefit	3	\$102,990
Spouse Benefit	6	\$60,000
Child Benefit	0	\$0
Parent Benefit	9	\$27,000
Parent In-Law Benefit	4	\$12,000
Total	22	\$201,990

The data show the total claims awarded during the year was \$201,990.00. Compared to the previous year in 2022 (\$171,567.50), benefits increased by \$30,422.25 this year. While it is understandable that not many claims were made, these numbers fluctuate every year.

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, i.e. just like the AIC, this is enrollment is optional. 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, a total of thirty (30) new applicants thru PSC were approved for the retirement savings plan. Compared to sixty-nine (69)³ participants in the previous year, the total number of enrollees decreased by 39 due to resignations and relocations to other employment opportunities.

TRAINING & DEVELOPMENT

Part of the Commission's responsibility to ensure proper measures are taken to attain efficiency and economy in the service, the adequate training of employees is essential. Although lack of resource continues to be an issue, each Ministry/agency was able to secure training workshops and capacity building for their staff. The following developments took place during the year:

- A joint effort between the Office of the Chief Secretary, Auditor General, Attorney General, the Ministry of Finance, Banking and Postal Services, and the Public Service Commission alongside the World Bank, in which an Ethics Training was conducted for all

³ Office of the Chief Secretary 2023 Annual Report

government employees to improve and reinforce procedures and practices for an effective and transparent public service.

- A procurement forum was led by the Office of the Chief Secretary along with the Public Service Commission, the Ministry of Finance, the Auditor General and the Attorney General in partnership with the World Bank to improve and strengthen procedures to achieve an effective and transparent procurement process.
- An induction program is held every year for newly hired employees. This year, the induction was divided into three sessions to accommodate a gain of 99 new employees to the workforce. The orientation session is an opportunity to discuss with new employees the PSC regulations, standard operating procedures, insurance options, and the general overview of a public servant, rights and responsibilities.

CHALLENGES & WAY FORWARD

Challenges

- Slow decline in the workforce – As can be seen over the past 3 years, the workforce is slowly declining in number. The two major contributing factors were resignations and non-renewal of contracts. While many individuals have chosen to migrate to the mainland United States for new job opportunities others have opted for relocation to other local entities and non-government agencies.

It is important to mention that an assessment report was conducted in May of the year. A joint PSC-MOHHS team was tasked to evaluate and assess a concern raised on the growing rate of resignations and abandonment of positions from the Ebeye Hospital. A number of frustrated employees, mostly nurses, resigned and left their posts for several reasons including management, salary, delay in contract extensions, and limited resources, to name a few. (Attached Report - Bureau of Kwajalein Atoll Health Care Services Workforce Assessment Report)

- Low salary – This is an ongoing need that is long overdue. Coupled with minimum wage, shortness of staff, overdue contract extensions and lack of funding, this may result in low

employee productivity and morale. During the year, the Commission noted many that many employees were eligible and are due for salary increments. The problems is always no budget available.

- Non-compliance of performance evaluations submissions – Although mandatory, this is a challenge the Commission continues to face every year. Such a serious issue that a mass memorandum was distributed in February 2023 to remind all Ministries/Agencies of PSC Regulations, 2008 as amended, Part III: Section 30(1), (2) and (3) that all HODs and supervisors are required to administer and submit the Annual Performance Evaluations by the deadline, signed and completed. The overall performance of each Ministry is a crucial aspect of the service. Additionally, increments, promotions and any forms of employment advancement depend on employee performance.
- Over-due contract extensions – During the year, requests for contract extensions were submitted very late, some even 3 months expired. Most contracts rely on outside funds, hence the requests are to be accompanied by supporting documents such as confirmation of funding and employee performance evaluation. Poor management and planning is the issue. In most cases, employees continued to work, unpaid for months waiting on their extensions ultimately create low morale and frustration. Additionally, legal issues are raised, whether the employee worked without a valid contract.
- Overtime claim and excess hours – Request claims for overtime and excess hours are to be submitted to the PSC Office within the same pay period as requested. However, some claims are received several pay periods later. While this is not new, this creates ever-growing abusive nature on the claiming process.
- Limited funding to support PSC facility renovation – The PSC building, including the parking area, are deteriorating more rapidly than expected. The facility is in dire need of renovation and maintenance before the current condition worsen. The Cabinet’s support in funding renovation and maintenance is necessary.

Ways forward

- National Employment Policy – A training on a development of a NEP was facilitated and funded by the International Labor Organization (ILO) in collaboration from the Office of

the President, the Office of the Chief Secretary, the Ministry of Foreign Affairs and the Public Service Commission. The NEP is a strategic plan for the country's workforce, steering economic growth, social inclusion and job creation. This is an ongoing effort.

- Sanctions on non-compliance performance evaluations – During the year, a memo was issued to all Ministries/Agencies under PSC purview in addressing the issue of non-compliance of the annual performance evaluations. Sanctions were placed, which rely heavily on HODs and supervisors part, that any employee with no submission of evaluation before the deadline will be denied of any salary increment, promotion and other forms of employment advancement.
- Guidelines for claiming of working overtime & excess hours – To address the abusive nature of claiming overtime and excess hours, the Commission issued a mass memorandum on the guidelines for the claiming process. Requests must be submitted on time with the corresponding pay period. Additionally, overtime hours and excess hours are not to be claimed together.
- Australian volunteer/Australian Aid – During the year, the Public Service Commission in partnership with the Australian Volunteer Program, was able confirm a Senior Human Aid Resource candidate. The candidate will offer training and capacity building on HR, assist in updating the regulations and policies, a remuneration classification scheme, and other support as necessary per the Civil Service Reform Strategy.
- Technical assistance from ILO on minimum wage – During the year, PSC started collaborating with ILO on RMI's minimum wage. This is an ongoing effort.
- RMI Self-Funded Worker's Compensation Scheme – Earlier in 2023, a technical assistance in partnership with the Marshall Islands Social Security Administration (MISSA), consulted with PSC on the new RMI Worker's Compensation Act 2019. On October 1, 2023, the Worker's Compensation Act became enforceable. This meant that all workers in the RMI, both private and public sector, will become entitled to compensation for injuries sustained at work. In the public sector, there will be a RMI Government Self-Funded Worker's Compensation Scheme. Following the establishment of the Self-Funded Workers Compensation Scheme Working Group, the Worker's Compensation Project Officer position (contract based) was created during the same and will start work in early 2024.

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 2023 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. Although there were several challenges, the Commission continues to look for other avenues.

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. With improved guidelines, strengthened sanctions, reinforced procedures and technical assistance from international organizations and donor countries, the Commission is looking forward for positive growth into analyzing the economy and efficiency of the service.

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.