



# **2021 ANNUAL REPORT**

## **Public Service Commission**

January – December 2021

## TABLE OF CONTENTS

I.	Mandate.....	2
II.	Introduction.....	3
III.	The Public Service	
	A. Size and Composition.....	6
	B. Personnel Cost.....	7
	C. Personnel Activities.....	9
	D. Gender and Age.....	10
IV.	Performance Management & Workforce Development	
	A. Evaluations.....	11
	B. Public Service Performance.....	13
	C. Manager's Effectiveness Evaluation.....	14
V.	Government Leased Housing.....	15
VI.	Insurance and Savings	
	A. IAC Group Life Insurance.....	17
	B. ASC Retirement Savings Plan.....	17
VII.	Training and Development.....	18
VIII.	Challenges and Limitations.....	19
IX.	Way Forward	
	A. Civil Service Reform.....	20
	B. Instructions.....	20
X.	Conclusion.....	22
XI.	Attachments	
	Annex 1: Instruction on Efficiency and Effectiveness of Delivering Public Services	23
	Annex 2: PSC Instruction 2021/01 Installation of Additional New Pay Levels.....	25
	Annex 3: PSC Instruction 2021/05 Application of Overtime Hours.....	27

## MANDATE

“The Public Service Commission shall be the employing authority for the Public Service and shall have the general oversight and control of its organization and management and shall be responsible for reviewing the efficiency and economy of all Departments and offices of Government.”

- *Constitution of the Republic of the Marshall Islands, Article VII, Section 9(1)*

## INTRODUCTION

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

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

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

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

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

1. The Division of Administration

The Division of Administration is responsible for general administrative functions of the office including managing the Government Housing program, as well as liaising and coordinating activities with the Government Life Insurance Company.

## 2.) The Division of Personnel and Training

The Division of Personnel and Training is responsible to oversee the management of personnel and recruitment of the public sector training needs and the efficient and effective execution of policies, programs and services. The Human Resource Management Information System (HRMIS) is the system that captures all the data for the public service.

It was suggested during a budget hearing discussion that better links between PSC and the RMI skills development agencies and identify skill need and maintain a RMI skill bank. Award of scholarships should be relevant to the skills needed in the public service. The PSC and Scholarship Office should work together or a merge. In exercising this very integral role in the recruitment process and every precaution will be taken to make sure all policies and procedures are being adhered.

This report contains narrative information on Government personnel under the purview of the Public Service Commission, thus excluding the Public School System (PSS) and the Marshall Islands Police Department (MIPD). For information purposes, PSS had a total of 1,204 employees with a personnel cost of \$16.3M during FY21.

As you will see at the lateral part of this report, we depict numerically and statically, the state of public service for the year 2021 in relation to the size and composition of the workforce, including personnel cost, demographics, employee trainings, performance management, housing, and insurance programs as compiled and recorded by the Office of Public Service Commission with assistance by other Agencies.

This report contains narrative information on Government personnel under the purview of the Public Service Commission, thus excludes the Ministry of Education, Sports and Training, and the Marshall Islands Police Department. This report captures activities on the state of the public service for the calendar year 2021 in relation to the size and composition of the workforce, including personnel costs and demographics, employee trainings, performance management, housing, and insurance programs. Data and information were compiled by the Office Public Service Commission for the purpose of this report.

Since the COVID-19 pandemic broke out in early 2020, processes were disrupted and the world was on lock down. Despite this, the Marshall Islands remained one of the very few countries to be

COVID-19 free. This report describes the productivity taking into account the challenges and limitations that were met during the year. Based on this review, a set of broad and specific recommendations are outlined as a way forward for purpose of quality public services and programs for the benefit of the Republic of the Marshall Islands.

## THE PUBLIC SERVICE

### A. Size and Composition

During the year 2021, the public service workforce was at a total of 1,194 employees, with Government spending of \$20,898,054.00 on personnel costs. Table 1 shows that 87% of the workforce consisted of Marshallese and only 13% was Expatriates. Although more than three quarter of the workforce is Marshallese, the average cost per

Table 1. Profile of the RMI Public Service for CY2021					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost Per
All Employees	1194	100%	\$20,898,054	100%	\$17,503
Female	525	44%	\$9,240,050	44%	\$17,600
Male	669	56%	\$11,658,004	56%	\$17,426
Retirees	117	10%	\$2,400,045	11%	\$20,513
Marshallese	1041	87%	\$17,019,199	81%	\$16,349
Expatriates	153	13%	\$3,878,855	19%	\$25,352

TABLE 2: NUMBER OF EMPLOYEES BY MINISTRY AND COST (CY: 2021)						
	Marshallese		Expatriates		Ttl Emps	Ttl Amount
	# of Emps	Ttl Amount	# of Emps	Ttl Amount		
Auditor General	20	405,045	1	38,000	21	443,045
Cabinet	13	269,320			13	269,320
NNC	2	61,000	1	21,000	3	82,000
Office of the Chief Secretary	15	422,090			15	422,090
EPPSO	11	237,940			11	237,940
CCD	6	152,025			6	152,025
NEO	5	129,025			5	129,025
Weather	9	267,970			9	267,970
Council of Iroj	5	72,050			5	72,050
Finance (FBPS)	100	1,886,365			100	1,886,365
Banking Commission	11	235,135	1	31,000	12	266,135
Single State Agency	7	116,205			7	116,205
Foreign Affairs (MoFAT)	16	387,015			16	387,015
Health Services (MoHHS)	523	7499094	140	3,444,455	663	10,943,549
Internal Affairs (MoCIA)	51	849395	1	23400	52	872,795
Justice - Attorney General	12	405045	1	38000	13	443,045
Justice - Immigration	14	195970			14	195,970
Justice - Labor	5	94115			5	94,115
Justice - Public Defender	3	61025	2	85000	5	146,025
Nitijela	23	414120			23	414,120
Public Service Commission	14	313320			14	313,320
Public Works (MoWIU)	133	1724540	6	209000	139	1,933,540
Resources & Development (NRC)	31	496305			31	496,305
Transportation & Comm. (TC&IT)	12	231130			12	231,130
	<b>1,041</b>	<b>16,925,244</b>	<b>153</b>	<b>3,889,855</b>	<b>1,194</b>	<b>20,815,099</b>

expatriate was \$25,352 compared to only \$16,349 per Marshallese. This is due to the hiring of expatriates in the professional fields that were needed in the areas of health, finance, engineering, and law.

Table 2 depicts the total number of employees by Ministry and cost. As can be seen from the chart, the top three Ministries with the highest number of employees were: the Ministry of Health and Human Services with a total of 663 employees; followed by the Ministry of Works, Infrastructure and Utilities with 139 employees, and falling third in place is the Ministry of Finance, Banking and Postal Services with a total of 100 employees. A majority of recruitment took place at the Ministry of Health and Human Services, due primarily to the COVID-19 Preparedness and Response Plan. More positions in the health sector were in demand to assist in the pandemic and the Dengue Fever outbreak.

When compared to the least number of employees, the National Nuclear Commission held the least number of employees with only three staff members. Since the establishment of the National Nuclear Commission Act of 2017, the NNC is relatively a new office. The Council of Iroij, the National Energy Office, the Public Defender Office, and the Labor Division each had five employees during the year.

## B. Personnel Cost

As mentioned above, the total personnel spending for the year 2021 was \$20,898,054.00. When compared to the two previous years, total spending was \$19,250,729.00 in the year 2019, and in 2020, personnel costs increased and hit the \$20M mark with a total of \$20,492,669.00. This gradual trend in the increase of cost over the past three years, as seen on Table 3, is complementary to the growing workforce and other factors. Such factors include contractual retainment of the higher management positions, higher rates and incidences of salary increments, placement of degree holders, and the recruitment of skilled workers. For example, twenty (20) expatriate COVID-19 nurses, who had the right skills and experience, were rehired and their contracts were extended.

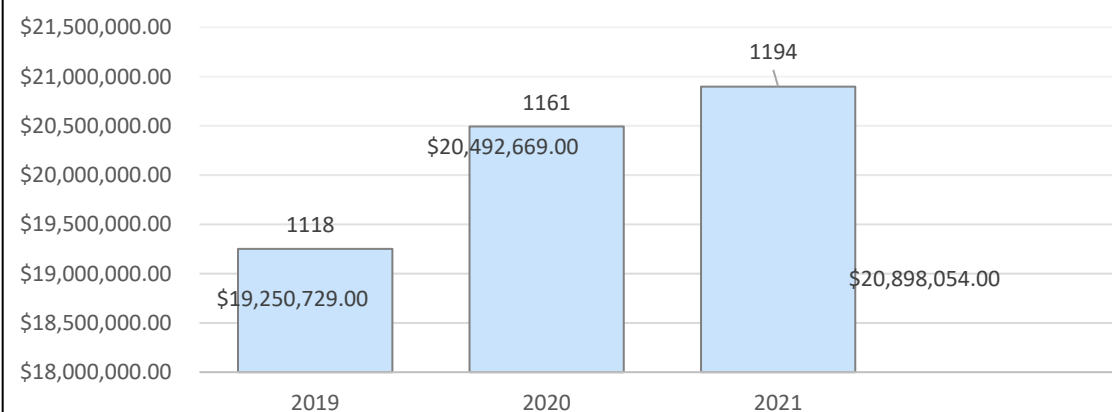


Overtime hours was also a great contributor to the high spending in personnel cost. Graph 1 shows the total cost spent on overtime hours for the year 2021 was \$872,026.36 as compared to \$235,209.56 for 2020. A more focused analytical review into the difference of \$636,816.80 strongly suggested that the majority of overtime work done was to plan, prepare, build capacity, educate, and enforce any effort into the COVID-19 pandemic. A total of \$575,880.83 was compensated to Ministry of Health and Human Services employees for overtime hours alone.

**Table 3: Amount Spent on Overtime Hours by Ministry (CY 2021)**

Ministry/Agency	2021	2020
Cabinet	--	\$6,148.00
MOHHS	\$575,881.00	\$130,039.00
OCS	\$126,394.00	--
Nitijela	--	\$8,486.00
MOFBPS	\$35,766.00	\$37,530.00
Custom	--	\$8,804.00
MOFAT	\$5,049.00	\$7,358.00
EPPSO	\$1,477.00	--
MOCIA	\$22,872.00	\$4,859.00
MOWIU	\$78,106.00	\$8,982.00
MNRC	--	\$9,522.00
IMMIGRATION	\$25,700.00	\$11,400.00
PSC	\$319.00	\$784.00
MTCIT	\$463.00	\$1,299.00
<b>TOTAL OVERTIME</b>	<b>\$846,327.00</b>	<b>\$235,211.00</b>

**GRAPH 1: TURN OVER RATE (2021)**



### C. Personnel Activities

Table 4: Personnel Activities (CY2021)	
Activities	Number
Appointment	137
Change of Position Title	36
Change of Status Probation to Permanent	69
Change of Status Permanent to Contract	45
Change of Status Contract to Permanent	14
Contract Extension	273
Demotion	1
Position Reclassification	21
Position Conversion	8
Promotion	34
Resignation	77
Retirement	3
End of Contract	36
Salary Adjustment	17
Salary Increment	237
Salary Reclassification	49
Termination	25
Transfer	19
Transfer within Ministries/Agencies	50

The data on Table 4 shows the number of personnel activities over the past year. It illustrates the type of personnel action and number of actions taken place during the year. As shown on the table, there were a total of 1,151 approved action items. There were 396 more action items this year compared to the prior year. Reasonably, with the growing workforce, the trend over the years has seen an increase in action items on personnel activities.

During the year, there were a total of 137 appointments into the public service, while 273 contracts were extended. While 77 resigned from the workforce, 1 demoted, 3 retired and 36 contracts came to an end, 25 terminated, there was a total of 237 salary increments and 34 promotions.

In comparison to the two previous years, in 2020 there were 755 approved actions, and in 2019 there were only 149 actions. There is a clear increase in personnel action activities whereas this year in 2021 the action actions jumped to a total of 1,151.

## D. Gender and Age in the Public Service

As depicted in Table 5, there are three clear pictures where gender imbalance is obvious during the year. Firstly, there is the evident

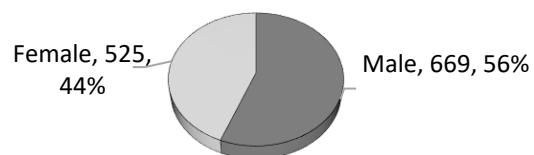
Table 5: Gender in the Public Service (CY2021)					
Category	Number	Percentage	Cost in Millions	Percentage	Ave. Cost
All Employees	1194	100%	\$20,898,054	100%	\$17,503.00
Female	525	44%	\$9,240,050	44%	\$17,600.00
Male	669	56%	\$11,658,004	56%	\$17,426.00

domination of the male workforce. Males continued to dominate the workforce by 56%, while 44% of the workforce consisted of their female counterparts as seen Graph 2.

Secondly, and despite the notable male domination in the workforce, the occupational representation of women particularly in the mid to senior level ‘managerial’ positions continued to grow. This growth manifested itself over the past few years. Table 5 further illustrates the slight difference in the average cost, where females earned an average cost of \$17,600, while male counterparts earned an average cost of \$17,426. The difference in \$174 led to an impressive increase in the total cost of gains for female employees.

Thirdly, gender imbalance can be seen in the distribution of occupation. A logical review into the trend suggested that male dominated the traditional blue-collar positions, while their female counterparts mostly occupied the traditional clerical

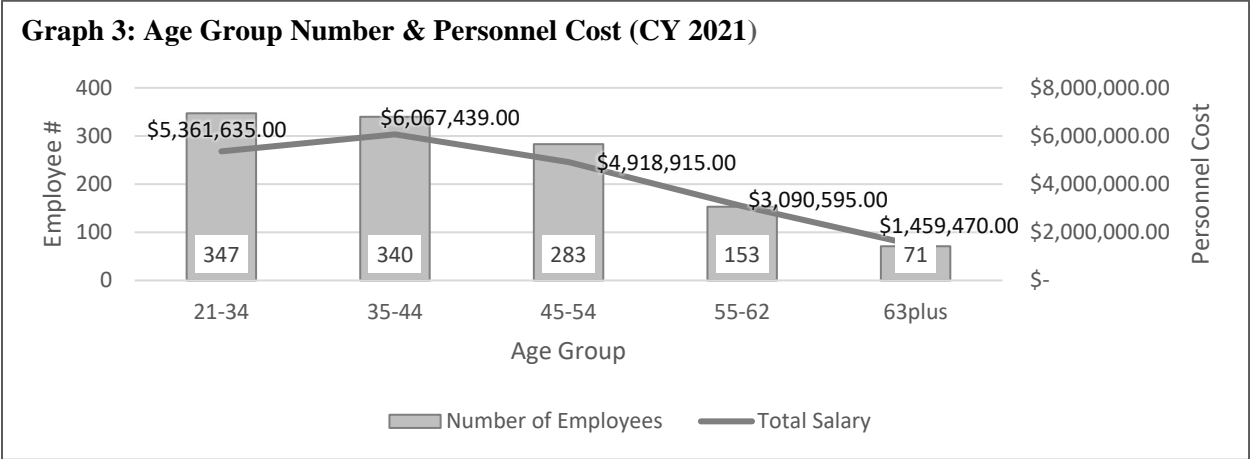
**Graph 2: Total Employees by Gender (2021)**



and secretarial positions. For example, the Ministry of Works, Infrastructure and Utilities, has all male dominating the positions of mechanical and engineering. Graph 3 shows the number of employees by age and personnel cost across the public service. As reported in previous years, employees in the age group between 21- 44 consisted of the bulk of the workforce. Logically, after reaching a peak in productivity and quantity, the number of employees and personnel costs decrease as the workforce matures and eventually exited the public service. The data also showed a fairly young workforce during the year, with 347 employees (29% of the workforce) in

the 21-34 age group. There continues to be a growing number of fresh graduates returning home with their degrees eager to build careers. The Public Service Commission in line Ministries/Agencies continued to provide necessary in-house and other training opportunities.

During the period, 71 employees reached retirement age (63 plus years). Although the number of retired employees was stagnant from the previous year in 2020, there was an increase of \$61,217.00 in personnel cost during 2021. The slight increase in cost was in part a result of due increments. Per PSC Regulation 2008 as amended, Section 19(3), the Commission may enter into a contract with an employee who reached 60 years old but less than 63 years; and goes on to state in Section 19(4) that an employee over 64 years of age shall be retained unless the Commission determines otherwise. Therefore, all 71 employees in the retirement age group were on contract, as determined by the Commission as necessary for the efficiency of the Service, still in need of the concerned Ministry, the interest of the public, and accords to continued employment.



## PERFORMANCE MANAGEMENT

### A. Evaluations

In line with the PSC Regulations, Section 30, each Head of Department is required to provide the Public Service Commission with a performance evaluation of each of their employees at least once a year. The primary goal of the performance evaluation is to assess the overall performance of an employee throughout the year, rating the extent to which they have delivered their outcomes,

define job responsibilities, and it also provides a basis for remuneration, pay raises, promotions or disciplinary actions.

<b>Table 6: Number of Evaluations Submitted by Ministry/Agency (CY 2021)</b>				
<b>Ministry/Agency</b>	<b>No. of Submissions</b>	<b>No Submissions</b>	<b>Total # of Employees</b>	<b>Status</b>
Council of Iroij	0	5	5	No Submission
EPPSO	2	8	11	Incomplete
MOFBPS	2	105	108	Incomplete
MONRC	21	10	31	Incomplete
MOFAT	12	0	12	Complete
MoWIU	62	75	137	Incomplete
MOTC&IT	9	2	11	Incomplete
MOCIA	36	19	55	Incomplete
MOHHS	463	215	678	Incomplete
Attorney General	12	2	14	Incomplete
Divisions of Immigration	14	0	14	Complete
Labor Division	4	1	5	Incomplete
Office of the Chief Secretary	7	6	14	Incomplete
Auditor General	19	0	19	Complete
Cabinet	0	12	12	No Submission
Nitijela	15	8	23	Incomplete
CCD	5	1	6	Incomplete
PSC	14	0	14	Complete
Public Defender	5	0	5	Complete
NEO	0	5	5	No Submission
Weather Station	0	9	9	No Submission
National Nuclear Commission	3	0	3	Complete
<b>Total</b>	<b>705</b>	<b>483</b>	<b>1191</b>	

During 2021, with twenty-two (22) line Ministries/Agencies under the purview of PSC, there was a total of 1,191 public service employees. The data on Table 6 showed that by the end of the year, 705 or 59% of performance evaluations were submitted to PSC, while 483 or 41% failed to submit.

The four (4) Ministries/Agencies that did not submit their employee performance evaluations and therefore are non-compliant with no submission were the Council of Iroij, Cabinet, National Energy Office and Weather Services Station.

## B. Public Service Overall Performance

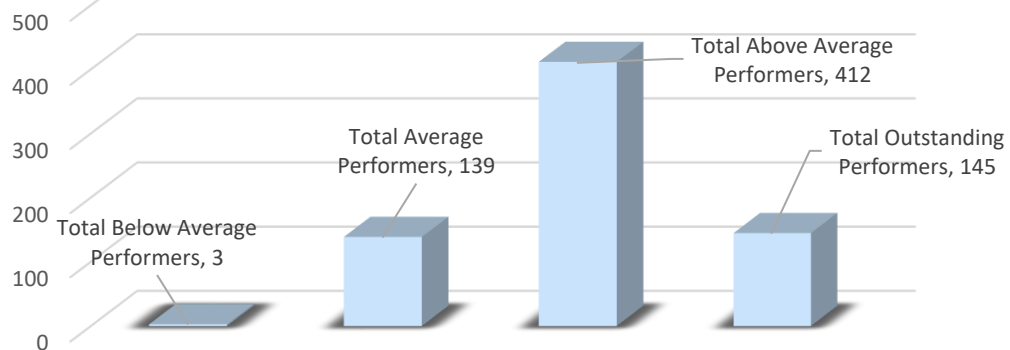
While analyzing the overall performance of the whole workforce, 59% of personnel were above average performers, 21% were outstanding performers and 20% were average performers.

It was found that four Ministries or Agencies gave outstanding performances, while the rest of the Ministries performed on Above Average. For accuracy, these numbers were collated and computed in an excel database.

This report presents results on the Annual Performance Evaluations for 2020-2021 year, taking stock of the number of employee performance evaluations and self-appraisals that were submitted by line Ministries and Agencies under the purview of PSC. Therefore, the overall performance capacity level of each Ministry/Agency was revealed, as seen on the data on Table 7 and Graph 4.

Table 7: Overall Performance by Ministry (2021)	
Ministry/Agency	Overall Performance Rating
Council of Iroij	-
EPPSO	3.42
MOFBPS	4.83
MONRC	3.8
MOFAT	3.84
MOWIU	3.7
MOTC&IT	4.05
MOCIA	3.81
MOHHS	3.91
Attorney General	4.43
Divisions of Immigration	3.5
Labor Division	4.02
Office of the Chief Secretary	3.61
Auditor General	4
Cabinet	-
Nitijela	4.54
CCD	3.7
PSC	3.61
Public Defender	3.44
NEO	-
Weather Station	-
National Nuclear Commission	4.67

**Graph 4: Personnel Overall Performance (2021)**



Several issues are associated with these performance evaluations. Aside from the lack of communication between the Heads of Departments with employees, causing late or no submissions at all, but sometimes, evaluations are incomplete or not endorsed by immediate supervisors. Often times, leniency is a problem, which high ratings are consistent than the expected norm or average.

At the same time, some employees are not comfortable in expressing themselves through their self-appraisals, some have even requested to hand deliver these appraisals themselves.

A common concern from employees is the need for capacity building and trainings, especially in administrative work, management and communication, information technology, report writing and human resources. Other concerns from employees included poor working environment and the lack of working equipment.

### C. Manager's Effectiveness Evaluation

The first ever Manager's Effectiveness Evaluation was conducted during the year to be in line with PSC's responsibility in reviewing the efficiency and effectiveness of Government Offices. This was a joint effort with the request

**Graph 5: Performance Evaluation Submissions (CY 2021)**

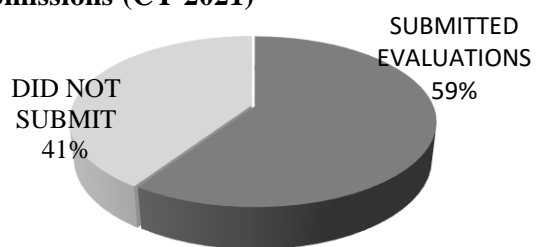


Table 8: Performance Grading – Key Legend	
Performance Ratings	Performance Evaluation
0.08 - 1.49	Unsatisfactory
1.50-2.42	Below Average
2.50 - 3.33	Average
3.42 - 4.33	Above Average
4.42 - 5.00	Outstanding
--	No Submission

of the Chief Secretary. The Manager's Effectiveness Evaluation was conducted on all civil servants who 'managed' and led a team of more than one. The evaluation was an appraisal on those who lead teams. All heads of departments were given this opportunity, from the Chief Secretary to Secretaries, Directors, which also included Deputy/Assistant Secretaries, Managers, and Chiefs. The opportunity was for staff to evaluate their

immediate supervisors on their management and overall leadership, effectiveness and performance. This tool offered staff an opportunity to voice their concerns without having any repercussions for raising any areas of concern that leaders and managers need to improve on, and with the notion of managers taking feedback constructively. The feedback on the assessment was overwhelming and there was no clear method on analyzing the data.

Since this was the first manager's evaluation conducted, there is room for improvement. As recognized, through PSC's coordination with the Office of the Chief Secretary, Performance based contract employees require mid-year evaluations. Therefore, this tool will also be used in future mid-year evaluations to assess performance-based contract employees. Additionally, after receiving the overwhelming data from the paper survey, a recommendation for the next exercise assessment is to have the evaluation completed through a "monkey survey." A monkey survey is an online questionnaire that simplifies the survey process considerably. This will help streamline the analysis process as well as protecting the confidentiality of the employee.

## GOVERNMENT LEASE HOUSING

Pursuant to the Public Service Commission Regulation, 2008 As Amended, Section 54, Residential Housing Quarters, the Public Service Commission shall provide government owned or leased housing to all eligible employees of the Government of the Republic of the Marshall Islands. Moreover, the Government Employee Leased Housing Policy extends eligibility to all expatriate contract employees and other individuals in the government who are eligible to receive government owned or leased housing as may be authorized by the Public Service Commission. Attached Housing Policy.

During the year, the government spent a total of a little over \$1,215,000.00 to provide housing accommodations for a combined total of 135 employees across the workforce (including the University of the South Pacific contracted employees and consultants). This is obviously an area that should be closely monitored, particularly in the overall efforts of the government (PSC) in maintaining efficiency and economic growth across the public service.



<b>Table 9: Number of Leased Housing by Ministry and Cost (2021)</b>		
<b>Ministry</b>	<b>No. of Leased Housing</b>	<b>Cost</b>
Office of the Chief Secretary	1	\$9,000.00
Ministry of Works, Infrastructure and Utilities	3	\$27,000.00
Ministry of Finance Banking & Postal Services/Banking Commission	1	\$9,000.00
Ministry of Health & Human Services	119	\$1,071,000.00
Attorney General	2	\$18,000.00
Auditor General	1	\$9,000.00
Public Defender	2	\$18,000.00
University of the South Pacific	5	\$45,000.00
Public Service Commission	1	\$9,000.00
<b>Total:</b>	<b>135</b>	<b>\$1,215,000.00</b>

By comparison to last year's total, this year cost decreased by \$56,000.00, and logically the number of employees who were on Government leased housing dropped by six (6). The main contributor to the slight reduction in accommodation was the lockdown due to the pandemic.

The Ministry of Health and Human Services remained to be the Ministry with the highest number of hired expatriates who, reasonably, needed housing accommodations. There continued the need to hire professional doctors in specialized areas, but as the pandemic started, hiring COVID-19 nurses was essential as they are trained specifically in this area.

While the government housing policy provides a guide to government housing matters, there are a number of housing procedures that need to be carefully designed in ways that best respond to the needs of both the tenant and landlord, at the same time to reflect existing policies. This particular challenge continues to be an area needing attention. Having said that, PSC has plans to update the current Government Housing Policy, which was endorsed by Cabinet in 2013, taking into account the high cost of living today.

## INSURANCE

### A. IAC – A Group Life Insurance Program

The Public Service Commission renewed its group life insurance program with IAC (Individual Assurance Company, based in Oklahoma City). The group life insurance agreement between RMI and IAC expired on October 31, 2021. The bidding process started earlier during the year to allow ample time for all the requirements to be completed before the new contract date to commence. The effort on the solicitation for request for proposal was attempted to reach a wider scope of viewers, particularly in the Pacific region. The bidding process was followed through and finally IAC was once awarded, effective date of the new contract was on November 1, 2021 until October 31, 2024.

During 2021, total claims awarded was \$643,277.72. In contrast to 2020, which a total of \$425,000.00 was awarded, showed an increase of \$218,277.72 over the year. A major contributing factor to the substantial increase is the increase in basic benefit claims, which was only three (3) claims in 2020, while 12 claims were made in 2021. Also, during the year, there were 13 new enrollees to the program, while 6 employees decided to discontinue their policy.

Table 10: IAC Claims during 2021		
Type of claim	No. of Claims	Total received
Basic Benefit	12	\$546,277.72
Spouse Benefit	4	\$40,000
Child Benefit	0	0
Parent Benefit	9	\$27,000.00
Parent-in-law Benefit	10	\$30,00.00
<b>Total Claims</b>	<b>35</b>	<b>Total: \$643,277.72</b>

### B. ASC Trust – A Retirement Savings Plan

The RMI Government has a retirement savings plan in place with ASC. ASC Trust is a retirement management service provider for the Micronesia region. Individual employees have the opportunity to apply for this plan through the Office of the Chief Secretary and PSC. Enrollment period is usually before the Government has

Table 11: Participation per Induction (CY 2021)		
DATE	SESSION #	NO. OF PARTICIPANTS
March 21	#14	20
August 9	#15	24
November 11	#16	18
<b>TOTAL</b>		<b>62</b>

its budgetary process. The GRMI will match an employee contribution, capped at 3%. Generally, a participant won't be able to withdraw the retirement savings while still employed, but may be entitled to withdraw all or portion of the money if retirement age is reached.

## TRAINING & DEVELOPMENT

The Induction Session is the last step and an equally important part of the hiring process at PSC. The purpose of the induction session is to fully orient newly hired employees on PSC rules and regulations, Code of Conduct/Ethics and Values for personal safety and guidance.

There were only three (3) induction sessions held during the year. These sessions are necessary to orient new hired employees on PSC regulations, policies, instructions, as well as insurance and other benefits. This is also a chance for the new employee to ask questions and understand their rights as an individual per regulations. Inductions are held in groups when the numbers are high enough to proceed with the orientation. Aside from this program, the Public Service Commission offers training and development programs as part of its responsibility to provide adequate training to employees.

As stated in PSC Regulations, the Commission shall take proper measures to procure efficiency and economy in the performance by the Service of its functions, including the adequate training of employees. There were numerous trainings held during the year, for example the ‘Leadership and Management for Middle Managers of the Republic of the Marshall Islands’ was held between 5-9 July 2021. The 5-day virtual exercise was secured through diplomatic support offered by the Singapore Cooperation Program under the Civil Service College. It was designed to further strengthen the leadership skills of those in leadership positions. Heads of Departments and key middle managers from each Ministry and Agency attended the training. This was an excellent refresher as seen in the attendance and engagement of the participants.

During the year, the Commission endorsed the RMI Competency Framework, introduced and funded by the World Bank. The RMI Competency Framework is a human resource tool that identifies the behaviors, skills and capabilities required to build an employer’s capacity to sustain the benefits of the Public Financial Management reform. The result of the project will be trainings offered over the next two years with USP, CMI and US Graduate School for both custom and tailored courses, commencing early 2022.

## CHALLENGES & LIMITATIONS

During the year, the Public Service Commission was faced with the same challenges from previous years. New challenges were also met as a result of the COVID-19 pandemic and its effect on the public service. The following were challenges during the year:

- A. Limited financial resources;
- B. Limited capacity building across the board;
- C. The need to upgrade PSC remuneration and classification scheme;
- D. Lack of workforce development plans;
- E. Lack of required skills, knowledge and experience among Marshallese especially in key areas of health, accounting and engineering;
- F. Lack of serious attention and action by senior to mid-level managers in the performance evaluation process;
- G. Slow process of personnel actions/contracts which is mainly due to the increase in the number of required signatures.

With the COVID-19 pandemic, the challenges met during the year include:

- H. Abuse of overtime hours claimed from COVID-19 activities;
- I. Increase in requests for special leave due to border closure;
- J. Cessation of off-island trainings and workshops due to border closure;
- K. The need to hire trained nurses in the area (COVID-19 nurses);

## WAYS FORWARD

### A. Civil Service Reform

As a way forward, a Civil Service Reform Strategy was developed during the year, and final endorsement is expected in 2022. The Public Service Commission and Office of the Chief Secretary focused their efforts in the development of a Civil Service Reform Strategy and Action Plan. This effort was supported by technical assistance from the World Bank. A report was concluded from interviews and discussions over a course of 6-months to propose a draft Civil Service Reform Strategy. The mission of the civil service reform is to strengthening public service ethics, selection, training and performance to better serve the people and government of the RMI.

The draft Civil Service Reform Strategy is anticipated to be completed and finalized early in 2022. The 8-year rolling strategic plan aims to commence in 2022 and action items to be fulfilled by 2030. The vision is to form a trusted, responsive, professional and skilled public service, with principles being merit-based, people centered, ethical, and sustainable. From the study conducted for the sole purpose of producing the strategy, the main areas which were found to be of importance for reform were:

- ❖ Reform leadership – align PSC role, mandate and capacity, promote ethical conduct, review legislation.
- ❖ People management – improve HR processes and regulations, reset remuneration framework, align HR documents and systems.
- ❖ Training – strengthen leadership development, develop training framework.
- ❖ Performance – senior leaders on contract performance management, revise performance management framework.

### B. Instructions

During 2021, the Commission endorsed three (3) Instructions as ways forward in addressing the growth and complexity of the RMI public service during this age of technology, along with the harsh reality of climate change and now the current pandemic.

- I. **A PSC Instruction on Efficiency and Effectiveness of Delivering Public Services:** Earlier during the year, the Commission held Ministerial sessions with respective Ministries. The goal was to get a better sense of the institutional structure of each Ministry/Agency with respect to its existing Corporate/Strategic Plan. Additionally, in response to the mechanism between PSC and Office of the Chief Secretary, this Instruction was established to acquire the analytical assessment on the state of efficiency and effectiveness of the public service. All Heads of Departments were immediately informed to have an updated Strategic/Corporate Plan for each respective Ministry/Agency under the purview of PSC and reflected in the current Organizational Chart for each Ministry. Moreover, all Ministerial Organizational Charts, per the Instruction, must be approved by the Commission. (See attached Annex 1)
- II. **PSC Instruction 2021/01 Installation of Additional New Pay Levels:** The establishment of new pay levels to the current PSC salary scale was necessary to accommodate the continued hiring of very high-level professionals that require high national value and importance for the country which are not readily available. The Instruction was put forth into effect to amend the existing Public Service Basic Scale to add new pay levels and steps. The new pay levels added to the Instruction were PL17/1-3, PL18/1-3, PL19/1-3, and PL20/1-3. (See attached Annex 2)
- III. **PSC Instruction 2021/05 Application of Overtime Hours:** Some employees were required to work after hours and often times overtime on COVID-19 related activities. While employees were able to claim overtime hours, the application of OT hours was overused. Many employees used this “opportunity” claiming they worked over time on COVID-19 related activities. This prompted the Commission to issue out PSC Instruction 2021/05. Said Instruction replaced PSC Instruction 2010/02 and PSC Instruction 2017/005. The general principles of the Instruction mean that overtime work is a service performed over and beyond an employee’s normal working hours (ie. 8am to 5pm or others) and during regular working days (Monday to Friday, except holidays). It should be undertaken only when it is unavoidable, which means the duties to be performed at the time are essential and the duties must be performed at that time only and cannot be deferred to another time and/or be performed by any other means. (See attached Annex 3)

## CONCLUSION

The Public Service Commission is an independent body of the Government. It is responsible to the Cabinet for carrying out its duties and exercising its functions and powers. A report from the Commission is to be furnished to the Cabinet at the end of each calendar year on the state of the public service, on the works and activities carried out during that year.

The data from this report concluded one thing: growth. Although the pandemic caused new challenges to the public service, the workforce continued to grow as seen in the data. Growth in the workforce, increase in salary cost, and increase in personnel actions. The Commission continued its delivery of its core mandates and progress made. Such included a tool to evaluate a manager's effectiveness in leadership, the development of a competency framework with the assistance of donor partners, the securing of more trainings for development for the next few years, and more importantly a reform on the civil service which is expected to commence action items immediately after its endorsement in 2022.

It is hopeful that the civil service reform will help ease the challenges and limitations. These strategic reforms will update the pay scale structure, revise the current PSC regulations, develop performance management guidelines, workforce development plans, and develop Leadership Training and Reward Sanctions frameworks.

An important aspect to note and closely monitor is the situation of the COVID-19 and its current and future effect in the public service. Since its declaration in 2020, the public service grew by only 33 employees within the year.

Realizing the challenges in which the public service is faced with are essential developmental tools to sustain and maintain a stable and less costly workforce – translating to an effective and efficient delivery of public services. In conclusion, the Commission is focused on its responsibility and positive outcomes to ensure that it continues to provide the necessary services and programs as mandated under the RMI Constitution, its own Act, and Regulations.

## Annex 1: Instruction on Efficiency and Effectiveness of Delivering Public Services

---



### Republic of the Marshall Islands Office of the Public Service Commission

PO Box 90 Majuro, MH 96960 - Marshall Islands  
Phone: 692.625.8298/8498 Fax: 692.625.3382 Webpage: [www.pscrmi.net](http://www.pscrmi.net)

March 25, 2021

#### MEMORANDUM

Kino Kabua

Chief Secretary,

Office of the Chief Secretary,

Republic of the Marshall Islands

**Subject**                      **A PSC Instruction on Efficiency and Effectiveness of delivering  
Public Services.**

lakwe. This is to inform your good office that the three recently held ministerial sessions between PSC and the respective ministries, (MOCIA, MOFAT, and T&C) have resulted in a number of way-forward-action-plans respectively. A more intense probe into the exercise has however, prompted the Commission to taking a deeper dive into strategic effort aiming at getting a better sense of the institutional structure of a ministry/agency with respect to its existing Corporate/Strategic Plan. This is absolutely crucial in detemning which positions and the caliber of personnel who are and/or are not contributing well to the prescribed ministerial mission, goals and objectives.

As this corresponding relationship holds the very core of the strategic maneuvering so needed in ascertaining the required analytical assessment into the exact state of efficiency and effectiveness, a jointly well-coordinated responding mechanism between the Office of the Chief Secretary and that of PSC is vitally necessarily to be mutually devised. While such may well be specified with details in the soon-to-be endorsed Instruction: Efficiency & Effectiveness of Public Service, the need to maintaining a complimentary working harmony between these two offices remains strategically essential.



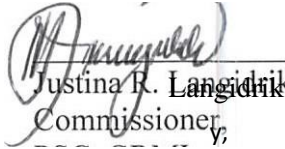
In view of the above therefore, the following organizing measures must be attended to as the soonest possible. Please observe as follows:

1. The HODs must be informed of this undertaking asap;
2. All ministries and agencies of government, especially those under the purview of PSC, must have their Strategic/Corporate Plans be updated and such is to be further reflected in the most current approved Organizational charts;
3. Organizational Charts for all agencies and ministries of government, too, must be updated and be approved by the Public Service Commission, prior to entertaining any personnel and/or posting matters. In fact, the increasing influx of the personnel transactions requiring the approval of the Commission without being conformed to the approved Organizational charts has resulted in serious cumbersome to the deliberation of the Commission, amongst others.

The Commission looks forward to receiving comment and direction from your good office.



Kenneth Anitok  
GRMI psc, GRMI



Justina R. Langidrik  
Commissioner

Chairman, Commissioner, psc,

Cc: H.E. David Kabua

President, Republic of the Marshall Islands

Minister in Assistance to-the-President & Environment

Members of the Public Service Commission

Attorney General Office

Files

## Annex 2: PSC Instruction 2021/01 Installation of Additional New Pay Levels



June 25, 2021

### Republic of the Marshall Islands Office of the Public Service Commission

PO Box 90 ~ Majuro, MH 96960 ~ Marshall Islands  
Phone: 692.625.8298/8498 ~ Fax: 692.625.3382 ~ Website: [pscrmi.net](http://pscrmi.net)

#### PUBLIC SERVICE INSTRUCTION 2021/01

#### INSTALLATION OF ADDITIONAL NEW PAY LEVELS

By virtue of the statutory functions and powers vested under the Constitution, Article VII, Section 9, and the Public Service Regulation Schedule Four "Installation of Additional New Pay Levels", the Commission hereby issue Instruction 2021/01. This Instruction put forth into effect to amend the existing Public Service Basic Salary Scale to add new pay levels and steps; PL17/1-3, PL18/1-3, PL19/1-3, and PL20/1-3.

#### SCHEDULE FOUR

Public Service Basic Salary Scale (Revised March 2021)

(All amounts are in annual rate in Dollars)

Pay Level	Step 1	Step 2	Step 3	Step 4	Step 5
<b>Additional New Pay Levels and Steps:</b>					
20	56,000	58,000	60,000		
19	51,000	53,000	55,000		
18	46,000	48,000	50,000		
17	41,000	43,000	45,000		
<b>Existing Pay Levels and Steps (Revised 1997):</b>					
16	36,000	38,000	40,000		
15	32,000	34,000	36,000		
14	31,000	33,000	35,000		
13	27,000	28,000	30,000		
12	24,000	25,000	27,000		
11	21,000	22,000	23,000		
10	18,000	19,000	20,000		
9	13,045	13,935	14,895	15,925	17,025
8	10,025	10,710	11,440	12,220	13,045
7	8,785	9,380	10,025	10,710	11,440
6	7,735	8,240	8,785	9,380	10,025
5	6,795	7,255	7,735	8,240	8,785
4	5,995	6,385	6,795	7,255	7,735
3	5,285	5,630	5,995	6,385	6,795
2	4,670	4,965	5,285	5,630	5,995
1	4,160	4,395	4,670	4,965	5,285

Note:

- 1) No changes to existing pay levels 1-16 (PL1-PL16) since its last revision, 1997
- 2) Installation of additional new pay levels 17-20 41,000-60,000, about 5% or 2,000 incremental between setps, C.M. 077 (2021).
- 3) Minimum Wage Act 1986 as Amended to P.L. 2018-77 -Three dollars (\$3.00) per hour effective September 8, 2018.

These new pay levels seventeen to twenty (17 to 20) are established to accommodate hiring of very high level professional people for the jobs that have high national value and importance for the country and such skills are not readily available in the Republic.

**Pay Level 17:**

Qualifications: Bachelor/Master's Degree from recognized College/University in the relevant profession, and at least 14 years of work experience, or, at least 18 years post qualifications experience in the relevant field. Competent professionals who works independently within a given management and administration field.

**Pay Level 18:**

Qualifications: Bachelor/Master's Degree from recognized College/University in the relevant professions, and at least 18 years of work experience in the same/or relevant field. Seasoned professionals with a track record in the specialized fields with research and development skills.

**Pay Level 19:**

Qualifications: Master's Degree from recognized University in relevant professions, Certificate of Recognition for Profession, and at least 20 years work experience in the same/or relevant field. Specialists with sustained track record has led to widespread recognition within their field.

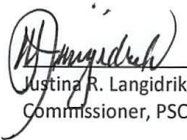
**Pay Level 20:**

Qualifications: Master's Degree from recognized University in relevant professions, Certificate of Recognition for Profession, and at least 25 years work experience in the same/or relevant field. Specialists with sustained track record has led to widespread recognition within their field and who are able to lead research and development program on fields of profession.

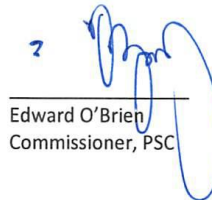
This Public Service Instruction 2021/01 shall take effect immediately and shall be the prevailing norm. All Ministries and Agencies of government are to ensure that the prescribed instruction be observed as prescribed above.



Kenneth Anitok  
Chairman, PSC



Justina R. Langidrik  
Commissioner, PSC



Edward O'Brien  
Commissioner, PSC

*Instruction 2021/01, March 2021*

## Annex 3: PSC Instruction 2021/05 Application of Overtime Hours

---



### *Republic of the Marshall Islands* **Office of the Public Service Commission**

PO Box 90 ~ Majuro, MH 96960 ~ Marshall Islands  
Phone: 692.625.8298/8498 ~ Fax: 692.625.3382 ~ Webpage: [www.pscrmi.net](http://www.pscrmi.net)

#### **PUBLIC SERVICE INSTRUCTION 2021/005**

##### **APPLICATION OF OVERTIME HOURS**

Pursuant to the powers and functions vested in it by the Constitution of the Republic of the Marshall Islands, Article VII, Section 9, and the Public Service Regulation 36(1),(2) "Additional Hours of Duties", the Commission here by issue Instruction 2021/005, to replace PSC Instruction 2010/02 and PSC Instruction 2017/005 and shall read as follows:

##### **GENERAL PRINCIPLES**

Overtime work is a service performed over and beyond an employee's normal working hours (i.e. 8 am - 5 pm or others) and during regular working days (Monday – Friday, except holidays).

**It should be undertaken only when it is unavoidable, which means the duties to be performed at the time are essential and the duties must be performed at that time only and cannot be deferred to another time and/or be performed by any other means.**

The application of Overtime and Excess hours for Public Service Employee shall be granted under the following terms and conditions:

1. Overtime hours shall be referred to as any public services performed after the regular working hours, including weekends and holidays, with the already earned the required 80 regular hours of a given pay period.
2. An employee who has been called by his/her supervisor to work overtime shall be entitled to a minimum of two (2) hours per incident but not to exceed four (4) hours per day, at the approval of the Commission.
3. Overtime compensation shall be given ONLY to an employee who has successfully worked the required 80 working hours per pay period or two (2) weeks period, and whose claimed overtime hours are in excess of the 80 regular hours worked.
4. There shall be NO other form of excess hours to be compensated other than as specified in section 1 and 3 of this Instruction, which means **NO EXCESS HOURS**.
5. Overtime request shall be accompanied by the following:
  - a. A photo copy of an approved time sheet by the Head of the Ministry;
  - b. An authorized Overtime Form with an advanced and scheduled overtime service to be delivered must be certified first by the immediate supervisor and/or authorized personnel;
  - c. Signed cover memo from the requesting ministry/agency to the Commission; and,
  - d. Approval by the Commission.

**6. Overtime Eligibility:**

Any employees at Pay Level 9/5, or \$17,025, and below, shall be eligible for overtime compensation. Employees at Pay Level 10/1 or \$18,000 per annum, and above, shall NOT be eligible.

**7. Excessive Overtime:**

- a. Though working overtime may be necessary to handle emergencies, heavy workloads or other issues. However, frequent and excessive overtime is not (recommended for the wellbeing of employee's health and performance) good for employees' health and performance. This is the position of the RMI government to avoid productivity and morale loss and/or relevant work-related accidents due to mental and/or physical fatigue. The RMI Government stands firmly on ethical values for employees to diligently and responsibly perform duties and responsibilities.
- b. Record overtime hours accurately and consistently.
- c. Advise employees to work overtime **only** when they have to finish urgent work.
- d. Take corrective measures when observe a decline in work quality and/or other issues and matters due to excessive working hours.

**8. Overtime Caps:**

- a. A daily overtime cap is two (2) hours.
- b. A weekly overtime cap is eight (8) hours.
- c. A pay period (2 weeks) overtime cap is sixteen (16) hours.

**9. Shift-Based System:**

- a. Employees working on night shifts shall NOT work for more than two (2) hours overtime (unless in cases of emergency).
- b. Employees who work 12-hour schedules shall NOT work more than two (2) additional hours overtime.
- c. Employees who work 8 to 10 hours shall NOT work additional more than four (4) hour overtime.
- d. Employees who work **more than 8-hour** schedules shall NOT work double shifts.
- e. All employees are urged to respect and be conformed to these limits.

10. Employees asked by their supervisors to work during weekends, holidays and partake in emergency and during disasters, outside their regular working schedules, shall be compensated at 1.5 (time and half) their base rates.

11. Apart from the unforeseen circumstances, overtime work must be authorized in advance by HoDs or designated officers and further approved by the Public Service Commission.

12. Overtime calculation shall be based on number of hours worked (not to exceed 16 hours per pay period) x hourly rates x 1.5 (time and half—if so required).

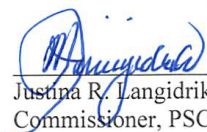
**Eg# 1: Employees with PL 9/5 \$17025 and below**

Number of hrs rendered	Hourly rate x 1.5 (if need be)	Total
8 overtime hours	\$8.19 x 8 x 1.5 (PL 9/5)	\$98.28

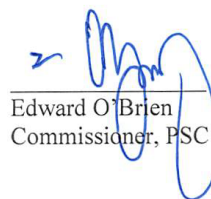
This revised Public Service Instruction 2021/005, shall take effect immediately and shall be the prevailing norm. All Ministries and Agencies of government are to ensure that the prescribed instruction be observed as stipulated above.



Kenneth Anitok  
Chairman, PSC



Justina R. Langidrik  
Commissioner, PSC



Edward O'Brien  
Commissioner, PSC