



# The range Appeal

Orange County Association of Legal Administrators

May/June 1996

## At-Will Employment and the Impact of *Haggard v. Kimberly Quality Care, Inc.*

by Gloria Xefos, Esq.

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*Haggard v. Kimberly Quality Care, Inc.* (1995) 39 Cal.App.4th 508, a recent California Court of Appeals decision has given employers a better idea of how to draft at-will employment agreements. In addition, the *Haggard* Court has indicated that at-will agreements can be further supported by at-will statements in other employment documents. The *Haggard* Court has given employers valuable advice. Following this advice could limit lawsuits by former employees.

### At-Will Employment in General

At-will employment is for an indefinite period of time where the employee has the right to leave the employer, and the employer has the right to let the employee go at any time, for any reason, with or without cause, and with or without notice.

California is an at-will employment state. At-will employment is defined by Labor Code, Section 2922 as follows:

*An employment, having no specified term, may be terminated at the will of either party on notice to the other. Employment for a specified term means an employment for a period greater than one month.*

To rely on the law alone is not enough. At-will employers need to make sure that employees clearly understand that employment is "at-will." It could cause an employer financial hardship if this is not clearly conveyed to employees.

Initially, Cynthia Haggard ("Haggard") was able to show that Kimberly Quality Care, Inc. ("KQC") was not clear in their "at-will" policy, and the jury awarded her \$250,000. But the Court of Appeals reversed the jury's decision because as a matter of law, the at-will agreement signed by Haggard and KQC was clear and effective.

### Haggard Claimed Implied Contract Overrode At-Will Agreement

Haggard was employed by a predecessor company for several years. When the company Haggard worked for became KQC she was asked to sign an at-will employment agreement. A couple of years after this, Haggard received a KQC employee handbook. And, a couple of years after that, Haggard was fired. Two months after being fired, Haggard sued for wrongful termination. Among others claims, she claimed the KQC breached its implied contract to terminate her only for cause.

Haggard acknowledged signing the at-will agreement. But, she claimed that her length of employment, commendations, promotions, raises, performance reviews and other policies and procedures cre

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*Newsletter Corner*

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The Association of Legal Administrators' mission is to:

Promote and enhance the competence and professionalism of legal administrators and other members of the legal management team by providing high quality, competency-based educational programs in legal management;

Represent professional legal management and managers to the legal community and to the community at large; and

Improve the quality of management in legal services organizations.

**Goals**

Develop and deliver programs and products that will provide high quality, competency-based education to members of the legal management team.

Increase the visibility and credibility of the association and its members in the legal community through effective marketing and communications and through liaison with the bar and other law related associations at local, state and national levels.

Enhance the services and benefits available to members.

Retain and recruit members from all components of the legal management team.

Strengthen the association's economic base.

Increase sensitivity to cultural diversity within the association and in the legal management community.

Implement an organizational structure which separates the policy and operational roles and responsibilities of volunteers and staff to assure that organizational resources are used appropriately to achieve the association's goals.