2015

The Role of Incentives on Teacher Intentions to Re-sign in American Overseas Schools in Europe

Michael Joseph Amodio
Lehigh University

THE ROLE OF INCENTIVES ON TEACHER INTENTIONS TO RE-SIGN IN AMERICAN OVERSEAS SCHOOLS IN EUROPE

A DISSERTATION

by Michael J. Amodio

Presented to the Faculty of

Lehigh University

In Partial Fulfillment of Requirements

For the Degree of

Doctor of Education

Department of Educational Leadership

Lehigh University

May, 2015

COPYRIGHT

CERTIFICATE OF APPROVAL

Approved and recommended for Michael Amodio as acceptance as a dissertation in partial fulfillment of the requirements for the degree of Doctor of Philosophy (Doctor Education).

Date _____

Dissertation Advisor _____

Accepted Date _____

Committee Members

_____
Dr. George White
Professor of Educational Leadership
Lehigh University
Chair

_____
Dr. Craig Hochbein
Assistant Professor of Educational Leadership
Lehigh University
Committee Member

_____
Dr. Louise Donohue
Professor of Practice in Education Leadership
Lehigh University
Committee Member

_____
Dr. Steven Desroches
Head of School
Colegio Jorge Washington, Cartagena, Colombia
Committee Member

ACKNOWLEDGEMENTS

Many say getting started is the hardest part. While I agree, I have to say that finishing is no walk in the park either. There are two people who have been with me from beginning to end. I thank my wife, Eleonora, for believing in me and always pushing me to go further. She has always seen more in me than I could imagine. Secondly, I thank my mentor and head of school for the past 9 years, Dr. Alan Austen. He has provided unwavering support and motivation throughout the process and always had the right words to say to keep me moving forward. Most of all, he refused to retire until he could call me Dr. Amodio.

I thank Dr. George White for being the chair of my dissertation committee. He has both guided and supported me throughout the process. In moments of doubt, Dr. White always had a smile and words of encouragement that moved me forward. His wisdom and experience in the dissertation process were invaluable.

I would also like to thank the members of my dissertation committee. Thank you Dr. Craig Hochbein, Dr. Louise Donohue and Dr. Steven Desroches. This study would not be what it is without your vast experience in education and your thoughtful insight and advice. I thank you for all of your time and patience.

Finally, I'd like to thank Dr. Ron Yoshida for getting me started and showing me what it means to write like a scholar.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

High levels of teacher turnover are the norm in American and International Overseas Schools. Studies in public and private schools in the United States established that high levels of teacher turnover are related to decreased academic performance, low levels of school climate and incur a financial burden. This study proposed the use of incentives to retain desirable teachers as a cost effective means to improve school climate and academic performance. Seventeen of forty-one American Overseas schools in Europe participated in this study. Teachers identified the incentives that are most influential on their decision to re-sign for at least one additional year. Heads of school identified the incentives they felt where most influential as well as those that they are allowed to use by tradition and school board policy. This study found re-signing bonuses, annual flights home and increased housing allowance to be the most influential incentives for teachers and the least accessible to heads of school.

CHAPTER I

Introduction and Purpose

Introduction and Purpose of Study

Teacher turnover is an ongoing concern for both U.S. schools and American Overseas Schools abroad (AOS). Ingersoll (2001) reported a 14.3% annual turnover rate in U.S. public schools during 1994-1995. On the international stage, Mancuso's (2010) study of teacher turnover in the Near East South Asian Counsel of Overseas Schools (NESA) set the annual rate to be somewhere between 25 and 40%. Desroches (2013) found a mean teacher turnover rate of 27.9, from 2009 to 2013, in American-accredited schools in South America. High teacher turnover has been found to be a financial burden that decreases student achievement and has an overall negative effect on school climate (Barnes, Crowe, & Schaefer, 2007; Hirsch & Emerick, 2006; Mancuso, 2010; Milanowski & Odden, 2007).

Numerous studies have demonstrated that organizational conditions, such as improving how schools were managed and how teachers were treated, improved teacher retention (Boyd, Ladd, & Vigdor, 2011; Hirsch & Emerick, 2006; Ingersoll, 2001; Mancuso, Roberts, & White, 2010). Many of these studies also demonstrated that a teacher's personal characteristics, such as age, marital status and number of years teaching, were directly related to their decision to leave a school (Desroches, 2013; Ingersoll, 2001; Inman & Marlow, 2002; Roberts, Mancuso, & Yoshida, 2010). Unfortunately, heads of school cannot quickly or easily change the most significant organizational condition, leadership style, in order to retain teachers who are considering leaving for another school. While many studies addressed the ways in which school leaders can improve school climate and teacher working conditions, very little research exists that may guide international heads of school in determining immediate actions that may increase the chances of retaining desirable teachers who consider leaving their schools. To address this gap in the literature, this exploratory study examined

the use of organizational conditions as incentives to influence teachers to stay. Findings from this study may be useful for heads of school looking to influence Board policy in relation to teacher retention practices.

Conceptual Framework

The framework of this research was based on three studies that examined variables related to teacher turnover and retention. Ingersoll (2001) defined three groups of predictors that he found to be significantly associated with teacher turnover in U.S. schools: *teacher characteristics, school characteristics* and *organizational conditions*. Mancuso (2010) adapted Ingersoll's framework to the international arena and found that teacher turnover was significantly related to teacher characteristics and organizational conditions. However, Mancuso's findings differed from Ingersoll's in that he found no significant relationship between school conditions and teacher turnover. Desroches (2013) added a forth factor to this line of research by including teacher perception of the host country characteristics as one of the variables influencing turnover.

For both Ingersoll and Mancuso, *Teacher characteristics* referred to factors such as age, specialty field, gender, and years of experience. The role of teacher characteristics, such as age and years of experience, are well documented in the literature on teacher turnover (Borman & Dowling 2008). Ingersoll's (2001) study of teacher characteristics identified age as a strong predictor of turnover. Younger teachers (under 30) and older teacher (over 50) had a departure rate 185 percent greater than those of middle aged teachers (between 30 and 50). As for years of experience, several studies found that teachers in their first two years of teaching were more likely to leave a school than teachers who make it through the first two years (Milanowski, 2007; Feng, 2005; Inman, 2004). In the international domain, Mancuso (2010) found teacher mobility to increase with total years of experience. He suggested that as teachers gained experience teaching, they felt that they had more options and were more

likely to leave for more professionally attractive schools. Consistent with Mancuso, Desroches (2013) found a significant relationship between years of teaching experience and years at current school with a teacher's decision to stay.

School characteristics referred to the school's size, location and demographic composition. Ingersoll (2001) found that small private schools have a higher turnover rate than large public schools. Contrary to Ingersoll's findings, Mancuso (2010) and Desroches' (2013) studies on private schools in the international domain found that school characteristics were not significant predictors of teacher turnover.

Organizational conditions included salary and benefits, amount of administrative support, disciplinary issues, and the level of faculty influence. Both Ingersoll (2001) and Mancuso (2010) found a strong relationship between organizational conditions and teacher turnover, meriting a closer examination of the variable. Organizational conditions can be further categorized into two groups, those that affect an individual, which I will refer to as *individual conditions*, and those that affect the group, which I will refer to as *institutional conditions*. Individual conditions are variables that can be allocated to an individual, independent of the entire group. They may include an increase in salary, bonuses, housing, childcare, professional development, job title and additional responsibilities given to a teacher. Institutional conditions are those organizational conditions that apply to all members of a group and cannot be targeted to an individual. Examples include leadership style of the head of school and the level of disciplinary infractions present in the school.

Host country characteristics were defined by Desroches (2013) as the factors that differ from country to country based on the cultural and political setting and include variables such as language, culture, political stability, living conditions, lifestyle and health and safety concerns. Desroches found that teachers who changed schools were less satisfied with their personal relationships with host country nationals, living conditions and health services than

the teachers who stayed. It makes sense that when a mobile population is not happy with their living conditions, they move on.

Ingersoll (2001), Mancuso (2010) and Desroches' (2013) studies established a set of variables that were found to be related to teacher turnover. Until now, no studies have examined the use of these same variables as incentives to be used by heads of school to influence desired teachers to stay. This exploratory examined the use of organizational conditions as incentives to influence teachers to stay. Incentives are factors that may be used to enhance performance, motivate a potential employee to accept a job offer or a current employee to stay. Incentives can be broken down into two main categories; tangible and intangible (Condly, Clark, and Stolovitch, 2003). Tangible incentives have material value. Examples include bonuses, housing allowance, restaurant coupons or flights home for international employees. Tangible incentives can be further broken into monetary (bonus or raise that arrive directly in one's paycheck) and nonmonetary (restaurant tickets, housing upgrade or flights that the employee does not have direct control over). Intangible incentives, which carry no material value, include factors such as recognition or a position of responsibility that awards no monetary gains.

In his meta-analysis on the use of incentives to motivate performance, Condly (2003) discovered that intangible incentives were rarely used in schools or businesses and had little effect on improving job performance. When he looked at tangible incentives, he found that those with a monetary value were twice as effective as the nonmonetary incentives. This supports the idea that employees are motivated more by monetary incentives, such as a bonus or a raise, than by nonmonetary incentives. While Condly's study does not address retention, it is useful to use his categories when studying the relationship between incentives and teacher retention. Additionally, the fact that schools and businesses don't often use intangible incentives to increase performance does not rule out the possibility that intangible incentives

can be influential in retaining teachers. This study focused on the individual organizational conditions that international heads of school may use as both tangible and intangible incentives to reduce turnover.

Understanding which incentives teachers most value could be important information for heads of school looking to reduce teacher turnover. Additionally, knowing what incentives other international heads of school have at their disposal and feel comfortable using could be helpful in influencing school boards to allot more discretionary funds to a head of school tasked with decreasing turnover rates. If a teacher considers leaving a school based on individual conditions, then a head of school may use one or more of these same conditions as incentives to motivate that teacher to stay. For example, a head of school cannot promise to improve leadership style in order to retain a teacher, however, the head of school may be able to offer a financial incentive in the form of a one-time $10,000 re-signing bonus, or a new position as head of department.

The purpose of this study was to identify and explore the incentives that are influential on a teacher's decision to stay at there current school for at least one additional year following the conclusion of there current contract. This study attempted to answer the following four questions:

1. What are the characteristics of desirable teachers currently working for AOS in Europe who are in the last year of their contract?
2. Which incentives do desirable teachers report to be the most influential on their decision to stay at their present school for one additional year beyond the conclusion of their current contract?
3. Is there a difference between teacher characteristics (e.g. age, gender, years teaching, etc.) and the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract?

4. Is there a difference between the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract, the incentives heads of school believe would have the greatest influence on a teacher's decision to stay, and the incentives that heads of school actually have the ability to use?

Assumptions

The foundation of this study was based on several assumptions. The first assumption is that heads of school are willing and able to identify desirable teachers in their schools (teachers who are most important to the operation and future success of the school). The second assumption is that heads of school are willing to use incentives on an individual basis to influence teachers to stay. It is possible that some heads of school may be against the use incentives due to a lack of transparency and the feeling that differences in pay may be perceived by teachers as unfair. Finally, it is assumed that all schools in this study abide by local and European labor laws and that there is not a great difference between the salary and benefits offered to local and foreign hires.

Definition of Terms

American Overseas Schools abroad (AOS) – Overseas American-style schools supported directly or indirectly by the U.S. Department of State. At the time of this study, 194 overseas schools were supported by the U.S. Department of State worldwide, 40 of which are in member countries of the European Union.

Benefits – Benefits include goods, services or privileges provided to an employee in addition to base salary. Benefits may include annual bonuses, housing allowance, club membership, childcare, school tuition, free lunch, etc.

Characteristics of desirable teachers – Characteristics that may be related to a

teacher's decision to stay at their present school for one additional year beyond the conclusion of their current contract at their current school. They include, but are not limited to: age, total years of teaching experience, years teaching overseas, years at current school, marital status, number of school-aged children, grade level/subjects taught, and self-evaluations of their marketability.

Desirable teacher – Teachers identified by their head of school as being vital to the operation and future success of their school.

Incentives – Both the tangible and intangible items that may be used to motivate a potential employee to accept a job offer or a current employee to stay.

Individual organizational conditions - Variables that can be allocated to an individual, independent of the entire group. They may include an increase in salary, bonuses, housing, childcare, professional development, job title and responsibilities given to a teacher.

Institutional organizational conditions – Include organizational conditions that apply to all members of a group and cannot be targeted to an individual.

Organizational conditions – Variables that are reflected on an organizational level including salary and benefits, amount of administrative support, disciplinary issues, and the amount of faculty influence. Organizational conditions can be further broken down into *individual conditions* and *institutional conditions*.

Organizational aspects of AOS in Europe – Include, but are not limited to, aspects of schools related to teacher contracts lengths, rates of teacher turnover and how teachers are paid (fixed vs. merit based pay).

Salary – Periodic payment made to employees for services. Salary does not include additional benefits.

School characteristics- School characteristics refer to the school's size, location and demographic composition.

Teacher characteristics – Individual teacher factors including: age, total years of teaching experience, years teaching overseas, years at current school, marital status, number of school-aged children, grade level/subjects taught, and self-evaluations of their marketability.

Teacher retention – The continued employment of a teacher for at least one addition year.

Teacher turnover – The percentage of teachers leaving a school, on an annual basis, at the end of the academic year. It is calculated as the total number of teachers who leave the teaching profession or move to another school.

CHAPTER II

Review of the Literature

The foundation of this study was based on a number of issues related to teacher turnover in the international school setting. These include the underlying factors related to turnover in U.S. and international schools, the high financial cost of turnover, and the use of incentives inside and outside of the world of education.

Teacher Turnover in U.S. and Overseas American Schools

Teacher turnover is the combined number of teachers who *move* to another school or *leave* the teaching professional for other fields or due to retirement (Barnes et al., 2007; Ingersoll & Smith, 2003). Like Ingersoll and Barnes, I reasoned that movers and leavers have the same impact on school finance and climate and therefore do not necessitate distinction. The U.S. Bureau of Labor Statistics (Bureau of Labor Statistics U.S. Department of Labor, 2013) breaks down turnover into quits, layoffs, and discharges. Quits refers to all employees who leave employment voluntarily. Layoffs and discharges are examples of turnover that are forced upon an employee. Retirement, although voluntary, is not considered a quit as the employee will be leaving the job market, and is therefore addressed separately. Turnover in this study was defined as the total number of teachers who retire, voluntarily move to another school or leave the teaching profession. Turnover may have a positive or negative effects on a school, depending on the teachers who leave. The departure of desirable teachers may have negative effects on academic achievement and school climate, while the departure of less desirable teachers may actually have a positive effect on achievement and school climate.

Ingersoll's (2003) study of data collected by the 1994-95 Schools and Staffing Survey (SASS) and the Teacher Follow-up Survey (TFS) found an annual teacher turnover rate in US public schools of 14.3%. SASS and TFS are the nation's largest sample survey of elementary

and secondary schools, which is conducted every four years. The national surveys included details on teacher demographics (age, sex and race), student racial composition, salary information and average class size. Based on data from these surveys, Ingersoll categorized teachers into 5 groups based on their reason for leaving: retirement (13%), school staffing action (20%), family or personal reasons such as pregnancy or health reasons (40%), to pursue other job (27%) or job dissatisfaction (29%). The latter two categories, to pursue another job and dissatisfaction, are the most relevant factors to this study as they both represent employees leaving voluntarily. This means that out of every 100 teachers who departed in 1994-95, 47 did so because they were not happy with their current working conditions or they were looking for better opportunities. While this data is almost 20 years old, the size and scope of the study make for relevant findings even to this day, raising the question: Why are teachers leaving and what can be done to keep them?

The two most common reasons teachers reported for leaving their schools were dissatisfaction with salary and lack of administrative support (Boyd et al., 2011; Darling-Hammond, 2003; Ingersoll, 2001; Mancuso, 2010; Mittapalli, 2008). Ingersoll's (2003) analysis of the 1994-95 TFS survey found that 54% of teachers reported leaving due to dissatisfaction with their salary while 43% reported dissatisfaction with administrative support. The third most common reason, reported by 23% of teachers, was student discipline problems. The fact that the each of the first two reasons are close to double that of the third supports the idea that salary and administrative support are by far the most pressing issues to consider when addressing the problem of high teacher turnover. These findings were supported in the international arena in Mancuso's (2010) study. He found that the primary reasons teachers remain at, or leave, AOS were related to their perceptions of the effectiveness of their head of school and their level of satisfaction with their salary. This is directly in line with Ingersoll's findings from the U.S. However, Desroches' (2013) study of

international teacher turnover showed no significant relationship between salary and teacher turnover. While Desroches' findings may be an anomaly, the relationship between salary and teacher turnover overseas deserves further investigation.

Although salary and administrative support are clearly the two primary factors affecting teacher turnover (Feng, 2007; Guarino, Santibanez, & Daley, 2006; Ingersoll, 2001; Ingersoll & Smith, 2003; Mancuso, 2010; Mittapalli, 2008), there are other lesser reported factors that deserve consideration. Other factors reported to affect teacher turnover include, but are not limited to, student achievement, school climate, years of experience, class size, behavioral issues, teacher background, demographic and assignment variables. Below I address several studies that analyze the lesser variables. In most of these studies, researchers cited limitations with their findings or reported salary and/or leadership as the variables with the strongest relationship to turnover.

Guin's (2004) mixed method study found a significant relationship between teacher turnover and student achievement as well as staff perception of school climate. Student achievement was a measure of the percentage of students meeting state standards in reading and math. Quantitative analysis of data from all 65 elementary schools in a large U.S. urban district revealed an average district level teacher turnover rate of 19% over a seven-year period. Across the schools, as turnover increased, percentage of students meeting achievement standards in math and reading decreased. Data also revealed a significant positive relationship between the percentage of minority students in a school and the rate of teacher turnover. To further examine the impact of teacher turnover on school climate, interviews were later conducted at 5 purposely-selected elementary schools within the district. Guin found that teacher perception of school climate revealed that schools with high teacher turnover rates are less likely to have high levels of trust and collaboration among teachers, two important factors in school climate. While the study reveals a strong

relationship between teacher turnover, achievement and school climate, limitations exist. Most importantly, this study does not reveal if there is a causal relationship. Are high rates of turnover to blame for low levels of student achievement and school climate, or vice versa?

While salary is commonly cited as a major factor in a teacher's decision to move from a school or leave the profession completely, years of experience, classroom assignment and student achievement also affect teacher retention. Several studies support the idea that teachers in their first two years of teaching are more likely to be leavers or movers than teachers who make it through the first two year (Feng 2005; Inman & Marlow 2002; A. Milanowski & Odden 2007). Like Ingersoll (2001), Feng analyzed nationwide data sets from the Schools and Staffing Survey (SASS) and Teacher Follow-up Survey (TFS). In order to overcome limitations encountered by previous studies based entirely on national data, Feng used the Florida Education Data Warehouse (FL-EDW), collected between 2001 and 2003. This data allowed for deeper analysis than the national studies thanks to the availability of information on classroom level variables, such as class size, behavioral issues (measured as number of infractions) and student achievement in addition to being more recently collected data than the data used in Ingersoll's foundational study.

Feng (2005) found that Florida public school teachers most likely to be stayers had higher achieving students with a smaller proportion of disciplinary infractions. Based on his findings, Feng believed that changes in placement policies could help to curb the loss of first year teachers. Creating policy that places experienced teacher in the more difficult assignments could increase retention of new teachers who are most at risk of leaving. Data from Florida showed no significant relationship between the size of teachers' classes and the likelihood of teacher retention, while the nationwide data showed a negative relationship between class size and teacher retention (SASS). In addition, Feng's findings, that there is a

negative correlation between teacher pay and teacher attrition, further supports the idea that one way to keep teachers is to pay them more.

In another study on first year teachers, Stockard and Lehman (2004) examined the factors that influenced both job satisfaction and retention. They hypothesized that demographic variables would have the least impact on teachers' satisfaction and retention, whereas variables related to administrative effectiveness, social support, and school management would have the most effect. This idea supports Ingersoll (2001) and Mancuso's (2010) findings that leadership is determinate factor in turnover rates. Secondly, Stockard and Lehman (2004) hypothesized that measures of teachers' satisfaction would independently influence both their intentions to stay in or leave their jobs as well as their actual retention behavior. The reason for looking at both satisfaction and actual retention behavior is that teachers with reduced options outside the teaching field (due to living in rural areas, during times of high unemployment, etc.) may be unsatisfied with teaching, but do not leave. On the flip side are the teachers who are satisfied with teaching, but live in a time or place of great opportunities, and thus leave the teaching field in order to exploit them.

Like Feng's (2005) study, Stockard and Lehman (2004) analyzed data from both state and national levels. Again, the SASS database (1993-1995) served for the national level, while an unidentified Western U.S. state was surveyed for the state level. On the national level, Stockard and Lehman found that teacher background, school demographics, assignment variables and the measure of effectiveness were significantly associated with satisfaction. They also found a significant relationship between higher salaries, receipt of more support from colleagues and parents, perception of control and influence over their work, and perception of their principal as effective with higher levels of retention. State data also indicated that none of the background variables, but all of the measures of social support and school management, were associated with the teachers' reported satisfaction. Actual

retention, on the other hand, was related to location and salary. These findings are especially pertinent in light of the fact that international schools exist in extremely varied locations and living conditions, ranging from seaside towns in Honduras to desert oil fields of Venezuela to downtown Paris. For this reason, teachers often find themselves weighing the factors of salary and location against each other when making a decision to move to a new school or stay put.

Educational research clearly supports the hypothesis that salary and administrative support are the primary factors related to teacher turnover. However, the literature lacks a thorough exploration and breakdown of the varying aspects of "salary". In the international teaching environment, teachers talk about the various "packages" offered by schools. School packages include both salary and "benefits". The literature does not explore the value teachers place on the various aspects of the package. In order to better understand how heads of school can retain valued teachers, it is necessary to better understand the degree to which varying aspects of their teaching package influence them to stay. In addition, it essential to understand the cost of such incentives to weigh them against the potential financial burdens associated with teacher turnover.

Financial Burden of Teacher Turnover

In Hirsch and Emerick's (2006) North Carolina report on teacher working conditions, the researchers noted that, in addition to the negative cumulative effect on student achievement, high rates of turnover also incurred a great financial toll. The more obvious expenditures associated with recruitment include advertising costs, job fair fees and placement commissions. Less obvious costs include new teacher orientation and specialized training, time spent by the head of school and/or Principals searching for and interviewing candidates, as well as the less quantifiable costs associated with the loss of productivity related to bringing a new teacher up to the level of the departing teacher (Barnes et al. 2007;

Milanowski 2007). When cost were calculated, researchers found that teacher turnover in the U.S. can cost schools between $4,366 and $23,088 (in 2006 dollars) per departing teacher depending on the location of the school (rural vs. urban) and the size of the district.

Individual schools and school districts face the financial burden associated with teacher turnover annually. In a pilot study conducted by National Commission on Teaching and America's Future (NCTAF), Barnes (2007) examined teacher turnover data from 5 districts, ranging from large to small, urban to rural, across the country in order to produce a NCTAF Teacher Turnover Cost Calculator. Models created to calculate the costs associated with teacher turnover included: recruitment, hiring, administrative processing, induction, orientation, professional development, learning curve and transfer. Costs per turnover ranged from $4,366 in the small rural district of Jemez Valley in New Mexico, up to $17,872 per leaver in the very large district of Chicago, Illinois. Barnes arrived at these by dividing the number of leavers (teachers leaving the district) by the total combined school and district level costs. The school districts with higher costs tend to invest more in teacher induction and professional development. For example, Chicago spent $6,000 per teacher for a high quality induction program in hopes of reducing teacher turnover and potentially saving millions for the district.

Barnes (2007) made a strong case for comprehensive induction programs, stating that they have proven to improve teacher retention and student achievement and argued that they do not necessarily entail high costs. In fact, he reasoned that the costs of such programs could be offset by the savings related to a decrease in costs incurred by turnover. The primary limitation of this study was the differences in district level data collection systems that made it difficult to accurately calculate the cost of turnover.

In a study funded by the Bill and Melinda Gates Foundation, Milanowski and Odden (2007) made a strong argument for not applying the private sector's rule of thumb formula

for turnover (turnover cost = 1.5 times the average annually salary) to the teaching sector. In their quantitative analysis of turnover rates in a large midwestern urban district with a largely decentralized hiring process, they calculated the average cost of teacher turnover to be between $6,829 and $8,273. The district had a gross turnover rate of between 10 and 12 percent during the five-year period analyzed in the study. Milanowski and Odden's financial model was based on the costs of separation, replacement staffing, net replacement pay, training, and value of lost productivity. This model differs from Barne's (2007) in that it includes two very important aspects: net replacement pay (the difference in salary of the replaced and the replacement teacher), and value of productivity (net productivity = student achievement of replaced teacher – student achievement of replacement teacher). When net replacement pay was not considered, the average cost of Teacher turnover was $15,413, much closer to Barne's estimate.

In both Milanowski and Odden's (2007) and Barne's (2007) studies, the costs of teacher turnover are high, giving credence to the researchers' argument that it is worth tracking and analyzing the cost of teacher turnover, and strongly supporting the concept that financial incentives may be cost effective tools to decrease teacher turnover. Applied to the international domain, this concept becomes even more pertinent. Being private, independent institutions operating overseas, American Overseas Schools face a unique set of challenges in recruiting and retaining teachers that are associated with much higher potential costs. Recruitment costs unique to AOS include those related to travel from the teacher's country of origin, settling in allowance, fees and travel related to international recruitment fairs, work permits and visas. If we consider $15,000 to be the average cost of teacher turnover in the U.S., it is easy to conceive that the cost of teacher turnover in AOS is far greater. While the actual costs of turnover in the international domain are not currently available, it is safe to apply the same logic that Milanowski and Barnes applied to the domestic market. Money

spent on international teacher recruitment is better spent on teacher retention. If teachers leave a school because they are dissatisfied with salary, or other benefits, then tangible (both monetary and nonmonetary) incentives should be used as a cost effective method for retaining teachers, improving school climate and increasing student achievement.

Incentives

Research has established that dissatisfaction with salary is one of the major factors related to teacher turnover both in US public schools and in international schools. The high cost of turnover supports the idea that money would be better spent on the retention of desired teachers. Schools with greater teacher retention have improved school climate and student achievement on standardized tests relative to schools with high levels of teacher turnover. Now the final issue to address is how to retain highly valued teachers. To do this we must address both the educational and non-educational literature on the use and effectiveness of incentives.

The literature on teacher incentives in schools is related to the teacher evaluation process as measured by student performance on standardized tests. The aim of most merit-based incentives is to improve student learning (Eberts, Hollenbeck, & Stone, 2002; Figlio & Kenny, 2007; Fulbeck, 2012; Vegas, 2005). Merit-based schemes tend to involve large public school districts and are the result of collective bargaining with teachers unions, and as a result must be transparent and based on quantitative performance evidence such as student standardized test results. In addition, very little empirical data exists to support the idea that merit-pay increases student achievement (Eberts et al., 2002). This study did not consider merit-based pay incentives, as the system is generally not practiced in private OASs that operate independently of district and state policy. In addition, merit-based pay was not addressed because the aim of incentives in this study is teacher retention, not increased student performance as measured by standardized tests. Unfortunately, outside of merit-based

incentive schemes in schools, very little empirical research exists on incentives for teachers. Specifically, there was no research to be found on the role incentives play in reducing teacher turnover.

In the U.S., the most salient studies on teacher retention and incentive programs focus on hard to staff areas such as rural school districts, poorly performing schools, minority and high-poverty schools. These positions are considered hard to staff due to both unfavorable living and working conditions. In his study of recruitment and retention in Alabama school districts, Hirsch (2006) asked teachers to rate the influence of financial and non-financial incentives on their decision to teach in a hard to staff district/school. The top four financial incentives, in order, were: *1) state income tax credits (70%), 2) relocation reimbursement (57%), 3) housing assistance (55%) and 4) signing bonus (53%).* For obvious reasons, state income tax credits and relocation reimbursement are not relevant to retaining AOS teachers. Housing assistance and signing bonus, however, are very relevant. To dig deeper, Hirsch asked all respondents in an open-ended question how great the signing bonus must be for them to consider the hard to staff position. Over 50% of respondents reported between 5,000 and 10,000 dollars. Less than 9% indicated that less than 5,000 would suffice. Hirsch's survey clearly demonstrates that for a signing bonus to be considered, it must be of a significant value. In a related study on teacher salaries and attrition, Imazeki (2005) found that teachers respond to relative level of wages, and that for teachers to remain in hard to staff areas, salary increases of 15% to 20% of the regular salary, in relation to nearby districts, were required.

Of the non-financial incentives studied by Hirsch (2006), the top ranking incentive was a reduced teaching load/class size (71%), followed closely by additional support personnel (assistants, coaches and counselors), decision-making opportunities (60%) and professional development opportunities (60%). It is interesting that many of the incentives

that were ranked highly by Alabama teachers are similar to the factors that teachers report as being reasons for leaving a school, all of which can be interpreted as individual incentives to stay at school. Although Hirsch's survey specifically addressed recruitment incentives, the same questions can be asked in relation to teacher retention. Unfortunately, the current literature lacks such a study.

Retention Factors and Incentives in non-Educational Literature

Due to a lack of empirical data on the role incentives play in teacher retention, it is necessary to look outside the field of education. In the broader field of business and health services, incentives are often used to retain desirable employees. Findings in these fields act as a starting point for similar research in the field of education.

Research in the field of management and human resources take a closer look at retention factors that have only begun to be addressed in the field education. Two of the major ideas that deserve attention are that 1) the value employees place on certain retention factors is related to their position in the organization (Hausknecht, Rodda, & Howard, 2009), and 2) that job embeddedness, how deeply an employee is rooted in the work and community life, is a strong predictor of turnover (Mitchell & Holtom, 2001). The idea that an employee's position and level of performance in an organization may be related to the incentives that influenced them to stay is salient. It tells us that not all employees can be treated alike. It has been established from the educational literature that age, years of experience, marital status and subjects taught are related to turnover rates (Ingersoll, 2001; Mancuso, 2010). Nowhere in the literature, however, is the teacher's level of performance, as perceived by the head of school in terms of being either a desirable teacher or not, addressed. This oversight is understandable as rating teachers is an especially delicate subject for administrators and teachers who are backed by powerful unions, as is often the case in U.S. public schools. Targeted retention factors are particularly important to this study, as the goal is to identify

incentives heads of school can use to retain teachers whom they determine to be desirable. Studies in the leisure and hospitality industry explore this idea that has been difficult to address in the field of education.

Hausknecht (2009) surveyed over 30,000 employees in the leisure and hospitality industry. In an open ended format, employees were asked to name the top two reasons they remained with their current company instead of going to work for the competition. The most frequently stated factor was *job satisfaction* (51%), followed by *extrinsic rewards* (41%) and *constituent attachments* (34%). The top two reasons for staying in the leisure and hospitality business happen to be almost identical to the top two reasons teachers stated for leaving their current teaching posts; administrative support, which was identified as the primary reason for job dissatisfaction, and salary (Ingersoll & Smith, 2003). The third factor, constituent attachment, referrers to how attached employees feel to their coworkers, customers and supervisors.

Hausknecht (2009) divided performance level into five categories (needs improvement, marginal, satisfactory, highly successful, and outstanding results) that were self-reported based on the employee's most recent evaluation. While extrinsic rewards were highly valued among all performance levels, high performers valued it significantly less than low performers. It can be inferred from these findings that high performing employees are well suited to their job and find intrinsic motivation in doing it. Low performers may find less satisfaction in the job and therefore place more value on extrinsic motivators such as salary and benefits. Further supporting this idea, Hausknecht found that high performers were more likely to report staying with their current employer for advancemnt opportunities, constituent attachment and job satisfation than lower performing employees. This study supports that idea that a teahcer's level of performance may be a significant factor in determining the incentives that will keep them at a school for at least one additional year.

The second pertinant concept from the non-education literature is the idea of job embeddedness. Mitchell and Holtom's (2001) study of turnover and retention explores the concept that job embeddedness is a key factor in predicting an employee's intent to stay or leave. People who are embedded in their jobs and their local comminuties are less likely to leave than those who are not embedded. In essence, the more a person becomes connected to the people and place where they live and work, the less likely they are to leave a job that is keeping them there. The idea has been likened to a web in which the bigger the web gets, the more likely one is to get stuck in it and be unable to leave.

Factors related to job embeddedness are divided into off-the-job and on-the-job factors. Three critical components exist in both on and off the job factors. Mitchell and Holtom (2001) define the three components as *links*, *fit* and *sacrifice*. Links refer to the extend that a person is connected to other people or activities. People who are married, have young children, are older or are tenured have links that make them less likely to leave than those who do not have links. Fit referes to the extent that a person's job and community fit with other aspects of their life and space needs. For example, wheather, culture, and availability of outdoor activities are factors that may determine how well a person fits a location's georgraphy and culture. Sacrifice deals with the ease in which links can be broken. The higher the number of links a person has to their job and community, the more difficult it will be for the employee to leave.

Mitchell and Holtom (2001) found a negative relationship between embeddedness and an employee's intent to leave. These findings were supported by a similar study conducted by Tanova and Holtom (2008) in which over 130,000 members of the European labor force were surveyed. Both studies found that the more embedded an employee was in the job and local community, the less likely it was for the employee to intend to leave their job. From these findings, it can be assumed that the longer a teacher remains in one location, the more

embedded they become. If this is true, it would be in the head of school's advantage to focus funds, in the form of re-signing incentives, on newly arrived teachers than those whom have been around for a while as they are more likely to move. Currently, liturature does not exist on the relationship between the level of embeddednes or teacher performance and the incentives that influence a teacher to stay. While both are potentially important factors, this study will focus on teacher performance.

Summary

High levels of teacher turnover is a financial burden, decreases student achievement and negatively effects school climate (Barnes, Crowe, & Schaefer, 2007; Hirsch & Emerick, 2006; Mancuso, 2010; Milanowski & Odden, 2007). While many studies demonstrated that a teacher's personal characteristics, such as age, marital status and number of years teaching, were directly related to their decision to leave a school, very little research exists that may guide international heads of school in determining immediate actions that may increase the chances of retaining desirable teachers who consider leaving their schools. While research exists on the use of financial and non-financial incentives as motivational factors to improve performance, no such research exists on the use of incentives to influence an employee to stay or go. To address this gap in the literature, this exploratory study examined the use of organizational conditions as incentives to influence teachers to stay at their current school.

CHAPTER III

Methods

The purpose of this study was to explore the characteristics of teachers working in American Overseas Schools (AOS) operating in Europe, with a specific focus on how they are associated with the influence of incentives on teacher retention. Specifically, this study identified the incentives that influence desirable teachers to stay at their present school for one additional year beyond the conclusion of their current contract. Due to the lack of research on the use of incentives for the purpose of retention in schools, it was necessary to create a new instrument to gather the necessary data. In this exploratory survey study, teachers in their final year of contract and heads of school were questioned via an online survey at the beginning of the recruitment season that generally lasts between November and February each year. The data was used to answer the following research questions.

1. What are the characteristics of desirable teachers currently working for AOS in Europe who are in the last year of their contract?
2. Which incentives do desirable teachers report to be the most influential on their decision to stay at their present school for one additional year beyond the conclusion of their current contract?
3. Is there a difference between teacher characteristics (e.g. age, gender, years teaching, etc.) and the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract?
4. Is there a difference between the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract, the incentives heads of school believe would have the greatest

influence on a teacher's decision to stay, and the incentives that heads of school actually have the ability to use?

Population

The target population of this study consisted of desirable teachers, in their terminal year of contract, and heads of school currently working in AOS operating in European Union member states, as listed on the U.S. Department of State website (Table 1). AOS operate American-style academic programs and are financially supported either directly or indirectly by the U.S. Department of State. The heads of school and teachers in the European Union work and live in countries with relatively similar socioeconomic backgrounds. For this study, it is important that the host countries share similar socioeconomic levels as these factors may influence rates of turnover and quality of life (Desroches, 2013).

The target population of heads of school consisted of 41 individuals, one from each of the schools that met the criteria. I estimated the teacher population, including local and expatriate hires, to be 1491 individuals. I calculated this number by multiplying the total number of teachers currently working in AOS in Europe by the inverse of the average contract length (2.5 years). For example, The American School of Paris had 114 full time teachers during the 2013/2014 academic year. Most schools offer teachers 2 to 3-year contracts, the average being 2.5 years. Therefore the estimated number of teachers in their terminal year of contract at The American School of Paris is 46 teachers ($114 \times \frac{1}{2.5} = 46$). It is not possible to accurately estimate the true number of teachers in the population, as there is no basis by which to estimate the number of teachers that heads of school will identify as desirable. Additionally, since data does not currently exist on the average contract length of teachers in AOS in Europe, a more precise estimate of the population could not have been made prior to this study.

Table 1: American Overseas Schools in European Union Member States

Country	School	Full-time Teaching Staff*	Teachers in Terminal Year
Austria	American International School in Vienna	102	41
Belgium	International School of Brussels	202	81
Bulgaria	Anglo-American School of Sofia	57	23
Croatia	The American International School of Zagreb	39	16
Czech Rep	International School of Prague	112	45
Denmark	Copenhagen International School	123	49
Estonia	The International School of Estonia	24	10
Finland	International School of Helsinki	79	32
France	American School of Paris	114	46
Germany	John F. Kennedy School	148	59
	Berlin Brandenburg International School	100	39
	Bonn International School	93	37
	International School of Dusseldorf	120	54
	Leipzig International School	114	42
	Munich International School	156	62
	Frankfurt International School	198	79
	International School Hamburg	98	36
Greece	American Community Schools of Athens	67	27
	Pinewood American International School	22	9
Hungary	American International School of Budapest	116	46
Ireland	St. Andrew's College	129	52
Italy	The International School of Florence	68	27
	American School of Milan	81	31
	American Overseas School of Rome	72	29
	St. Stephen's School	29	12
Latvia	The International School of Latvia	48	16
Lithuania	American International School of Vilnius	39	16
Malta	Verdala International School	55	24
Netherlands	The International School of Amsterdam	149	60
	American International School of Rotterdam	71	28
	The American School of The Hague	135	54
Poland	International School of Krakow	40	16
	American School of Warsaw	113	45
Portugal	Frank C. Carlucci American International School	70	28
Romania	American International School of Bucharest	110	40
Slovakia	QSI International School of Bratislava	30	20
Slovenia	QSI International School of Ljubljana	15	6
Spain	American School of Barcelona	93	37
	Benjamin Franklin International School	85	33
	American School of Madrid	87	38
Sweden	Stockholm International School	82	46
Totals		3696	1491

** Numbers of full-time teaching staff as reported by the 2013/2014 U.S. Department of State Fact Sheets.*

Sampling

This exploratory study employed a census sampling method. All members of the heads of school population were sent an introductory letter briefly explaining the study and inviting them to participate (Appendix A). In the letter, heads of school were asked to complete an online survey and send an invitation letter to the target population of desirable teachers (Appendix B). The target population of teachers consisted of teachers identified by their head of school as desirable. These are teachers that heads of school identify as being most important to the operation and future success of their school. Heads of school were reassured that the selection of desirable teachers is completely confidential. Teachers were not aware that they were selected to participate in the study based on these criteria. Instead, teachers were informed that they were selected to represent the population of teachers in their last year of contract. Being a census sampling, the goal was for every head of school and teacher in the population to receive and respond to their respective survey.

Survey Instruments and Pilot Study

To establish the incentives that will be explored in this study, I employed the Delphi method with a panel of 5 experts from the fields of education and human resources. The panel was composed of three retired heads of school (retired for no more than three years with recent experience in Europe), one educational consultant (currently working with international schools in Europe) and one current leader of an international school organization (U.S. Department of State Regional Education Officer). A letter (Appendix C) was sent to each potential member of the panel of experts, asking them to participate. The letter included a link to a Google form that provided panel members a place to identify what they believed to be the top 5 to 10 incentives for influencing an international teacher to stay at their present school for one additional year beyond the conclusion of their current contract (Appendix D). Once I received all of the data, I identified the 15 incentives reported with the

highest frequency by the panel and sent the list to the panel for further feedback. A second form was sent to the panel asking them to rank the 15 incentives from most influential to least influence. Each incentive received one to 15 points depending on their ranking, 15 being the most influential and one being the least. The 10 incentives with the highest-ranking score were included in this study.

There were two versions of the instrument, one for heads of school (Appendix E) and one for teachers (Appendix F). The purpose of the instrument was to collect descriptive data on the perceived value of an array of incentives, as established by the panel of experts, in relation to teacher characteristics. The instrument was piloted with teachers and the head of school at the American School of Milan. Piloting the study at the American school allowed for face-to-face feedback from participants who wished to meet with me. The head of school received a cover letter (Appendix G) asking for participation in the pilot study which consisted of going through the entire survey and to providing feedback on the clarity of the questions, time required to complete the survey, concerns with individual questions and whether or not the instrument measured the construct (Appendix H). Their feedback was incorporated into the final version of the instrument. Likewise, teachers in the pilot group received an invitation letter (Appendix I) from their head of school requesting them to participate in the pilot study. Upon completion of the survey, teachers were asked to provide feedback in an online form (Appendix J) on the clarity of the questions, time required to complete the survey, concerns with individual questions and whether or not the instrument measures the construct.

Data Gathering

Survey data was collected using Google Forms. An email with a brief description of the study (Appendix A) was sent to heads of school with a link to the heads of school' survey (Appendix E). Additionally, heads of school were asked to identify their desirable teachers and distribute the introduction letter (Appendix B) to them containing a link to the Teacher's Survey (Appendix F).

Data Analysis

Research questions one and two were addressed by compiling the mean, range and standard deviation of the various teacher characteristics of AOS operating in Europe and the average percentage of desirable teachers that report being influenced by each incentive. This analysis focused on the organizational aspects of the schools, teacher characteristics, and the use of incentives in AOS in Europe. The purpose was to establish a base-line of the current human resources situation in AOS operating in Europe, data that was currently not available in the educational literature. Since the results will be descriptive by nature, I focused on the means and standard deviation. Further analysis, such as analysis of variance (ANOVA), is therefore not necessary to establish a baseline. For example, I found the mean number of teachers in their terminal contract year, the mean number of teachers who will re-sign with a $5,000 re-signing bonus and the mean number of heads that are able to offer a $5,000 resigning bonus to influence a teacher to stay at their present school for one additional year beyond the conclusion of their current contract.

I used ANOVA to answer research questions three and four. Specifically, to answer question three, ANOVA was used to identify if there was a significant difference for each incentive between the teacher characteristics. For example, is there a significant difference in the percentage of teachers who identify a $5,000 bonus as influential on their decision to re-sign and the factors of age, marital status and years teaching overseas? Question four was answered using ANOVA to identify if the incentives that teachers state could influence them

to re-sign are significantly different from the incentives heads of school believe would have the greatest influence on a teacher's decision to stay, and the incentives that heads of school actually have the ability to use? The data and statistical analysis used to address each question are displayed in Table 2.

Table 2: Data source and statistical analysis that will be used to answer each research question.

Research Question	Data Source	Data Analysis
Question 1	Teacher's Survey Head of School's Survey	Mean, range and standard deviation
Question 2	Teachers' Survey	Percent averages
Question 3	Teachers' Survey	Analysis of variance (ANOVA) tests
Question 4	Teacher's Survey Head of School's Survey	Analysis of variance (ANOVA) tests

CHAPTER IV

Results

The purpose of this study was to explore the characteristics of desirable teachers working in American Overseas Schools (AOS) operating in Europe, with a specific focus on the incentives that may influence desirable teachers to stay at their present school for one additional year beyond the conclusion of their current contract. This chapter outlines the demographics of the respondents followed by an analysis of the data for each of the four research questions. Key findings are summarized at the end of the chapter.

Respondents

Invitation letters were sent via standard mail early October of 2014 to 41 heads of school currently working at AOS in Europe. The letter briefly explained the value of the study, included a £10 gift certificate to amazon UK and concluded with a short link to the Head of School Survey. Two weeks later, an email version of the letter and copy of the gift certificate were sent to the same heads of school to insure receipt. A total of 17 heads of school completed the survey (41% response rate) representing schools in 13 out of 25 countries in the population. Heads of school responded from Austria, Bulgaria, Croatia, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Poland, Portugal, Slovenia and Spain. At the end of the Head of School Survey, participants were provided with a hyperlink to a letter to be sent to their desirable teachers who were in their terminal year of contract. Two out of the 17 heads of school indicted that they did not send the survey to their teachers. One explained that it was against board policy and the second explained that she was new to the school and did not yet know her teachers well enough to determine who was vital to future operations. Therefore, only teachers from 15 of the 41 schools in the original population had potential access to the survey. Of the 376 teachers in

their terminal year of contract, 187 (50%) were categorized by their head of school as desirable. Of this purposeful population of 187 teachers, 31 completed the Teacher Survey for a 17% teacher response rate. Teachers from the remaining 26 schools had no opportunity to participate in the survey and have been excluded from the purposeful population. The results of this study can only be used to represent the purposeful population of the 15 fully participating schools (both head of school and teachers had the opportunity to participate). While the lack in responses from desirable teachers limits the generalizability of the findings, the fact that responding heads of school represented 13 out of 25 countries strengthens the findings.

Heads of school reported an average teacher turnover rate of 11% with a range of 0 to 25% for the 2013/2014 academic year. Table 3 illustrates the average contract length for new hires and shows the average contract length given to teachers when they re-sign at the end of their first contract. By law, many European nations require employers to provide permanent contracts, some at the start of employment and others after an initial trail period. This may explain why 56% of heads of school reported offering contract lengths of 5 years or more to re-signing teachers.

Table 3: Initial Contract Length and Re-signing Contract Length

Years	Initial Contract	Re-signing Contract
1	6%	44%
2	81%	0%
3	0%	0%
4	0%	0%
5 or more	13%	56%

Findings

Question 1: Characteristics of desirable teachers currently working for AOS in Europe

The first research question outlines the characteristics of desirable teachers working in AOS in Europe (*n=31*) in 2014. Table 4 provides a summary of the mean, range and standard deviation for age, years teaching and self-ranking of marketability. Table 5 illustrates the nationality of teachers, gender, marital status, school-aged children and subjects taught by percentage. Teachers were asked to rank their marketability on a scale of 0 to 10, 10 being the most marketable. Figure 1 illustrated how desirable teachers self-ranked their marketability in the international teaching market.

Table 4: Teacher Demographics

Teacher Characteristic	mean ($\bar{x}$)	range	stdev
Age	39	26-63	9.5
Years teaching	13	2-28	7.6
Years teaching abroad	8	2-27	6.6
Years teaching at current school	5	1-27	5.2
Marketability (on a scale of 1 to 10)	8	3-10	1.6

Table 5: Teacher Demographics

Nationality	Percentage
American	69%
Australian	12%
Other (non host country national)	8%
British	4%
Canadian	4%
Host Country National	4%
Gender	
Female	65%
Male	35%
Marital Status	
Single	55%
Married (spouse is not a host country national)	26%
Married (spouse is a host country national)	19%
School-aged Children	
No	84%
Yes	16%

Subject Taught	
Elementary generalist	29%
Languages	26%
Humanities	26%
Arts	10%
Math	6%
Science	3%

Figure 1: Teacher Self-ranking of Marketability

Question 2: Incentives desirable teachers report to be the most influential on their decision to stay at their present school for one additional year beyond the conclusion of their current contract.

Teachers were asked to rank each incentives based on it's perceived level of influence on their decision to re-sign for at least one addition year. Incentives ranked 10 were most influential while those ranked 0 had no influence on the decision to re-sign. Table 6 illustrates the mean, range and standard deviation of each of the 9 incentives presented to teachers in the survey. The re-signing bonus of 5,000 to 10,000 euro was the highest-ranking incentive with a mean score of 8 out of 10. Other highly ranked incentives included paid annual visits home ($\bar{x}$ = 7.13), increase in housing allowance ($\bar{x}$ = 6.89), and a raise in salary ($\bar{x}$ = 6.60). Incentives perceived as having the least influence on a teacher's decision to re-sign were unpaid leadership positions ($\bar{x}$ = 1.71), private heath care ($\bar{x}$ = 3.46) and a paid leadership position ($\bar{x}$ = 4.22). Incentives with a middle range of influence were retirement contributions ($\bar{x}$ = 5.82) and professional development ($\bar{x}$ = 5.33). It can be assumed the

private health care ranked very low as 75% of schools offer it to all teachers as part of the original contract (or by national law). Likewise, retirement contributions and professional development may have been ranked low as both are offered to all teachers as part of the original contract in over 50% of schools surveyed.

Table 6: Teacher Ranking of Incentive Level of Influence

Incentive	mean	range	stdev
Re-signing Bonus (5,000 to 10,000 euro)	8.00	0-10	3.26
Paid Annual Visit Home	7.13	0-10	3.32
Increase in Housing	6.89	0-10	3.47
Raise in Salary	6.60	0-10	3.38
Retirement Contributions	5.82	0-10	3.63
Professional Development Stipend	5.33	0-10	2.74
Paid Leadership Position with Title	4.22	0-10	3.65
Private Health Care	3.46	0-10	3.87
Unpaid Leadership Position with Title	1.71	0-8	3.07

Figure 2 though Figure10 illustrate the distribution of raw date for teacher rankings of each of the nine incentives. Figure 2 illustrates that the majority of desirable teachers, over 60%, rated the level of influence of a re-signing bonus as a 9 or 10. Similarly, figures 3, 5, 9 and 10 illustrate data clustered on either end of the rating distribution. Data on paid annual visits home (Figure 3) and raise in salary (Figure 5) are clustered in the 9-10 raking range, while private heath care (Figure 9) and unpaid leadership (figure 10) are clustered in the zero ranking. The clustered data reveals that a high percentage of teachers rated the incentive at the same level giving more significance to the mean value. Figures 4, 6, 7 and 8 illustrate a more even distribution of data points, demonstrating less polarized feelings from teachers for the incentives with mean rankings in the middle range of influence.

Figure 2: Re-signing Bonus Data Distribution

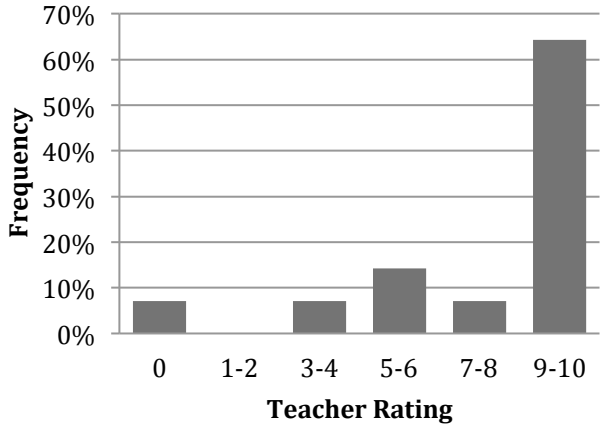


Figure 3: Paid Annual Visit Home Data Distribution

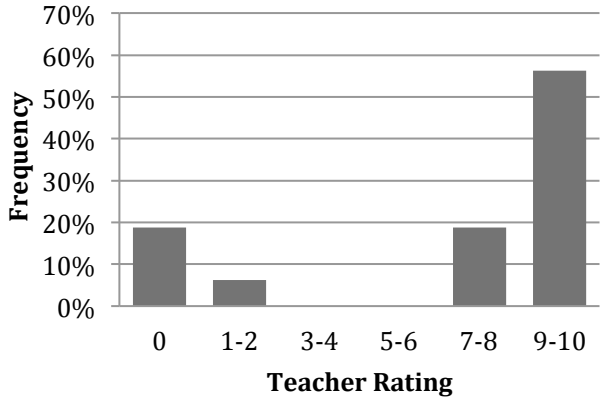


Figure 4: Increase in Housing Data Distribution

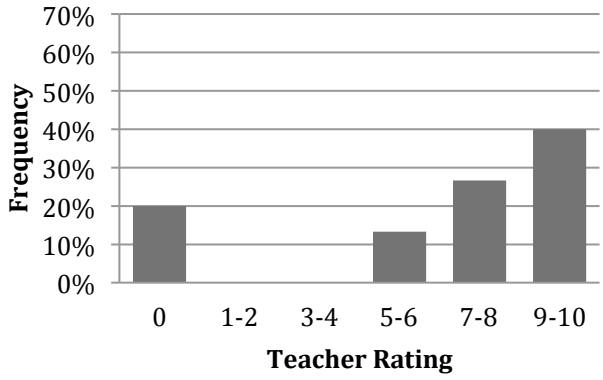


Figure 5: Raise in Salary Data Distribution

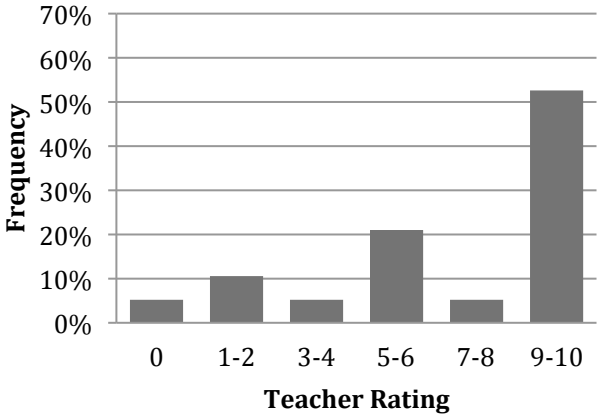


Figure 6: Retirement Contributions Data Distribution

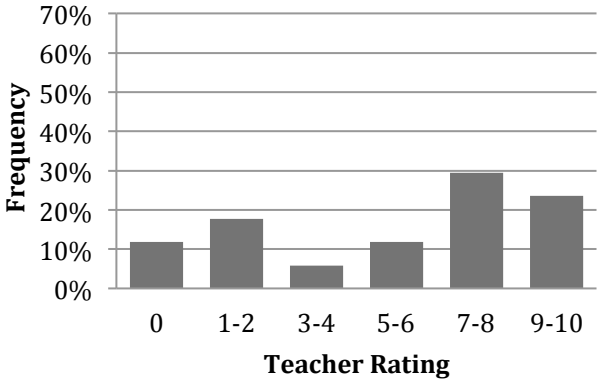


Figure 7: Professional Development Stipend Data Distribution

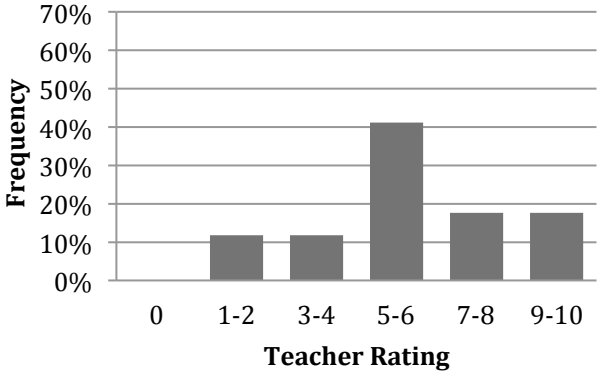


Figure 8: Paid Leadership Position with Title Data Distribution

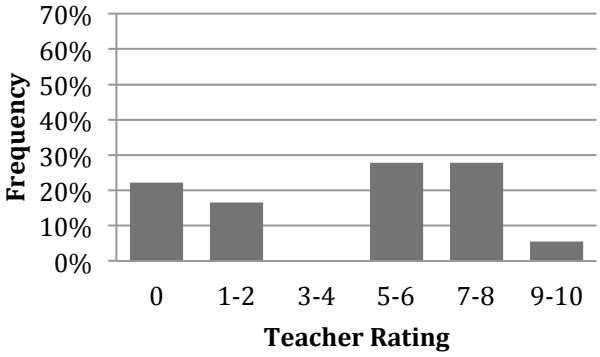


Figure 9: Private Health Care Data Distribution

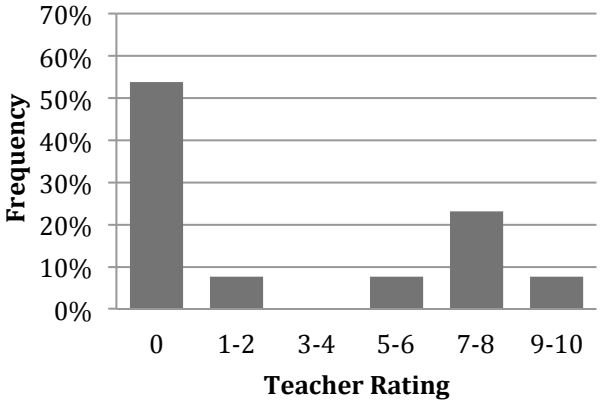
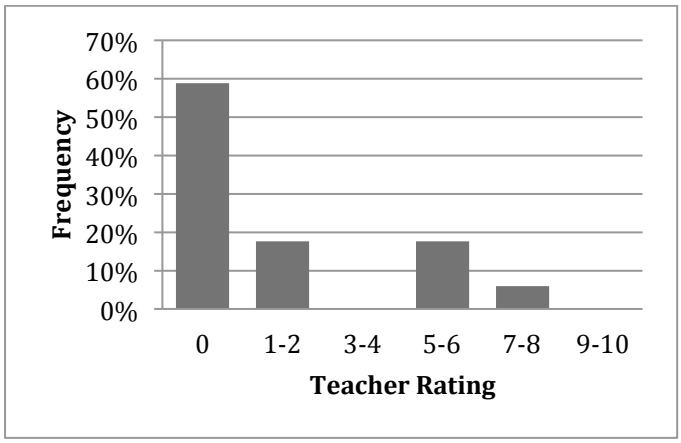


Figure 10: Unpaid Leadership Position with Title Data Distribution



Question 3: Difference between teacher characteristics (e.g. age, gender, years teaching, etc.) and the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract.

Analysis of variance was used to discern significant differences between teacher characteristics and the level of influence each incentive had on a teacher's decision to re-sign for one additional year. Table 7 displays the *p-value* for each relationship. Age and marital status were the only two characteristics that showed significant differences in relation to the incentives teachers valued. Gender, total years teaching and years at current school did not show any significant differences.

Table 7: Significant Differences Between Teacher Characteristics and Incentives

Incentive	Age	Gender	Marital Status	Total Years Teaching	Years at Current School
Private Health Care	0.803	0.532	0.970	0.703	0.948
Professional Development	**0.082**	0.212	0.437	0.280	0.912
Housing Upgrade	0.980	0.396	0.878	0.615	0.175
Unpaid Leadership Position	**0.019***	0.582	0.535	0.404	0.500
Paid Leadership Position	0.424	0.345	**0.066**	0.908	0.312
Retirement Contributions	0.574	0.493	0.838	0.167	0.490
Paid Annual Visit Home	0.933	0.698	0.651	0.947	0.488
Raise in Salary	0.574	0.803	**0.003****	0.503	0.529
Re-signing Bonus	0.343	0.638	0.262	0.249	0.201
Amount to Re-sign	0.953	0.957	0.230	0.463	0.957

Note: Numbers in bold represent significant and borderline significant differences. *$p < .05$, **$p < .005$

Age, which was divided into three groups (under 35, 35-50 and over 50), showed a significant difference between groups in relation to an unpaid leadership position. While an unpaid leadership position was the lowest ranked of the incentives ($\bar{x} = 1.7$), there was a significant difference between those under 35 and those over 35 (Table 8). The mean ranking by teachers under 35 years old was a low 3.22 while all teachers over 35 ranked it zero. Although not statistically significant, age appears to be a strong factor in relation to how teachers value professional development as an incentive to stay (*p-value = 0.082*). Teachers over the age of 50 show a much lower mean ranking of professional development as an

incentive ($\bar{x}$ = 2.75) in relation to teachers under 35 ($\bar{x}$ = 6.5) and teachers between 35 and 50 ($\bar{x}$ = 5.75).

Table 8: Differences of Age Groups

Incentive	Age Groups		
Unpaid Leadership Position	Under 35	35-50	50 and over
mean	3.22	0	0
stdev	2.68	0	0
Professional Development			
mean	6.50	5.75	2.75
stdev	2.35	2.66	2.22

Marital Status showed a significant difference between single and married teachers in how they valued a raise in salary as an incentive (Table 9). Married teachers ranked salary as a mid-range influencer ($\bar{x}$ = 5.25) while single teachers ranked it very highly ($\bar{x}$ = 9.71). Single teachers also placed a higher value on a paid leadership position than married teachers, ranking a paid leadership position considerably higher ($\bar{x}$ = 6) than that of their married colleges ($\bar{x}$ = 3.09) with a *p-value* of 0.066. In both cases, single teachers appear to have valued incentives with a monetary value more than married teachers did.

Table 9: Differences of Marital Status

Incentive	Marital Status	
Raise in Salary	Married	Single
mean	5.25	9.71
stdev	3.36	0.49
Paid Leadership Position		
mean	3.09	6.00
stdev	2.98	3.16

Question 4: Difference between the incentives that desirable teachers state will influence them to stay at their present school for one additional year beyond the conclusion of their current contract, the incentives heads of school believe would have the greatest influence on a

teacher's decision to stay, and the incentives that heads of school actually have the ability to use.

To clearly display the order in which teachers and heads of school valued incentives, the mean value of each incentive was ordered on a rank scale from 1 to 9 (1 being the most valued incentive, 9 the least). Two incentives had significantly different raked ratings while the rest were very similar. Table 10 illustrates that teachers rated the re-signing bonus as the most influential incentive, while heads of school rated it 5th. The difference between them was statistically significant with a p-value of 0.0564 (Table 11). The other incentives that differed between teachers and heads of school were paid and unpaid leadership positions. Heads of school rated paid leadership positions as the number one influential incentive while teachers rated it 7th out of 9 ($p<0.001$). While teachers and heads of school both rated unpaid leadership positions low, there was a significant difference between the mean values. The mean teacher value was 1.71 compared to the mean head of school value of 5.2 ($p=0.0003$).

Table 10: Teacher vs. Head of School Rankings of Incentives

Incentives	Rankings	
	Teachers	Heads of school
Re-signing Bonus (5,000 to 10,000 euro)	1	5
Paid Annual Visit Home	2	4
Increase in Housing	3	2
Raise in Salary	4	3
Retirement Contributions	5	6
Professional Development Stipend	6	7
Paid Leadership Position with Title	7	1
Private Health Care	8	9
Unpaid Leadership Position with Title	9	8

Table 11: Difference Between Teachers and Head of School Ranking of Incentives and Head of School Access to Incentives

Incentive	Mean Ranking		p-value	Head
	Teachers	Heads		Access
Re-signing Bonus (5,000 to 10,000 euro)	8.00	5.462	*0.0564*	35%

Paid Annual Visit Home	7.13	6.353	0.5484	41%
Increase in Housing	6.89	6.765	0.8969	0%
Raise in Salary	6.60	6.385	0.8659	41%
Retirement Contributions	5.82	5.333	0.6668	47%
Professional Development Stipend	5.33	5.267	0.9392	53%
Paid Leadership Position with Title	4.22	7.813	**0.00122***	76%
Private Health Care	3.46	5.125	0.2234	59%
Unpaid Leadership Position with Title	1.71	5.200	**0.0003*****	65%

Note: Numbers in bold represent significant and borderline significant differences. *p< .05, **p< .005, *** p< .0005

Heads of school have access to several incentives that may be used to retain desirable teachers (Table 11). The ability to offer a paid leadership position was available to 76% of heads of school. Only 35% of heads of school were able to offer re-signing bonus while 41% were able to offer paid annual visits home. This is of great interest considering that the re-signing bonus and paid annual visit home were reported by teachers to be the most influential incentives, however few heads of school had access to them as retention tools.

Key Findings

This exploratory study revealed several interesting aspects of teacher retention in AOS in Europe. Of most importance is the finding that desirable teachers could be influenced to stay one additional year if offered an incentive. Other key findings included the prevalence of permanent contracts throughout Europe and teacher preference for incentives that heads of school cannot access. Additionally, age and marital status showed significant differences in relation to the incentives that teachers rated as influential. While these findings are important, they must be interpreted in the context of limitations that I address later in the discussion section.

Out of the 17 schools that participated in the survey, 81% offered 2-year initial contracts while 13% offered permanent contracts from the beginning. Several heads of school commented that they were obligated by national law to offer permanent contracts to their staff. When it came time to re-sign for those who did not have permanent contracts from the

beginning, an additional 43% of heads of school were obliged to offer permanent contracts. The majority of heads of school (53%) were bound by national law to offer continued employment after the initial contract.

Desirable teachers varied in how they rated the incentives that would influence them to stay. While the majority of teachers rated a re-signing bonus, annual flights home and an increase in housing allowance as highly influential, there were also teachers who ranked these same incentives as having a low level of influence. For example, 7% of teachers rated a re-signing bonus as having no influence. An unpaid leadership position, with the lowest overall level of influence ($\bar{x}$ = 1.71) was ranked by 6% of teachers as highly influential (in the 7-8 range) demonstrating that not all teachers are influenced by the same incentives. These finding illustrate that there is no one incentive that influences all teachers. Heads of school must know their teachers well enough to personalize the incentives they offer. The issue for heads of school is not about knowing which incentive will influence the majority of desirable teachers to stay, instead the issue is whether or not heads of school have discretionary funds to use for the retention of desirable teachers.

It is interesting to note that the top four incentives valued by teachers were not broadly available to heads of school. A re-signing bonus was the most highly ranked incentive by teachers (8 out of 10), yet only 35% of heads of schools were able to use it for retention purposes. The second most valued incentive was paid annual visits home (7.13 out of 10), but only 41% of heads of school could use it as an incentive to re-sign. The third ranking incentive was an increase in housing allowance which 0% of heads of school had at their disposal. Raise in salary was the 4th ranking incentive (6.6 out of 10) which only 41% of heads were able to use. In contrast, the incentives accessible by the highest percentage of heads of school were the least valued by teachers: paid and unpaid leadership position and private health care.

Age and marital status were the only two characteristics that showed significant differences in relation to the incentives teachers rated as influential. Teachers over 50 valued unpaid leadership positions and professional development significantly less than their younger colleagues. On the other hand, single teachers valued a raise in salary and paid leadership positions significantly more than their married colleagues. These two factors will be explored in greater detail in the following discussion section.

CHAPTER V

Discussion

Introduction

This study was based on the idea that time and money are better spent on retaining desirable teachers than replacing them. Extensive research has demonstrated that high levels of teacher turnover is a financial burden that decreases student achievement and has an overall negative effect on school climate (Barnes, Crowe, & Schaefer, 2007; Hirsch & Emerick, 2006; Mancuso, 2010; Milanowski & Odden, 2007). While studies demonstrated that a teacher's personal characteristics, such as age, marital status and number of years teaching were directly related to their decision to leave a school, little research existed to guide international heads of school in determining immediate actions to retain their most desirable teachers. This study identified the incentives that teachers most value and compared them to the incentives that heads of school have at their disposal. Additionally, this study found both age and marital status to play a role in how teachers value different incentives. The findings of this study are based on a relatively small data set in which several responses can make the difference between significant and non-significant differences.

Discussion

The literature on teacher turnover, in both U.S. public and private schools and American schools abroad, consistently showed that teachers leave their schools due to dissatisfaction with administrative support and salary (Boyd et al., 2011; Darling-Hammond, 2003; Ingersoll, 2001; Mancuso, 2010; Mittapalli, 2008). It can therefore be assumed that a school could decrease teacher turnover by improving administrative support and teacher salaries. While the perception of administrative support may be difficult to change in a short period of time, this study has demonstrated that salary, and other financial benefits, may be

effective tools for retaining desirable teachers. Specifically, desirable teachers working in American Overseas Schools (AOS) in Europe valued the following incentives, in this order, as influential on their decision to stay at their current school: 1) resigning bonus of 5,000 to 10,000 euro, 2) paid annual visit home, 3) increase in housing allowance, and a 4) raise in salary. Unfortunately, very few heads of school had access to the incentives most valued by desirable teachers (Table 14). The lack of access to the most influential incentives may be due to a lack of discretionary funds.

Table 14: Most Valued Incentives vs. Head Access to Incentives

	Mean Teacher Ranking (*out of 10*)	Head Access
Re-signing Bonus (5,000 to 10,000 euro)	8.00	35%
Paid Annual Visit Home	7.13	41%
Increase in Housing	6.89	0%
Raise in Salary	6.60	41%

Additionally, this study demonstrated that heads of school and teachers agreed on the level of influence of the majority of incentives (paid annual visit home, increase in housing, raise in salary, retirement contributions and professional development stipend) but that heads of school underestimated the influence of a re-signing bonus and overestimated the influence of paid and unpaid leadership roles. A significant difference was found between how heads of school and teachers rated a paid leadership position as an incentive to stay *(p=0.00122).* While heads of school rated it as the most influential ($\bar{x}$ = 7.813), teachers rated it 7th out of 9 ($\bar{x}$ = 4.22). Similarly, there was a significant difference *(p=0.0003)* between heads of school and teachers when it came to unpaid leadership positions. Again, heads of school rated an unpaid leadership position significantly higher than teachers did. One hypothesis is that the most desirable teachers are not interested in leadership position, but instead prefer to stay in the classroom. While their passion for teaching makes them desirable and worth retaining, it

may also be what keeps them from looking to move into new leadership roles. Also possible is that teachers rated the unpaid leadership positions low because they did not understand its true value. If so, the issue for heads of school is one of reframing the value of an unpaid leadership position so that teachers appreciate it to the same level that heads of school do. It is a matter of explaining to desirable teachers that a leadership role is an important learning and growth experience that is worth staying for.

Ingersoll's (2001) study of teacher characteristics identified age as a strong predictor of turnover. He found that middle age teachers had a departure rate 185% higher than younger and older teachers. In AOS in South American, Desroches (2013) found that the likelihood of leaving a school decreased with age, with younger teachers being the most likely to leave a school. While all teachers in my study expressed little value for unpaid leadership positions ($\bar{x}$ = 1.7), middle aged ($\bar{x}$ = 0) and older teachers ($\bar{x}$ = 0) valued an unpaid leadership position significantly less than their younger counterparts ($\bar{x}$ = 3.22). Younger teachers may be more influenced by an unpaid leadership opportunity due to the novelty of the job or a heightened level of importance or self-worth associated with the opportunity. Veteran teachers are less likely to be flattered by a position of leadership that does not bring a significant raise in salary with it.

While no current research shows that teachers leave schools due to a lack of professional development opportunities, professional development may be an effective way to retain desirable teachers under the age of 35. Significant differences were found between age groups in relation to professional development. Teachers under 35 ($\bar{x}$ = 6.5) and between 35 and 50 ($\bar{x}$ = 5.75) showed a much higher mean ranking of professional development than teachers over 50 ($\bar{x}$ = 2.75). It is logical for teachers early in their careers to want to invest in their personal growth more than teachers closer to the end of their careers. It can also be assumed that veteran teachers are more likely to have higher-level degrees and are therefore

less likely to be influenced by the promise continued professional growth or advanced degrees. Heads of school have been known to pay for masters and doctoral programs for desirable teachers. Since these programs last for several years, participating teachers are likely to remain at the school until the program is completed, and perhaps longer, making it an ideal incentive to retain young, high potential teachers.

While marital status was not a significant predictor of teacher turnover (Desroches, 2013; Mancuso, 2010), a significant difference was found between married and single teachers in relation to how they valued a raise in salary and paid leadership positions. Single teachers ranked a raise in salary as the most influential incentive to stay ($\bar{x}$ = 9.75) while married teachers ranked it in the mid-range ($\bar{x}$ = 5.25). Likewise, single teachers ($\bar{x}$ = 6.00) valued paid leadership positions significantly more than the married teachers ($\bar{x}$ = 3.09). It is possible that married teachers are more financially secure, as a result of dual incomes, and therefore less influenced by purely financial incentives.

Similar to Mancuso (2010) and Desroches' (2013) findings that gender is not related to a teachers decision to leave, this study found no significant difference between gender and the incentives that teachers value as influential on their decision to stay. However, differences were found in relation to years teaching and years at current school. While Mancuso found that teachers with more experience were more likely to move than teachers with less experience, this study found no significant differences between years of experience and the ranking of incentives.

Limitations

The primary limitation of this study was the low teacher response rate of 17%. Of the purposeful population of 187 desirable teachers working in OAS in Europe, only 31 responded. This was much lower than similar studies of turnover in AOS in South American and the Near East South Asia region. Desroches' (2013) study of turnover in South American

schools had a response rate of 27% in which 356 teachers out of a population of 1,297 responded to his online survey. Mancuso's (2010) study in the Near East South Asia had an even greater response rate of 43%. Of his population of 3,119 teachers, 248 of the 576 teachers randomly sampled to participate in his online survey responded. The vey low teacher response rate in this study greatly limits the strength and generalizability of the findings. One question to be addressed is why there was such a low response rate. Was it because heads of school did not send the invitation to their desirable teachers, or did teachers lack time or interest to complete the survey? From this study, there is no way of knowing. It is also possible that teachers where not comfortable answering personal questions related to their future plans or why they would want to leave their school out of fear that the response would get back to their superiors.

Beyond the limited response rate, a second limitation in this study is the assumption that how teachers rate the influence of incentives on their decision to stay in a survey is the same as how they would react when actually being offered the incentive. It is one thing to say that a re-signing bonus would influence me to stay; it is an entirely different scenario when I have a real life-changing decision to. Because information for this study was gathered from desirable teachers before a decision was made, the results are purely hypothetical. It would be more telling to study desirable teachers who have already made the decision to extended their contracts to ask them which incentives where most influential on their decision to stay. In this manner, the study would examine events that actually occurred instead of ones that could hypothetically occur.

Recommendations for Practice

Heads of school must have the tools necessary to retain their most desirable teachers. As we have learned from this exploratory study, the majority of heads of school who

responded do not have access to the incentives that are most influential on desirable teachers' decisions to re-sign for one additional year. While this study did not ask why heads of school did not have access, it can be assumed that they lacked necessary discretionary funds. This is a topic to be explored in a future study. If discretionary funds are available, heads of school can use them to retain their desirable teachers on an individual basis. This study demonstrated that desirable teachers do not all value the same incentives. Some variation may be attributed to age and marital status, however, much of the variation is not yet understood and likely to be outside the reach of factors related to teacher characteristics as examined in this study. For this reason, it is essential that heads of school know the motivating factors of each individual teacher in their school. The best way to do this is for heads of school to talk with their teachers to learn their personal motivating factors. While the findings of this study can only be generalized to the population of 15 participating AOS in Europe, heads of school can use this information to lobby school boards to set aside discretionary funds for retention purposes. This study supports the argument that replacing desirable teachers is more financially burdensome than retaining them. Considering Barnes (2007) and Milanowski's (2007) findings that turnover can cost up to $23,000 per teacher, influencing the most desirable teachers to stay with a 5,000 to 10,000 euro signing bonus or an annual flight home is clearly the prudent choice.

There are risks, however. The majority of heads of school expressed their apprehension towards the use of incentives for retention purposes. Some heads of school shared their feelings that teachers do not keep secrets, and that once the word gets out that one teacher received a bonus and another teacher did not, that a culture of favoritism, inequality and mistrust is created, causing a negative school climate. For many heads of school, this is a risk not worth taking. Other heads of school stated that incentives are effective in the short term, but over time monetary incentives become an expectation that lead

to a decrease in teacher willingness to do things that they are not compensated for. If part of the purpose of using financial incentives to retain teachers to decrease the financial burden of turnover, then this scenario demonstrates that in the long-run, it may cost more to retain teachers with incentives than to replace them.

If funds are available and the head of school is comfortable offering incentives to re-sign, a significant signing bonus (5,000 to 10,000 euro) or paid annual flights home are viewed by teachers as the most influential incentives to re-sign. While international schools in other regions of the world are known for higher earning potentials and annual flights home, Europe is not. Instead, Europe is attractive for its culture, relative safety, and overall quality of life. For this reason, AOS teachers in Europe may have placed a greater value on the tangible financial incentives of bonuses, salary increases or flights home.

Recommendations for Research

The present research on teacher turnover in AOS demonstrates that dissatisfaction with administrative support and/or salary are the primary reasons teachers leave their schools (Desroches, 2013; Mancuso, 2010). This study took the idea a step further by asking which incentives would influence a teacher to stay at their school, however, this study did not take into consideration the precise reason individual teachers had for considering leaving. Additionally, the collection of teacher data was insufficient to generalize the findings to the greater population of AOS teachers in Europe. While the current study yielded interesting results, they are not conclusive and further research is warranted. Below are several recommendations for continued research.

1. This study focused on the characteristics and perceptions of desirable teachers in AOS in Europe. However, there is great variation in working conditions, salaries and benefits packages from one region of the world to another. Further study is warranted in other regions of the world including Asia, the Middle East and Latin America.

2. The current study was a quantitative analysis that depended on heads of school to distribute surveys to their desirable teachers. The teacher response rate was very low. There was no way of knowing if the low teacher response rate was the result of heads of school not sending the survey to their desirable teachers, or if teachers who received the survey invitation simply did not respond. Either way, I suggest a mixed method approach in which a small group of schools are selected to participate and teachers in their terminal year of contract are individually interviewed by the researcher to gather a rich data set on why teachers plan to leave and which incentives would influence them to stay. It would be best to interview teachers after they made their decision to stay or leave in order to assess the real influence of incentives instead of the hypothetical influence.
3. This study revealed a disconnect between how heads of school and teachers perceived a position of leadership as an incentive to re-sign. Teachers ranked it the least influential while heads of school ranked it as the most influential. Again, a qualitative study would serve to further explore why heads of school ranked leadership positions so highly as retention tools. It is possible that the difference could be explained by how the leadership position is framed by the head of school. If a leadership position is framed as an important learning opportunity and potential stepping stone, teachers may find it as influential as heads of school viewed it in this study.
4. Finally, several heads of school expressed hesitation to the use of incentives to retain desirable teachers, stating that it risked creating a climate of favoritism, inequality and mistrust. It would be interesting to identify and study schools that do use incentives to retain teachers in order to explore if these schools have a higher level of inequality and mistrust amongst teachers than schools that do not use incentives for retention purposes.

Conclusion

This exploratory study found several incentives to be perceived by desirable teachers as influential on their decision to re-sign for one additional year. Specifically, desirable teachers valued a resigning bonus of 5,000 to 10,000 euro, paid annual visit home, increase in housing allowance, and a raise in salary. This study also found that the majority of heads of school did not have access to the incentives that teachers valued most. This may be due to the lack of discretionary funds for the head of school. The incentives that most heads of school had access to (positions of leadership) were the least valued by teachers. While this information is interesting and potentially useful to heads of school and school boards looking to decrease turnover, the results must be interpreted with caution. First of all, the low teacher response rate was too small to generalize the findings. Secondly, the findings only revealed the hypothetical level of influence of each incentive, not the actual level of influence. The actual level of influence can only be found by examining the incentives that influenced teachers who actually did re-sign for an additional year. Thus, further research on incentives as a tool to retain desirable teachers is warranted.

References

Barnes, G., Crowe, E., & Schaefer, B. (2007). The cost of teacher turnover in five school districts: A pilot study. *National Commission on Teaching and America*.

Borman, G., & Dowling, M. (2008). Teacher attrition and retention: a meta-analytic and narrative review of the research. *Review of Educational Research*, *78*(3), 367–409.

Boyd, D., Grossman, P., Lankford, H., Loeb, S., Wyckoff, J., & others. (2011). The influence of school administrators on teacher retention decisions. *American Educational Research Journal*, *48*(2), 303–333.

Bureau of Labor Statistics U.S. Department of Labor. (2013). *Job openings and labor turnover - november 2012.*

Condly, S. J., Clark, R. E., & Stolovitch, H. D. (2003). The effects of incentives on workplace performance: A meta-analytic review of research studies. *Performance Improvement Quarterly*, *16*(3), 46–63.

Darling-Hammond, L. (2003). Keeping good teachers: Why it matters, what leaders can do. *Educational leadership*, *60*(8), 6–13.

Desroches, S. (2013a). *Exploring Teacher Turnover In American-Accredited Schools in South America*. Lehigh University.

Desroches, S. (2013b). *Exploring Teacher Turnover In American-Accredited Schools in South America*. *Dissertation.* Lehigh University.

Eberts, R., Hollenbeck, K., & Stone, J. (2002). Teacher performance incentives and student outcomes. *Journal of Human Resources*, 913–927.

Feng, L. (2005). Hire today, gone tomorrow: the determinants of attrition among public school teachers. *Munich Personal RePEc Archive*.

Figlio, D. N., & Kenny, L. W. (2007). Individual teacher incentives and student performance. *Journal of Public Economics*, *91*(5-6), 901–914.

Fulbeck, E. (2012). Teacher retention: estimating the effects of financial incentives in denver. *Annual Conference of the Association for Education Finance and Policy, Boston, MA*.

Guarino, C. M., Santibanez, L., & Daley, G. a. (2006). Teacher recruitment and retention: a review of the recent empirical literature.

Guin, K. (2004). Chronic teacher turnover in urban elementary schools. *Education Policy Analysis Archives*, *12*(42), 1–30.

Hausknecht, J., Rodda, J., & Howard, M. J. (2009). Targeted employee retention: performance-based and job-related differences in reported reasons for staying. *Human Resource Management*, *48*(2), 269–288.

Hirsch, E., & Emerick, S. (2007). Teacher working conditions are student learning conditions: A report on the 2006 North Carolina teacher working conditions survey. *Chapel Hill, NC: Center for Teaching Quality*.

Hirsch, Eric. (2006). Recruiting and retaining teachers in alabama. *Center for Teaching Quality*.

Imazeki, J. (2005). Teacher salaries and teacher attrition. *Economics of Education Review*, *24*(4), 431–449.

Ingersoll, R. M. (2001). Teacher turnover, teacher shortages, and the organization of schools. *American Educational Research Journal*, *38*(3), 499–534.

Ingersoll, R., & Smith, T. M. (2003). The wrong solution to the teacher shortage. *Educational Leadership*, *60*(8), 30–33.

Inman, D., & Marlow, L. (2002). Teacher retention: why do beginning teachers remain in the profession?. *Education*, *124*(4), 605–614.

Mancuso, S. (2010). An ananlysis of factors assossiated with teacher turnover in american overseas schools. *Dissertation*.

Mancuso, S. V, Roberts, L., & White, G. P. (2011). Strategies to improve teacher retention in american overseasschools in the near east south asia region: a qualitative analysis. *Journal of School Leadership*, *22*(6), 819–844.

Milanowski, A., & Odden, A. (2007). A new approach to the cost of teacher turnover. *Center on Reinventing Public Education Working Paper 13.*

Mitchell, T., & Holtom, B. (2001). Why people stay: using job embeddedness to predict voluntary turnover. *Academy of Management Journal*, *44*(6), 1102–1122.

Mittapalli, K. (2008). *What makes public school teachers stay, leave, or become non-teaching educators? An in-depth understanding of their personal charateristics, beliefs and perceptions.*

Roberts, L., Mancuso, S. V., & Yoshida, R. (2010). “Teacher Retention in American Schools in the East Asia Region: Salary and Leadership Are Key.” In *NERA Conerence Proceedings 2010*.

Stockard, J. (2004). Influences on the satisfaction and retention of 1st-year teachers: the importance of effective school management. *Educational Administration Quarterly*, *40*(5), 742–771.

Tanova, C., & Holtom, B. C. (2008). Using job embeddedness factors to explain voluntary turnover in four European countries. *The International Journal of Human Resource Management*, *19*(9), 1553–1568.

Vegas, E. (2005). Incentives to improve teaching lessons from latin america. *The World Bank Washington, D.C.*

APPENDICES

Appendix A: Cover Letter to Head of School

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Teacher retention is not just a hot topic in the world of international education; it is fundamental process that has a profound effect on the lives of teachers, students and the health of schools. I am the Upper School Assistant Principal at the American School of Milan, Italy. As a doctoral student at Lehigh University, **I am conducting a study on the role incentives play on teacher retention in American Overseas School in Europe**. My hope is that, through this research, I will be able to share with all stakeholders the incentives that make a difference to teachers who are in their terminal contract year and are considering whether or not to stay at their present school for one additional year beyond the conclusion of their current contract.

Your role in this study consists of two parts that should not take more than 15 minutes of your time.

1. **Complete the Heads of school' survey (there will be a link).**
2. **Email the teacher cover letter to your teachers who are in their terminal year of contract. Detailed instructions are on the following page.**

I assure you that the strictest confidentiality will be maintained throughout this study. My handling of the data will be consistent with the *Federal Policy for the Protection of*

Human Subjects (Federal Register, 1991), and the *Ethical Principles in the Conduct of Research with Human Participants* (APA, 1982). There are no distinguishing data on either survey that would identify you or your school, and participation is totally voluntary. Furthermore, data will be reported in aggregate form only, with no identification of individuals or schools.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact Susan E. Disidore at (610)758-3020 (email: sus5@lehigh.edu) of Lehigh University's Office of Research and Sponsored Programs. All reports or correspondence will be kept confidential.

To participate you must click **"I agree to participate"** to enter the survey and complete it.

I sincerely thank you for your participation.

Michael Amodio

Instructions for Distribution of Teacher Surveys

1. Create a list of all teachers who are in their terminal contract year.

2. Select the teachers whom you feel are vital to the operation and future success of your school.
3. Copy and paste the below message into an email and send it to all of the teachers you selected. It would be helpful if you could preface my message with a few lines encouraging your teachers to participate this study.

---------- send the below message selected teachers----------

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Dear Colleague,

Teacher retention is not just a hot topic in the world of international education; it is fundamental process that has a profound effect on the lives of teachers, students and the health of schools. I am the Upper School Assistant Principal at the American School of Milan, Italy. As a doctoral student at Lehigh University, **I am conducting a study on the role incentives play on teacher retention in American Overseas School in Europe**. My hope is that, through this research, I will be able to share with all stakeholders the incentives that make a difference to teachers who are in their terminal contract year and are considering whether or not to stay at their present school for one additional year beyond the conclusion of their current contract.

The average time to complete the survey is 10 minutes. While your head of school has already agreed to participate in this study, the results will have little meaning without the

input of the teacher population. It is imperative to this study that you complete the survey on your own without discussing with other teachers.

I assure you that the strictest confidentiality will be maintained throughout this study. My handling of the data will be consistent with the ***Federal Policy for the Protection of Human Subjects*** (Federal Register, 1991), and the ***Ethical Principles in the Conduct of Research with Human Participants*** (APA, 1982). There are no distinguishing data on either survey that would identify you or your school, and participation is totally voluntary. Furthermore, data will be reported in aggregate form only, with no identification of individuals or schools.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact Susan E. Disidore at (610)758-3020 (email: sus5@lehigh.edu) of Lehigh University's Office of Research and Sponsored Programs. All reports or correspondence will be kept confidential.

To participate you must click **"I agree to participate"** to enter the survey and complete it.

I sincerely thank you for your participation.

Michael Amodio

---------- ***end of message*** ----------

Appendix B: Cover Letter to Teachers

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Dear Colleague,

Teacher retention is not just a hot topic in the world of international education; it is fundamental process that has a profound effect on the lives of teachers, students and the health of schools. I am the Upper School Assistant Principal at the American School of Milan, Italy. As a doctoral student at Lehigh University, **I am conducting a study on the role incentives play on teacher retention in American Overseas School in Europe**. My hope is that, through this research, I will be able to share with all stakeholders the incentives that make a difference to teachers who are in their terminal contract year and are considering whether or not to stay at their present school for one additional year beyond the conclusion of their current contract. As a member of this population, you have been selected to participate in this exploratory study.

The average time to complete the survey is 10 minutes. While your head of school has already agreed to participate in this study, the results will have little meaning without the input of the teacher population. It is imperative to this study that you complete the survey on your own without discussing with other teachers.

I assure you that the strictest confidentiality will be maintained throughout this study. My handling of the data will be consistent with the ***Federal Policy for the Protection of Human Subjects*** (Federal Register, 1991), and the ***Ethical Principles in the Conduct of Research with Human Participants*** (APA, 1982). There are no distinguishing data on either

survey that would identify you or your school, and participation is totally voluntary. Furthermore, data will be reported in aggregate form only, with no identification of individuals or schools.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact Susan E. Disidore at (610)758-3020 (email: sus5@lehigh.edu) of Lehigh University's Office of Research and Sponsored Programs. All reports or correspondence will be kept confidential.

To participate you must click **"I agree to participate"** to enter the survey and complete it.

I sincerely thank you for your participation.

Michael Amodio

Appendix C: Letter to Panel of Experts

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Dear ,

Due to your position in the recruitment and retention of international teachers, I would like your professional input on the role incentives play in teacher retention. Participating as a member of this panel of experts consists of replying to two very short surveys over the span of two weeks. I promise that each survey will not take more than 10 minutes of your time.

Your participation on this panel of experts will help to create the instrument used to explore the incentives that heads of school may use to influence a teacher to stay at their present school for one additional year beyond the conclusion of their current contract. My study will explore the degree to which teachers find specific incentives to be influential on their decision to stay for at least one additional year. Due to the lack of research on the use of incentives for retention purposes in schools, it is necessary to create a new instrument. Your professional opinion is vital to this process, and your participation on this panel of experts is greatly appreciated.

To participate, all you need to do is follow this link to the survey form were you will be asked to list 5 to 10 incentives that you feel are influential on a teacher's decision to re-sign for at least one additional year. Within the two weeks that follow, I will send you a second link that asking you to rank a list of the 15 incentives most frequently identified by the panel.

Once I complete my study, I will be sure to share my findings with you. I hope that you will find them useful in your future professional endeavors.

Sincerely,

Michael Amodio

Appendix D: Panel of Experts Survey

Participants will receive this as part of a Google form.

Panel of Experts Survey

The Role of Incentives on Teacher Intentions to Re-sign

in American Overseas Schools in Europe

Due to your position in the recruitment and retention of international teachers, I would like your professional input on the role incentives play in teacher retention. Participating as a member of this panel of experts consists of replying to two very short surveys over the span of two weeks. I promise that each survey will not take more than 10 minutes of your time. Your participation on this panel of experts will help to create the instrument used to explore the incentives that heads of school may use to influence a teacher to stay at their present school for one additional year beyond the conclusion of their current contract. My study will explore the degree to which teachers find specific incentives to be influential on their decision to stay for at least one additional. Due to the lack of research on the use of incentives for retention purposes in schools, it is necessary to create a new instrument. Your professional opinion is vital to this process, and your participation on this panel of experts is greatly appreciated.

Please list five to ten incentives that could be used to influence a teacher to resign for one additional school year. The incentives may be financial or non-financial in nature. Examples include a one-time signing bonus, a position of responsibility, an increased housing allowance or additional professional development opportunities. The order that you list them in is not important at this time.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11. Additional comments:

Once I have collected this information from all panel members, I will provide an anonymous summary of 15 most frequently stated incentives. You will be asked to rank them from most influential to least influential on a teacher's decision stay at their present school for one additional year beyond the conclusion of their current contract. Based on your rankings, I will select the top rated incentives to be used in my study.

Appendix E: Head of School's Survey

Participants will be sent this survey via Google forms.

Head of School's Survey - Role of Incentives on Teacher Retention

---

Thank you for participating in this exploratory study on the influence of incentives on teacher retention in American Overseas Schools in Europe. The information you provide will be used to find trends on the rate of turnover and the level of influence certain incentives have on teacher retention in your geographical region. At the end of the survey, you will have the opportunity to enter you email address if you would like to receive the results of this study.

Contract and Pay Scales

1. What contract length do you generally offer to new hires?
2. What is the contract length you generally offer to your teachers when they re-sign?
3. Are teacher salaries merit based or determined using a pay scale (based on degrees held and years of experience)?
4. Are teacher salaries publicly available or are they kept private?

Teacher Benefits Package (available to all teachers)

1. Check the benefits that are part of your teaching package that is available to all teachers according to contract.

    ☐ Housing (or a housing allowance)

    ☐ Private health care

    ☐ Tax-free tuition for dependents

☐ Retirement contributions

☐ Language lessons

☐ Transportation to and from school

☐ Signing bonus

☐ Free lunch

☐ Additional pay for running an after-school activity

☐ Stipend for a position of responsibility (club organizer, lead teacher, coordinator, dean of students, etc.)

☐ Other

Desirable Teachers

1. How many teachers are in their terminal contract year?
2. How many of the above teachers do you feel are vital to the operation and future success of your school?

Incentives & Teacher Retention

Indicate the level of influence (on a scale of 0 to 10) that you feel the below listed incentives* have on a teacher's decision to stay at their present school for one additional year beyond the conclusion of their current contract. Assume that the incentive is not already part of the teacher's package and that you have the power to offer it.

0 = not influential 5 = somewhat influential 10 = very influential

__ Housing (or a housing allowance)

__ Private health care

__ Tax-free tuition for dependents

__ Retirement contributions

__ Language lessons

__ Transportation to and from school

__ Signing bonus

__ Free lunch

__ Additional pay for running an after-school activity

__ Stipend for a position of responsibility (club organizer, lead teacher, coordinator, dean of students, etc.)

__ Other

3. Which of the same incentives do you actually have the will and ability to offer to teachers in your current position?

☐ Housing (or a housing allowance)

☐ Private health care

☐ Tax-free tuition for dependents

☐ Retirement contributions

☐ Language lessons

☐ Transportation to and from school

☐ Signing bonus

☐ Free lunch

☐ Additional pay for running an after-school activity

☐ Stipend for a position of responsibility (club organizer, lead teacher, coordinator, dean of students, etc.)

☐ Other

**This list of incentives will be updated based on the findings of the panel of experts.*

Personal Beliefs

1. Regardless of what you are able to do under the constraints of your current position, what incentives do you feel would give you the greatest power to influence your desirable teachers to re-sign for at least one addition year?
2. How do you feel about using incentives as a way to influence teachers you value, those that are vital to the schools operation, to stay at your school? Is it effective? Are there risks? Please explain.
3. If you would like to receive the findings of this study, write you email address below.

Turnover Rate

1. The following questions will be used to calculate your turnover rate.
    a) How many full-time teachers are at your current school (2013/2014)?
    b) How many full-time teachers plan to leave at the end of this academic year?

Thank you for participating!

Appendix F: Teacher Survey

Participants will be sent this survey via Google forms.

Teaching Status

1. Are you currently working as a teacher at an American overseas school or international school? *If you answer "no" you do not need to complete this survey.*

   Yes – *continue to next question*

   No – *survey ends*

2. Does your contract expire at the end of this academic year? *If you answer "no" you do not need to complete this survey.*

   Yes – *continue to next question*

   No – *survey ends*

Teacher Benefits Package

1. What components of the teacher package are available to all teachers at your school in a transparent manner as part of your regular benefits package?

   ☐ Housing (or a housing allowance)

   ☐ Private health care

   ☐ Tax-free tuition for dependents

   ☐ Retirement contributions

   ☐ Language lessons

   ☐ Transportation to and from school

   ☐ Signing bonus

   ☐ Free lunch

   ☐ Additional pay for running an after-school activity

☐ Stipend for a position of responsibility (club organizer, lead teacher, coordinator, dean of students, etc.)

☐ Other

Future Plans

1. Which of the below statements best describes your feelings regarding re-signing for at least on additional year?
    a. I am very happy working here and have no intentions to leave. – *Skip to "You Intend to Stay".*
    b. I would like to stay, but am looking around for better options. - *Continue to question 2.*
    c. I plan to leave but could be persuaded to stay. – *Continue to question 2.*
    d. I am not happy working here. I intend to leave and nothing can change my mind. - *Continue to question 2.*
    e. Staying is not an option. I have to leave for family reasons, or other obligations. - *Continue to question 2.*

2. Which reason best describes your motivation to leave this school at the end of the academic year?
    a. I plan to retire
    b. For family reasons
    c. Other obligations back home (non-family reasons)
    d. Personality conflicts with administration or fellow teachers
    e. I'm not happy in my current position

f. I want to travel and have new experiences

g. I need to earn more money

h. Other – please explain

Incentives to stay at your present school for one additional year beyond the conclusion of your current contract *(*The list of incentives will be updated based on the findings of the panel of experts.)*

1. Assuming that your head of school can offer you an individualized benefit to stay at your present school for one additional year beyond the conclusion of your current contract, rate the level of influence that each of the following options would have on your decision to stay on a scale of 0 to 10 (0 = not influential, 10 = most influential).

a) Housing upgrade **- You are being offered a larger place to live, increased allowance or a better location.**

b) Leadership position without stipend **- You are offered a leadership position that carries more responsibility but does not include an additional stipend (head of department, coordinator, dean of students, etc.).**

c) Leadership position with stipend **- You are offered a leadership position that carries more responsibility and a stipend of $5,000 (head of department, coordinator, dean of students, etc.).**

d) Tax-free tuition for dependents (assuming you do not already receive it

☐ n/a - I do not have school aged children

☐ n/a - This is already part of my teacher benefits package.

e) Re-signing bonus **– A one-time bonus for agreeing to sign a new contract for at least one additional academic year.**

Teachers who select 5 or above will be skipped to the "Reduced teaching load" section.

f) Re-signing bonus **- What's your number? How much (in euros) would your head of school have to offer you to change your mind to stay at their present school for one additional year beyond the conclusion of their current contract? If it is not about money, write "zero".**

i. _____

g) Reduced teaching load **– A 20% reduction in teaching time per week (if you teach 5 classes, you will only have to teach 4 next year)**

h) Raise in salary. How much?

i) Other

2. Since you arrived at your current schools, what incentives have you received that are not part of the teacher contract?

☐ Housing (or a housing allowance)

☐ Private health care

☐ Tax-free tuition for dependents

☐ Retirement contributions

☐ Language lessons

☐ Transportation to and from school

☐ Signing bonus

☐ Free lunch

☐ Additional pay for running an after-school activity

☐ Stipend for a position of responsibility (club organizer, lead teacher, coordinator, dean of students, etc.)

☐ Other

☐ None of the above

3. For each incentive that you received, how influential was it on your decision to stay (on a scale of 0-10)?

If you did not receive an incentive, leave blank.

**********End of section – skip down to "Personal Feelings" section**********

You Intend to Stay

1. Since you arrived at your current school, what incentives have you received that are not part of the teacher contract?

☐ housing upgrade

☐ leadership position (without stipend)

☐ leadership position (without stipend)

☐ tax-free tuition for dependents signing bonus

☐ re-signing bonus – how much?

☐ reduced teaching load

☐ raise in salary – how much?

☐ other

☐ none of the above

2. **For each incentive that you received, rate on a scale of 0-10 how influential was it on your decision to stay?** *If you did not receive an incentive, leave blank.*

Personal Feelings

1. What is the one most important thing that would influence you to stay for at least one additional year? If nothing would change your mind, briefly explain why.

   Participants may write up to a paragraph.

Demographic Information

1. Age - give exact age
2. Gender
   a. Male
   b. Female
3. Total number of years teaching (including this year)?
4. Total number of years teaching abroad (including this year)?
5. Total number of years teaching at your current school (including this year)?
6. Marital status
   a. Single
   b. Married (spouse is a host country national)
   c. Married (spouse is not a host country national)
7. Do you currently have school-aged children (that could attend your school)?
   a. yes

b. no

8. What grade level/subject do you primarily teach?

9. On a scale of 0 to 10, how marketable are you?

   0 – It will be very difficult for me to find another job.

   10 – I expect to be a sought after candidate with many offers for employment.

Appendix G: Pilot Study Letter to Heads of school

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Dear Head of School,

Teacher retention is not just a hot topic in the world of international education; it is fundamental process that has a profound effect on the lives of teachers, students and the health of schools. As a doctoral student at Lehigh University, I am conducting a study on the **role incentives play on teacher retention in American Overseas School in Europe**. My hope is that, through this research, I will be able to share with all stakeholders the incentives that make a difference to teachers who are in their terminal contract year and are considering whether or not to stay at their present school for one additional year beyond the conclusion of their current contract.

Come December 2014, I will be collecting data from teachers and heads of school in the 40 American Overseas Schools within the European Union. Before I do, however, **I need your assistance to help pilot the survey instrument in order to get feedback on your experience as you take it**. At the bottom of this letter, you will find a link to the survey followed by a few questions asking for your feedback on the survey. The purpose of these questions is to establish that the survey data can actually be used to answer the questions posed by my study. The survey should take no more than 15 minutes to complete.

I greatly appreciate your participation in this study and assure you that all data will be handled with the strictest of confidentiality consistent with the Federal Policy for the Protection of Human Subjects (Federal Register, 1991), and the Ethical Principles in the

Conduct of Research with Human Participants (APA, 1982). Additionally, the data from this pilot survey will not be published nor will it include any information that could distinguish you as a participant.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact Susan E. Disidore at (610)758-3020 (email: sus5@lehigh.edu) of Lehigh University's Office of Research and Sponsored Programs. All reports or correspondence will be kept confidential.

To participate, click "**I agree to participate**". Once you click, you will be taken directly to the survey.

Thank you for your help!

Sincerely,

Michael Amodio

Appendix H: Pilot Study Head of School Feedback Form

Now that you have helped distribute the pilot survey to your teachers and completed the head of school's survey, I would appreciate some feedback to help improve the distribution instructions and survey questions.

1. About how many minutes did it take you to distribute the letter to the two teacher groups and complete the head of school's survey?
2. Did you find the instructions for the distribution of the letter teachers to be clear and easy to follow? If not, please explain which parts you difficult to follow.
3. Did you feel that any of the questions on the head of school's survey were difficult to answer or confusing? If so, please explain.
4. Any other questions or comments that may help me strengthen, simplify and/or streamline the process?

Appendix I: Pilot Study Letter to Teachers

Michael Amodio, Assistant Principal, The American School of Milan

Doctoral Candidate, Lehigh University

mja409@lehigh.edu

Dear Teachers,

Teacher retention is not just a hot topic in the world of international education; it is fundamental process that has a profound effect on the lives of teachers, students and the health of schools. As a doctoral student at Lehigh University, **I am conducting a study on the role incentives play on teacher retention in American Overseas School in Europe**. My hope is that, through this research, I will be able to share with all stakeholders the incentives that make a difference to teachers who are in their terminal contract year and are considering whether or not to stay at their present school for one additional year beyond the conclusion of their current contract.

December 2014, I will be sending surveys out to teachers and heads of school in the 40 American Overseas Schools within the European Union to collect data for this study. Before I do, however, **I need your assistance to help pilot the survey instrument in order to get feedback on your experience as you take it.** At the bottom of this letter, you will find a link to the survey followed by a few questions asking for your feedback on the survey. The purpose of these questions is to establish that the survey data can actually be used to answer the questions posed by my study. The survey should take no more than 15 minutes to complete.

I greatly appreciate your participation in this study and assure you that all data will be handled with the strictest of confidentiality consistent with the Federal Policy for the

Protection of Human Subjects (Federal Register, 1991), and the Ethical Principles in the Conduct of Research with Human Participants (APA, 1982). Additionally, the data from this pilot survey will not be published nor will it include any information that could distinguish you as a participant.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact Susan E. Disidore at (610)758-3020 (email: sus5@lehigh.edu) of Lehigh University's Office of Research and Sponsored Programs. All reports or correspondence will be kept confidential.

To participate, click "**I agree to participate**". Once you click, you will be taken directly to the survey.

Thank you for your help!

Sincerely,

Michael Amodio

Appendix J: Pilot Study Teacher Feedback Form

Thank you for taking the survey. Now for a few more short questions to get your feedback on the survey.

1. Approximately how long did it take you to complete the survey? _____ minutes

2. Identify any questions you found confusing, ambiguous or unclear.

3. If you have suggestions for rewording any particular items, please list them here:

4. Provide any comments you may have on the ease of use of the format:

5. Provide any comments you may have on the clarity of the instructions: