

Dispute summary in business

[Business](#)



In today's business environment, disputes are inevitable. Disputes are handled through dialog, resulting in both parties being satisfied, but often disputes can become very serious, involving legal action. Disputes in a workplace may occur among any of the organization's stakeholders, e. g. , between employee and employee, employee-supervisor, company-vendor, company-customer, and company-competitor. Most conflicts in workplace, particularly in team or group situations cause significant distress among the people involved.

If such disputes remain unresolved for some time, they are likely to take a heavy toll of employee morale and result in personal, social and economic costs including costly litigation. The dispute that I chose to write about was a dispute that occurred at my previous place of employment. This dispute was between an employee (former)-company and company-competitor. I was previously employed at a telecommunication company. The telecommunication firm that I worked for brought a suit against a former employee and the competitor, for whom the former employee had started working.

The dispute was that the company believed that the former employee had violated a non-compete contract that she had signed when she became a business manager with the company. By signing this agreement the employee agreed that the company's clients and confidential information pertaining to them comprised a substantial part of the goodwill of its business; protection of goodwill is of particular importance in such business; and she had no proprietary interest in the company's business.

The employee also promised to devote full time and best efforts to the company's business and the related business interests of its corporate affiliates; acknowledged that, as part of her employment she would have access to and become acquainted with the company's confidential information relating to the company's present and future clients, companies from which our company obtained or would obtain quotes for purchasing the materials and its warranty details from the company.

She acknowledged that she would be given access to the company's confidential information only for the purpose of furthering its business interests and those of its affiliates. She promised that she would not, during the term of the agreement or for 24 months thereafter, either disclose the company's confidential information to any person, firm, or corporation or use such confidential information for the purpose of inducing or attempting to induce any of the company's clients to become a client of her or any person, firm, or corporation with which she became affiliated in any capacity.

She also promised that she would not, during the term of the agreement or for 24 months thereafter, solicit or accept insurance agency or brokerage business from or perform related services for any of the company's clients. This was an agreement that all business managers, technical managers, vice presidents, presidents, etc. , had to sign upon acquiring these positions and the employee was very familiar with this contract.

On a Friday, the employee informed the CEO of her intentions to resign from her position as a business manager with the company for the purpose of accepting an identical position with the company's competitor. The

information came as kind of a shock because the employee had not previously expressed any dissatisfaction with the company or the conditions of her employment. The CEO tried to persuade the employee to stay with the company.

The employee advised the CEO that she would think about her decision over the weekend and let the CEO know. Finally the employee left a message to the CEO on Sunday night confirming her decision to leave the company. The employee's resignation corresponded almost exactly with the warranty expiration of products and scheduled renewal date for a contract with one of the company's largest clients, which was entrusted to the employee. Our company established this deal way before the employee became a business manager.

Almost immediately after confirmation of the employee's resignation, we began receiving faxes and written notices from the client, which our company had entrusted to the employee, requesting their disinterest in renewing the contract with us. All in all, two thirds of our company's businesses that was entrusted to the employee got terminated due to this one action taken by the employee. Moreover, the reason given by all the clients for their sudden change of contract from our company to the competitor was that they were " going to go with the employee".

The employee's solicitation of the company's clients for the competitor violated several promises she made in her employment agreement. The dispute was resolved by arbitration and both parties agreed upon a settlement agreement. The agreement was as follows: The parties agreed to

settle and compromised all claims at issue without any admission of liability from either side.

The parties agreed to enter a dismissal with prejudice into exhibit. > The former employee and her current employer (our competitor) had to pay a sum of \$125, 000. 00 within 60 days. > The former employee and the competitor were allowed to directly or indirectly solicit or accept insurance agency or brokerage business from and perform services for the clients that were entrusted to the employee; that had become clients of our competitor. As far as the dispute resolution settlement is concerned, I believe that it was handled properly. Even though there were irreparable relationships and ill feelings between them, for the most part I believe that the settlement resolution was fair.

I believe that the employee was aware that she was violating the contract and purposely set out to solicit the clients that she had formed a relationship with to carry them over to her new employment with the basis of her being financially rewarded. I believe that she didn't expect our company would actually sue her. As far as the competitor is concerned, they are too big of an insurance brokerage firm to not know that they were violating contracts. They should have expected a lawsuit from our company when something this adverse happens.