

Retaliation claim: A trap for the unwary employer

When employees complain they are being discriminated against or try to report some other company wrong doing, too often the employer's first response is anger and mistrust. Business owners and managers who find themselves in this position need to stop, take a breath and think about the legal consequences before they act.

Imagine a scenario where a salesman resigns with the complaint that his sales manager has been discriminating against him. The company investigates and determines the allegations are false. In the meantime, the salesman, who had a noncompete agreement with the company, has gone to work for a competitor. Partly motivated by revenge for the baseless discrimination claim, the company threatens to sue the former employee for violating his noncompete, although the company has failed to sue other former employees in the same situation. Despite having handled the discrimination complaint properly and a clear legal right to enforce the noncompete agreement, the unwary employer has just opened the door for the former employee to sue for retaliation.

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