Has the Opening of the NMC’s School of Business Impacted the Local Workforce of the CNMI?

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When policymakers discuss the economic growth of a region, the contribution of college degree graduates is often part of the conversation (Whitaker, 2011). For the past years, the Commonwealth of the Northern Marianas Island authority has been working hard to improve the welfare of its citizens. There are more opportunities for students to pursue a higher education in different fields at Northern Marianas College (NMC). It has been four years since the last program the School of Business has been implemented, with a result of more graduates specialized in the workforce (“History of the Northern Marianas College,” n.d). The student researcher is investigating if opening a bachelor’s degree program at NMC’s School of Business has impacted the local workforce of the CNMI. From the website of the CNMI Department of Commerce, there are statistics from the Central Statistic Division (CSD) that shows pay rates from 2011 to 2016. Through research in the database of the Borja Library of the Northern Marianas College, some academic journals with studies conducted by different authors were found. Two literature sources that answer some of the research questions are entitled, “The impact of work placement on skills development and labor market outcomes for business and management graduates”, and “A College Degree: Does it substantially enhance the economic achievement of Chicanos?”

The report, “A College Degree: Does it substantially enhance the economic achievement of Chicanos?” says that many students undertake a higher education expecting their degree to be a door opener for their economic success. A “10” year New Mexico State University study was done to determine the average salary of Anglos and Chicanos with higher education between 22 and 55 years of age, and to assessed the relative values of each group. 89 % were Anglos and 11% were Chicanos. It found that Anglo graduates earned more than Chicanos graduates, and that discrimination seemed to have diminished over the last 10 years. The study shows that Chicanos with 1 to 3 years of education were earning only 10% more than high school level workers due to dual labor market and low salary expectations (Goho & Smith, 1973). This study is useful for the research project as it helps to focus on specific questions that will be answered through interview from NMC’s students, and business owners of the CNMI.

Three studies made by Central Statistic Division (CSD) of the CNMI Department of Commerce in 2011, 2014, and 2016 shows that there was change in the CNMI hourly wages. The three studies done by CSD were designed to determine the different types of occupations, and the opportunities on the island for business qualities. The study measured the hourly wage rate of each identified occupation in the CNMI economy, including employees from both private and public sectors in Saipan, Tinian, and Rota. This essay will focus on the first study which was conducted in 2011, and the third one, in 2016. The direct median hourly wage for financial managers in 2011 was $17.00, and for a financial specialist, and all other positions, it was $ 5.73. Results of the 2016 CNMI Prevailing Wage and Workforce Assessment Study show that there has been raise in salaries for financial managers. It went up from $17.00 to $18.24 and for financial specialist; it increased from $ 5.73 to $ 9.65. Based on this study, the student researcher will investigate if this change has impacted new business graduates and if employers pay according to work experienced or is more value placed on the level of education attained.

The title of the study by Nick Wilton is “The impact of work placement on skills development and labor market outcomes for business and management graduates.” It is very descriptive. In this report he said that besides the typical skills requirement that manager values for a job, there are also different factors such as: teamwork, communication, and decision-making skills that managers do take into consideration. The internship programs and the education background do not always give the expected results. Comparing some interviews that he did with student graduates, they said that the internship programs provided them with knowledge and skills needed for a real job environment. Based on the study undertaken by the Chartered Management Institute (2002), it reveals that employers are less and less satisfied with the work quality of recent graduates, “49% of the human resource managers surveyed reported that the preparedness of graduates for the world of work had decreased in recent years.” Employers stated that new graduates lacked basic skills such as “commercial awareness, team- working and interpersonal skills, problem solving and analytical thinking” (Wilton, 2012). This study gave me an insight how it was in 2002. Through interviews and survey, the student researcher will analyze if this tendency is still being continued in 2018. It will also analyze if students are more prepared to face the real work environment after graduation, and if employer’s opinions has changed.

To conclude based on the literature review of the three resources, there are many important factors that need to be taken into consideration when doing a research on the economic growth of an island. Thus, this research project will help future students understand whether having a degree will help them to have a better pay rate, if attaining a college degree will contribute to the economic growth of the CNMI, and also if a college degree will guarantee them a job.

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