

Summary of dillon vs. champion essay



Background: Linda Dillon has sued Champion after she was encouraged to take a more challenging position within the company and was then fired for not meeting expectations. She claimed that she was told that it would take several months to get up to speed and that Champion would give her extensive training. Instead, she was only given four days of training and was fired without notice after two months.

This case highlights the care that employers should take with the design of employee handbooks.

Even where a handbook contains a prominent disclaimer stating that it does not establish any contract rights, an employer must be careful with all of the handbook's wording to not create a contractual liability. 1. Legal Issues: Linda Dillon sued her former employer, Champion Jogbra, claiming that it breached an implied contract when it terminated her employment without following the company's progressive discipline policy as stated in the company handbook.

She also argues that the trial court's summary judgment on her claim of promissory estoppels was incorrect.

Champion claimed that Dillon was an at-will employee, and thus could be terminated at any time, and that nothing in the employee handbook created any contract rights. To support this claim, Champion pointed to the prominent disclaimer on page one of the handbook, which stated: " The policies and procedures contained in this manual constitute guidelines only. They do not constitute part of an employment contract, nor are they

intended to make any commitment to any employee concerning how individual employment action can, should, or will be handled.

” Court’s Ruling:

The court held that the progressive discipline policy outlined in the employee handbook could create an implied contract even though the handbook contained a large, all capital letter disclaimer stating that it did not create a contract. In addition, the court stated that the detailed progressive discipline system set out in the handbook was inconsistent with both the disclaimer language in the handbook and the at-will employment relationship, and that the progressive discipline policy sent mixed messages to employees and could create an implied contract to Champion’s employees.

The court ruled that the trial court’s grant of summary judgment was correct for the promissory estoppels claim. The plaintiff’s breach of contract claim case was remanded back to the lower court for further determination. 2. According to the text an implied contract is a type of wrongful discharge claim that limits the employer’s right to terminated if the employer has made written or oral statements containing promises not to terminate at will, or implied such a contract through his course of conduct with the employee.

The implied contract in this case consisted of two points. First, the written statements in the handbook were conflicting with the at-will employment relationship and the disclaimer language. Second, the conduct and oral statements from the employer were given that gave the employee reason to believe that her job was safe. The oral statement made by the employer was “ it will take you four to six months to feel comfortable with [the] position”

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which gave the impression that she would have that time to settle in with the new job.

The employer breached the implied oral contract because in less than two months Dillon was called into her supervisor's office and was terminated from that position in which the employer stated that it was not working out. The written contract, according to the Champion Jogbra's policy, was that actions will be carried out " in a fair and consistent manner.

" Concerning the disclaimer at the start of the manual, it was inconsistent with the terms of the Corrective Action policy.

The Champion's employees, including Dillon, could interpret an implied contract because of mixed messages they received from the written manual, the disciplinary action policy, the at-will relationship explained, and the oral statements given. 3. The disclaimer in the employee manual does not have the effect desired by the employee because the terms of the manual are vague. Disclaimers are written statements that are incorporated into employee handbooks, applications, or other documents that deny that any statements made on behalf of the employer are contractual binding.

The employee manual of Champion Jogbra sends mixed messages regarding an employees' status.

Champion Jogbra lists its policies and procedures in a manner in which employees may feel their job is protected. However, Champion Jogbra does not offer employment contracts nor do they guarantee length of employment. Champion Jogbra can terminate employees at any time, " at

will” with or without cause. The manual states that the policies and procedures are used as guidelines only and are not part of an employment contract or how employment can, should, or will be handled.

These guidelines give employees false hope that their job is protected, when in reality they may be let go at any time, for any reason. 4. Dillon’s claim for promissory estoppel failed due to the fact there was no formal contract on guaranteeing Dillon a definite length of time or job security for the sales administrator position. Dillon was approached by Jogbra management to apply for the position and was told she would receive extensive training.

Even though Dillon completed the limited training she received, she was also assured that there would be future training from the previous predecessor and would take four to six months feeling comfortable with the position and not to worry about it.

A promissory estoppel would have been a claim under a wrongful termination if Dillon were able to demonstrate the termination was in breach of a promise made by Jogbra and “ that the employer should have reasonably expected to induce detrimental reliance on the part of the employee, and that the employee did in fact detrimentally rely on the promise. After the follow up training was completed and Jogbra completed their unwritten promise, Dillon failed to explain how the training modified her at-will status. An estimate of four to six months for a person getting acclimated with a specific job does not get converted into a definite promise of employment, hence a promissory estoppel. Therefore the courts rejected

the promissory estoppel claim and Dillon was unsuccessful since there was no formal contract for the new position.