

Unemployment Insurance: Seafood Processing Employee Fails to Show Good Cause for Quitting

Case includes instructive guidance that could be used in other contexts, too

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In an opinion recently filed, the Alaska Supreme Court held that a seafood processing employee failed to show good cause for voluntarily quitting, and was therefore statutorily ineligible for unemployment benefits for the first six weeks of her unemployment and had her maximum potential benefits reduced by three times the weekly benefit amount. The case is *Calvert v. State of Alaska, Department of Labor and Workforce Development*.

Facts

Carol Calvert worked in a seafood processing plant for Snug Harbor Seafoods in Kenai. She quit, citing two reasons.

First, she advised that she had conflicts with her supervisor. Calvert had taken over a job previously held by the supervisor's girlfriend. Calvert noted that she began having problems with her supervisor after that happened. The most significant problem was that her working hours were cut. However, there were also other general workplace issues that arose, including an allegation that plant management was indifferent with respect to workplace safety issues.

Second, Calvert cited transportation problems. She lived ten miles away from the plant and commuted by bike. However, her bike broke down, and public transport was unreliable. Complicating matters, her supervisor did not post shifts until late the preceding day making it hard for Calvert to arrange for alternate transportation because she did not always know when she would be working.

A review of relevant standards

In Alaska, an employee who voluntarily quits is not eligible for full unemployment insurance benefits. In order to prove entitlement to full benefits, the employee must show that he or she had good cause to leave. This requires that the employee prove a compelling reason to leave and that all other reasonable alternatives had been exhausted. The burden is on the employee. If the employee fails to show good cause for voluntarily leaving, his or her unemployment insurance benefits are affected in two significant respects. First, the employee is denied waiting-week credit for the first week and benefits for the next five weeks. (AS 23.20.379(a)(1)). Second, the maximum potential benefits may be reduced (the lesser of three times the weekly benefit amount or the amount of unpaid benefits to which the person is entitled) (AS 23.20.379(c)).

Agency and lower court proceedings

The Employment Security Division concluded that Calvert had not shown good cause for leaving her work. With respect to the conflicts she experienced with her supervisor, she had not shown that any hostile or discriminatory acts had occurred. Regarding the transportation issue, Calvert had never discussed this problem with her employer and therefore had not exhausted all reasonable alternatives. This determination was affirmed on appeal to the Superior Court.

Opinion

The Alaska Supreme Court affirmed. The court noted that if work is not suitable, then good cause for leaving work does not need to be established. However, if work is suitable, the employee must show good cause in accordance with a two-step inquiry: (1) the underlying reason for leaving work must be compelling; and (2) all reasonable alternatives must be exhausted.

The court determined that Calvert's work was suitable. Calvert's transportation problems did not make her work unsuitable. The distance was only ten (10) miles, and her employer had not asked her to relocate or done anything else to make the distance longer than it would otherwise have been. Calvert's workplace friction with her supervisor was more in the nature of a personality conflict that did not threaten her "health, safety, and morals."

Turning to the good cause inquiry, the court concluded that Calvert had failed to show good cause. Relying on the State's Benefit Policy Manual, the court emphasized that, absent evidence that it would be futile or useless, employees should make good faith efforts to solve workplace problems before quitting. In particular, employees should notify the employer, provide sufficient information regarding the issue, and allow the employer adequate time to take remedial steps.

The court agreed that Calvert's transportation problems presented a compelling reason to quit. However, she had never discussed her transportation problems with her employer or asked for any shift accommodations. Accordingly, she failed to show good cause.

The court also concluded that Calvert's workplace friction problems did not present a compelling reason to quit. The workplace friction was inadequate because shift changes or a reduction in hours are rarely adequate to show good cause. The court also faulted Calvert for not making any serious effort to remedy the problems.

Lessons and observations

The court's opinion provides a useful review of unemployment principles. It also reflects upon other related issues that can come up from time to time.

Employers may wish to reference the Unemployment Security Division's Benefit Policy Manual. The factors and considerations listed there are useful for evaluating

constructive discharge claims.

- Ensuring that work meets the “suitable work” standard is important if an employer wishes to contest unemployment insurance benefits in voluntary quit situations. Employers should confer with counsel to discuss those standards.
- Employers should check their policies to ensure that they have good grievance resolution procedures in place. Such policies can help defeat unemployment insurance claims in voluntary quit situations where it can be shown that the employee failed to give the employer a fair opportunity to address and correct workplace problems.

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