



RMI PUBLIC SERVICE COMMISSION

January – December 2014 Report Summary

By the end of CY2014, the total number of the members of the RMI Public Service (RMIPS) was around 2,212 with a total cost of around \$28.5 million and an annual average cost \$12,893 per employee. The CY2013 total was 2,189 with the cost of \$27.9 million and an average cost of \$12,740 per employee. The Public Service employee data for the two calendar years in the table categorized by Ministries and Agencies, numbers, costs, and gender show that the Ministry of Education was increased by 11 with additional cost of \$383,529, Public Works by 9 with the additional cost of \$129,310, and the Ministry of Foreign Affairs by 3 with additional cost of \$69,845, and to an extent Nitijela by 3 with an additional cost of \$67,930. The total increase went from \$27,887,258 to \$28,519,857 in personnel costs, an increase of \$632,599.

PSC Mandate:

RMI Constitution, Article VII, Section 1 & 9 and the Public Service Act of 1979 charge the Public Service Commission (PSC) to be the employing authority for the Public Service of the RMI Government. PSC is to conduct a general review on the efficiency and effectiveness of the Public Service. The Act extends the PSC responsibility to include government leased housing and optional group life insurance program

Profile of the RMI Public Service for 2014

Profile of the RMI Public Service for 2014					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	2212	100%	\$28,519,857	100%	\$12,893
Female	957	43%	\$12,353,748	43%	\$12,909
Male	1255	57%	\$16,166,109	57%	\$12,881
Retirees	180	8%	\$3,008,026	11%	\$16,711
Marshallese	1994	90%	\$24,051,647	84%	\$12,062
Expatriates	218	10%	\$4,468,210	16%	\$20,496

The increase in the number of total employees was by 23, of this number 13 were women, and the female average cost was \$51 more than male employees. Of all those average increases, the highest in cost was for the female employees. While there were more retirees by 10, their average cost was less by \$53. It could mean that most of the retirees had lesser salary cost than the cost of those retirees in 2013. The highest average cost for employees in CY 2014 was for the expatriates with an average cost of \$20,496, and the increase in number of expats for 2014 over 2013 was 10.

National Government Employees under the Purview of Public Service Commission of RMI by Nationality: 2013 - 2014

Ministry/Agency	2013				2014			
	Marshallese		Expatriates		Marshallese		Expatriates	
	# of Emps	Ttl Amount	# of Emps	Ttl Amount	# of Emps	Ttl Amount	# of Emps	Ttl Amount
Auditor General	11	249,845	-	-	11	249,845	-	-
Cabinet	15	295,985	-	-	15	295,985	-	-
Land Registration Office	1	14,230	-	-	1	14,230	-	-
Customary Law Commission	-	-	-	-	-	-	-	-
Office of Chief Secretary	14	229,960	-	-	14	229,960	-	-
EPPSO	8	147,875	-	-	8	147,875	-	-
OEPPC	7	131,615	1	30,000	8	161,615	-	-
WEATHER	12	290,220	-	-	12	290,220	-	-
Council of Iroij	4	68,230	-	-	4	68,230	-	-
Education	1,061	11,292,861	98	1,726,835	1,159	13,019,696	109	1,970,210
Finance	85	1,412,405	2	75,000	87	1,487,405	2	75,000
Banking Commission	2	48,000	-	-	2	48,000	-	-
Foreign Affairs	32	699,530	-	-	32	699,530	-	-
Health Services	491	5,427,505	97	2,077,325	588	7,504,830	94	2,026,780
Internal Affairs	57	815,185	3	98,000	60	913,185	2	59,000
Justice	-	-	-	-	-	-	-	-
Justice - Attorney General	25	466,070	-	-	25	466,070	1	55,000
Justice - Public Defender	5	95,960	2	69,000	7	164,960	2	71,000
Nitijela	23	296,075	1	40,000	24	336,075	1	42,500
Public Service Commission	12	259,665	-	-	12	259,665	-	-
Public Works	73	832,157	3	99,000	76	931,157	7	168,720
Resources & Development	31	406,960	-	-	31	406,960	-	-
Transportation & Comm.	12	173,765	1	18,000	13	191,765	-	-
Total	1,981	23,654,098	208	4,233,160	2,189	27,887,258	218	4,468,210

CY2014 Accomplishments.

Through partnership, technical assistance and training funds provided by Australia Public Service Commission (APSC), Pacific Islands' Centre for Public Administration (PICPA), and ADB - and soon to be executed key PSC's initiatives (i.e. Three- Years

Age Analysis 2014

Age	# of Emp	Ttl Salary
25-34	633	\$7,040,064
35-44	638	\$8,162,891
45-54	524	\$6,925,954
55plus	417	\$6,390,948
Total	2,212	\$28,519,857

Between the 2013 and 2014 years, are the following differences:

Ages 25-34: went from 627 to 633, an increase of 6, with cost from \$6,788,115 to \$7,040,064

Ages 35-44: went from 611 to 638, an increase of 27, with cost from \$7,839,534 to \$8,162,891

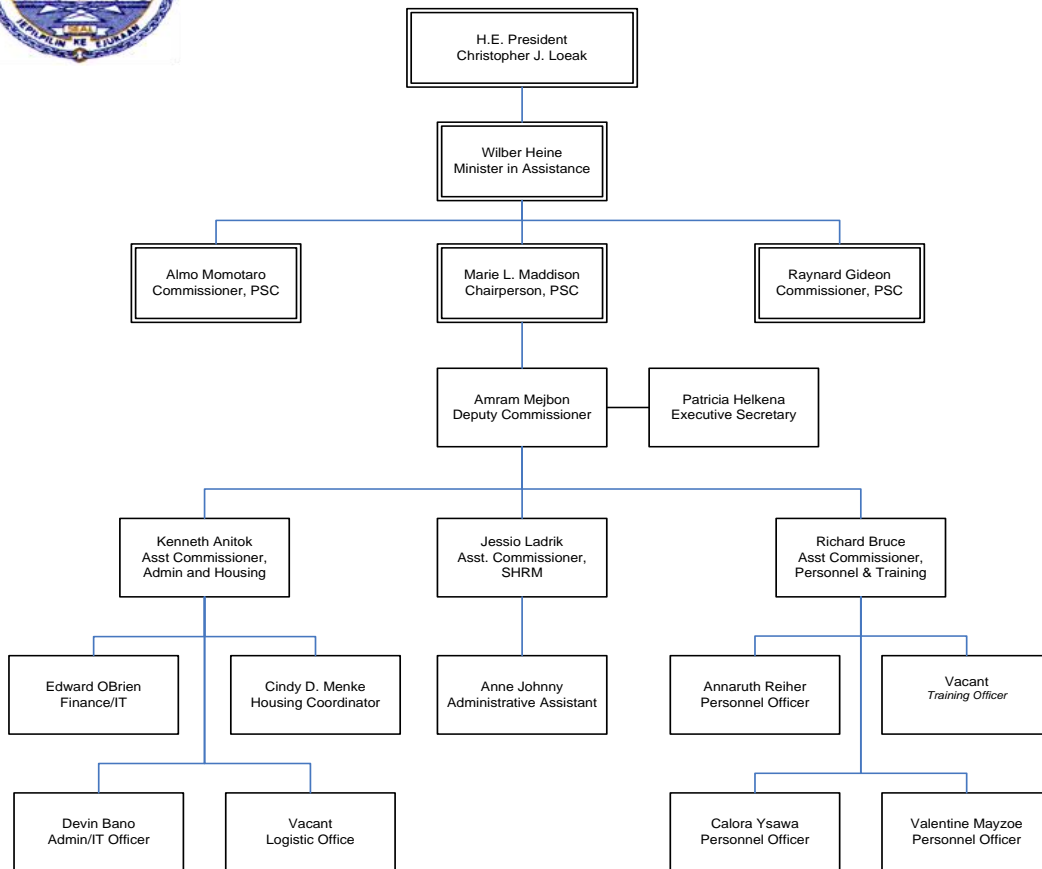
Ages 45-54: went from 552 to 524, a decrease of 28, with cost from \$7,209,978 to \$6,925,954

Ages 55+: went from 399 to 417, an increase of 18, with cost increasing from \$6,049,631 to \$6,390,948

The gain both in number and costs of the younger group is significant as it reflects academic achievement of higher learning, more recent hires into the public service do hold mid and higher management posts, more costs.



PUBLIC SERVICE COMMISSION Organizational Chart



Christopher J. Loeak
President
Republic of the Marshall Islands

Raynard Gideon
Commissioner, PSC

Marie Maddison
Chairperson, PSC

Almo Momotaro
Commissioner, PSC

Public Service Commission
Organizational Structure
Revised January 04, 2013

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I. GENERAL OVERVIEW

1. ***The RMI Public Service.*** In accordance with Article VII, Section 1(1), of the RMI Constitution, “The Public Service of the Marshall Islands shall comprise all such employees as may be necessary to assist the Cabinet in exercising the executive authority of the Marshall Islands and to perform such other duties in the service of the Marshall Islands as may be required.” Section 2 of the same Article designates the Chief Secretary as the head of the Public Service and the chief administrative and advisory officer of the Government of the Marshall Islands.

1.1 Since 2005, the Public Service has grown in size from 1,914 employees to 2,212, by an increase of 298 employees, a 15.5% growth over a ten-year period. The expansion has resulted from the increase of national policies, international and domestic commitments and programs. National policies laid out in Vision 2018 were further shaped by policy-targeted global-domestic issues such as Climate Change, Energy, Poverty, Communicable and NCDs (Non-Communicable Diseases), Water and Food/Nutrition, and Terrorism. With the outmigration of Marshallese citizens, the Arkansas Consulate was established. With the increased number of off-island referral patients, the Honolulu office and to-be-established Consulate in the Philippines are necessary. Due to absence of succession planning and targeted human resource development (HRD), the percentage of both expatriates and retirees have been retained at around 18-20% range of total number of Public Service employees.

2. ***The Public Service Commission.*** In accordance with the Constitution of the Republic of the Marshall Islands, Article VII, Sections 1 and 9, and the Public Service Commission (PSC) Act of 1979, the PSC is responsible to the Cabinet for the effectiveness and the efficiency of the Public Service, and is charged as the Public Service employing authority of the government charged to develop, coordinate, regulate and administer all personnel matters relating to and affecting the Public Service. In this regard and in collaboration with the Auditor General, the PSC is required to conduct efficiency and effectiveness reviews of all the ministries, agencies, and offices of the government. The PSC has autonomous power and responsibility in all matters relating to individual employees.

2.1 The three Commissioners make joint decisions in dispensing its mandated functions, as stipulated above. Aside from its consultations with the Cabinet, the PSC works consultatively with the heads of the Public Service (PS) departments and agencies in collaboration with the Chief Secretary. To address individual Public Service personnel actions, the PSC follows established policies, regulations and procedures that promote the principles of Good Governance including proper ethical practices.

3. ***Reforming the Public Service.*** In 2000, the Public Sector Reform Program reduced the Civil Service (Public Service included) employment number to 1,500. In 2008, the Comprehensive Adjustment Plan (CAP) Report reported the Civil Service employment number to be over 2,400, while the PSC reported the number of Public Servants to be 2,006 in that same year. If both numbers were correct in 2008, then all non-Public Servants in the government payroll at that time were around 394. Since 2008, the total Public Service employees rose to 2,212, an increase of 206, a 10% increase. The cost of these PS employees in 2008 was \$23,785,985, and at the end of 2014 the total was \$29,519,957, a 24% increase

in cost. Appendix A has details for the 10-year growth of the Public Service employment.

3.1 In CY 2014, the Public Service system lost one of twenty-three agencies with the transfer of Customary Law and Language Commission over to the College of the Marshall Islands system. Toward the end of CY 2014, the Public Service system lost another agency, the Ministry of Education, which has been legislated to become an autonomous Public School System (PSS). This particular change will not be reflected until the PSC CY 2015 Report which will reflect a 53% transfer-out of the Public Service workforce system.

3.2 For the year, the Public Service consisted of twenty-two (22) Agencies and Ministries headed by the following:

- 1) Clerk of Nitijela (Ms Tarjo Arelong-Kabua);
- 2) Clerk of Council of Irooj (Ms Wisse Amram);
- 3) Clerk of Cabinet (Ms Morean Watak);
- 4) Chief Secretary (Mr Casten Ned with Ms Justina Langidrik acting);
- 5) Attorney General (Mr Natan Brechtefeld);
- 6) Secretary of Finance (Mr Junior Alfred with Clarence Samuel acting);
- 7) Auditor General (Mr Junior Patrick);
- 8) Secretary of Education (Mr Gary Ueno with Mr Kanchi Hoshia acting);
- 9) Secretary of Health (Ms Julia Alfred with Ms Mailyynn Lang acting);
- 10) Secretary of Resources & Development (Ms Rebecca Lorennij);
- 11) Secretary of Internal Affairs (Ms Daisy Alik-Momotaro with Ms Molly Helkena acting);
- 12) Secretary of Foreign Affairs (Ms Kino Kabua with Ms Doreen de Brum acting);
- 13) Secretary of Public Works (Mr Wilbur Allen);
- 14) Secretary of Transportation & Communication (Mr Phil Philipppo);
- 15) Public Defender (Mr Russell Kun);
- 16) Director of Economic Policy Planning & Statistics Office (Mr Fred de Brum with Ms Hemline Ysawa acting);
- 17) Director of Office of Environmental Policy Planning Coordination (Mr. Bruce Kijiner);
- 18) Director of RMI Loan, Grant & Scholarship Program (Ms Juliet Anitok);
- 19) PSC Deputy Commissioner (Mr Amram Mejbon replaced by Mr Richard Bruce);
- 20) Banking Commissioner (Ms Annmarie Muller);
- 21) Director of Weather Bureau (Mr Reginald White); and,
- 22) Land Registration Officer (Mr Helkena Anni).

4. **Reforming Public Service Human Resource Management (HRM).** In the Public Service Workforce Development Plan, the following are themes to meet future workforce business demand: *placing citizenry service at the core of everything we do; maximizing new and innovative services-delivery channels; radically reducing our costs to drive better value for limited resources; leading, organizing and working in new ways; and a strong focus on implementation and delivery.* The strategies (Appendix B) being implemented in the rolling

Three-Year Workforce Plan include the following:

4.1 *The review of Public Service Rules and Regulations.* An immediate review is essential to better establish practical linkages to the development and implementation of the PSC Strategic Plan and its Standard Operation Procedures (SOPs). The beneficial outcome will ascertain adherence and conformity across government wide, and will serve as a controlling mechanism against unjustified decision making practices.

4.1.1 In late 2014, a series of review took place on the concerned Constitutional provisions, the National Elections Act, and the Public Service Regulations with respect to the required “leave of absence” to be taken by the Public Servants standing for political seats. Since the designation of 31st October 2014 as the nomination date by the Election Officer, the effective date for the leave of absence was set for the subject Public Servants. While efforts were made to delay the effective date through the changing of the Elections Act, no legislative amendments were made, making the duration of the “leave of absence” status to last over a year.

4.1.2 The PSC has been attempting to make members of the Public Service, particularly the supervisors, understand better the PS Regulations. The supervisors need to follow or issue proper directions and practice correct procedures, and that they organize the work and guide the performance of the staff under their supervision. The Induction Booklet, developed toward the end of 2013, was used in 2014 to orientate new and present employees entering the Public Service. Developing accurate job descriptions was a skill taught. Processing of personnel actions was reviewed to ascertain efficiency, shortening the number of days for processing a contract, for example.

4.2 *Review Job Classification & Remuneration.* The 2012 ADB workforce audit report recommended that the RMI consider reviewing its pay and grading system, due to discrepancies in remuneration and classification that were identified in all ministries and agencies participating in the audit process. Apart from aligning Public Services remuneration with domestic and regional standards, another key outcome of reviewing the pay and grading system would be to ensure salaries available in the Public Service remuneration schedule are linked to the following: a better understanding by management and staff of the purpose and the placement of each job in a ministry and agency; operational units are well aligned and interlinked in processing tasks and delivering services; roles and responsibilities are clearly defined and understood; and, recruitment and promotion practices are based on merit rather than patronage, seniority, or length of service.

4.2.1 The following were accomplished in 2014: an Asst. Commissioner (Mr. Jessio Latrik) was hired in August 2014 to be responsible for this overall function (Strategic Human Resources Management & Development); around 40% of job descriptions were updated; around 80% of all organizational charts were reviewed; and, a performance audit on the Ministry of Internal Affairs was performed by the Auditor General. Furthermore, the payscale for the health assistants, the medical staff, and the Ministry/Agency heads were revised.

4.3 *Review the current Personnel Administration Processes.* Work on establishing

common and specific SOPs commenced with the processing of leased housing assignments, processing personnel action and contracts, evaluating PSC supervisors, recruiting new staff, and others mentioned earlier. Mitigating strategies are being established to best identify gaps and risks so that better tracking and monitoring mechanisms are in place. Templates to accompany some of the procedures were on job description and job announcement, employment contracts, leased housing contracts.

4.4 *Build PSC Level of Expertise in HRM and HRD Across the Public Sector.* The development of the capacity and the capability of PSC to better improve expertise in Public Service agencies in these two HRM and HRD areas is a necessary strategy in order to better address the other strategies. All Ministry and Agency heads were encouraged to either enroll in Masters level degree program in Public Administration or Business Administration. While a few high level bachelors level heads are attending the USP MBA, the USP MPA to be offered through the Pacific Islands Centre for Public Administration (PICPA) targeting undersecretary level employees in 2015.

4.5 *Develop and Implement a Human Resource Management Information System (HRMIS).* Maintaining and promoting efficiency and effectiveness in the Public Service hinges upon a reliable information system that records, consolidates, tracks, and harmonizes all personnel data and information across the Public Service, particularly between the PSC, the Chief Secretary, Ministry of Finance, and respective Ministries/Agencies. The related ADB TA project reported in 2014 has not moved much as expected, so 2015 is being targeted to secure the needed technical support for this strategy.

4.6 *Develop a Public Sector-Wide Workforce Plan.* One of the major segments in the National Strategic Plan is the sector on Human Resource Development, which PSC has been tasked to help develop. Following the upgrading of the PSC Workforce Development Plan, other plans are to be involved in the development of their respective plans. This strategy is being rescheduled for FY 2015 following confirmation on ongoing support from the Australian Government through the Australia Public Service Commission.

5. *Reforming within the Public Service Commission.* In 2014, the Commission started its own reorganization, per its Strategic Plan, to strengthen the delivery of its mandate through its corporate services, its organizational development, its recruitment and its performance services.

5.1 The corporate services include responsibilities for administration, finance, information technology, housing and group life insurance. The plan has been to have on board an IT Coordinator to replace the current Data Entry Technician who will be going on educational leave to complete his bachelors degree program in IT. In 2014, the Data Entry Technician began attending the USP Human Resource Management Certificate Program along with the other personnel and administrative officers from throughout the Public Service.

5.2 The organizational development services include workforce planning, job analysis, design and description, organizational structure design, remuneration and classification levels. The Plan calls for two posts responsible for these tasks and responsibilities: a

Workforce Planning Coordinator and a Planning Officer. These posts will be transitioned following the completion of the USP Human Resource Management Diploma Program.

5.3 Recruitment services include recruitment and selection to fill new or vacant positions, orientation to the RMI Public Service, redeployment and retrenchments, and work experience programs. In addition to the Personnel Officers, a Recruitment/Training Coordinator post is being designated to be responsible for these tasks and responsibilities, and will be hired in early 2015. Efforts to diversify countries of origin to work in the specialized fields, to return skilled and experienced Marshallese citizens to work in the Public Service and replace either retirees or expatriate employees, or from school-to-work internship, all these have been part of the recruitment efforts.

5.4 Performance management services include performance appraisal and improvement, discipline; grievance and appeals; and change management. This has been an area of weakness, whereupon PSC has been building its capacity with the filling of a Assistant Commissioner – a post revised to address this area of need. Staffing this unit is another post, which was revised from that of a Personnel Officer to that of a Performance Management Officer, slated to be filled in early 2015.

II. THE PUBLIC SERVICE in CY 2014

6. Profile of The Public Service. As of December, 2015, the total number of Public Service employees was 1,076, a dramatic drop of about 1,136 from the last year's total of 2,212. For that total, the Government expended around \$16.5 million and this sharp plummet of cost by about \$12.0 million was largely due to the removal of the Ministry of Education from under the purview of the Public Service to become autonomous Public School System (PSS). **Table I** below provides a summary on the size, the cost, and the average wage across the Public Service by gender, retirees, Marshallese citizens, and expatriates. It should be noted that in 2012 the average cost per employee was \$12,178, in 2013 climbed up to \$12,740 in 2013 and again in 2014 to \$12,893, and this year The corresponding average hourly rates were \$5.85, \$6.13, and \$6.20.

Profile of the RMI Public Service for 2015					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1076	100%	\$16,514,543	100%	\$15,348
Female	459	43%	\$7,243,830	44%	\$15,782
Male	617	57%	\$9,270,713	56%	\$15,025
Retirees	93	9%	\$1,728,010	10%	\$18,581
Marshallese	959	89%	\$13,606,193	82%	\$14,188
Expatriates	117	11%	\$2,908,350	18%	\$24,858

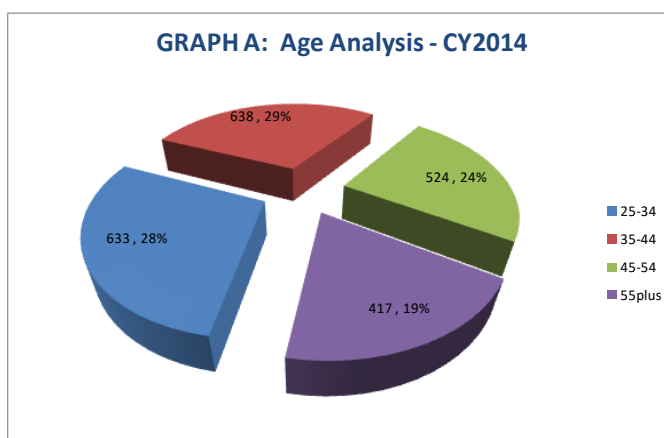
6.1 Gender. This table shows the average cost for the employees was at \$12,873. The female employees made up 43% of the total in number and cost with an average wage of \$12,909, \$6.21 hourly rate. The male total made up 57% of both number and total cost, and the average cost was \$12,881, \$6.19 hourly rate. In the last two years, the trend showed an increase in female wage earnings, as evidenced in the number of female holding a number of top level posts, as in the case of one Deputy Chief Secretary, 4 Ministry heads and 3 Clerks. Education or the earning of higher college level degrees has driven gender equity in the workplace. The average earnings for female employees in the last three years went from \$12,252 to \$12,727, and this year it went up to \$12,909. As for their male counterparts, the numbers went from \$12,126 to \$12,750, and then \$12,881.

6.2 Expatriates & Retiree Employees. The expatriates and the retiree employees made up 18% (180) of total employees, and costing 27% of total Public Service employment payroll (\$7,476,236). The retiree employees, who were 8% of total number of employees, costed an annual average of \$16,711 or \$8.03 hourly rate. It costed the Government over \$3 million to finance the salaries of the retired employees or 11% of total annual personnel cost. Expatriate employees made up 10% (218) of total employees and 16% of total cost in 2014. The average cost per employee was \$20,352 per annum (\$9.78 hourly rate), the highest average earning

with an overall cost of \$4,468,210, an additional \$235,050 or an increase of 6% over the FY 2013 total. (The cost does not include costs for repatriation and housing.) The annual cost of average wages for expatriates since 2012 has been \$20,853, \$20,352, and \$20,496, respectively.

6.3 Marshallese Employees. The Marshallese Public Service employees made up 90% of the total workforce but their total payroll cost was 84% of total personnel cost or \$24,051,647. The average wage cost per annum was \$12,062 or an hourly rate of \$5.80. In CY 2012, Marshallese employees made up 90% of the total number but 84% of total cost. In CY 2013, the percentage was still 90% of total number but an increase of 85% of cost. Of interest is the increasing average wage per annum for the Marshallese citizens which went from \$11,247 in 2012 to \$11,940 in 2013, and in 2014 went up to \$12,062.

6.4 Age of Employees. By the end of 2014, the median age of regular employees was 35 for men and 34 for women. The age range was from twenty-one (21) years old to seventy-four (74) as was last year. Graph A shows the following breakdown by age groups: 28% between 21-34; 29% between 35-44; 24% between 45-54; and 19% between 55 and older. The only gain in number since 2013 was in the age group of 35-44 by 1%, and the age group of 55 and older also by 1%. It was reported earlier that those within the retirement age of sixty and over comprised 8% of the workforce total.



6.5 Educational Background of Employees. The emerging trend noted last year on the rise in the number of Public Service employees holding BA and Masters Degrees has continued yet again this year, with a direct bearing on the increase of Personnel cost this year as well. The PSC database indicated the following breakdown by educational achievement levels.

6.5.1 That 8%, a percent less than the previous year, of the RMIPS workforce had not completed high school nor held any high school diplomas. The employment contracts of at least 25 MOE teachers were terminated since they had not followed their educational course track either to complete high school toward completing the required two-year college level education requirement – a requirement to retain/achieve teaching certification in RMI.

6.5.2 The high school completers, most of them now aged 35-44, accounted for 33% of the workforce. The one percent increase is significant as it represents the rise in the number of classroom teachers actively partaking in the locally available in-service programs designed to achieve teacher certification and such competence.

6.5.3 The two-year college degree holders made up 51.5% of the workforce, an increase of about 1% with the majority being employed mostly at MOE, classroom teachers, and at MOH. Unlike last year, there is a slight gain both in size and capacity of all groups this year which is consistent with the overall increase in the size of the workforce, including the cost associated thereof.

6.5.4 The same can be said of the smallest group, comprise of the bachelor's and master's degree holders that made up 8.3% of the workforce, holding managerial and directorship posts, further affirming the notable trend this year as so justified throughout this report. The bachelor level and master level courses offered in situ by the University of South Pacific and the University of Maine at Fort Kent has raised the potential of Marshallese members of the labor force in the areas of human resource management and public administration.

6.6 *Employment Status Categories.* Table 2 portrays the employment status of all Public Service employees which fall under the categories as follows: Permanent, Local Contract, Prime Contract, Probation, Casual, and Temporary employees.

TABLE 2 GRMI WORKFORCE EMPLOYMENT STATUS CY2013-2014

Employment Status	2013		2014	
	# of Emps	Ttl Amount	# of Emps	Ttl Amount
Permanent	1,041	\$14,003,086	1,044	\$14,311,430
Local Contract	601	\$6,517,402	583	\$6,344,070
Probation	345	\$3,600,545	372	\$3,785,225
Prime Contract	169	\$3,528,630	185	\$3,882,432
Casual Worker	24	\$178,900	19	\$133,005
Temporary	9	\$58,695	9	\$58,695
Total	2,189	\$27,887,258	2,212	\$28,514,857

6.6.1 Compared to last year, the total number of permanent employees was 1,044 or two (2) more from last year or about 48.2% of total personnel cost this year. The average wage per this group was \$13,708. The Prime

Contract¹ employees increased by 16 in numbers during the year costing a little over \$350,000, or representing about 13% of the total cost, and the average annual cost was \$10,882. The chief responsible contributing factor was the apparent rise in the number of secured (special/short term) employment contracts.

6.6.2 Of concern is the high percentage of employees in the Probationary Status category which shows around 17% of total employees. While this was flagged in 2013, the number has even increased by 27 employees in 2014. The procedures to get employees off the probationary status are to have the responsible Ministries/Agencies performed individual performance evaluation and self-appraisals and request the PSC to make them permanent or have them terminated or to be on probation longer with required improvement steps to take. Having an HRMIS in place would better identify such employees so that their status would be addressed on a timely fashion.

6.6.3 Though no major deviation on the Local contract status, there was a slight drop by 18 employees, which was a saving of a little over \$170,000 dollars. As it was in 2013, the factor

¹Prime contract status applies to those employees hired from outside the Republic to render specialized/technical services.

chiefly responsible for this decrease was the rise in the number of older employees going into retirement, particularly the classroom teachers, and the management personnel throughout the Public Service.

6.6.4 The other groups with Casual and Temporary status are employees required to render services at prescribed timeframe, or as needed; together they combined a total of 28, less of 5 compared to last year's combined total; but averaging about \$7.00 per hour pay for the Casual workers and about \$6.52 perhour pay for Temporary employees.

6.7 *Agency Components.* Between 2013 and 2014, the components making up the Public Service total were 21. The two components or agencies making up 79% of Public Servants

TABLE 3 GRMI EMPLOYEES RANKING BY COST CY2013-2014

Ministry/Agency	2013		2014		Diff (+/-) 2014 over 2013		Average Wage Per Ministry/Agency		
	Emps	Ttl Cost	Emps	Ttl Cost	Emps(+/-)	Cost(+/-)	2013	2014	Diff (+/-)
Education	1,159	\$13,019,696	1,170	\$13,403,225	11	\$383,529	\$11,234	\$11,456	\$222
Health Services	588	\$7,504,830	584	\$7,455,056	-4	-\$49,774	\$12,763	\$12,766	\$2
Finance	87	\$1,487,405	83	\$1,406,384	-4	-\$81,021	\$17,097	\$16,944	-\$152
Public Works	76	\$931,157	85	\$1,060,467	9	\$129,310	\$12,252	\$12,476	\$224
Internal Affairs	60	\$913,185	59	\$881,135	-1	-\$32,050	\$15,220	\$14,934	-\$285
Foreign Affairs	32	\$699,530	35	\$769,375	3	\$69,845	\$21,860	\$21,982	\$122
Justice - Attorney General	25	\$466,070	28	\$554,670	3	\$88,600	\$18,643	\$19,810	\$1,167
Resources & Development	31	\$406,960	33	\$439,895	2	\$32,935	\$13,128	\$13,330	\$202
Nitijela	24	\$336,075	27	\$404,005	3	\$67,930	\$14,003	\$14,963	\$960
Chief Secretary-WEATHER	12	\$290,220	12	\$290,220	0	\$0	\$24,185	\$24,185	\$0
Cabinet	15	\$295,985	14	\$278,485	-1	-\$17,500	\$19,732	\$19,892	\$159
Auditor General	11	\$249,845	12	\$276,845	1	\$27,000	\$22,713	\$23,070	\$357
Chief Secretary	14	\$229,960	17	\$273,805	3	\$43,845	\$16,426	\$16,106	-\$320
Public Service Commission	12	\$259,665	11	\$234,320	-1	-\$25,345	\$21,639	\$21,302	-\$337
Chief Secretary-OEPPC	8	\$161,615	9	\$199,095	1	\$37,480	\$20,202	\$22,122	\$1,920
Transportation & Comm.	13	\$191,765	12	\$167,580	-1	-\$24,185	\$14,751	\$13,965	-\$786
Chief Secretary-EPPSO	8	\$147,875	8	\$147,875	0	\$0	\$18,484	\$18,484	\$0
Justice - Public Defender	7	\$164,960	6	\$146,960	-1	-\$18,000	\$23,566	\$24,493	\$928
Council of Iroij	4	\$68,230	4	\$68,230	0	\$0	\$17,058	\$17,058	\$0
Finance-Banking Commission	2	\$48,000	2	\$48,000	0	\$0	\$24,000	\$24,000	\$0
Land Registration Office	1	\$14,230	1	\$14,230	0	\$0	\$14,230	\$14,230	\$0
Customary Law & Language Comm.	-	\$0	-	\$0	0	\$0			
Total	2,189	\$27,887,258	2,212	\$28,519,857	23	\$632,599	\$12,740	\$12,893	\$154

numbers were MOE (53% of workers) and MOH (26%). While MOH staff was half that of MOE, their cost was 56% of MOE cost. Their personnel costs was 73% of total personnel cost. The agencies with annual wage over \$20,000 were: Public Defender (6 staff), Weather Bureau (12 staff), Banking Commission (2), Auditor General (12 staff), OEPPC (9 staff), Foreign Affairs (35 staff), and PSC (11 staff). A factor needing consideration is that there were unfilled/paid posts at the end of December 2014. With the implementation of the Public School System, (November 2014) a total of 1147 or fifty-three (53%) percent of the employees were in the process of being transferred from under the purview of the Public Service Commission. It should be noted, however, that MOE numbers are still included in this CY 2014 report.

6.8 *Agency Costs.* The financial costs to run the GRMI for CY 2014 further solidified the reliance on US-RMI Compact funds to sustain its wage bill and in most cases its key programs

and services (at MOE, MOH, and other Compact funded Ministries/Agencies). This reality has posted numerous challenges over the years regarding the duration of sustainability; plan of action to best address this trend now and into the future without negatively impacting essential public programs and services.

6.8.1 As had been the case over the last several years, the Ministry of Education has continued to grow in size, this year increased by eleven (11), but with a cost rose over \$380,000 dollars as there were a number of the secondary classroom teachers hired with equally higher pay levels, and with additional personnel costs of certified classroom teachers resulting in this dramatic cost value.

6.8.2 The annual total roster increased from 1159 to 1170, with an annual total wage bill of a little over \$13.0 million dollars. Although almost doubled the figures for the Health Ministry the average annual earning, by comparison, were \$11,456 for MOE to \$12,766 for MOH in CY 2014, but an increase of +\$222 for MOE and an increase for MOH of +\$2.00 dollars, an impact of the MOE/PSC Credentialing on Teacher Certification Program.

6.8.3 Except for the Ministry of Transportation and Communication, PSC, Chief Secretary, Internal Affairs, and Finance, all other average wages were on the rise. The most losses in annual total averages were in the Ministry of T&C (\$786), PSC (\$337, and the Chief Secretary (\$320), and Finance (\$152). The highest reduction of workforce was in the Ministry of Health (loss of 4) and the Ministry of Finance (also loss of 4) a loss of 8 employees, but a saving cost of about \$130,795. The higher increases were in the following agencies: MOE (+11) costing a little over \$380,000 dollars, and

TABLE 5: National Government Employees under the Purview of Public Service Commission of RMI
Ranking by Cost: 2013 - 2014

Ministry/Agency	2013		2014		Diff (+/-) 2014 over 2013		Average Wage Per Ministry/Agency		
	Emps	Ttl Cost	Emps	Ttl Cost	Emps(+/-)	Cost(+/-)	2013	2014	Diff (+/-)
Education	1,159	\$13,019,696	1,170	\$13,403,225	11	\$383,529	\$11,234	\$11,456	\$222
Health Services	588	\$7,504,830	584	\$7,455,056	-4	-\$49,774	\$12,763	\$12,766	\$2
Finance	87	\$1,487,405	83	\$1,406,384	-4	-\$81,021	\$17,097	\$16,944	-\$152
Public Works	76	\$931,157	85	\$1,060,467	9	\$129,310	\$12,252	\$12,476	\$224
Internal Affairs	60	\$913,185	59	\$881,135	-1	-\$32,050	\$15,220	\$14,934	-\$285
Foreign Affairs	32	\$699,530	35	\$769,375	3	\$69,845	\$21,860	\$21,982	\$122
Justice - Attorney General	25	\$466,070	28	\$554,670	3	\$88,600	\$18,643	\$19,810	\$1,167
Resources & Development	31	\$406,960	33	\$439,895	2	\$32,935	\$13,128	\$13,330	\$202
Nitijela	24	\$336,075	27	\$404,005	3	\$67,930	\$14,003	\$14,963	\$960
Chief Secretary-WEATHER	12	\$290,220	12	\$290,220	0	\$0	\$24,185	\$24,185	\$0
Cabinet	15	\$295,985	14	\$278,485	-1	-\$17,500	\$19,732	\$19,892	\$159
Auditor General	11	\$249,845	12	\$276,845	1	\$27,000	\$22,713	\$23,070	\$357
Chief Secretary	14	\$229,960	17	\$273,805	3	\$43,845	\$16,426	\$16,106	-\$320
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Chief Secretary-OEPPC	8	\$161,615	9	\$199,095	1	\$37,480	\$20,202	\$22,122	\$1,920
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Council of Iroij	4	\$68,230	4	\$68,230	0	\$0	\$17,058	\$17,058	\$0
Finance-Banking Commission	2	\$48,000	2	\$48,000	0	\$0	\$24,000	\$24,000	\$0
Land Registration Office	1	\$14,230	1	\$14,230	0	\$0	\$14,230	\$14,230	\$0
Customary Law & Language Comm.	-	\$0	-	\$0	0	\$0			
Total	2,189	\$27,887,258	2,212	\$28,519,857	23	\$632,599	\$12,740	\$12,893	\$154

Public Works (+9) costing of a little over \$129, 000 dollars The ministries and agencies with increased averages were for Foreign Affairs (\$122), MOE (\$222), Auditor General (\$357), and R&D (\$202). All other average earnings for all other ministries and agencies are represented in *Table 4*.

III. OCCUPATIONAL CLASSIFICATIONS

7. The Job Classification System, 2008. The existing PSC Regulations, 2008, as amended, Schedule One, outlines and thus prescribes the job classification structure of the Public Service. The **Diagram A** charts the Occupational Classification system of the RMIPS with eight (8) main classification groups, the first grouping having five (5) divisions. All groupings are classified into sixteen (16) pay levels set according to complexity of work and qualifications, level of authority and responsibility.

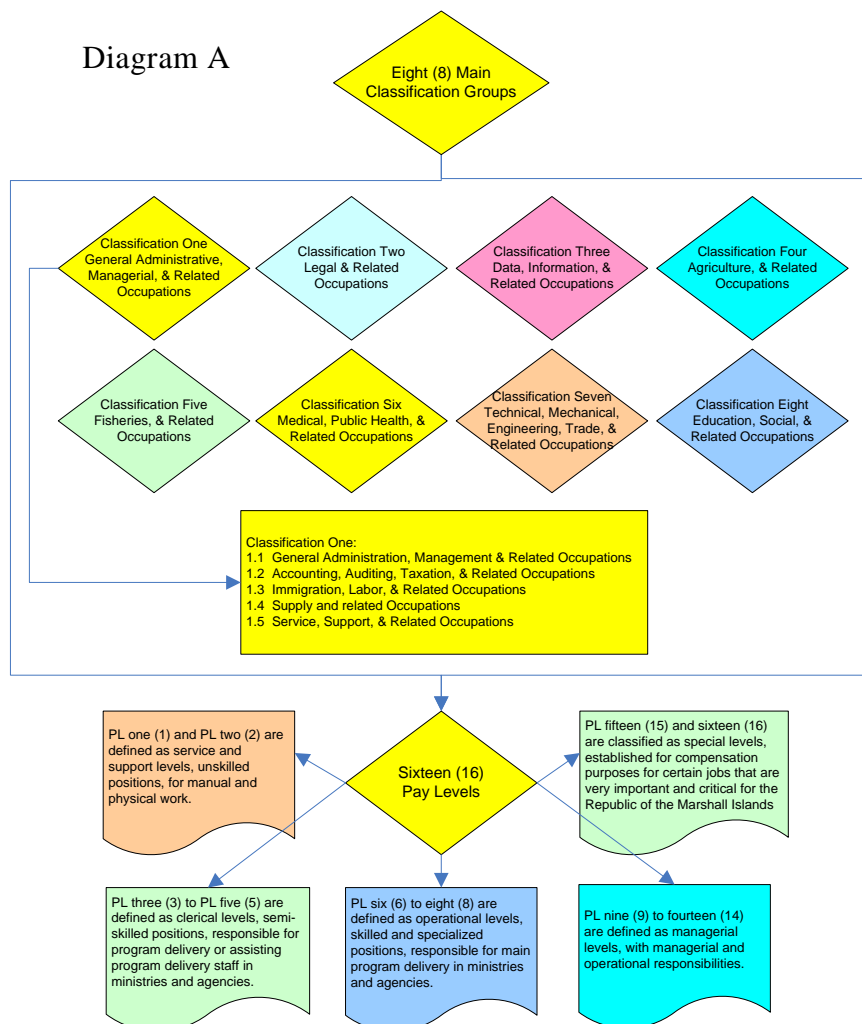
7.1 Job Pay Level Changes.

The applied process of this Occupational System rests solely on merit basis although availability of fund plays an important role in setting the full extent of job offering. The different pay levels have a number of step increments that could raise the salaries of the employee. Such “raise” relies on the number of years worked, the quality of job performed within such period, and the availability of funds. Job demotions will declassify the salary of an employee as well.

7.2 Job Classifications in 2014.

The RMIPS Personnel Audit conducted by ADB pointed out that

upward reclassification of jobs occurred mostly at the supervisory and higher paid posts, as opposed to those earning lower wages. The Public Service worked first on the reclassification of the health assistant job classification, considering the level of responsibility of the health assistants in the maintenance of health throughout the Marshall Islands. A distinction was made in compensating medical doctors between a general practitioner (family doctor, medical officer) and a specialist. With the strengthening of the Auditor General’s office in the areas of auditing and accounting, and in implementing its role of conducting performance audits, the



outcome was higher job classifications. Occupations in the field of architect and engineering, as well as in the area of agriculture are being targeted for 2015.

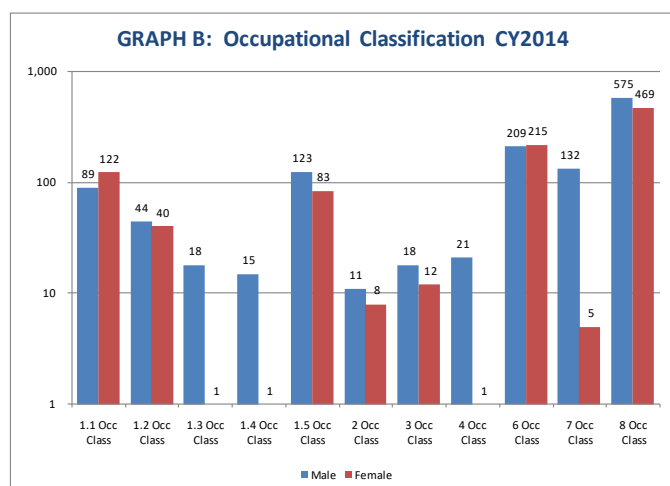
7.3 Costlier Occupational Groups. As has been the case over the last few years, the *Education, Social and Related Occupational Group* (Group #8) remains the largest occupational category in RMIPS with a slight gain of only two in 2014 (see Table 4), and thus has the highest cost of \$12.4 million an increase of over \$2.2 million (see Table 4.1). With the other two highly populated occupational groups of the *Medical, Public Health and Related Occupational Group* and the *General Administration, Management and Related Occupational Group*, their combined sum was about \$22.2 million or 77% of total personnel costs for 2014, which was about \$2.0 million less from last year.

TABLE 4 OCCUPATIONAL CLASSIFICATION BY GENDER CY2013-2014

Occupational Classification	2013			2014		
	Male	Female	Total	Male	Female	Total
1.1. General Administration, Management and related occupational group	80	115	195	89	122	211
1.2. Accounting, Auditing, Taxation and related occupational group	46	38	84	44	40	84
1.3. Immigration, Labour and related occupational group	16	1	17	18	1	19
1.4. Supply related occupational group	16	1	17	15	1	16
1.5. Service, Support and related occupational group	119	81	200	123	83	206
2. Legal and related occupational group	10	8	18	11	8	19
3. Data, Information and related occupational group	19	14	33	18	12	30
4. Agriculture and related occupational group	21	1	22	21	1	22
6. Medical, Public Health and related occupational group	209	220	429	209	215	424
7. Technical, Mechanical, Engineering, Trades and related occupational group	129	3	132	132	5	137
8. Education, Social and related occupational group	580	462	1,042	575	469	1,044
TOTAL	1,245	944	2,189	1,255	957	2,212

TABLE 4.1 OCCUPATIONAL CLASSIFICATION BY GENDER CY2013-2014

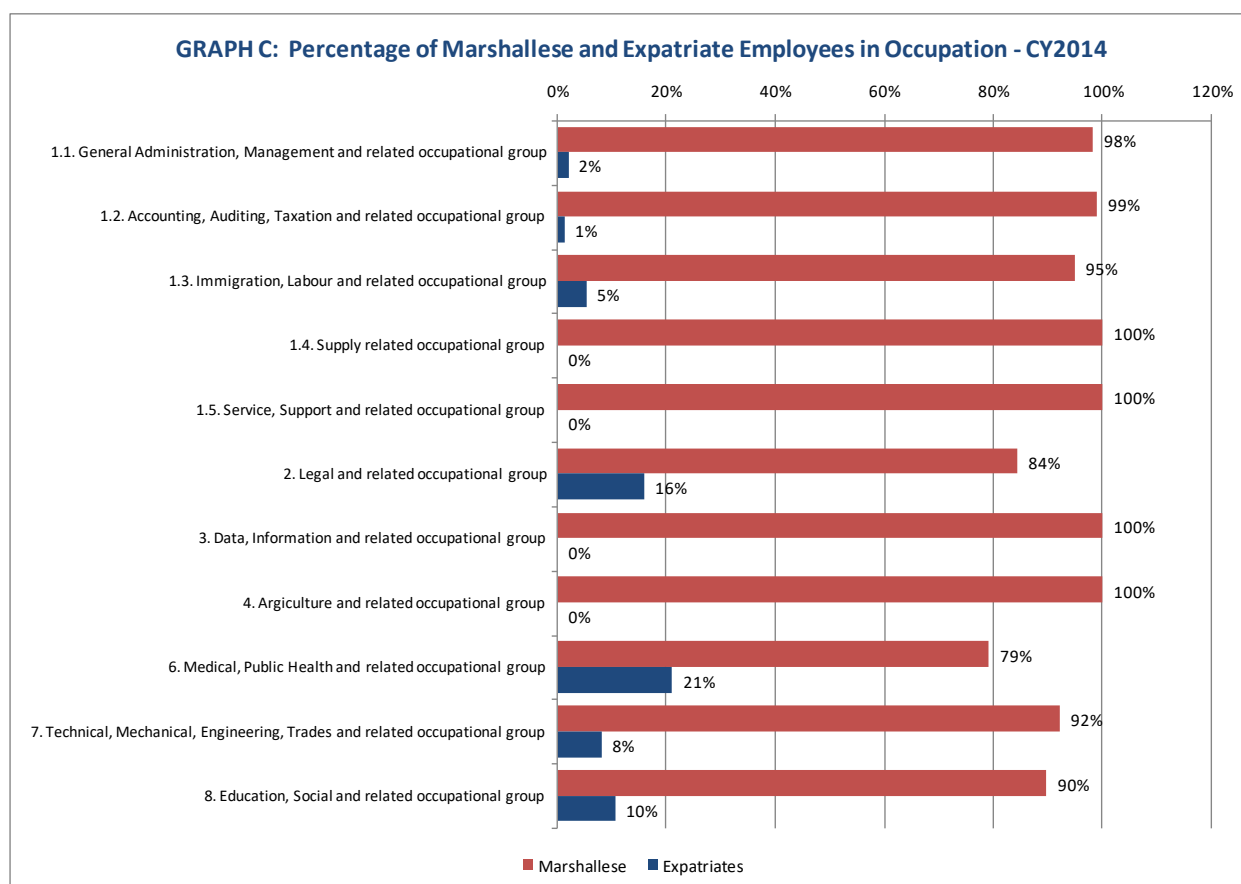
Occupational Classification	2013			2014		
	Male	Female	Total	Male	Female	Total
1.1. General Administration, Management and related occupational group	1,775,760	1,992,200	3,767,960	1,902,665	2,145,455	4,048,120
1.2. Accounting, Auditing, Taxation and related occupational group	731,775	667,495	1,399,270	696,905	686,049	1,382,954
1.3. Immigration, Labour and related occupational group	207,545	13,045	220,590	316,810	13,045	329,855
1.4. Supply related occupational group	229,845	10,025	239,870	219,820	10,025	229,845
1.5. Service, Support and related occupational group	788,735	581,390	1,370,125	818,065	595,105	1,413,170
2. Legal and related occupational group	301,000	192,785	493,785	309,100	192,785	501,885
3. Data, Information and related occupational group	269,550	162,080	431,630	271,950	145,495	417,445
4. Agriculture and related occupational group	235,670	10,025	245,695	232,300	10,025	242,325
6. Medical, Public Health and related occupational group	2,785,915	3,014,265	5,800,180	2,761,776	2,964,165	5,725,941
7. Technical, Mechanical, Engineering, Trades and related occupational group	1,654,127	55,380	1,709,507	1,690,462	109,380	1,799,842
8. Education, Social and related occupational group	6,893,236	5,315,410	12,208,646	6,946,256	5,482,219	12,428,475
TOTAL	15,873,158	12,014,100	27,887,258	16,166,109	12,353,748	28,519,857



7.4 Occupations & Gender. Graph B indicates that representation of female Public Service employees continued to be outnumbered by that of their male counterparts except in the following two occupational groups: *General Administration, Management & Related Occupational Group* (1.1), and the *Medical, Public Health & Related Occupational Group* (6). However, apparent differences continued in group numbers 1.3

(Immigration, Labor...), 1.4 (Supply...), 4 (Agriculture...), and 7 (Technical, Mechanical, Engineering, Trades...). The implementation of the recently endorsed TVET (Technical, Vocational Education & Training) Strategy by the government not only serves as gateway to encourage gender participation in vocational fields, but will also provide guideline necessary in promoting the policy on gender equal employment opportunity as well.

7.5 Occupations & Marshallese/Expatriates. The bar Graph C below illustrates the occupational grouping areas where Marshallese citizens could not meet the labor market demand. As shown, the Marshallese Public Service required the expertise of the expatriates in these areas: *Medical, Public Health and Related Occupations* by 21%; *Legal and Related Occupations* by 16%; and, in *Education, Social and related occupational group* expatriates by 10%. Out of the eleven (11) Occupational groupings, the Marshallese Public Service employees continued to hold the highest representation at 100% in the *Supply related occupation, Service and Support, Data and information, and in the Agriculture and related occupational groups*.

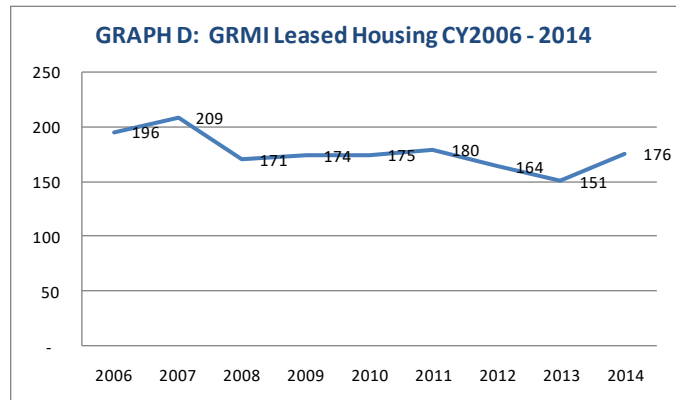


IV. SPECIAL EMPLOYMENT BENEFITS

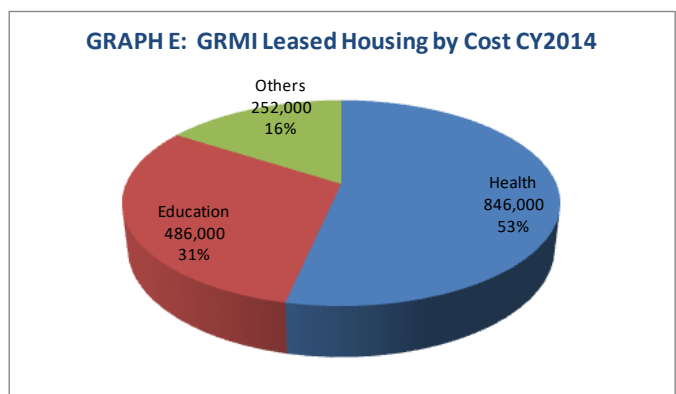
8. Leased Housing in 2014. The Public Service Act charges the PSC to administer the leased housing program for urgently needed employees recruited from outside their designated sites of employment. A total of 176 housing units were leased in 2014. This was 25 more units compared to 2013, and additional cost was over \$200,000. The overall costs of these units were over \$1.6 million, excluding repatriation and utility costs.

8.1 Controlling Housing Costs.

Continued efforts to control the cost of leased housing by maintaining the Government rate of \$9000 per unit per annum, and the reduction on the number of contracted employees needing housing have continued with outcome depicted in the last three years (*Graph D*). Other reduction contributing factors have been the implementation of the newly endorsed housing policy, options on personal choice of domiciles, direct rental payment arrangement by the tenants, and a host of other affordable and user-friendly housing schemes established between the government and the landlords aiming at better serve mutual interests have implemented.



8.1.1 The leased housing unit sites are in: Majuro - 132; and Ebeye - 44. This year's breakdown on total housing cost was: MOH total housing cost \$846,000 dollars (94 units) or 54% of total cost; MOE housing cost of \$486,000 dollars (54 units), or 29% and a total of \$252,000 dollars (28 units) or a 16% combined total sum by others ministries and agencies of the government Graph E.



8.1.2 The contributing factors responsible for the increase in the numbers of units in 2014 were as follows: more expatriate professionals and (health) specialists, including locum doctors; increasingly populated high school classrooms had acquired the need to hire more qualified classroom teachers from outside, including those of the volunteer services (JOGV, Fiji, and World Teach); the implementation and engagement of the government on a number of special technical assistances and programs initiatives have prompted the direct participation of a number of international field specialists requiring housing as well; and the areas requiring housing had slightly expanded this year as compared to last year.

9. Group Life Insurance in 2014. The Group Life Insurance (GLI) Program is a voluntary program that the Government matches the contribution of the employees 59% to 41% respectively. The present Group Life Insurance (GLI) Policy has been carried by the International Assurance Company (IAC) for every five years since the eighties.

9.1 Enrolled Public Service Employees. There are 1,030 or 47% of Public Service workforce enrolled in this program. This is a 19% decrease from the enrollment of 2013, and the reasons are noted below. Aside from the Public Service enrollees, other government employees enrolled are from such statutory agencies as EPA, Lomor Patrol, Public Safety, Weather Bureau, National Training Council and 177 Health Care Program.

9.2 Coverage Plans. The following are the Options with Coverage of Supplemental Benefits for **Dependent's Term Life Insurance** – for active individuals (full-time employees) only:

- Plan 1** – Spouse Coverage of \$6,000 and Children Coverage of \$2,000 = \$3.30 premium biweekly.
- Plan 2** – Spouse Coverage of \$10,000 and Children Coverage of \$2,000 = \$5.45 premium biweekly
- Plan 3** – Spouse Coverage of \$10,000 and Children Coverage of \$6,000 = \$8.55 premium biweekly
- Plan 4** – Spouse Coverage of \$10,000; Children coverage of \$6,000; and Parents/Parent In-Law Coverage of \$3,000 = \$24.50 premium biweekly

9.3 Insurance Claims. During the reported period, a total of 72 benefits insurance claims were submitted, a combined sum of \$529,500 dollars with only 19% received with pending of submitted claims worth 58%, mostly on Basic Benefits valued at a little over \$234,000. The following was the breakdown of information on details about the existing group life insurance program with insurance transactions thereof:

9.3.1 Decrease in active enrollment by 19% resulting from the rise in the number of supplemental (options) changes, and the increase in the number of terminations of option #4 (Parent & Parent in law option) which occurred during the year.

9.3.2 While Public Servant enrollment decreased, the total contribution went over \$1.1 million by a little over \$391,000 (January-December, 2014). The increase in contribution resulted from the increase in Option changes. The total amount of individual Premium (Supplemental-Options) contribution was \$698,931. The total of the Basic Group-Life (government) deductions amounted to \$377,488 dollars.

9.3.3 There were a total of 72 claim submissions, two less from 2013, and the total value of claims submitted was \$529,500 (Table-5). Of the total submissions, only 42% or 50 were awarded, which was 24 less than in 2013. The 22 pending cases, worth little over \$304,000, are due chiefly to internal changes within IAC. Furthermore, missed

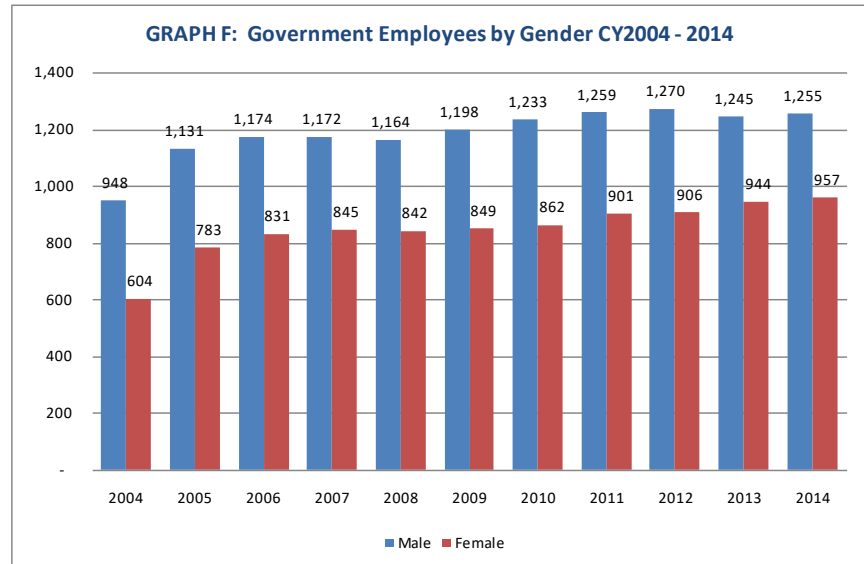
TABLE 5 INSURANCE CLAIMS CY2014

Type of Claim	2014 CLAIMS					
	No. of Claims	Total Submitted	Total Received	Total Pending	% of Claims Received	% of Claims Pending
Basic Benefit	11	\$317,500	82,817	\$234,683	26%	74%
Spouse Benefit	5	\$50,000	10,000	\$40,000	20%	80%
Child Benefit	2	\$9,000	9,000	\$0	100%	0%
Parent Benefit	38	\$105,000	87,000	\$18,000	83%	17%
Parent-in-Law	16	\$48,000	36,000	\$12,000	75%	25%
Total	72	\$529,500	\$224,817	\$304,683	42%	58%

contributions from employees are still being examined when the balances of enrollees' paychecks became inadequate to cover their individual contributions resulting in missed matches from the Government. It should be noted that government savings occurred as a result.

V. DIVERSITY IN THE PUBLIC SERVICE

10. Gender. Increase in female employment, as tracked for the last ten (10) years, has been slow but steady, although never reaching the 1000 threshold, as has been the case with male employment. However, based on the placement rate, females were being hired in more numbers and in better paying jobs. In 2004, the difference was 344 while in 2014 the difference was 298. At the current hiring rate, for every 13 women hired, 10 men were hired. The annual average salary for women has surpassed that of their male counterparts by \$28. The difference in 2013 was \$23 more for men, and in 2012 the women earned \$126 more. In the ten-year span, for example, the total



number of female Public Servants rose from 604 to 957, or 353 more, an increase rate of about 58%, while their male counterparts rose from 948 to 1,255, 277 more, or by 32%, further confirmed the familiar gender growth rate between both sexes of the RMIPS workforce. The cost for male employees in 2014 was \$16.2 million, an increase of \$292,951. For the female employees, the cost was \$12.3 million, an increase of \$393,648,

10.12013 & 2014 Gender Data. Table 6 presents the employment compositions and characteristics by gender in the RMIPS. As shown, females comprised of 43% of total PS employment. Areas of dominance for women are in the Ministry of Foreign Affairs, Nitijela, Auditor General and EPPSO, and in senior level management posts, 38% were being held by women. For the first time in RMI history, the posts of the Clerk of Nitijela, the Clerk of the Council of Irooj, and the Clerk of Cabinet were all held by women.

10.2 Last year, it was observed that the decrease in the overall number of male employees was due mostly to those reaching retirement age, mostly at the Ministry of Public Works, the Ministry of Education as in classroom teachers, and also at the Ministry of Finance at the Supply and Procurement division.

TABLE 6 National Government Employees under the Purview of PSC by Gender CY2013-2014

TABLE 6 National Government Employees under the Purview of PSC by Gender C1265-2014												
Ministry/Agency	2013						2014					
	Male		Female		Ttl Emps	Ttl Amount	Male		Female		Ttl Emps	Ttl Amount
	# of Emps	Ttl Amt	# of Emps	Ttl Amt			# of Emps	Ttl Amt	# of Emps	Ttl Amt		
Auditor General	5	112,875	6	136,970	11	249,845	5	115,875	7	160,970	12	276,845
Cabinet	7	148,265	8	147,720	15	295,985	7	149,765	7	128,720	14	278,485
Land Registration Office	-	-	1	14,230	1	14,230	-	-	1	14,230	1	14,230
Customary Law Commission	-	-	-	-	-	-	-	-	-	-	-	-
Office of Chief Secretary	11	158,960	3	71,000	14	229,960	12	171,340	5	102,465	17	273,805
EPPSO	3	68,000	5	79,875	8	147,875	3	68,000	5	79,875	8	147,875
OEPPC	6	127,570	2	34,045	8	161,615	6	130,050	3	69,045	9	199,095
WEATHER	12	290,220	-	-	12	290,220	12	290,220	-	-	12	290,220
Council of Iroij	3	52,305	1	15,925	4	68,230	3	52,305	1	15,925	4	68,230
Education	657	7,329,051	502	5,690,645	1,159	13,019,696	653	7,440,041	517	5,963,184	1,170	13,403,225
Finance	59	1,012,860	28	474,545	87	1,487,405	56	981,020	27	425,364	83	1,406,384
Banking Commission	-	-	2	48,000	2	48,000	-	-	2	48,000	2	48,000
Foreign Affairs	16	361,215	16	338,315	32	699,530	16	355,215	19	414,160	35	769,375
Health Services	289	3,668,340	299	3,836,490	588	7,504,830	294	3,700,396	290	3,754,660	584	7,455,056
Internal Affairs	37	532,680	23	380,505	60	913,185	36	503,655	23	377,480	59	881,135
Justice	-	-	-	-	-	-	-	-	-	-	-	-
Justice - Attorney General	18	310,075	7	155,995	25	466,070	22	430,675	6	123,995	28	554,670
Justice - Public Defender	4	121,000	3	43,960	7	164,960	4	123,000	2	23,960	6	146,960
Nitijela	6	109,785	18	226,290	24	336,075	5	88,285	22	315,720	27	404,005
Public Service Commission	7	148,665	5	111,000	12	259,665	6	123,320	5	111,000	11	234,320
Public Works	70	878,707	6	52,450	76	931,157	79	1,003,587	6	56,880	85	1,060,467
Resources & Development	25	291,890	6	115,070	31	406,960	26	302,825	7	137,070	33	439,895
Transportation & Comm.	10	150,695	3	41,070	13	191,765	10	136,535	2	31,045	12	167,580
Total	1,245	15,873,158	944	12,014,100	2,189	27,887,258	1,255	16,166,109	957	12,353,748	2,212	28,519,857

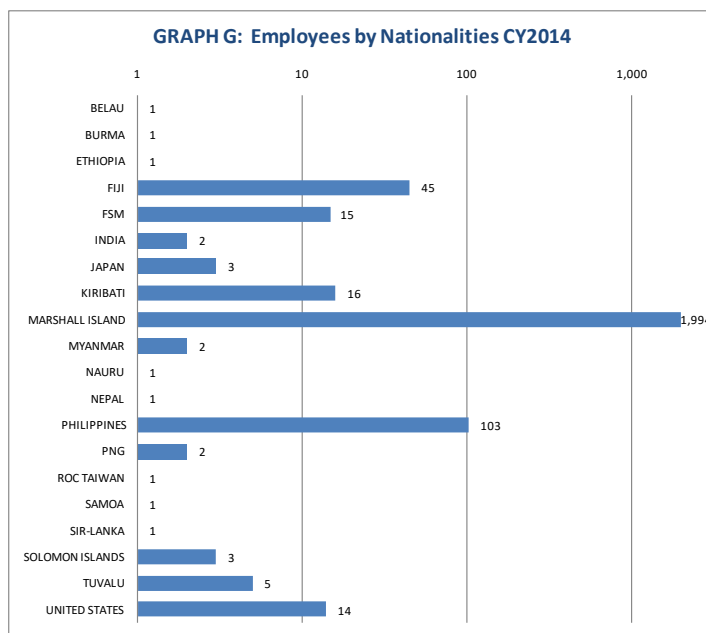
11. Expatriates. As shown in the Public Service profile, the number of expatriates have increased by 10 more as compared to last year, showing a total of 218, with an increase in cost by a little over \$235,000 or an annual total of \$4,468,210. The areas of high representation were at the Ministry of Education, with ten more (10) classroom teachers, at the Ministry of Health, although less of three (3) or a saving of about \$50,000 dollars, and a gained of four (4) at the Ministry of Public Works (mostly PMU personnel with higher salary pay levels), costing a little over \$168,000 dollars. The two largest ministries (MOE-\$1.9 million, MOH-\$2.2 million) cost over \$4.1 million dollars, or representing about 91% of the annual total cost of the Expatriates.

11.1 Recruitment Efforts. A number of steps were taken or continued in designing training/education-to-employment, through RMI Missions abroad, and expanding social networking outreach to attract knowledgeable, skilled, experienced, and interested Marshallese everywhere particularly in areas within the Ministry of Health in professional and specialized fields. A training/recruitment personnel officer is being recruited to work on this major and challenging task with the respective receiving agencies.

11.2 Areas for Development. Most of the jobs held by the expatriates were those of specialties in engineering, law, archeology, of the expatriates work at the Ministry of Education (109), an increase of eleven (11), costing a little over \$240,000 dollars. Ministry of Health had the next high number of 94, a loss of three (3) but a saving of a little over \$50,000 dollars. The rise in the number of expatriates at the MOE was due to increased hiring of high school classroom teachers.

11.3 Nationalities in Workforce. A demographic analysis on the nationalities of the RMIPS employees showed that the Filipino employees continued to have the highest number (**109**),

and next were the Fijians (48), iKiribati (16), FSM (15), USA(14),Tuvalu (5), Japan (3), Myanmar/Burma (3), Solomon Islands (3), India (2), and one each from ROP, Ethiopia, Nauru, Nepal, ROC/Taiwan, Samoa, and Sri Lanka. *Graph-G* outlines the number of each nationality employed by the Public Service during the year, 2014.



11.3.1 The Filipino Public Service employees continued to hold the highest representation as they continued working in MOH as health professionals and skilled technicians and in MOE as secondary classroom teachers. The secondth largest group is the Fijians who has increased slightly this year, due a direct bearing on the recently binding agreement entered into between the RMI Government and that of Fiji on the so called the *Fiji Volunteer Service Program*.

12. Employing Persons With Disabilities. The PSC State of the Services Report in 2013 began to entertain the inclusion of this particular group as a national initiative for development inclusivity. In 2014, the National Disability Policy was formulated through the Ministry of Internal Affairs, as a post was secured for the purpose of coordinating developmental efforts for persons with disabilities. The types of disabilities of these employees are mostly grouped as follows: pervasive developmental disorders (disabilities that cause social, communion and behavioral challenges); cerebral palsy(motor disabiities); and, mental retardation (limitation in adaptive functioning). The number of known employees with disability in 2014 was nine (9), and they were placed at the Ministry of Education and the Ministry of Health.

12.1 *The RMI National Policy for Persons with Disabilities (August, 2014).* In order to promote the employability of persons with disabilities in RMI, three strategies were identified, and these were: a) to develop training and best practice advice for agencies and managers; b) to establish and support disability networks; and, c) to consult with agencies and establish employment targets for persons with disabilities.

12.2 *Marshall Islands Disabled People Organization (MIDPO).* MIDPO was established in October 2014 to work with the Government to promote the inclusivity of the persons with disabilities through a series of activities identified in the October symposium that established the group.

13. Age Diversity. The age diversity of PS workforce comprised of four (4) age segments: the young employees (age 21-34), the middle age group (35-44), the older group (45-54), and retired eligible workers (age 55 years and older). In 2013, the young group was at 29% of the workforce, but in 2014, it was the middle aged group that was at 29%. The average wages per age group increased from \$11,122 for the young employees to the highest of \$15,326 for the oldest age group, which was with the least number. Understandably, seniority and leadership caused higher salary rates.

TABLE 7 AGE ANALYSIS CY2014

Age	# of Emp	Ttl Salary
21-34	633	\$7,040,064
35-44	638	\$8,162,891
45-54	524	\$6,925,954
55plus	417	\$6,390,948
Total	2,212	\$28,519,857

13.1 Retiree Employees. Retirement age commences at age sixty (60) years. Of the nineteen percent (19%) of the 55 years and older group, eight percent (8%) were of retirement age. In 2014, there were 180 Public Service employees who have already reached the retirement age and beyond, a gain of 10 as compared to previous year. Sixty-one percent (61%) of employees reaching the retirement age are male employees with the worth of \$1,834,895. The challenge has long been compounded by the long standing issue of severe shortage of qualified Marshallese citizens to replace both expatriates and retirees, which comprise 20% of the RMIPS workforce.

13.1.1 The Ministry of Health retained the services of 56 retirees, seven (7) more from last year but costing of a little over \$113,000. The Ministry of Public Works kept 11, two (2) more

**TABLE 8 Employees Reaching Retirement Age 60 and Above
Summary by Ministry/Agency CY2013-2014**

Ministry/Agency	2013					2014				
	# of Emps	Ttl Amount	% of Total	Diff (+/-)		# of Emps	Ttl Amount	% of Total	Diff (+/-)	
Office of Chief Secretary	2	\$62,000	2.2%	\$39,000		3	\$82,025	2.7%	\$20,025	
Council of Iroij	1	\$9,380	0.3%	\$0		1	\$9,380	0.3%	\$0	
Education	85	\$1,307,681	45.9%	-\$286,529		87	\$1,352,785	45.0%	\$45,104	
Finance	6	\$116,605	4.1%	\$74,925		7	\$150,365	5.0%	\$33,760	
Foreign Affairs	3	\$73,420	2.6%	\$33,395		2	\$61,200	2.0%	-\$12,220	
Health Services	49	\$835,785	29.3%	-\$66,825		56	\$949,601	31.6%	\$113,816	
Internal Affairs	2	\$53,045	1.9%	-\$17,025		3	\$40,830	1.4%	-\$12,215	
Justice - Attorney General	2	\$71,000	2.5%	\$15,000		4	\$114,220	3.8%	\$43,220	
Justice - Public Defender	1	\$20,000	0.7%	\$20,000		-	\$0	0.0%	-\$20,000	
Nitijela	3	\$62,000	2.2%	-\$11,000		3	\$73,000	2.4%	\$11,000	
Public Service Commission	3	\$60,380	2.1%	-\$17,620		-	\$0	0.0%	-\$60,380	
Public Works	9	\$116,255	4.1%	-\$184,655		11	\$120,575	4.0%	\$4,320	
Resources & Development	3	\$44,365	1.6%	\$0		2	\$36,045	1.2%	-\$8,320	
Transportation & Comm.	1	\$18,000	0.6%	\$18,000		1	\$18,000	0.6%	\$0	
Total	170	\$2,849,916	100%	-\$383,334		180	\$3,008,026	100%	\$158,110	

from previous year costing of a little over \$4,000 dollars. Between MOH and MOE, a total of 143 aging public servants were retained, representing about 79% of the entire aging workforce of the RMI Public Service and costing about \$3.0 million dollars, costing the government a little over \$158,000 dollars.

13.1.2 As shown in *Table-9*, over **57%** of this group is funded under the **Compact Fund**, **35%** under the **General Fund**, and **5.1%** under the **Federal Grants Fund**.

TABLE 9 Employees Reaching Retirement Age 60 and Above
Summary by Ministry/Agency CY2013-2014

Fund	2013				2014			
	# of Emps	Ttl Amount	% of Total	Diff (+/-)	# of Emps	Ttl Amount	% of Total	Diff (+/-)
COMPACT FUND	100	\$1,542,871	54.1%	-\$242,514	109	\$1,711,056	56.9%	\$168,185
GENERAL FUND	52	\$995,825	34.9%	-\$72,205	56	\$1,061,330	35.3%	\$65,505
FEDERAL FUND	14	\$230,195	8.1%	-\$37,175	11	\$154,615	5.1%	-\$75,580
ROC FUND	2	\$37,025	1.3%	-\$31,440	2	\$37,025	1.2%	\$0
LOCAL FUND	2	\$44,000	1.5%	\$0	2	\$44,000	1.5%	\$0
Total	170	\$2,849,916	100%	-\$383,334	180	\$3,008,026	100%	\$158,110

This group mostly comprised the retiree employees of MOE, classroom teachers, and MOH, nurses and health assistants. The cost of the retirees in 2014 did represent about 8% of the total workforce, an increase of about 6.0 % (\$158,110) from the total cost of 2013. This further signified the increasing trend of retaining employee retirees. This has triggered an effort by PSC to begin developing a retiree employment program with the aim at better transitioning efforts for new staff by retiree employees, or better workforce planning and succession planning.

VI. ATTRACTING AND RETAINING THE RMIPS WORKFORCE

14. *Workforce Planning.* One of the key strategic sectoral areas for reform is Good Governance, promoted by the development of a Public Service Workforce Planning Strategy and Framework that include approaches to forecasting, planning, monitoring and reporting as outlined in the RMI National Strategic Plan and further delineated in the RMI Vision 2018. The main objective of workforce development has been to shape the structure and diversity of the Public Service workforce to ensure there is sufficient and sustainable capability and capacity responsive to present and future agency objectives. The ultimate goal is to have a Public Service that is affordable and capable of delivering efficient services to the citizens of RMI. To achieve this objective, however, the PSC began leading the workforce planning process by institutionalizing planning activities throughout the Public Service.

15. *Attraction & Recruitment.* An outcome of the ADB-conducted personnel survey conducted by the ADB on the RMIPS Workforce in 2012 strongly pointed out that "...recruitment can no longer be regarded as 'soft issues'." Since that survey, PSC, in collaboration with the government and also in partnership with both APSC and PICPA, has taken steps necessary to put in place strategies to attract and recruit employees, an important component of an agency's response to the impact of a tight labor market to which the PSC Workforce Planning has proactively integrated in its reforming strategies.

15.1 *Instilling National Pride.* Building and instilling national pride among Marshallese students to give back to the, and understanding of, nation building efforts is yet another way of ensuring the growth of available pool of qualified and skilled applicants. They should be ready and capable to eventually replace our workforce retirees, as well as posts held by expatriates, in the next 5-10 years.

15.1.1 A new employees' orientation program has been developed and is being carried out to new employees. Such programs entail that employees are well versed and have some understanding of what is expected of them in the work place based on the RMI code of Ethics and as stipulated in the PSC's Regulations.

15.2 *Building Level of Expertise.* The continuing participation of APSC in the formulation of the RMI PSC Workforce Strategic Planning resulted in the production of the PSC Workforce Strategy framework scheduled to be presented to the Cabinet for review and endorsement, with the launching of a workforce rolling out immediately thereafter. Prior to such realization, however, additional training to build the necessary expertise for formulation, implementation, review and evaluation, in succession planning. Working especially with the concerned Ministries and Agencies and also with higher learning institutions, together with the Scholarship Office and the National Training Council has been an ongoing task, as in the updating of list of training needs gathered from the various government agencies and reported in the previous PSC calendar year reports.

15.3 *Recruiting “Smart” Employees.* Forging stronger and sustainable partnerships with the Ministry of Education, RMI Scholarship Office, and other educational or training institutions within the country has been essential in order to have better prepared Marshallese citizens entering the job market. The PSC has indicated the need to build expertise particularly in the areas of medicine, law, architecture & engineering, and marine/agriculture sciences.

15.3.1 Another important group being tapped has been to recruit/contract qualified and skilled Marshallese citizens living abroad. Special recruitment and incentive/benefits packages have been evolving to attract and/or retain such skilled Marshallese professionals.

15.4 *Multi-National Recruited Expatriates.* An ongoing challenge being addressed by the PSC and respective governmental agencies, such as the Ministry of Health, has been in the recruitment of professionals from different countries, rather than just the same countries.

16. *Creation of HRMIS (Human Resource Management Information System).* An inter-agency task force was created to work on the following initiatives: digitizing personnel files, establishing an MOH own system, unfolding HR modules in the MOF 4Gov financial management information system software. Most of the inter-agency task force members are IT and HR personnel. The 4Gov system was selected for the following reasons: high level of security, ease of access to networking, and IT support capability already exists at the local level.

16.1 The PSS HR information system has received technical assistance from the Australian Government and the MIP HR modules are to be used. The challenge has been to have these information systems that will be complementary and interactive, as well as will they be cost effective. The PSC Workforce calls for an experienced IT staff that will be able to use the to-be-established PSC HRMIS.

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VII. LEARNING & DEVELOPMENT IN RMIPS

17. Learning & Development. Training and Development is a function of Human Resource Management concerned with the organizational activities which are aimed at bettering the performance of individuals and/or groups in organizational settings. Training and development encompasses three main activities: training, education, and development. Though funding was not realized during the year from the PICPA, staff members were able to continue enrolling in both the MBA and HRM courses at USP. Limited training funds were made available to cover the costs for the HRM through funding provided under the Commission's Special Appropriation Fund for FY 2014. AusAid Scholarship funds were made available to help defray costs for both the MBA and HRM courses respectively.

17.1 Training. This activity is both focused upon, and evaluated against, the job that an individual currently holds. Limited funding to fulfill this mandate has hampered the PSC from providing the much needed training on a regular basis for its public service employees. Without a well coordinated effort among key stakeholders in streamlining and addressing the overall GRMI training needs, there is a tendency that (1) employees could potentially be chosen to attend trainings that are not relevant for their respective line of works; (2) limited training funds are not maximized; (3) program and service delivery is not efficient and effective.

17.1.1 It is envisioned and desired that appropriate funds be reallocated to the Commission to carry out one of its key mandate – that is to identify, secure and provide relevant trainings for employees within the Public Services. A suggested recommendation is for GRMI to earmark one percent of the annual Global Budget for Training and Professional Development Programs initiated by PSC. Another suggestion is reallocated training funds from line Ministries/Agencies to PSC to take lead role in identify training programs for all Public Servants, except for specialized professionals in the medical, legal, technical or teaching fields.

17.1.2 Though being confronted with inadequate training fund for a long while, this year, 2014, PSC was fortunate enough to have provided with such fund (\$30,000) for which a number of public service improvement projects have successfully launched producing desirable outcomes. Such public service improvement projects and initiatives in joint collaboration with our development partners (APSC, PICPA and ADB) are as follows:

- ❖ Recruitment & Selection Standard Operating Procedures,
- ❖ New Employees' Orientation/Induction Program,
- ❖ Leave of Absence Guidelines,
- ❖ Grievance Guidelines,
- ❖ Housing Management Guidelines,
- ❖ Performance Management Guidelines;
- ❖ Induction Program;

- ❖ PSC Radio Program;
- ❖ Anti-Corruption Training & Workshop; and
- ❖ Other on-going initiative included the further development of the Workforce Development Plan and Strategic Plan

17.1.3 During the year, PSC held a number of staff developmental trainings (Majuro and Ebeye) necessary to ensure the required knowledge and the skills needed are being acquired in order to maximize benefits and to best attain projects' objectives respectively.

17.2 *Education.* This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs. Unstructured Career Development Program in the system continues to post career development challenges leaving a very large segment of the workforce lack the necessary career training opportunities. This has been a constantly annoying issue confronting the PSC for sustainable solutions into which the Commission has been given due research and the necessary consultation.

17.3 *Development.* This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future.

17.3.1 Both PSC and other GRMI employees continued to enroll in the USP's HRM and MBA Programs respectively during the year. It is expected that the HRM cohort should be able to complete the Certificate Program in spring semester of 2015. Moreover, once the new Recruitment & Training Officer is brought on board in early January 2015, training opportunities can then be expanded to include other areas and be more coordinated all across the Public Service.

17.3.2 The RMIPSC usually participates in a couple of regional conferences on an annual basis. The two such regional conferences are the Pacific Public Service Commission Conference (PPSCC) and the Pacific Islands Center for Administration (PICPA). The annual conference of the (PPSCC), once hosted by the RMIPSC in May, 2011, did not take place this year for a number factors, chief of which has to do with the lack of funding. This conference which is usually funded by the Australian government, the AusAID, had failed to receive its annual financial packing which had resulted in PPSCC not being held this year. This conference is usually held during the month of May on an annual basis.

18. *Consultations.* Also during the year, the Commission's various one-to-one consultations with the line ministries and agencies of the government on the fundamental aspect of Learning and Development has been repeatedly stressed in order to improve productivity at public service wide, which also serves a multiple roles and purposes in the on-going reforming efforts. This has, in fact, expanded the scope of learning and development to include the pursuit in the area of ICT, for example, by allowing such opportunities, at local learning institutions, as a way of investing in the employees' learning and development interest thereby engaging in other technical advancements and opportunities.

VIII. PSC WAY FORWARD

19. Improving the Public Service. With over fifty (57%) percent of the workforce under the age of thirty-five, the RMI workforce is considered to be fairly new, young and in-experienced. The PSC Induction Program addresses the following areas of improvement needs: Importance of the roles and responsibilities; Good Governance and Ethical Conduct in the RMI Public Service & PSC's Values; Accountability in the RMI Public Service; PSC Rules & Regulations; and, Disciplinary Actions & Appeals Processes. It is envisioned that PSC programs would address several important factors: (1) institutional knowledge, skills and experience; (2) younger workers are confident and in a better position to continue with the work; (3) there exists no abrupt disconnect or disruption in essential programs and services; and (4) much needed revenues are maintained and maximized.

19.1 Importance of Roles & Responsibilities. It is important that all members of the Public Service, as government/public employees, understand the role they play in meeting the RMI Constitutional Mandate, the National Strategic Plan, and the individual corporate plans that should guide the development and the sustenance of the country. It was reported last year that the posture conservatively taken by the government with respect to the ever increasing of budget shortage, which already resulted in the 3% cut across the board, had produced the need to further review the types and the levels of services being offered by the Public Service. Conserving the use of resources, collaborating and sharing of resources, and seeking additional sources for development and supplementation of operation have been posed in the monthly Chief Secretary meeting with agency representatives of the Government, particularly the Public Service.

19.2 Good Governance. There are eight (8) principles that are to guide the performance of the individual Public Service employees. These principles are: Equity, Responsiveness, Participation, Rule of Law, Accountability, Transparency, Effectiveness & Efficiency, Consensus Orientation.

19.3 Ethical Conduct in Government & PSC Code of Conduct. All government officials and employees are required by law to follow the principles of ethics so enacted in the Ethical Conduct Act. All Public Service employees are required to follow the PSC Code of Conduct. The values that underpin works and conduct of the RMI public servants include fairness, respect, integrity and responsibility. These values are to be demonstrated daily by: 1) providing quality services whether in the community or the classroom; 2) being consistently honest, trustworthy and accountable; 3) being courteous and responsive in dealing with others; 4) being committed to social justice by opposing prejudice, injustice and dishonesty; and 5) making decisions that are procedurally fair to people and to avoid discrimination.

19.4 *Accountability in the RMI Public Service.* With an authority is the corresponding responsibility to uphold and perform one's duty. Being absent from work and thus not achieving tasks necessary to make the Public Service truly functional has continued to be a burden. Spot checks, performance evaluation, self-appraisals, and workshops were being used to ascertain workers being accountable in their duties and responsibilities.

19.5 *PSC Rules & Regulations.* Absence from work has been due to either of the following: tardiness, skipping from work ("utamwe"), taking longer medical leave and special leave, taking educational leave especially off island, being deceased, frequent and constant travelling out of the country. The Public Service Commission has been working diligently with individual Ministries and Agencies in ascertaining the updates of job descriptions and organizational structures, performance evaluations and self-appraisals, and in ascertaining that the capacities and capabilities of employees are upgraded and improved. Instructions and emphases on particular regulations were issued to clarify, remind, and follow up on job performances and work attendance.

19.6 *Disciplinary Actions & Appeal Processes.* In terms of monitoring, reporting and conduct performance evaluation on the proper application and observance of the code of conduct, all senior executives, senior officers, principals, managers and supervisors are responsible for monitoring and evaluating the operation of this policy within their respective area of responsibility. Reporting adverse actions with respect to the Public Service regulations and the codes of conduct has been an area of weakness throughout the Public Service. Very few complaints have been received at PSC other than the early 2014 bribery allegations and disciplinary actions against poor performers. Further work will be emphasized in 2015 through the forum of the Secretaries, through Ministry visits and workshops, through examining and improving procedures to ascertain the proper corrective measures to be taken in performing disciplinary actions or appealing decisions.

IX. PUBLIC SERVICE CHALLENGES & RECOMMENDATIONS

20. Major Challenges. As discussed with numerous heads of members of the Public Service management, the Cabinet, and public consultations, five (5) overall government issues were identified as ongoing and needing collaborative actions: Protecting Government Assets, Streamlining Government Services, Enforcing Government Legislations & Policies, Improving Delivery of Government Services, and Prioritizing Unfunded Liability.

20.1 Protecting Government Assets. There are two main issues relating to this topic, and these are: security of assets against theft and abuse; maintenance of assets, and implementation of code of conduct, regulations, and practice good governance principles.

20.1.1 More frequent inventory of government assets and monitoring on the management of government assets is required. Supervisors are to do follow laws and regulations of the Government to take better care of government property and to repay loss and negligence of care. A Committee consisting of representatives from the Chief Secretary Office, AG's, Auditor General Office, MOF, PSC and the Police Department will be established to address this challenge

20.2 Streamlining Government Services. Issue. Non-existent have been strategic plans including those that direct human resource development and management, particularly in career and professional development.

20.2.1 Implementation of the National Development Plan.

20.2.2 Finalization of the National Human Resource Development Plan.

20.2.3 Finalization of PSC Workforce Plan and Ministerial/agency workforce plans.

Issue. There is inadequate understanding of national plans, the Public Service Regulations. There are confusions over office structures, classification of work and pay, job descriptions and operational procedures have been efforts under this heading.

20.2.4 ADB TA. Presently addressed are three main issues regarding major improvement as they relate to financial management improvement, public service improvement, and SOE reform. The development of MOF financial management system and the developing Human Resource Information System for MOH and then for PSC are efforts to improve delivery of services, as all the foregoing efforts.

20.2.5 Australia PSC TA. Ongoing assistance from APSC has been in the development of PSC Workforce Plan, of awareness & related knowledge (Induction Booklet), of standard operating procedures as they related to the Public Service Regulations.

20.2.6 Update training needs submitted to PICPA and the 2014 Roundtable with Development

Partner

Issues. The Chief Secretary Office needs to be strengthened to effectively implement its Constitutional mandate as the Head of Public Service, as the link between the public agencies and the Cabinet, and as the focal point so designated by legislations and policies to coordinate the implementation of policy formulation, analysis, implementation and evaluation. We still need to strengthen communications and understanding across the Ministries/Agencies through constant reporting and dialoguing among the heads through the CSO.

20.2.7 Revitalize the Deputy Chief Secretary post for Ebeye/Kwaj, and fill the Second Deputy Chief Secretary post established in 2014 but financed in 2015. Furthermore, put in place highly skilled staff in various aspects of management and administration. The idea about “multi-skilled” administrative staff with cross training, short-term rotation as part of the training, and utilizing identified our own skilled trainers for administrative functions of government agencies, is needed. As part of the training, trainers can conduct subjective performance evaluations of trainees. I wonder if such course can be developed with USP as a requirement

20.2.8 Hold monthly meetings of all Ministerial and Agency heads whereby regular presentations and discussions are featured. Of importance are topics related to international conventions in CRC and CEDAW, national policies on Climate Change, Gender Equality, Disability, Communiqués, FCTC, MDGs.

20.3 *Enforcing Legislations & Policies.* There is a need to “re-group” or to conduct internal review or self-assessment to ascertain that national policies and legislations are truly met. With the assistance of the Auditor General’s Office, performance audit throughout the Public Service began in 2014 in order to ascertain that the mandates assigned to Ministries and Agencies are being enforced through their respective organization of work and structures, their strategies, their programs, services and fiscal responsibilities.

20.4 *Improving Delivery of Government Services.* This year’s annual State of the Service report reflects the activities and human resource management practices of RMIPS, ministries and agencies, during the reporting period, 2013-2014. It also outlines some of the key achievements and contributions the line ministries and agencies have made in assisting the government to meet its policy objectives and the intended outcomes of the public service reform agenda. While significant progress has been made in terms of institutional capacity building and streamlined HR developments (strategies and policies); there remain areas in the RMIPS that require attention and action if their reform potentials are to be realized. of programs and services in the coming years.

20.4.1 Harvesting and maximizing of technical support being provided by Australia PSC (Workforce personnel administration), the `ADB {Strengthening Public Sector

Management in the North Pacific, Project Number: 47264 (Regional Policy and Advisory Technical Assistance December 2013)), and the University of South Pacific (HRM Diploma Program, Masters in Public Administration and Business Administration.

- 20.4.2 Exploring, expanding, and maximizing technical and/or financial support toward other training programs that would strategically advance the skills of the public servants not only in HRM and Public Administration but also in other occupations and professions, including the USDA Graduate School leadership development programs.
- 20.4.3 Work with respective Ministries and Agencies in the development, the certification, the remuneration, and the implementation of targeted training programs.
- 20.4.4 Conduct a survey of Ministerial management teams to determine how effective the PSC has been in meeting public service manager's expectations in terms of provision of useful services and products. Develop a monitoring and evaluation framework for the PSC.
- 20.4.5 Review the scope of the State of the Service Annual report to include information and data necessary to better cover the public service wide in terms of development activities carried out during the reporting period (calendar year reporting). This should take into account the use of data and information submitted by the whole public service
- 20.4.6 Though Standard Operating Procedures and training have taken place, there continued to be an issue with the lack of an accountable, transparent, efficient, effective, coordinated and systematic routing procedure/process for handling of key employment documents (Personnel Actions and Contracts) – a process that ultimately results in the unnecessary and protracted recruitment, placement, renewal/extension, and payment of employees. The following are challenges encountered and recommendations discussed to address these challenges.
- 20.4.7 Completed the PSC Request For Proposal framework for the renewal of the IAC Group Life Insurance Contract with the aim at specifically integrate policies to be structured and carefully tailored in giving particularly special accounts to the uniqueness of the Marshallese culture values.
- 20.4.8 Completion and implementation of the new Standard Operational Procedures for the government Housing Program. To ensure of its proper implementation, a couple of training opportunities were provided in order for the line ministries and agencies of the government to acquire of such confidence required thereof.

20.4.9 Creation of Taskforces on PSC Regulation review; Human Resource Development and Human Resource Management; and PSC Classification System and Remuneration taskforce.

20.4.10 Completion of the Performance evaluation & Standard Operation Procedures Manual.

20.4.11 In addition to standard operating procedures established earlier, staff members enrolled in the USP's Human Resource Management courses, PSC's Strategic plan and the hiring of much needed additional staff members (Assistant Commissioner for SHRM and soon to be brought on board two additional posts to address recruitment, training and performance), PSC is now able to position its self as a reliable resource in working along with line Ministries/Agencies in helping streamline Government programs and services all throughout the Public Service.

20.4.12 A comprehensive review of the PSC Regulations, Remuneration and Classification System of RMI-Public Service have given official approval for a major overhaul.

20.5 *Streamlining Government Services.* The Government has a number of units that may need to be eliminated, transferred, prioritized because they may hinder collaboration, promote redundancies, and resulting in inefficiencies and gaps adding to unnecessary costs in the Government.

20.5.1 We have been discussing units or programs legislatively established that do not necessarily fulfill their mandates or they no longer justify their existence.

20.5.2 We have been discussing the Gazette, the Print Shop, the Price Control Board, the Health Services Board.

20.5.3 We also have been discussing the possible expansion of the national government services at the local government levels, or the outsourcing of government services to the private sector, or the local government, or the non-governmental organizations. Reforming the SOEs, or merging some of these services that were established autonomously into the Public Service, for example.

20.6 *Prioritizing Unfunded Liability.* A report circulated by the Auditor General on the debt service borne by the Government at present and more so in the future pointed out the need for the Government to address this issue. This issue is mentioned in this report because of its implications to the economic sustainability of the country and thus its people. As pointed out

since the beginning of this Report, the cost of personnel will continue to rise and the capacity of the Government and thus the Public Service to meet labor demands will be further challenged. This issue is being spearheaded by the Office of the Auditor General.

Appendix A

THE PUBLIC SERVICE IN THE LAST 10 YEAR PERIOD

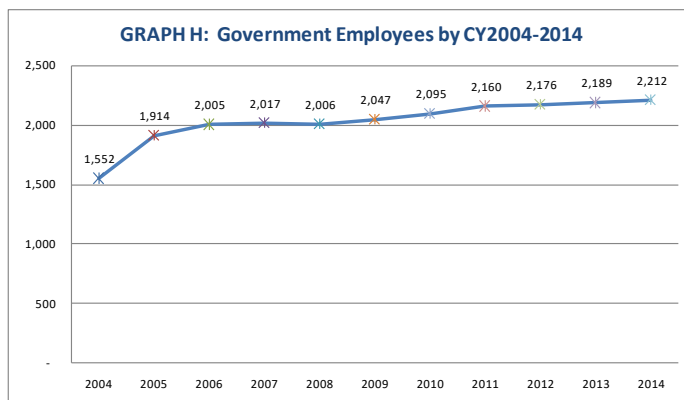
1. Expansion of the Public Service. Since 2005, the size of the Public Service workforce increased by a total of **298** workers, a 15.5% growth over the last 10 years, per *Graph-G*. Compared to the CY 2013, the increase in number of employees in 2014 was by **23** while the

TABLE 9 National Government Employees under the Purview of Public Service Commission of RMI by Ministry/Agency CY2004-2014

Ministry/Agency	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Auditor General	8	9	9	9	6	8	8	8	8	11	12
Cabinet	10	11	14	14	14	10	10	11	13	15	14
Land Registration Office	3	4	3	3	2	2	2	2	1	1	1
Customary Law Commisison	-	-	-	1	1	1	1	1	2	-	-
Office of Chief Secretary	17	18	7	8	11	10	9	12	7	14	17
EPPSO	7	7	7	6	6	20	18	23	5	8	8
OEPPC	-	-	2	3	2	3	4	3	7	8	9
WEATHER	-	-	10	12	10	9	9	12	12	12	12
Council of Iroij	3	3	3	3	3	4	4	4	4	4	4
Education	693	957	1,015	1,038	1,053	1,065	1,066	1,140	1,157	1,159	1,170
Finance	63	74	77	76	76	79	87	83	81	87	83
Banking Commission	3	3	3	3	3	3	3	3	3	2	2
Foreign Affairs	23	26	28	27	26	30	30	28	29	32	35
Health Services	479	528	553	550	535	520	563	542	578	588	584
Internal Affairs	55	65	63	66	60	68	67	69	53	60	59
Justice	29	34								-	
Justice - Attorney General			25	25	24	25	26	25	27	25	28
Justice - Public Defender			8	7	8	7	6	7	7	7	6
Nitijela	21	24	29	28	28	28	29	29	23	24	27
Public Service Commission	10	10	12	11	12	12	12	12	12	12	11
Public Works	99	108	101	91	91	103	103	101	101	76	85
Resources & Development	21	24	26	26	25	29	27	31	32	31	33
Transportation & Comm.	8	9	10	10	10	11	11	14	14	13	12
Total	1,552	1,914	2,005	2,017	2,006	2,047	2,095	2,160	2,176	2,189	2,212

increase in personnel cost was by \$632,599. As depicted below, the only increases more significant this year are those in the Ministry of Education (11), and at the Ministry of Public Works, a gain of 9 employees after a loose of 25 in 2013. Ministry of Foreign Affairs, Nitijela, Chief Secretary, and the Attorney General. Every other offices did experience loss of staff and/or have remained the same as previous year.

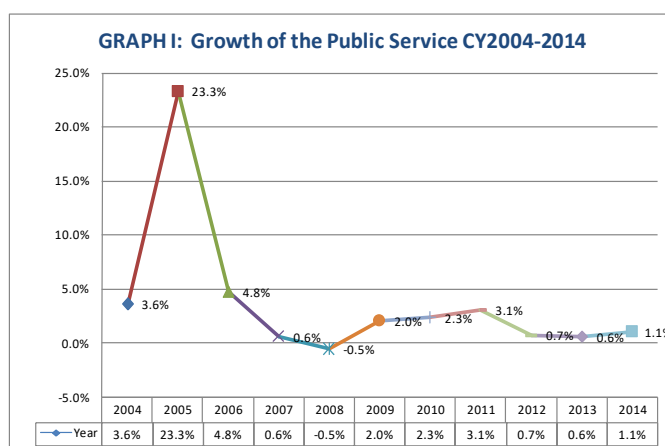
1.1 While the 43% represents a 10 year growth period (2004-2014), the annual rate from last year to this year, 2014, signified a growth at only 1.1%, or only 23 more public service employees. While this may appears insignificant, however, the actual cost associated therewith (\$632,566) was, in fact, an outcome of a number of required public



service financial expenditures, including the salary increments, re-classification of a number of positions with remuneration required, the frequent hiring of more the 2 and 4-years college graduates, placement of more health professionals and health specialists, and the hiring of the locum doctors for the urgently needed hospital administration and the provisions of general medical practices.

1.2 As was the case last year, the rise in number of employees taking medical leave, requesting “special leave”, or deceased while on the job have directly contributed to the expenditure obligations at public service wide. The challenges in dealing with the growing cost of personnel while kept a focus on delivering an efficient and economic obligation on public service performance had, in fact, prompted the government in looking at the need to streamlining and harmonizing the required public services by improving the service delivery system, a campaign strategically led by the Public Service Commission.

2. Slowing PS Increase Rate. The relentless efforts put forth by the government, particularly during the last three years, in utilizing the various schemes and controlling measures on the rise of personnel and cost have reaped desirable fruits as shown in *Graph H*. By comparison, this year’s 1.1% signified an increase of only 0.5% from last year’s 0.6%. Overall, the spike at 23.3%, in 2005, has thus far been leveled off maintaining an eight (8) year span average of only 1.8% (*Graph H*).



2.1 The Public Service Commission’s One-on-One regular and special consultation sessions with the PS ministries and agencies have greatly contributed as well in championing the campaign. During the year, the topic topping the discussion agenda has been no other than ways to addressing the need to minimizing the sizing of the workforce and the personnel cost. The effort has more or less manifested through a number institutional capacity building measures and initiatives strategically to streamlining the government in applying the “doing-more-with-less” principle. For example, the restructuring and reorganizational exercises conducted and administered by the PS ministries and agencies have resulted not only in harmonizing of the internal operation and strengthening of management capacity, but has significantly facilitated the efforts in improving work performance and attendance at public service wide. In particular, the policy on the right-sizing of the public service over the last five (5) years, for example, has helped maintained the size of the public service workforce under control.

Appendix B

Table ____ Implementation of the PSC Plans.

Challenges/ Issues identified in the PSC Strategic Plan	Objectives of Strategic Plan & Workforce Plan	Accomplishments/ Initiatives
1. Improving current personnel administration processes	Theme 3: Adding Value to the Public Service Commission Programs and Processes—review of personnel administration processes to achieve dramatic improvements in performance and services to stakeholders	<p>With the continued technical assistance provided by the Australia PSC, the following key standard operating procedures have now been developed and are now being implemented across the Public Service: Selection & Recruitment, Performance Management, Housing Policy, Leave Policy, Disciplinary Action SOP, and soon to be completed is the Orientation/Induction Booklet. It should be noted, however, that Orientation sessions are being carried out for new employees, and PSC has also conducted similar sessions with staff members from the Ministry of T&C and all Government workers on Ebeye, Kwajalein atoll during the year.</p> <p>With the addition of new staff members (Assistant Commissioner for Strategic Human Resource Management, and eventually a Recruitment & Training and Performance Management Officers) Commission is then able to strategically align itself to provide quality services in the areas of HRM and HRD.</p> <p>Coordinating with Ministries to assist with recruitment efforts via websites and RMI's Embassies abroad, particularly professional posts.</p>
2. Improving Public Service Regulations & increasing adherence to them	Theme 3: Adding Value to the Public Service Commission Programs and Processes—review of public service regulations to improve clarity, appropriateness and detail of rules regulating conditions of employment in the Public Service of the RMI.	<p>With the addition of a new Assistant Commissioner, responsible for Strategic Human Resource Management, Taskforces have been established to commence a comprehensive review of the PSC 2008 Regulations, particularly the classification and remuneration plans. APSC has offered to assist and provide technical assistance in the important initiative as well.</p> <p>PSC and MoH, with the blessing of the Cabinet, and have reclassified employees' salaries starting with the medical staff (Medical Specialists, General Practitioners, Dentists, Medexes, Health Assistants, etc). Further work on the remuneration package for medical doctors includes the addition of other allowances (housing, chairmanship of committees, etc).</p> <p>Moreover, the work is to be expanded to include all other professionals within the services (Lawyers, Nurses, Engineers, etc).</p> <p>The Commission continued with its annual one-on-one</p>

		<p>consultations with respective ministries in an effort to improve understanding of respective Public Service Regulations. Such is also done through raising of awareness via radio broadcasting, Facebook info site, site visits to ministries, etc.</p> <p>Another equally important forum that is being utilized to further understanding of the PSC processes and initiatives is the monthly Heads of Ministries organized and spearheaded by the Office of Chief Secretary.</p>
3. Reforming PSC to be able to assist Public Service Ministries and Agencies in all areas of human resource management & development	Theme 2: Adding Value to the Role of the Public Service Commission– become the lead agency in public sector human resource management reform and develop the capacity to be a source of guidance and support in all functions.	<p>Developing operational-procedural guide for the Commissioners</p> <p>PSC and other Personnel staff members from other line Ministries continued to enroll and took Human Resource Management courses at USP. Completion of the first leg of the course work, which is a Certificate, is expected for 2015. Once that is completed, it is expected that the cohort will continue enrolling until such time they have achieved a Bachelor's degree.</p> <p>A Recruitment & Training Officer and a Performance Management Officer are expected to commence working in early 2015 to further strengthen and streamline the Commission's key role as an HRM/HRD agency of the GRMI.</p>
4. Improving HRM decision making via the establishment and implementation of a Human Resource Management Information System (HRMIS)	Theme 2: Adding Value to the Role of the Public Service Commission– establish a public service HRMIS that will improve HRM decision making and administration	This 2014 Project is ongoing with the technical and financial assistance of the ADB in collaboration with Australia PSC and the RMI Ministry of Finance. The first phase will be the review of at least two software programs– one that needs add-one and the other a new comprehensive installation.
5. PSC securing and upgrading back-up personnel files and sharing capacity building initiatives as the MOE PSS becomes autonomous	Theme 3: Adding Value to the Public Service Commission Programs and Processes– Assist SOEs and other public sector agencies in all personnel administration and human resource management.	<p>.</p> <p>The MOE Public School System Act was enacted in late 2013 with expected implementation as of October 2014. However, a second legal opinion has been circulated by the Office of the Attorney General questioning the Constitutionality of the Act.</p>
6. Developing the RMI Workforce Strategic Plan	Theme 1: Adding Value to the RMI Public Service– identify workforce capacity Ministries and Agencies	APSC has committed itself to continue its technical assistance work with PSC to further assist line Ministries with development of their own Workforce Development Plans, using PSC's Plan as a guide, and other key initiatives in 2015. Part of the work is to assist with the continued development and refinement of an overall PSC Manual of Operation.

Appendix C

THE RMI PUBLIC SERVICE CODE OF CONDUCT

The Republic of the Marshall Islands Public Service Employees are required, under the PSC Regulations, 2008, as amended, to behave in a way which upholds the **RMI-PSC Regulations**.

The PSC Regulations require that a RMI public service employee must:

1. Behave honestly and with integrity in the course of his/her RMI-Public Service employment;
2. Act with care and diligence in the course of his/her RMI-Public Service employment;
3. When acting in the course of RMI-Public Service employment, treat everyone with respect and courtesy and without harassment;
4. When acting in the course of RMI-Public Service employment, comply with all applicable RMI laws.
5. Comply with any lawful and reasonable direction given by PSC;
6. Maintain appropriate confidentiality about dealings that the employee has with the Ministerial and Agency heads;
7. Disclose, and take any reasonable steps to avoid any conflict of interest (real or apparent) in connection with RMI-Public Service employment;
8. Use the government resources in a proper manner;
9. Do not provide false or misleading information in response to a request for information that is made for official purpose in connection with the employee's PSC employment;
10. Do not make improper use of:
 - A .inside information, or
 - B the employee's duties, status, power or authority; in order to gain, or seek to gain, a benefit or advantage for the employee or for any other person;
11. Always behave in a way that upholds the RMI-Public Service principles and the integrity and good reputation of the RMI-Public Service;
12. While on duty overseas, at all times behave in a way that upholds the good reputation of the Republic; and;
13. Comply with any other conduct requirements that are prescribed by the PSC Regulations, 2008, as amended

Appendix D

2014 Personnel Activities Review. Review of personnel activities includes the review of data as well as the unannounced spot inspections.

1 There were 879 personal actions conducted in 2014, less of about 236 as compared to last year (*Table-6*). A number of factors responsible for this dramatic decrease chief of which was the actions associated with the personnel affairs of the MOE.

1.1 In all, there was more Contract Extension taken place during the year (245). Other higher numbers of personnel in 2014 includes: Appointment of existing posts (205), Employment Amendments (82) Increment & Step Increase (45), Change of Status (56), Pay Salary Amendment (12) and reinstated/rehired (4), but minus the number of resignations (40), retirements (6), and terminations, with other types (51).

TABLE 10 Personnel Activities of the Public Service Commission CY2014

Activities	2014			
	total	MOH	MOE	Others
Amendments				-
Appeal				-
Appointment, New Post				-
Appointment, Existing Post		53	93	59
Change of Account				-
Change of Last/First Name				-
Change of Status		15	3	38
Change of Title				1
Contract, Locum		4		4
Contract, Extension		177	6	62
Contract, Special/Short Term		10	1	11
Conversion, Post/Title		3	4	5
Correction				-
Education Leave		12		3
Employment Announcement		42	25	15
Increments/Step Increase		24	19	2
In-service/Educational Leaves				-
Night/Standby differential				-
Pay/Salary Adjustment				12
Promotion		6	9	11
Reclassification			2	6
Reinstated/Rehired			3	1
Relocation/Reassignment				-
Renewals				-
Replacement				-
Resignation		21	6	13
Retirement			3	3
Special Leave			6	6
Suspension				-
Termination, End of Contract/Employment		27	12	5
Termination, With or Without Cause				5
Termination, Medical Reasons				2
Termination, Deceased				-
Transfer, Relocation		7	9	21
Volunteer Service		2		2
TOTAL PERSONNEL ACTIONS		403	201	275

1.2 The Personnel actions that would have added to the personnel costs includes: Contract Extension (245), Step increments (45), Promotions (26), and Salary adjustments (12), and Special Contracts (22). These actions have resulted in the additional personnel cost of a little over \$380,000 dollars to make the 2014 total of \$28.5 million.

9.3 Staff members conducted spots checks to selected Ministries/Agencies during the period of March – April and upon request on September 2014.

1.4 Results of the un-announced spot checks produced the same results from last year, which included but not limited to timecards not matching what is recorded on the timesheets and reported to MOF Payroll Office; employees arriving late to workstations; Offices not having any time-clock machines to properly record employees actual hours worked or not worked; there exists severe lack of budgets, tools and manpower to carry out certain Ministry's mandates; in some instances there exists the issue of overstaff that results in employees not

having any work to do, yet continued to be paid fully; there also exists sever lack of standard operating procedures in procurement, inventory and issuance of properties and assets.

Appendix E

Eight (8) Main Classification Groups		Sixteen (16) Pay Levels
Classification One General Administrative, Managerial, & Related Occupations	Sixteen (16) Pay Levels	PL sixteen (16) and fifteen (15) are classified as special levels, established for compensation purposes for certain jobs that are very important and critical for the Republic of the Marshall Islands
Classification Two Legal & Related Occupations		
Classification Three Data, Information, & Related Occupations		PL nine (9) to fourteen (14) are defined as managerial levels, with managerial and operational responsibilities.
Classification Four Agriculture, & Related Occupations		
Classification Five Fisheries, & Related Occupations		PL six (6) to eight (8) are defined as operational levels, skilled and specialized positions, responsible for main program delivery in ministries and agencies.
Classification Six Medical, Public Health, & Related Occupations		PL three (3) to PL five (5) are defined as clerical levels, semi-skilled positions, responsible for program delivery or assisting program delivery staff in ministries and agencies.
Classification Seven Technical, Mechanical, Engineering, Trade, & Related Occupations		
Classification Eight Education, Social, & Related Occupations		PL one (1) and PL two (2) are defined as service and support levels, unskilled positions, for manual and physical work.