The cost of basic service delivery in small islands, such as Chuuk in the Federated States of Micronesia (FSM), is affected by their remoteness and inability to take advantage of economies of scale. The FSM is a federation of four semiautonomous states: Chuuk, Kosrae, Pohnpei, and Yap. The FSM has a population of 102,843 dispersed over 74 inhabited islands, with another 533 islands uninhabited. In these islands, indigenous resources are limited and the cost of importing fuel and other resources is high. Capacity constraints with education and training and consequent skill shortages add another dimension of difficulty.

EFFORTS TO IMPROVE SERVICE DELIVERY

The Chuuk Public Utility Corporation (CPUC) is the sole power, water, and sewerage utility service provider for Chuuk State. Their operations are concentrated in Weno Island.

Despite challenges, CPUC’s operational performance has improved markedly over the past 5 years. On Weno Island, residents were receiving only 6 hours of power per day in 2010; but as of 2015, they have access to a 24-hour electricity service. Likewise, water and sewerage services have improved.

These improvements are the result of state government support for the utility, investment funding, and the dedication of an effective management team. CPUC has pursued improvement in revenue collection, power generation and distribution, and water and sewerage facilities. CPUC is now making plans to extend services...
across the whole state, commencing with the lagoon islands of Fefan, Tonoas, and Uman over the next 3 years. In 2015, the CPUC prepared the Personnel Training and Capacity Development Plan for its staff to improve the delivery of electricity, water, and sewerage services to residents, and to reduce its reliance on external expertise. The plan also seeks to improve service delivery and operations efficiency at the lowest cost to customers. The plan was prepared under the Asian Development Bank (ADB) regional technical assistance project Enhancing ADB’s Engagement in Fragile and Conflict-Affected Situations.\(^2\)

CPUC currently depends on external management support, but is working toward becoming a self-sustaining entity by September 2019. Looking forward, key focus areas are to improve customer satisfaction, quality of services, and revenue collection while developing staff capacity. A trained and experienced national FSM management team is planned to be in place by 2019, which will be entirely revenue funded.\(^3\)

### PREPARING THE PLAN

The preparation of the Personnel and Capacity Development Plan adopted an inclusive, participatory approach with a commitment to local ownership and long-term sustainability. The process involved wide stakeholder consultation at all levels of CPUC, including the Board of Directors, training institutions, regional organizations, and development partners. The consultation aimed to identify, assess, and address capacity gaps as well as to develop a results-based framework and an implementation strategy to deliver the training plan over 2–3 years. Best practices in capacity development have been the basis in identifying common critical risk and success factors.

The analysis looked at CPUC’s organizational structure and staffing composition with respect to internal and external staff, age distribution, and gender. A training needs assessment was conducted through extensive consultation with CPUC managers, staff, and the board of directors. Training agencies and individual trainers, regional organizations, and development partners were consulted regarding options for training delivery and funding support. Department-specific goals were used to guide the needs assessment for each department.

### TRAINING NEEDS ASSESSMENT

**Organizational structure and employee distribution analysis.** A total of 75 full-time employees work at CPUC—67 of them are permanent local hires and 8 are external workers on fixed-term contracts.\(^4\) There are 9 part-time employees and approximately 13 contractors.\(^5\) At the senior management level, there are 4 external staff and 1 local hire. Eight fixed-term contracts are in place for external expertise in leadership, management, and specialized skills in electrical maintenance, water operations, and procurement. A key focus of the plan is to build local skills in these areas.

Most CPUC employees are aged 40 years and above, and the retirement age is 60 (Figure 1). The lack of younger people in the organization reflects CPUC’s low staff turnover, and the fact that there have been no vocational training agencies for technical training in Chuuk or the FSM since a number of programs were closed down. The closing of the Pohnpei Agriculture and Trades School (PATS), the only private vocational school in FSM, has inevitably affected the number of graduating high school students who could get employed right after graduation. Several of CPUC’s middle-level staff had been trained at PATS. The Trades, Training, and Testing vocational training program—that used to offer practical skills needed for utility operations such as mechanical, electrical, and plumbing—has also recently closed.

The availability of skilled workers is a concern when considering how CPUC (and other organizations) will source the staff they require for the long-term sustainability of their businesses. Results of the age analysis are also important in succession planning, particularly in identifying focus areas for training and development initiatives and in guiding recruitment.

An employee gender composition analysis shows there are 12% female staff and 88% male at CPUC, compared with the Pacific power utility regional average of 23% female and 77% male employees. CPUC’s senior management team and all technical areas are entirely male, which lags considerably behind the gender equality in other Pacific island utilities.\(^6\) A focus on addressing the gender

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\(^4\) Includes one FSM national from Pohnpei on fixed-term contract.

\(^5\) Number of contractors varies depending on demand. Two tree trimmers were counted in this number.

imbalance will be a positive step toward expanding the capacity of CPUC and renewing the organizational culture.

**General findings.** A company-wide campaign among staff members and the board of directors is needed to increase organizational capacity. CPUC has to align its goal, mission, and values, and reinforce systems for recognition, remuneration, and reward, and accountability for meeting performance requirements. Having a well-established set of standard operating procedures will introduce greater objectivity into the process and assist supervisors to navigate the challenges posed by cultural norms. Training and development is needed in all business areas, including supervisory and management skills. Work skill grade certification for operations personnel could be employed to formalize responsibilities and skill requirements and attainment, within a performance-based rewards system.

The education level of the majority of Chuuk population is low and training methods need to be carefully considered to ensure successful skills attainment, effective knowledge transfer, and the achievement of agreed training outcomes. Since there are no available local trainers proficient in Chuukese language, trainers may use simplified English with visual aids. Active learning methods should be employed for increased learning effectiveness, including hands-on training, group activities, role plays, simulations, and games. For training delivery, it is important to have interpreters to facilitate communication and learning. Procedures are needed in both Chuukese and English.

The lack of relevant vocational training in Chuuk and the FSM poses a significant challenge to sustaining CPUC and to attracting new staff. The options are limited: hiring nonlocal staff, which is unsustainable, or hiring unskilled Chuukese workers and providing on-the-job training or training abroad. In the first instance, salary rates would need to be higher to be competitive, taking away resources from other vital areas; and, in the second case, CPUC bears the cost for developing unskilled staff, challenging productivity. CPUC can also advocate for the reestablishment of vocational training programs in the FSM, as supported by the findings of the age analysis.

**IMPLEMENTING THE PLAN**

Options for delivering the training needs identified were considered and costed. The total cost for the plan was $697,410 over a 3-year implementation period is in Table 1.

| Table 1: Implementation Plan—Budget Table (US$) |
|---|---|
| Year 1 | 380,000 |
| Year 2 | 230,000 |
| Year 3 | 90,000 |
| Total | 700,000 |

Source: Chuuk Public Utility Corporation.

CPUC has $50,000 of training funds available in the current financial year to initiate the implementation of the plan, and similar funding will be budgeted in future years. CPUC will depend on support from development partners and regional agencies to implement the plan and meet its capacity development targets. Scheduling of activities can be adjusted to match funding availability.

Implementing the plan is not without challenges. These include lack of existing vocational training programs in the FSM, poor education among Chuukese, competing priorities for CPUC resources, funding and human resource needs to implement the plan, the need for management support, the need to ensure that training measures are translated into improved performance, and possible resistance to change.

**RECOMMENDATIONS**

To manage the potential challenges of implementing the plan, the training needs assessment recommends the following:

1) **Appoint a human resources manager** to drive, manage, and deliver the plan. The human resources manager should be skilled and experienced in learning and skills development, with strong managerial skills and leadership qualities. The manager must have a passion and commitment to capacity development and be capable of developing and running effective internal training courses and working with external training agencies to deliver specialized training. A Chuukese with international experience and exposure is preferred. The key roles of the human resources manager will include the refinement and formulation of workplace policies and procedures, training and development of staff, establishing and managing compensation and benefits, employee relations, recruitment and selection, and mentoring.

2) **Develop a complete set of standard operating procedures** to establish a uniform approach to work tasks and enhance individual and organizational performance. External assistance should be secured to work with CPUC staff to develop the standard operating procedures within a short time frame. This important preliminary step will provide a framework for building the subsequent training programs and will underpin other activities. Computer-based learning tools could be used to reinforce knowledge and application of procedures.

3) **Appoint a training officer.** An internal staff member could be assigned to do a part-time role of developing and delivering specialized training in the areas of power, water, and sewerage and in building staff capacity. Previous internal training conducted at CPUC covered the operation and maintenance of the solar photovoltaic generating plant, with positive results. There may be more than one CPUC training officer, depending on the alignment of the trainer’s
skill sets to the needs identified in the organization. The training officer(s) would need to be suitably qualified in the respective areas and to be able to effectively impart knowledge to the other employees.

4) **Focus on customer service.** A customer satisfaction survey should be undertaken to gauge the effectiveness of capacity development measures. Results of the survey should be made available to all staff and used to guide training initiatives. The link between each capacity development measure and improving customer service and satisfaction should be emphasized and reinforced. Regular follow-up customer surveys should be conducted, initially after 6 months and then annually, with results being shared with all staff.

5) **Foster a culture of performance.** Job descriptions should be revised to ensure close links between the CPUC Strategic Plan and the functions of each role. The remuneration structure is recommended to be reviewed to establish and reinforce a culture of performance where base pay is kept low but bonuses are paid as the company's strategic goals are achieved. Connecting all employee bonuses to a common target or set of goals, such as a specific increase in customer revenue or in customer satisfaction ratings, will promote cooperation between departments to resolve issues, unifying the workforce and increasing productivity.

6) **Implement organizational change.** Implementation of the plan involves change in organizational procedures and processes and in employee behavior. Identifying the change leaders who will champion improvements in their work areas and actively assist CPUC in the plan's implementation is important. For those unwilling or unable to transition with the new performance-based work culture, CPUC could consider offering voluntary redundancy packages.

7) **Advocate for reestablishing vocational training programs** in Chuuk and the FSM. Seek opportunities to attract young talents through collaboration with schools and colleges, and by offering work experience programs or internships.

8) **Establish a mentoring program** for young or developing staff, and/or new staff in nontraditional roles. For supervisory level staff aspiring for senior management positions, suitable mentors may come from outside of the organization.

9) **Seek to increase gender diversity** of the employee base, by increasing the representation of women at all levels, to align closer with Pacific benchmarks. Review work policies and practices to ensure equal access of female candidates and employees. Conduct gender sensitivity training in the organization to ensure the role of women in the workplace is understood and respected. Provide support networks for women working in nontraditional roles.

10) **Encourage knowledge sharing** at all levels to reinforce learning of those trained and to expand the impact of training initiatives.

Over the last 4 years, Chuuk State, supported by the Office of Insular Affairs and other development partners, principally ADB and the Japan Fund for Poverty Reduction, has made a significant investment in the recovery of CPUC for the benefit of both the residents and citizens of Chuuk State.

The continued development of the capacity of CPUC staff is critical if CPUC is to live up to its mandates of expanding services across the whole state, improving utility infrastructure, and providing effective and cost-efficient services to customers.

CPUC’s commitment to the training of its staff is clearly laid out in our mission statement. This is a key driver for the delivery of CPUC’s vision to provide essential infrastructure and expansion of services in support of the economic development of the state.

For CPUC to be a truly knowledgeable service provider, we must invest in the development of our staff for the benefit of the community we serve. The Board of Directors of CPUC considers that the development of a structured training plan will enhance CPUC’s ability to seek out the right type of training and capacity development measures. I would like to thank ADB for supporting us in this endeavor and look forward to seeing CPUC continue to develop and improve as we put the plan into action.

- Eliseus Akapito, Chair, Board of Directors, Chuuk Public Utility Corporation

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