



WORK RESPONSIBILITIES AND DISPUTE RESOLUTION

*Hiring and Firing, Cancelling and Quitting,
When is it allowed and who is liable for ensuing losses?*

Work Responsibilities and Dispute Resolutions

CASE STUDY #1

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Question:

Can an employer hold an employee responsible for damages incurred due to a missed deadline? Is he still required to pay the employee? Can he fire him?

Answer:

In this type of scenario, there will generally be two forms of losses: one, the loss of potential income; and two, the loss of money invested in the project. From a Halachic standpoint an employee cannot be held responsible for the loss of potential income, because this is considered merely a "grama". However, at times he may be held responsible for the loss of money invested in the project.

For example, if a customer cancels his account with a company due to an employee's negligence, the employee cannot be held responsible for that, because the loss of the customer isn't a direct result of the employee's actions, but rather an indirect effect.

However, take the example of an employee who was tasked with preparing a journal for his company's or organizations fund-raising event and did not submit it to print in time. As a result, the journal was not printed until after the event. In this case, the employee can be held

responsible for the loss of invested money (for the printing and shipping of the journal), as this damage was a direct result of the employee's negligence - i.e. submitting the journal at a point where it won't serve any purpose. Being that many different factors affect the halachah, a Bais Din would need to determine if there was true responsibility in this case, and also determine the extent and value of the damage.

Furthermore, if the employee had merely failed to print the journal (and no money would have been spent for the actual printing and shipping), then no funds would have actually been lost. Although all his work in preparing the journal was useless at the end, he cannot be held responsible for any perceived damage.

With regard to paying this employee, the halacha would depend on what sort of pay structure agreement is in place. If the employee was hired specifically to create this journal, then the employer doesn't have to pay him for his work. If he has a regular salary and position with this company, and performs many tasks around the company, a Bais Din would need to be consulted.

In addition, this scenario is considered legitimate cause for dismissing the employee, though the employer may be required to first warn the employee of the consequences of poor performance.

Disclaimer: This Q&A was written only to raise awareness to the possible angles of this halachah. In all cases, a Rav or Bais Din must be consulted.

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