

Trends & Insights

NAFSA: ASSOCIATION OF INTERNATIONAL EDUCATORS

MAY 2017

Using Agents to Recruit International Students: A Settled Issue?

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In April 2017 the Middle States Commission on Higher Education proposed new language to its existing policy on recruitment that would prohibit Middle States-accredited institutions from using incentive-based compensation for recruiting international students. As Elizabeth Redden notes in an *Inside Higher Ed* article on April 5, 2017, if approved, this policy would require those institutions to end existing contracts with agents and find alternative recruiting strategies. This could be a game changer.

Ratification of the Middle States policy would reverse a clear and established trend. The number of U.S. institutions using agents has grown significantly in the past decade and a continued upward trajectory is likely—barring the enactment and/or spread of this policy change. During the last 10 years, national debate about agents shifted away from prohibition and toward institutional deliberations about whether the use of agents is an appropriate institutional strategy and, if so, how to manage the ethical and operational aspects involved. In other words, until the Middle States moved to amend its policy to prohibit commission-based recruiting of international students, the question about agents seemed to no longer be about “whether” but “how” to use agents.

It is unclear if the other regional accreditors are considering or will consider similar policy changes. Historically, the regional accreditors have developed policies independently of each other, which in some cases result in significant differences. For example, there are a variety of approaches to accrediting non-U.S. institutions, thus creating potential confusion for non-U.S. institutions that are interested in seeking U.S. accreditation (Green 2015, 18–23). Should this new agent policy be adopted, it could spread or it could leave Middle States-accredited institutions at a competitive disadvantage vis-à-vis other U.S. institutions.

DEVELOPMENT OF THE AGENT LANDSCAPE IN THE UNITED STATES

The Higher Education Act of 1965, amended in 1992, permits the use of commissions or incentive payments to recruit international students, while banning institutions participating in Title IV programs from using this method of remuneration for recruiting domestic students. However, very few institutions used agents until the global competition for international students heated up in the past decade or so. Exceptions to this were the intensive English language programs, which used agents early on to recruit their international students.

One factor in the scant use of agents, historically, was perhaps a misunderstanding of the exception made in the federal law that permitted the use of agents to recruit foreign students. A second possible factor was the power of the National Association of College Admission Counseling (NACAC), the most prominent association voice in admissions practices, which banned the practice of using agents in its mandatory standards. Members who violated the standards were subject to exclusion from the association (Leventhal and Rota 2013).

The Pros and Cons of Using Agents

Proponents of using agents point to their ability to speak the local languages and understand the local culture, and their constant presence on the ground in country. Agents' understanding of the local education system allows them to relate to the concerns of the students and their parents, and enables them to navigate the differences between the local system and that of the destination country. Agents provide useful services to the students, including helping them to understand the application and visa processes, serving as liaisons to institutions, and ideally, identifying institutions that are good matches for the students. Agents can also help address the issues of limited resources, time, and knowledge that can hamper the ability of admissions officers to be effective international recruiters.

Using agents can benefit institutions by raising their profiles abroad and expanding the number of countries from which they recruit, thus diversifying their international student populations. Furthermore, expanding the campus admissions staff in order to cover the work that is done by agents is a considerable investment; this cost-benefit risk is magnified in institutions with very limited resources. Institutions that are using a commission-based compensation model are paying only for those students who enroll and pay tuition. About a third of these institutions make the payments contingent upon the students' retention (NACAC 2017a). Additionally, proponents point to the fact that institutions are not abdicating the admissions function to the agents. Institutions can and should exercise control; they select the agents, vet them, and retain total control over the admissions criteria and process.

The opposing arguments to using agents have received a lot more attention in the higher education and broader press. The risks and dangers can be broadly categorized into two areas: ethical issues and operational considerations. On the ethical front, there is the potential danger that commission-based agents will not put the students' interests first, instead steering students to institutions that will maximize the agents' earnings. This presents a risk for institutions because they may be at an advantage or disadvantage depending on the competition created by their different fees for agents. It also presents some risks for the students and their families since they are generally unaware of the relationships that agents have with specific institutions or how they are paid. One study showed that only 13 percent of prospective international students who used agents were aware that the agents received commissions from the institutions (Redden 2013).

A second ethical issue concerns the potential conflicts of interest that can arise when agents collect fees from the students for such services as advice and assistance, as well as fees from the institutions. The agents may misrepresent their relationship with the institutions (Altbach and Reisberg 2013, pp. 2–4; Engberg 2013, pp. 6–7; Zaretsky 2013, pp. 7–9; Raimo, Humfrey and Huang 2014). A third issue concerns fraud. Agents may vouch for fraudulent documents or complete the students' applications. Fraud has legal as well as reputational implications for the institutions.

On the operational front, institutions face financial, legal, and reputational risks if they do not manage agent relationships well. It is easy to underestimate what is involved and stumble in the process. The work includes selecting agents, developing contracts, coordinating all the appropriate individuals and offices on campus, setting up a structure for agent contact and oversight, providing ongoing training, and tracking agents' performance. This requires an investment of human and financial resources.

Also on the financial front, there is a danger of escalating costs to institutions. Data from British institutions reported in *Inside Higher Ed* suggest that, on average, UK universities paid \$2,725 in agent commission fees per student recruited in 2013/14, compared with an estimated \$1,500 per student in 2010/11 (Matthews 2012; Havergal 2015).

For further discussion of the pros and cons of using agents, see Di Maria, David. 2014. *Successful Relationships with Recruiting Agents: Essential Considerations*. Washington, DC: NAFSA: Association of International Educators.

By the mid-2000s, there were a number of English as a second language (ESL) providers and specialized programs, as well as a few universities, that were using or considering using agents. Ohio University, the University of Cincinnati, and Arkansas State University were among this group. The need to develop standards for the use of agents became obvious to some, and internationalization leaders from these three institutions were ultimately the founders of the American International Recruitment Council (AIRC) in 2008. The founding of AIRC took place amid controversy in the higher education community (Leventhal and Rota 2013).

The agent landscape changed significantly in 2013 when NACAC Assembly—a group of elected NACAC members who function as a governing body—voted to lift its ban on agents, amending its *Statement of Principles of Good Practice* to read as follows: “Members who choose to use incentive-based agents when recruiting students outside the U.S. will ensure accountability, transparency and integrity” (NACAC n.d., 7).

NACAC’s decision was based on the work of its Commission on International Student Recruitment, which was initiated two years earlier and issued its report and recommendations in May 2013 (NACAC 2013). After modifying its official position, NACAC provided detailed advice on good practice in its 2014 publication *International Student Recruitment Agencies: A Guide for Schools, Colleges and Universities*. This comprehensive resource includes detailed information on legal issues, campus impact, contracts, monitoring agencies, signs of good practice and warning signs, and sample instruments (West and Addington 2014).

NACAC’s positions on the use of agents continue to evolve as the landscape of higher education changes. The 2015 and 2016 editions of NACAC’s *Statement of Principles of Good Practice* use an interesting twist of language to convey a lifting of the ban, but continuing reservations. In the section on mandatory practices for all members, the documents read that “All members agree they will: not employ agents who are compensated on a per capita basis when recruiting students outside the United States, unless ensuring they and their agents conduct themselves with accountability, transparency, and integrity” (NACAC 2015, 3). The 2016 document elaborates on this point, stipulating

that members will ensure institutional accountability by monitoring the actions of the agents, disclosing on their websites that commission-based agents are utilized, dealing ethically and impartially with all applicants, adhering to U.S. laws, and not compensating secondary school personnel for referred students (NACAC 2016, 4). The March 2017 draft of the forthcoming *Principles* document devotes a separate section to commissioned agents, providing specific guidance to both agents and postsecondary institutions to ensure transparency and ethical behavior (NACAC 2017b, pp. 15–16).

HOW WIDESPREAD IS THE USE OF AGENTS IN THE UNITED STATES?

The developments discussed in the previous section worked to pave the way for a steady growth in the use of agents. Data collected in different studies are often difficult to compare, but they clearly suggest an upward trend. In a May 1, 2014, *Inside Higher Ed* article, Scott Jaschik summarizes the findings from a 2012 study by the Observatory of Higher Education that examined 181 higher education institutions in seven countries. The study found that U.S. colleges reported that 11 percent of international students were recruited through agents, compared with 53 percent in Australia, 47 percent in New Zealand, 41 percent in Canada, and 38 percent in the United Kingdom (Jaschik 2014). Taking a different approach, a 2013 i-Graduate study found that 28 percent of international students in the United States reported that “agents were a key factor” in their decision on where to enroll, compared with 4 percent in the 2007 i-Graduate study (Jaschik 2014). The i-Graduate study, however, does not definitively establish that the students who responded to the study used agents who had official relationships with the colleges in which they enrolled. The increase from 4 to 28 percent is notable, however.

As Elizabeth Redden notes in an *Inside Higher Ed* article on September 3, 2014, i-Graduate estimated that about a quarter of U.S. institutions were using agents; this finding was based on a 2014 survey of first-year international students at 48 universities in the United States, the United Kingdom, and Australia. A year later, NACAC found that 37 percent of U.S. institutions were working with international student recruitment agencies, and an additional 20 percent were considering doing so (NACAC 2017a). The latest data, published in 2016 by the Bridge Education Group, confirm NACAC’s

37 percent figure (Bridge Education Group 2016, 7). The Bridge Education Group's (2016) survey of 131 U.S. colleges and universities represented approximately 93,000 international postsecondary students, or 9.5 percent of all international postsecondary students in the United States. The same study estimated that 22 percent of international student enrollments in the United States came via agencies, compared with 38 percent in the United Kingdom, 41 percent in Canada, and 62 percent in Australia (Bridge Education Group 2016, 15). However, it is likely that the 22 percent figure is an underestimation because it may not include institutions that are using agents in pathway programs. Secondary schools are also actively recruiting international students, and according to NACAC, of the 14 percent that do so, 71 percent report using agents (NACAC 2017a).

The indirect use of agents by universities that engage with pathway program providers offers an interesting data question about the actual usage of agents by U.S. institutions. Although an institution may decline to use agents to recruit its regular population of students, if it has a pathway program, the pathway providers are almost always using agents—who are generally not vetted by the university—to recruit the students. Thus, the institution is using agents “behind the corporate veil,” as one expert put it. Similarly, there may be units within the institution, especially English language, continuing education, and extension programs, that are considered sufficiently separate from the university, and thus, their use of recruiting agents coexists with a wider university policy of not doing so.

WHAT LIES AHEAD?

Although NACAC's 2013 decision to lift the ban on agents significantly quieted the debate about agents, the issues surrounding the pros and cons remain. As the recent action suggests, all is not settled. The abrupt change in the U.S. climate for international students brought about by the Trump administration will likely compel institutions to work harder to recruit international students and make them feel welcome in United States. Institutions may turn to agents as they intensify their efforts to recruit international students; however, even if they engage agents, the outcome is uncertain. Agents may be unwilling or unable to overcome the worldwide chilling effect of the Trump administration's attempts to limit immigration through executive orders and its generally xenophobic rhetoric. In one

scenario, agents may be motivated to bring students to their U.S. institutional clients by a combination of their own economic self-interest and the conviction that study in the United States is still a good option. On the other hand, they may steer students to countries that are less problematic.

Data confirm that agents' perceptions of the United States have declined over the past few years. The country's image has taken a turn for the worse since the issuance of the first executive order banning immigrants from seven predominantly Muslim countries. According to the 2016 Agent Barometer study by ICEF, in 2014 and 2015, 77 percent of responding agents rated the United States as a “very attractive” destination for international students; this figure fell to 67 percent in 2016 (ICEF Monitor 2016). However, the study also found that agents considered the United States and Canada to be the best choices for undergraduate and graduate study.

Data gathered after the issuance of the first executive order provided sobering numbers. A study by Professional International Education Resources (PIER), titled “Us & Them,” revealed that after the executive order, nearly 40 percent of responding agents said that they were unlikely or significantly unlikely to recommend the United States to international students (2017). About half said that before the order was issued, they were more likely or significantly more likely to recommend the United States.

The ball is currently in the institutions' court. Working with agents, as with any commercial partner, requires business savvy and a clear strategy. In the United States, the burden is on the institution to determine the quality of the agent or agency, and institutions have several tools at their disposal. Nearly all respondents (92 percent) of the 131 institutional respondents to the Bridge Education Group survey indicated that they consider certification by the AIRC to be a valid credential for the selection of agents (Bridge Education Group 2016). In a process that is very similar to the accreditation process, the AIRC certification process includes a self-study and an external examination of the agency against a series of standards.

Institutions also look to recommendations by other U.S. institutions and certification agencies. Certification is an important consideration for many institutions seeking to engage with agents. Nearly

four in 10 institutions considered agents who are highly recommended by other U.S. institutions, and nearly two-thirds considered agents with some kind of individual certification, such as that provided by ICEF (Bridge Education Group 2016, 26). A training program tailored to agents working in the United States has recently been launched by ICEF. Agents who complete the course have the option of taking a test at the program's conclusion (ICEF n.d.).

Recent studies show that not all institutions are engaged in best practices. According to NACAC, 73 percent of institutions require a formal contract with the recruitment agency, 60 percent regularly assess the agents' performance, 41 percent conduct in-person training sessions, and 34 percent require agents to be certified or trained by external agencies (NACAC 2017a). Clearly, there is room for improvement. There are certainly risks inherent in using agents, and institutions may choose not to be part of this facet of the growing commercialization of higher education. But if institutions do decide to use agents, they should exercise maximum oversight. It is essential that institutions monitor their own behaviors against their professed values and ethics. And in all cases, the ultimate goal should be to ensure student success. Although some institutions balk at full transparency in such a competitive environment, as a general principle, transparency and ethical behavior go hand in hand.

So where does that leave us with respect to the possible re-emergence of the agent debate? Prohibition against the use of agents seems counterproductive at this point. Additionally, it makes little sense for regional accreditors to have different policies on this issue. Given the increasing use of agents in the United States and the rest of the world, it seems too late to turn the clock back now.

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