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Review article

Evaluation of the Employee Benefits Administration Agency's Ethics, Cooperation, and Leadership

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Abstract

This study showed that first, the agency will need to be more transparent where relevant. For instance, it needs to improve how it shares information with the public and other relevant agencies. When sharing the information with the public, all co-principals should be on the same page to avoid division because it can portray a bad image. This will also increase inter-agency transparency and improve the agency's performance. Second, the agency will need to be more accountable by taking responsibility for its actions. It can do so by creating a healthy system of accountability among the agency staff and this can help it improve performance in the long-term. Third, capacity building.

Introduction

The United States government has various departments that allow it to serve all Americans within the country and operate with international communities. One of them is the Department of Labor, which is mandated to enforce all federal laws related to work and employment. The Department is supposed to ensure all workers are compensated fairly in terms of hourly wages and overtime. It is also supposed to ensure employers insure their businesses as well as the employees, protect employees from all kinds of discrimination, and ensure they work in a safe and healthy environment. This indicates how important the Department of Labor is to American employees, employers, and the government.

There are various agencies under the Department of Labor and one of them is the Employee Benefits Security Administration. This agency used to be referred to as the Pension and Welfare Benefits Administration (PWBA) until February 2003 when it changed to EBSA. Another essential change that occurred during the same period was the establishment of Assistant Secretary and Deputy Assistant Secretary positions. According to EBSA [1], the agency is mandated to educate and assist millions of workers, retirees, and families covered by various pension plan benefits. This indicates how the agency plays a huge role in boosting and sustaining the country's economy. The agency has developed various programs, such as ERISA which provide benefits to more than 150 million workers who have subscribed to plans of their choice [2]. This study aims to evaluate the Employee Benefits Security Administration Agency's Ethics, Cooperation, and Leadership.

To achieve this objective, the study will first identify and analyze one recent case and focus on the administrative responsibility and ethical implications to the stakeholders and the government. The case is titled "Su v. Flying Food Group LLC" [3]. The case involved a Chicago food service provider for major airlines called Flying Food Group. The Employee Benefits Security Administration agency investigated the company and revealed that it owed the affected employees \$117,562. This was after the company incorrectly imposed deductibles on certain diagnostic claims, including those for non-routine mammograms. The agency also determined that the company had violated federal regulations, because these actions were different from the health plan information provided to participants. On Sept. 13, 2023, U.S. District Court Judge Edmond E. Chang in the Northern District of Illinois' Eastern Division directed the Flying Food Group company to reimburse the affected participants within 110 days. The company paid \$134,222 for violating the Employee Retirement Income Security Act. This indicates the competence of the agency since they followed due process while discovering all the evidence and won the case. This created a good public image and has made many Americans continue trusting the agency since they are still reaching out whenever they have work-related issues. For instance, when discriminated against by the employer or forced to work in an unsafe environment without protective clothing.

Administrative Ethics

Blessett et al [4] define administrative ethics as the moral principles and guidelines that public administrators follow when making decisions. This definition justifies how all officers in the EBSA agency are supposed to promote a strong ethical culture while working in the agency. They are government servants and should perform their duties with due diligence, honesty, integrity, fairness, transparency, and justice. This should start from the topmost position of assistant secretary to officers holding the lowest positions. The EBSA ethics policy indicates how committed the agency is to promoting ethical behavior among its staff. The agency empowers all its staff by exposing them to mandatory annual ethics training.

Some of the administrative ethics observed by the agency include, first, EBSA has instructed all its staff to carry out their duties with fairness, propriety, and competence. This is seen in the case where they invested in the Flying Food Group company, won the case, and gained public trust. Second, all EBSA are required to maintain the highest ethical standards as public servants. They should not use their position in the agency to receive gifts or favors from the public and avoid behaviors that can make them have a conflict of interest. For instance, if any EBSA investigators had any relationship with the Flying Food Group company, he or she should not have been in the case to avoid conflict of interest. Third, the EBSA has stipulated that any employee who fails to follow these administrative ethics will face disciplinary action or even termination. The agency has also cautioned all its staff that violating any applicable federal law can lead to civil or criminal penalties. Lastly, all EBSA employees are directed to follow protocol when solving internal problems as an ethical practice. They are expected to report any issue noted to the immediate supervisor and always follow the chain of command or authority. Other ethics practices include dress code and confidentiality.



Leadership Influences

Leadership plays a crucial role in the success and effectiveness of any government agency. All employees should have a vast knowledge of various leadership styles so that they can relate well with their supervisors or seniors by respecting work boundaries. Anderson & Sun [5] suggest that understanding various leadership styles allows leaders and followers to communicate effectively, make informed decisions faster, and motivate each other. EBSA is led by Assistant Secretary Lisa M. Gomez who was sworn in on October 11, 2022. This is an appointment position where the potential candidate is nominated by the President and confirmed by the Senate. The other two co-principals include Mr. Khawar, the Principal Deputy Assistant Secretary, and Timothy D. Hauser, the Deputy Assistant Secretary for Program Operations. The agency has other senior staff.

This study suggests that the agency utilizes a democratic leadership style. This is because the Assistant Secretary always involves her team in the decision-making process, but has the final say. Since she joined the agency in 2022, she has been a game changer by always seeking input and feedback from the co-principals but making the final decision that reflects all of them. This has enabled the Assistant Secretary to improve how staff in the agency engage, increase satisfaction, boost their morale, make every staff feel valued, and build trust with his team. One of the scenarios where politicians and agency leaders influenced the success of the agency was during the vetting of Assistant Secretary Lisa M. Gomez. The journey to her nomination was not easy because in her first nomination, 49 senators voted in her favor but 51 against, including all Republicans and Senate Majority Leader Chuck Schumer [6]. The tie could have been broken by Vice President Kamala Harris who was attending an international summit in Los Angeles. She was grilled during her vetting by the senators but she used her leadership skills and experience to answer the questions asked.

According to [6], one of the burning questions was asked by Sen. Tina Smith, about multiemployer pension plans following passage in March of the American Rescue Plan Act. Ms. Gomez claimed that once confirmed, she will be fully briefed on the current status of the rule-making process. She added that she will be ready to work with relevant departments like the Securities and Exchange Commission to implement the program within the stipulated law. Ali Khawar, the agency's acting head played a critical role in convincing some of the senators to vote for Ms. Gomez. Mr. Khawar was even criticized by the Republicans for issuing an environmental, social governance, and proxy voting proposal in support of Ms. Gomez. Finally, Ms. Gomez was confirmed by the senate whereby 49 senators voted in her favor while 36 were against her nomination. This indicates how politicians have helped the agency succeed by vetting one of its leaders and confirming her to take office. Her leadership style has changed the agency, returning to public trust that was lost.

Strategies for Consideration to Administrative Processes

Bednar & Reames [7] found that one of the biggest challenges that various government agencies face during auditing is to measure government performance. This makes it difficult for the senior officers or the executive panel to identify areas of improvement. This can lead to worse scenarios whereby an agency is accused of fraud

due to mismanagement of public funds. The most affected stakeholders are the public who receives poor services as well as the agency staff due to poor coordination. Most of these issues can be avoided if a government agency has ethical leaders [8]. The study recommends the department consider a delegation leadership strategy as far as its administrative processes are concerned. This means that the co-principals will have to know their juniors well so that they can delegate duties or responsibilities according to individual strengths.

Recommendations for Improvements to Administrative Processes

This study recommends EBSA consider performance management as one of the strategies that can enable the agency to improve its administrative processes. First, the agency will need to be more transparent where relevant. For instance, it needs to improve how it shares information with the public and other relevant agencies. When sharing the information with the public, all co-principals should be on the same page to avoid division because it can portray a bad image. This will also increase inter-agency transparency and improve the agency's performance. Second, the agency will need to be more accountable by taking responsibility for its actions. It can do so by creating a healthy system of accountability among the agency staff and this can help it improve performance in the long-term. Third, capacity building. This can be an immediate or a short-term reform because governance and capacity building are interrelated. The agency can increase capacity building by formulating capacity development responses, empowering all staff through conducting training need assessment, engaging stakeholders, and listening to their grievances.

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