

THE FIRST MOVE: LEADERSHIP AND CUSTODIAL FRAGMENTATION IN PUBLICLY FINANCED HUMAN CAPITAL INVESTMENT

Fahmi Abdul Rahim^{1*}

Ummi Kalsum Hassian²

Juan Rizal Sa'ari³

Nur Melissa Mohammad Faisal Wee⁴

Mohd Zaki Sadik⁵

¹Faculty of Business Management, Universiti Teknologi MARA, Cawangan Melaka, Kampus Bandaraya Melaka, 75300 Melaka, Malaysia

Email: fahmi029@uitm.edu.my

²Faculty of Business Management, Universiti Teknologi MARA, Cawangan Melaka, Kampus Bandaraya Melaka, 75300 Melaka, Malaysia

Email: ummi449@uitm.edu.my

³Faculty of Business Management, Universiti Teknologi MARA, Cawangan Melaka, Kampus Bandaraya Melaka, 75300 Melaka, Malaysia

Email: juanrizal@uitm.edu.my

⁴Faculty of Business Management, Universiti Teknologi MARA, Cawangan Melaka, Kampus Bandaraya Melaka, 75300 Melaka, Malaysia

Email: nurmelissa@uitm.edu.my

⁵Faculty of Business Management, Universiti Teknologi MARA, Cawangan Melaka, Kampus Bandaraya Melaka, 75300 Melaka, Malaysia

Email: mohdzaki552@uitm.edu.my

*Corresponding author: fahmi029@uitm.edu.my

Article history

Received date : 14-7-2026

Revised date : 15-7-2026

Accepted date : 29-8-2026

Published date : 30-8-2026

To cite this document:

Abdul Rahim, F., Hassian, U. K., Sa'ari, J. R., Mohammad Faisal Wee, N. M., & Sadik, M. Z. (2026). The first move: Leadership and custodial fragmentation in publicly financed human capital investment. *International Journal of Accounting, Finance and Business (IJAFB)*, 11 (67), 641 - 656.

Abstract: *A student sent abroad on a government scholarship is an investment held in a person, and while it is forming it is claimed by three parties at once. A sponsoring agency holds the money and the bond, a host university holds teaching and a duty of care, and the sending state maintains a presence in the host country holding welfare responsibility. Each claim is defensible, none covers the whole person, and nothing in any of the three relationships states who must act first when the investment shows signs of failing. Taking common agency as its starting point, this paper names the arrangement custodial fragmentation and argues that its binding constraint is neither weak monitoring capacity nor a shortage of authority, but the absence of a rule of priority among monitors who each hold part of the picture. One observable is derived: escalation lag, the interval between the first documented indication available to any party and the first action by a party that changes the student's arrangements. The paper then draws the consequence for leadership. A rule of priority can be agreed, and where two parties stand in a contractual relation it can be written into their agreement; but no party can impose one on parties outside that relation, and someone must first propose that the parties be treated as a set. Nothing in any mandate requires that proposal. Five propositions are stated so that*

each could come out the wrong way, two of them varying the constitutive condition directly, and the boundary conditions are documentary tests applicable before any outcome is known. The contribution is a scope extension to organisation theory and to public leadership rather than a rival account of either.

Keywords: *common agency; public leadership; organisation theory; human capital investment; monitoring; scholarship sponsorship*

Introduction

Consider a student on a government scholarship, two years into a degree in a foreign country, whose attendance has fallen away and whose results have slipped. Three organisations already have a relationship with that student. The sponsoring agency selected and funds them and holds a bond that will be enforced. The university enrolled and teaches them and owes them a duty of care as a matter of institutional policy and, in some jurisdictions, of law. The sending state maintains a mission in the host country whose officers hold a welfare and consular responsibility toward its citizens. Each of the three would say, correctly, that the student is partly theirs.

What none of them can say is who acts now. The sponsor may not know that attendance has fallen, because attendance is the university's record. The university may not know that the bond makes withdrawal financially catastrophic for the student, because the bond is the sponsor's instrument. The mission may know neither, because it holds neither record and hears about a student only when something has already gone wrong. Each party holds a fragment. No party holds the whole. And there is no rule, in any of the three relationships, stating which of them must move first.

The case matters beyond the individual, and it is worth stating why it belongs to organisation theory rather than only to student services. A government scholarship is a sum advanced against a future return, secured by a bond, and the design literature treats such programmes as human capital policy carrying several rationales at once, from workforce development to diplomacy (Campbell & Neff, 2020; Del Sordi, 2018; Perna et al., 2014). What distinguishes this arrangement from most in which a body advances funds is that the party holding the money is not the party able to observe what it has funded while the outcome forms. Monitoring is performed, in fragments, by parties the funder does not control and cannot instruct. A programme that selects and funds well and then loses value at the seams between its own delivery partners is not failing at selection or at funding. It is failing at governance, at a point that no party's mandate reaches. We do not develop the financing side further, and make no claim to a contribution in public finance; the setting is stated because it is what gives the arrangement its stakes.

This paper is about that arrangement rather than about any failure within it. Our claim is that the difficulty is structural: it follows from how the three claims are constituted, not from inattention by any officer in any of the three organisations. We name the condition custodial fragmentation and define it as responsibility for one person divided among several parties whose claims rest on incommensurable grounds, situated in different jurisdictions, with no rule assigning priority of action.

The literature has approached this in pieces. Research on international student security and wellbeing has established that responsibility is distributed across several kinds of actor and that students fall between regimes (Deumert, Marginson, Nyland, Ramia, & Sawir, 2005; Marginson, 2012; Sawir, Marginson, Nyland, Ramia, & Rawlings-Sanaei, 2009). Research on international scholarship programmes has mapped their rationales and their design (Campbell & Neff, 2020; Perna et al., 2014). Public administration has a developed treatment of what happens when one agent answers to several principals at once (Bernheim & Whinston, 1986; Voorn, van Genugten, & van Thiel, 2019), and political theory has a long-standing treatment of responsibility dispersed among many contributors (Thompson, 1980). Recent work has examined sponsored students' perceptions of support from two of the three parties, using principal-agent theory to do it (Kuzhabekova & Amankulova, 2023), and other work has argued that a sponsor, a home institution and a host university should coordinate (Othman, Laswad, & Mat Roni, 2021). The problem, in short, is not unrecognised.

What this paper adds is narrower than a new theory and we state it plainly at the outset. It holds three claimants in view where the third is the sending state's own presence in the host country rather than a home institution; it locates them under separate legal orders; and it derives one observable consequence, escalation lag, from a single constitutive condition rather than describing symptoms. Common agency does contemplate principals who fail to coordinate, and Bernheim and Whinston's own motivating case is an agent subject to several planners at different levels of government. That case, however, is one of several authorities inside a single constitutional order, where a superior forum exists even if no planner can instruct another, and where the remedies they propose can in principle be created. Our parties answer to different constitutional orders, so there is no forum above all of them and no position between them that any authority could create. That is the distinction the model does not draw, because its primitives are payoffs and feasible sets rather than the source of a party's authority. The paper is theoretical. It develops a construct, specifies it, derives propositions written so that each could fail, and states boundary conditions checkable before any outcome is observed. Section 2 sets out the theoretical basis, beginning with common agency, then the setting and the nearest prior work. Section 3 defines the construct, its constitutive condition, its consequences and the propositions. Section 4 differentiates it, states the contributions and sets a research agenda. Section 5 concludes.

Theoretical Basis

Common Agency and the Multiple Principals Problem

The vocabulary for several claimants on one agent already exists. Bernheim and Whinston (1986) formalised common agency, in which several principals independently attempt to influence a shared agent, and showed that non-cooperative behaviour among principals yields under-provision, since each enjoys only a fraction of the benefit of its own effort. Their motivating case is an agent answering to several planners at different levels of government, and they propose two institutional remedies, a principals' principal and a risk-neutral intermediary, both of which require that the principals be prevented from dealing with the agent directly. Voorn et al. (2019) bring the problem into public administration, treating multiple principals as a family of collective action problems that produce free-riding and duplicated monitoring, lobbying of the agent by principals, and increased agent autonomy, and tentatively propose an elected interface actor in a middle tier as a possible mitigation, on the evidence of one comparative case. Kivistö (2008) assesses agency theory as a frame for the government and

university relationship and identifies among its weaknesses its narrow assumptions about human motivation and its inability to accommodate multiple principals and stakeholders.

Two features of the present case sit at the edge of that apparatus, and it is worth being exact about what is and is not new. Divergence among principals is not new, and we rely on the descriptions above rather than contesting them. What is new is the condition under which the remedies fail. Every remedy in that literature, from Bernheim and Whinston's intermediary to Voorn and colleagues' interface actor, works by interposing or empowering a party above the principals, and each therefore presupposes an authority able to create such a position. Where the principals are several planners inside one constitutional order, that authority exists even if it is not exercised. Where they answer to different constitutional orders, it does not exist at all, and no party can be interposed by anyone.

The second feature concerns the agent. In the standard model the agent is engaged to advance a principal's interest and must be induced to do so, and the analytical problem is adverse interest. Here the principals' interest largely consists in the agent flourishing, so interests are aligned in direction while diverging in emphasis. Organisation theory has an answer to non-adverse agent interest in stewardship theory (Davis, Schoorman, & Donaldson, 1997), which relaxes the assumption of opportunism, and agency theory has long acknowledged that it offers a partial view that omits much organisational complexity (Eisenhardt, 1989). Stewardship theory dissolves rather than confronts the multiplicity at issue here, since it treats the organisation itself as the principal. Two of the sources already cited point in the direction we take: Kivistö (2008) lists the inability to accommodate multiple principals among agency theory's weaknesses, and Yallem et al. (2018) close by calling for work that can explain interactions among the multiple principals and agents in higher education. We put the configuration forward as one worth naming rather than as a discovery.

The Setting: Responsibility for the Internationally Mobile Student

A body of work developed largely in Australia and New Zealand has established that responsibility for internationally mobile students is genuinely distributed rather than merely poorly executed. Deumert et al. (2005), drawing on interviews with two hundred cross-border students in Australia, argue that such students occupy several statuses at once, as service beneficiaries, migrants, workers, consumers and human beings, and that the regime falls significantly short of recognising their rights. Their conclusion is that an adequate student security regime requires law and policy, university practice, civil society networks and intergovernmental coverage together, which is a claim that responsibility is spread across four kinds of actor.

Sawir et al. (2009) sharpen the point for pastoral care. They identify three competing traditions in the policy of education-exporting states, pastoral care, consumer protection and quasi-citizenship, each of which positions the student differently and confers a different kind of standing. They also report that the students they interviewed largely did not know that the relevant code of practice or appeal authority existed, which renders a formally complete protective regime substantially inoperative in practice.

Marginson (2012) supplies the closest conceptual precedent for the argument advanced here. He describes international students as occupying a regulatory gray zone: affected by two national regulatory regimes, that of citizenship and that of education, and fully covered by neither. Our claim has the same shape. We add a third party, the sponsor, and we move the

analysis from the language of rights and regulation to the language of custody and action, asking not what the student is owed but who must move.

Two further findings bear directly on the mechanism proposed below. Forbes-Mewett and Nyland (2013) show that a research-oriented university heavily reliant on international student income underfunded its support services because those services held little bargaining power against research-reputation priorities in the internal contest for resources. Responsibility can therefore be formally held and materially starved at the same time. Ramia (2018), analysing government responses to a period of crisis for international students in Australia, suggests that the episode raised international education as a policy field without bringing it into mainstream social policy, and is explicit that the adequacy of the response is not assessed.

The Nearest Prior Work

One study comes close enough to this paper's question that it must be engaged directly rather than listed. Kuzhabekova and Amankulova (2023) surveyed recipients of a national scholarship programme studying abroad and asked how supported they felt during a period of disruption by their host institutions and by the agency administering their scholarship. Recipients were broadly satisfied overall but reported feeling better supported by host institutions than by the sponsoring agency. The authors explain the split using principal-agent theory alongside institutional isomorphism and theories of interorganisational collaboration. A companion study by the same authors examines how such students exercised agency in the same period (Kuzhabekova & Amankulova, 2024).

That work is prior work in the strong sense and the present paper does not claim to have discovered the problem. Two things about it need stating precisely. First, what is examined is the student's perception of the support provided by each of two organisations, rather than the properties of the arrangement that generate it. Second, the account is organised around the host university and the funding agency, so the sending state's own presence in the host country does not enter the analysis. We do not claim that the student as a party to a principal-agent relationship is untreated; it has been treated. Nor do we claim that their case falls outside the construct advanced here. On our definition it is an instance of custodial fragmentation, studied without being named as such, and we regard that as support for the construct rather than a difficulty for it. What has not been done is to specify the arrangement itself: what condition makes it what it is, what it produces, and what would have to change for it to stop producing that.

Othman et al. (2021) come at the same territory from another direction, studying sponsored students at a host university and concluding that the home institution and the sponsor should collaborate with the host university. That is an explicit three-party coordination claim, so it would be wrong to say that three parties have never been held in view; what differs is which third party, and whether the analysis stops at a recommendation to coordinate or asks why coordination does not occur. On the searches we ran, described under How the Absence Claim Was Reached, we did not find work treating the sponsor, the host university and the sending state's presence together as parties with overlapping partial claims. We state that as a claim about those searches and not as a proof of absence.

How the Absence Claim Was Reached

Because the contribution rests in part on not having found something, the search should be stated rather than asserted, including its limits. We searched Crossref and OpenAlex by title

and abstract, together with general web search for grey and institutional material, using combinations of the terms sponsor, scholarship, host university, embassy, mission, consular, sending state, duty of care, responsibility and coordination, each paired with international or sponsored students. No date or language limit was applied and screening was by title and abstract. We did not search ERIC or Scopus, which are the databases of record for education research, and that is a real limitation. We also name the place a counter-example is most likely to be found: the cultural missions maintained by several Gulf states operate exactly the three-party structure described here, with mission advisers placed alongside host universities, and a substantial literature on students sponsored under those arrangements exists in databases we did not search. The searches we did run returned substantial material on any two of the three parties; on the mission leg they returned institutional web pages describing services rather than scholarship. We report the method so the claim can be checked and, if wrong, corrected. Nothing in the construct depends on the absence being complete.

Coordination, Regime Complexity and Leadership Where No One Is in Charge

It might be objected that this is simply a coordination problem, on which public administration has an established literature, and the objection deserves a careful answer. Bouckaert, Peters, and Verhoest (2010) distinguish hierarchy, market and network types of coordination mechanism and compare seven national systems, and Peters (2018) sets out the causes of coordination problems, the instruments available and the limits of coordination as a remedy. It would be wrong to say this literature assumes a shared hierarchy, and wrong to say it ignores transboundary settings. The narrower and, we think, correct claim is that its canonical treatments are built on cases inside a single polity: the comparison in Bouckaert and colleagues runs across national systems rather than between organisations answering to different legal orders, and where Peters looks upward, to the European Union, he treats it as something like a federal political structure, that is, as a polity with its own vertical authority. Ansell and Gash (2008), reviewing one hundred and thirty-seven cases drawn from many countries, name time, trust and interdependence as core contingencies of collaborative governance; whether those contingencies hold between parties answering to different legal orders is a question they do not address, and it is the question this paper takes up.

Two adjacent literatures should also be distinguished. The idea of many hands (Thompson, 1980) describes responsibility for one outcome dispersed among many officials inside a single apparatus, such that no individual can be identified as answerable. Our case differs in that the parties are whole organisations belonging to different apparatuses, so there is no superior forum before which the question of who was answerable could be put. Closer still is the study of regime complexity, which examines overlapping and non-hierarchical rule systems whose defining feature is the absence of a rule determining which prevails (Alter & Meunier, 2009; Raustiala & Victor, 2004). That literature is not silent on individuals. Alter and Meunier observe that a single office or even a single person may hold several portfolios across overlapping regimes, and treat such people as a source of the small-group dynamics that ease cooperation; work on individuals petitioning across overlapping human rights bodies makes the person the unit directly (Helfer, 1999). What is not asked in either is what the non-hierarchy produces for a person who is simultaneously held by parties in each of the overlapping orders rather than moving between them by choice.

A third body of work is closer to the remedy than to the diagnosis, and it is where this paper eventually lands. Public leadership scholarship theorises action taken where no single body is wholly in charge, and it does so from before a collaboration exists rather than after. Crosby and

Bryson (2010) open their framework with initial conditions, with the sponsors and champions who must be found before a change effort can begin, and with a leader's prior judgement about who and what must be integrated; they propose that leaders turn to cross-sector collaboration when they believe separate sectoral efforts have failed and cannot be fixed separately, and they distinguish mandated from non-mandated formation. Ospina (2017) situates such work within relational approaches to public leadership. We take from this the account of how a set is first constituted, and we do not claim that act is untheorised. What that literature does not supply is the case in which the parties answer to different legal orders. Its convener sits inside the same polity as those it convenes, and is answerable with them to the same public and the same law. The arrangement described here removes that.

Results

Defining the Construct

We define custodial fragmentation as the condition in which responsibility for a single person is divided among two or more parties situated in different legal orders, each holding a defensible portion, where no rule in any of the relationships assigns priority of action. The condition can obtain with two parties. The three-party case examined here is the one in which it is hardest to escape, because two parties in a contractual relation can write a priority rule into their own agreement, and any party outside that relation remains outside the rule. Adding the third claimant therefore does not create the condition; it removes the cheapest way out of it.

Three elements carry the definition. Division means that each party holds a real and defensible portion of the responsibility, not that responsibility is contested or unclear. Separation of legal orders means the parties answer to different forums and none can instruct another. Absence of a priority rule means that nothing in any of the relationships specifies who must act first when something goes wrong. It is the third element that does the analytical work in what follows, and we make it the constitutive condition rather than leaving it as one item in a list.

The construct is a property of an arrangement, not an assessment of any party's performance. A sponsor, a university and a mission may each discharge its own responsibility impeccably and the condition still obtains. That is the point of naming it.

The Constitutive Condition: No Rule of Priority

The constitutive condition is the absence of a rule of priority. Nothing in the sponsorship agreement, in the enrolment relationship or in the state's relationship with its citizen abroad states which party must act first on a given indication, or at what threshold, or with what obligation to inform the others. Each relationship is complete on its own terms and silent about the others.

Two features of the arrangement explain why this silence is not easily repaired from inside. The first is that the grounds of the three claims are different in kind. The sponsor's rests on contract, the university's on enrolment, the state's on citizenship, and these answer to different forums and are enforced, where they are enforced at all, by different means. We do not claim the three are strictly incommensurable, since money and legal process reach across all of them to some degree, only that no party can settle a question of priority by appeal to a standard the others recognise. The second is that each party is accountable for something different and measures accordingly: sponsors for completion and compliance with the terms of the award, universities for progression and academic standards, missions for the safety of citizens. The student's overall

welfare is contained partly within each and wholly within none. This second feature follows from the first rather than standing beside it, and we treat it as an explanation of the silence rather than as a separate property.

What Follows from the Division: Information Partition

One feature of the arrangement follows directly from the division and shapes what the condition produces. Each party holds a distinct fragment of the student's situation. Academic progress sits with the university. Bond status, financial standing and career direction sit with the sponsor. Anything that has reached the level of a welfare or safety concern may sit with the mission, and often arrives there last. No party can assemble the whole from what it holds. We call this information partition and we treat it as an entailment of the definition rather than as an independent property: if each party holds a defensible portion of the responsibility, it holds the records that portion generates. It does not cause the absence of a rule of priority, and we do not claim that it does, since a rule could be agreed by parties who each know only their own fragment. What it does is determine what happens in the interval the absent rule leaves open, because a party deciding whether to act can see only its own share of the grounds for acting. Data protection law does not cause the partition, since it arises from the structure of the relationships, but it can harden it, and that hardening is the part of the property that varies and can therefore be tested. Disclosure between a university and a third party is constrained, and although the major regimes contain lawful bases that would permit welfare-related disclosure, the practical effect of uncertainty about those bases is caution. The practice itself is well documented in institutional policy, since universities and sponsoring missions publish their reporting requirements, but on our searches it has not been examined as a question of governance in the scholarly literature; the wider debate about student data has been conducted around institutional practice and analytics instead (Rubel & Jones, 2016).

A third feature is often present and we set it out here because it becomes a proposition rather than a stipulation. The parties differ in how strongly they can act and in how close they are to the student, and these frequently run in opposite directions. The sponsor holds the strongest instrument, since it can suspend funding and invoke the bond, and it is often the furthest away. The people closest to the student, a tutor, a supervisor, a residence officer, hold the weakest instruments and frequently no standing to act beyond referral. Evidence from an adjacent setting is suggestive rather than decisive: Hughes and Byrom (2019), interviewing fourteen academics on nursing and healthcare programmes, found that they had difficulty identifying and maintaining the boundaries of their role, in part because academic and professional identities competed. We do not stipulate this inversion as a feature of every case, since sponsors sometimes maintain student units inside the host country, which would reduce it. We state it as P5 below and leave it open to disconfirmation.

The Consequence: Escalation Lag

One consequence follows from the constitutive condition and from the partition, and it is the observable the construct is meant to explain. Escalation lag is the interval between the first documented indication available to any party and the first action by any party that changes the student's arrangements. We define the endpoint that way, rather than as any contact with the student, because routine correspondence about attendance or progress is generated automatically by institutional process and would record a short lag in precisely the cases where coordination has failed entirely. We define the start point as the first documented indication, rather than as the point at which a party has grounds to act, because on the account given here no single fragment constitutes grounds, so a threshold defined that way would never be reached.

The lag arises because no rule states who moves first. Each party holds a fragment that is, on its own, insufficient to justify acting: falling attendance is a concern but not yet a crisis, financial distress is private, a missed appointment is not evidence of anything. Each therefore has reason to wait for more, and the more it waits for is held by another party which is doing the same. Action then depends not on which party is best placed but on which becomes anxious first, which is a function of that party's own risk exposure rather than of the student's situation. Hood (2002, 2011) describes agency strategies of blame avoidance in which risk comes to rest where no post is holding it, and he is explicit that such arrangements are as often inherited as chosen. We do not claim this case falls outside his account; the most accurate description is that it is the inherited variant, operating across rather than within one state's administrative architecture, and that credit unavailability rather than blame exposure is what keeps it in place. A further consequence follows for the size of the eventual intervention rather than its timing, since the parties differ in sanction and in proximity, but we do not propositionalise it here and note it only as an implication worth separate work.

Propositions

Five propositions follow. Each names a comparison and a direction, and each states what would count as failure. Two of them, P3 and P4, vary the constitutive condition directly, and we say so rather than implying that the whole set tests it: P1, P2 and P5 vary features of the arrangement that the condition leaves open, and each could be confirmed or refuted without bearing on whether the absence of a priority rule is the binding constraint. We note in advance a measurement difficulty the theory itself predicts. Establishing the first documented indication requires access to records held separately by every party, which is the partition described under What Follows from the Division, so studies will in practice work from the records of one or two parties and should say which. Because consulting an additional party's records raises the chance of finding an earlier indication, comparisons across cases with different numbers of parties must report the number of record sets consulted alongside the result rather than holding it fixed, since holding it fixed would suppress the very effect P1 predicts.

P1. The greater the number of parties holding a partial claim on a student, the longer the escalation lag, controlling for the severity of the indication and for the host country. The proposition fails if lag is flat or falls as parties are added, which would suggest that additional parties supply redundancy rather than delay.

P2. Escalation lag is longer where the legal constraint on disclosure between the parties is stronger. Comparing sponsored students in host jurisdictions with strict and with permissive data protection regimes, and holding the sponsor constant, lag will be longer under the stricter regime. This proposition converts a claim about accountability into one about information, and it is the most readily testable of the five because jurisdiction is recorded and does not have to be measured.

P3. Where the parties designate one of their number as the coordinating party, escalation lag falls, and the fall is not conditional on any transfer of formal authority to that party. This is not a new remedy and we do not present it as one: Voorn et al. (2019) already propose a coordinating interface for the multiple principals problem. What we add is that their interface presupposes a shared system in which a middle tier can be created, which does not exist here, and that designation among existing parties is therefore the available form of the remedy rather than the second-best one. The proposition fails if lag is unchanged after designation, and it fails

equally if the fall occurs only where the designated party also gains budget or formal standing, which would indicate that authority and not priority was the binding constraint.

P4. Where two parties in a contractual relation have written a rule of priority into their agreement, specifying which acts first on a defined class of indication and at what threshold, escalation lag between those two parties is shorter than where no such rule exists, controlling for host jurisdiction; but the lag measured across all parties is not correspondingly shorter, because the party outside the agreement remains outside the rule. This proposition varies the constitutive condition directly and is testable from documents. It fails if the bilateral rule shortens lag across all parties as much as between the two it binds, which would indicate that a partial rule is sufficient and that the argument under The First Move is wrong. It also fails if lag is unchanged even between the two bound parties, which would indicate that a written rule is not the operative constraint at all.

P5. Where the sponsor maintains a staffed presence in the host country, escalation lag is shorter than where it administers the award from the home country, controlling for the number of parties and for the presence of a written rule of priority; and the effect is larger where the local presence holds authority to suspend or vary funding than where it holds none. The mechanism proposed is the closing of the gap between sanction and proximity: in the ordinary case the party able to act decisively is the furthest away and the parties nearest the student hold no standing beyond referral. The proposition fails if presence makes no difference, which would suggest the constraint is the ordering of duties rather than the distance between the parties, and it fails in the opposite direction if presence lengthens lag, which would suggest an additional local actor adds a further layer to wait upon.

Scope and Boundary Conditions

The construct applies where a student is sponsored by a body other than the teaching institution, where the sponsor's obligation is live during the period of study rather than discharged on departure, where the sending state maintains a presence in the host country, where the parties are situated in different legal orders, and where, at the point a case enters observation, no party holds a written remit to coordinate the others. We operationalise the third of these, which carries the argument and has to be more than a phrase: parties are in different legal orders where they are answerable to different national regulators and where no common appellate, supervisory or funding authority has jurisdiction over all of them. Two agencies of one federal state are not in different legal orders on this test, and neither are two institutions in different member states of a union with a shared supervisory regime over the matter in question. Each condition is observable before any outcome is known, which is deliberate: a boundary applied after the fact would immunise the theory against disconfirmation. The last condition is stated at the point of case entry so that P3, which concerns what happens when such a remit is created, tests a change rather than falling outside the scope of the theory it is meant to test.

It does not apply to self-funded students, who have at most one institutional counterparty. It does not apply where a domestic scholarship supports study at a domestic institution, since a shared legal order supplies both a common standard for the claims and instruments for coordinating them. It does not apply where the episode is recorded as an emergency requiring immediate consular action at the point it first reaches the mission, and we specify that party and that moment because an emergency classification made later, after seeing how long escalation took, would remove exactly the cases the theory is about. We note that this exclusion censors

the fastest-response cases and therefore inflates measured lag, and that comparisons under P1 to P5 are between censored samples and should be reported as such.

Discussion

Differentiation from Adjacent Constructs

Custodial fragmentation is not the multiple principals problem renamed, and the difference is narrower than a differentiation section usually claims. That literature already describes principals who diverge from one another, and we rely on its description rather than contesting it (Bernheim & Whinston, 1986; Voorn et al., 2019). Two things distinguish the present case. The parties sit under separate legal orders, so the remedy that literature recommends, an interface actor placed in a middle tier, presupposes an authority able to create such a tier and none exists here. And the agent is a natural person who is simultaneously the beneficiary of the principals' investment, so the divergence to be managed is entirely among the principals while all of them are nominally serving the same end. Neither point is a claim of discovery. Common agency imposes no requirement that the agent's interest be adverse, and stewardship theory is the standing treatment of non-adverse agent interest (Davis et al., 1997). We offer a scope extension with a derived observable, not a rival theory.

It is not a duty of care problem. The literature on institutional duty of care asks what an institution owes a student and how far that obligation extends. Custodial fragmentation takes each obligation as given and asks what follows from their coexistence. A finding that each party's duty was properly discharged is consistent with the condition obtaining.

It is not a coordination deficit, for the reason given under Coordination, Regime Complexity and Leadership: the remedies that literature supplies work best where the parties share a polity, and the conditions that make network coordination effective, repeat interaction, reputational exposure in a common field and a shared body of law, are attenuated across separate legal orders.

It is also not the problem that arises when custody ends. In a paper submitted separately, the same authors examine the sponsored graduate at the point of return, when every party's claim has lapsed and the number of candidate duty-bearers is zero, so that the required act is the creation of a duty rather than the ordering of duties that already exist. That case and this one are opposite failures of the same arrangement: custody released in the one, custody divided in the other. The distinction bears directly on P3 above. Designation in the present case orders duties that exist; in the return case a comparable act must create a duty that does not. We state the pair here so that the boundary is visible rather than inferred.

The First Move, and Why It Is Leadership Rather Than Administration

The propositions above are stated in the language of arrangements and intervals, and it would be possible to read the paper as recommending a procedural fix. That reading would miss what P3 and P4 actually ask for. Designation of a coordinating party is not an act that any party's mandate requires. The sponsor's instrument is the bond, the university's is enrolment, the mission's is consular; none of the three contains a clause obliging its holder to convene the other two, and no authority above them can insert one. Whoever makes that move therefore acts without being required to, without gaining anything by it, and without any assurance that the others will follow.

The distinction between administration and leadership is drawn here in the terms the public leadership literature already uses. Administration executes duties that exist and is answerable for doing so; leadership, in the accounts of action under shared power cited under Coordination, Regime Complexity and Leadership, is what supplies movement where no party is required to move and none can compel another. Crosby and Bryson describe leaders forming the prior judgement that separate efforts have failed and cannot be repaired separately, and then finding the sponsors and champions without whom nothing begins. That is the act at issue here. A rule of priority would close the gap, and the Contributions section below notes that where two parties stand in a contractual relation one can be written into their agreement without any change in law. P4 predicts that such a rule shortens lag between those two parties. What it cannot do is bind a party outside the relation, and in this arrangement the mission is always outside it. So the partial remedy is real and available, and it is still not sufficient, and reaching beyond it requires that someone propose that all the parties be treated as a set. Nothing in any of the mandates requires that proposal, and no authority above the parties can require it.

Two qualifications keep the claim inside what the analysis supports. First, we do not claim that leadership without a mandate is new, nor that constituting a set is; both are the standing subject of the literature cited under Coordination, Regime Complexity and Leadership, and Crosby and Bryson theorise the second directly. Our increment is narrower: the set to be constituted straddles separate legal orders, so the convening act cannot rest on shared answerability to any single public, and the partial instruments that are available cannot reach every party. Second, we do not claim that leadership is necessary here as a matter of definition. The claim that would be analytic is that leadership is whatever supplies action where duty is silent, and therefore necessary wherever duty is silent. The claim we make is empirical and can fail: that in this arrangement the available contractual remedies cannot reach all parties, so that a non-mandated act is required in fact and not merely by construction. P4 is the test. If a bilateral written rule closes the gap across all parties, no such act is required and this section is wrong.

Contributions

The paper makes four contributions, each smaller than a new theory. First, it extends common agency to a case its existing statements do not reach, in which the principals answer to different constitutional orders so that no authority can create the coordinating position those statements recommend, and it connects that case to the study of regime complexity by bringing a non-hierarchical rule structure down to the level of one person. Second, it identifies the binding constraint as the absence of a rule of priority among monitors rather than a shortage of monitoring capacity or of authority, and derives from it one observable, escalation lag, defined so that it can be measured rather than inferred. Third, it shows that the contractual remedies available in this arrangement are necessarily partial, since an agreement between two parties cannot bind a third that stands in no contractual relation to either, and that the residue therefore falls to an act no party is obliged to perform. Fourth, it supplies boundary conditions that are documentary and can be checked in advance, which makes the construct usable for identifying exposed cases before their outcomes are known.

For practice, three implications follow, and the first is not ours. Designating a coordinating party is the remedy Voorn et al. (2019) propose for multiple principals generally; what this analysis adds is that in the cross-jurisdictional case it must be a designation among existing parties, because no tier above them can be created. The second is that a written rule of priority, specifying who acts first on defined indications, can be inserted into a sponsorship agreement without any change in law and without any party gaining authority over another, and P4 is

written so that this can be tested rather than assumed. The third is that agreeing a single indicator all three parties can see, however crude, converts an arrangement in which nobody measures the whole into one in which somebody does.

Research Agenda

Each proposition implies a design. P1 requires cases differing in the number of claimant parties, which occurs naturally because some sponsors operate through a home institution and others do not, together with a stated counting rule; we suggest counting only parties holding a written obligation toward the student during the period of study, and reporting the number of record sets consulted alongside the result. P2 is the most tractable, since host jurisdiction is recorded and the legal regime need only be classified, and its main threat is that jurisdictions with strict disclosure regimes may also have better developed pastoral infrastructure, a confound running in the opposite direction that must be controlled. P3 calls for a comparison before and after a coordinating party is designated, ideally within the same sponsor across cohorts, with a comparison cohort to separate designation from other changes. P4 is testable from documents and case records together, since it requires both the presence of a bilateral clause and lag measured twice, between the bound parties and across all of them. P5 requires sponsors that differ in whether they staff a presence in the host country and in what that presence may decide, which is a matter of public record.

Two further avenues follow from the theoretical claim. The first is whether the agent-as-beneficiary configuration appears elsewhere, in the guardianship of minors across borders, in refugee resettlement, or in the funding of medical training under service obligations. On the last of these an evidence base exists, though a limited one: Bärnighausen and Bloom (2009) review forty-three studies of service-requiring scholarships and loan-repayment schemes, most of them from a single country and all observational, and state that the evidence does not support inferring that such programmes caused increases in workforce supply. The second is whether escalation lag behaves as a general property of fragmented custody or is specific to educational settings, which would require the construct to be carried into a different domain and tested there.

We note two limitations of the paper itself. It is theoretical, and every proposition remains untested. And it describes the arrangement from the outside, using published evidence about parties rather than evidence from students; a study that asked students how the arrangement appears from within might describe it differently, and the work of Kuzhabekova and Amankulova (2023, 2024) suggests that it would.

Conclusion

A student sent abroad on public money is held by three parties and by none of them. The sponsor holds the contract, the university holds the enrolment, the state holds the citizenship, and each attends carefully to what it holds. The person is the only thing that spans all three, and the person is the one thing none of the three is responsible for as a whole. For the body that advanced the money, that person is also the form in which the investment is held, which is why the arrangement is a governance question and not only a welfare one.

This paper has argued that the difficulty is a property of the arrangement rather than a failing of any party, and has named it custodial fragmentation: responsibility for one person divided among parties in different legal orders, each holding a defensible portion, with no rule assigning priority of action. It has made the absence of that rule the constitutive condition, treated

information partition as an entailment of the division rather than as an independent property, derived one observable consequence, and stated five propositions that could fail, two of them bearing directly on the constitutive condition. It has also drawn the consequence for leadership, and stated it in a form that can be refuted. A rule of priority can be written between parties in a contractual relation, and may well shorten the interval between them; what it cannot do is bind a party outside that relation, so the residue falls to an act that no mandate requires and no authority can compel. The claims are deliberately modest. Common agency, divergence among principals, the interposition of a coordinating party, and leadership under conditions of shared power all belong to prior work, and we have said so at each point. What we offer is the case those statements do not reach, together with a measurable consequence and a set of documentary tests for identifying such cases in advance.

Declarations

Funding: this work received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors. **Conflict of interest:** the authors declare none. **Ethics:** this is a theoretical paper; it reports no empirical study, recruited no participants and used no personal data, so ethical approval was not required. **Use of generative artificial intelligence:** a generative artificial intelligence assistant was used for language editing and for structuring drafts, and not to generate data, analysis or conclusions. Every author checked and revised the text and accepts full responsibility for its content, and no artificial intelligence tool is credited as an author, consistent with COPE guidance. **Related submissions:** a companion conceptual paper by the same authors, addressing the same population at the point of return rather than during study, is under review elsewhere and is described in the cover letter.

Acknowledgements

The authors thank colleagues in international education whose observations, offered in informal professional discussion rather than as research data, informed the development of this argument.

References

- Alter, K. J., & Meunier, S. (2009). The politics of international regime complexity. *Perspectives on Politics*, 7(1), 13-24. <https://doi.org/10.1017/S1537592709090033>
- Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18(4), 543-571. <https://doi.org/10.1093/jopart/mum032>
- Bärnighausen, T., & Bloom, D. E. (2009). Financial incentives for return of service in underserved areas: A systematic review. *BMC Health Services Research*, 9, 86. <https://doi.org/10.1186/1472-6963-9-86>
- Bernheim, B. D., & Whinston, M. D. (1986). Common agency. *Econometrica*, 54(4), 923-942. <https://doi.org/10.2307/1912844>
- Bouckaert, G., Peters, B. G., & Verhoest, K. (2010). The coordination of public sector organizations: Shifting patterns of public management. Basingstoke, England: Palgrave Macmillan. <https://doi.org/10.1057/9780230275256>
- Campbell, A. C., & Neff, E. (2020). A systematic review of international higher education scholarships for students from the Global South. *Review of Educational Research*, 90(6), 824-861. <https://doi.org/10.3102/0034654320947783>
- Crosby, B. C., & Bryson, J. M. (2010). Integrative leadership and the creation and maintenance of cross-sector collaborations. *The Leadership Quarterly*, 21(2), 211-230. <https://doi.org/10.1016/j.leaqua.2010.01.003>

- Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review*, 22(1), 20-47. <https://doi.org/10.5465/amr.1997.9707180258>
- Del Sordi, A. (2018). Sponsoring student mobility for development and authoritarian stability: Kazakhstan's Bolashak programme. *Globalizations*, 15(2), 215-231. <https://doi.org/10.1080/14747731.2017.1403780>
- Deumert, A., Marginson, S., Nyland, C., Ramia, G., & Sawir, E. (2005). Global migration and social protection rights: The social and economic security of cross-border students in Australia. *Global Social Policy*, 5(3), 329-352. <https://doi.org/10.1177/1468018105057415>
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57-74. <https://doi.org/10.5465/amr.1989.4279003>
- Forbes-Mewett, H., & Nyland, C. (2013). Funding international student support services: Tension and power in the university. *Higher Education*, 65(2), 181-192. <https://doi.org/10.1007/s10734-012-9537-0>
- Helfer, L. R. (1999). Forum shopping for human rights. *University of Pennsylvania Law Review*, 148(2), 285-400.
- Hood, C. (2002). The risk game and the blame game. *Government and Opposition*, 37(1), 15-37. <https://doi.org/10.1111/1477-7053.00085>
- Hood, C. (2011). *The blame game: Spin, bureaucracy, and self-preservation in government*. Princeton, NJ: Princeton University Press. <https://doi.org/10.1515/9781400836819>
- Hughes, G. J., & Byrom, N. C. (2019). Managing student mental health: The challenges faced by academics on professional healthcare courses. *Journal of Advanced Nursing*, 75(7), 1539-1548. <https://doi.org/10.1111/jan.13989>
- Kivistö, J. (2008). An assessment of agency theory as a framework for the government-university relationship. *Journal of Higher Education Policy and Management*, 30(4), 339-350. <https://doi.org/10.1080/13600800802383018>
- Kuzhabekova, A., & Amankulova, Z. (2023). Supporting sponsored international students during COVID-19 pandemic: Insights from a study of Kazakhstani Bolashak scholarship recipients. *European Education*, 55(1), 30-43. <https://doi.org/10.1080/10564934.2023.2217803>
- Kuzhabekova, A., & Amankulova, Z. (2024). International student agency in emergency: Insights from government-funded students from Kazakhstan. *Journal of International Students*, 14(3), 131-148. <https://doi.org/10.32674/jis.v14i3.6107>
- Marginson, S. (2012). Including the other: Regulation of the human rights of mobile students in a nation-bound world. *Higher Education*, 63(4), 497-512. <https://doi.org/10.1007/s10734-011-9454-7>
- Ospina, S. M. (2017). Collective leadership and context in public administration: Bridging public leadership research and leadership studies. *Public Administration Review*, 77(2), 275-287. <https://doi.org/10.1111/puar.12706>
- Othman, R., Laswad, F., & Mat Roni, S. (2021). Academic adjustments and learning experiences of government-sponsored accounting students in a foreign university. *Accounting Education*, 30(5), 472-494. <https://doi.org/10.1080/09639284.2021.1919157>
- Perna, L. W., Orosz, K., Gopaul, B., Jumakulov, Z., Ashirbekov, A., & Kishkentayeva, M. (2014). Promoting human capital development: A typology of international scholarship programs in higher education. *Educational Researcher*, 43(2), 63-73. <https://doi.org/10.3102/0013189X14521863>
- Peters, B. G. (2018). The challenge of policy coordination. *Policy Design and Practice*, 1(1), 1-11. <https://doi.org/10.1080/25741292.2018.1437946>

- Ramia, G. (2018). The development of policy on international student welfare and the question of crisis response. *Australian Journal of Social Issues*, 53(1), 71-82. <https://doi.org/10.1002/ajs4.31>
- Raustiala, K., & Victor, D. G. (2004). The regime complex for plant genetic resources. *International Organization*, 58(2), 277-309. <https://doi.org/10.1017/S0020818304582036>
- Rubel, A., & Jones, K. M. L. (2016). Student privacy in learning analytics: An information ethics perspective. *The Information Society*, 32(2), 143-159. <https://doi.org/10.1080/01972243.2016.1130502>
- Sawir, E., Marginson, S., Nyland, C., Ramia, G., & Rawlings-Sanaei, F. (2009). The pastoral care of international students in New Zealand: Is it more than a consumer protection regime? *Asia Pacific Journal of Education*, 29(1), 45-59. <https://doi.org/10.1080/02188790802655049>
- Thompson, D. F. (1980). Moral responsibility of public officials: The problem of many hands. *American Political Science Review*, 74(4), 905-916. <https://doi.org/10.2307/1954312>
- Voorn, B., van Genugten, M., & van Thiel, S. (2019). Multiple principals, multiple problems: Implications for effective governance and a research agenda for joint service delivery. *Public Administration*, 97(3), 671-685. <https://doi.org/10.1111/padm.12587>
- Yallew, A., Juusola, H., Ahmad, I., & Törmälä, S. (2018). Exploring principal-agent theory in higher education research. *Journal of Research and Innovation in Higher Education*, 3(1), 78-98. Retrieved from <https://rihe-journal.com/index.php/rihe/article/view/27>