

ABSTRACT

Persistent shortages of qualified school teachers in the UK continue to generate concern among policy makers and the media. The extent to which these market problems are due to the lack of retention associated with poor relative earnings rather than the lack of recruitment of qualified teachers is one of considerable importance. In this paper we study turnover decisions of teachers and show that increases in teacher salaries can be used to induce qualified teachers to remain longer in the profession.

The econometric modelling approach adopted in this paper is shown to yield important insights into the appropriateness of adopting a flexible, semi-parametric specification of the duration dependence structure and of the unobserved heterogeneity distribution in duration models. Moreover, the estimates exemplify the insight gained from distinguishing between multiple destinations or exit types.

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