Contracts—The Employment at Will Doctrine: Can Oral Assurances of Job Security Overcome the At-will Presumption?

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CASE NOTE

CONTRACTS—THE EMPLOYMENT AT WILL DOCTRINE:
CAN ORAL ASSURANCES OF JOB SECURITY OVERCOME
THE AT-WILL PRESUMPTION?

Ruud v. Great Plains Supply, Inc., 526 N.W.2d 369 (Minn. 1995)

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I. INTRODUCTION

Since the late nineteenth century, the doctrine of employment at will has governed most employment relationships in the United States. The at-will doctrine provides that in the absence of an express arrangement to the contrary, employment agreements of indefinite duration are terminable at the will of either party to the employment relationship. Simply put, under the at-will rule, an employer may discharge an employee "for a good cause, a bad cause, or no cause at all," and an employee may terminate employment for any reason.

Despite the continuing predominance of the at-will rule in the United States, most American courts and legislatures, including those in


2. See 3A ARTHUR LINTON CORBIN, CORBIN ON CONTRACTS § 684 (1960). In describing the at-will rule, Corbin states, "Neither party may have any definite period of service in mind; in which case it is natural for them to say nothing about it, and the employment is terminable at the will of either party." Id.; see also Wagenseller v. Scottsdale Mem'l Hosp., 710 P.2d 1025, 1030-40 (Ariz. 1985) (summarizing the history of the employment at will doctrine and its exceptions); Note, Employer Opportunism and the Need for a Just Cause Standard, 103 HARV. L. REV. 510, 510-16 (1989) [hereinafter Employer Opportunism] (discussing the exceptions to the at-will rule); Note, Protecting At Will Employees Against Wrongful Discharge: The Duty to Terminate Only in Good Faith, 93 HARV. L. REV. 1816, 1824-28 (1980) [hereinafter Protecting At Will Employees] (noting the history of the at-will doctrine).


4. See Employer Opportunism, supra note 2, at 510; see also Payne v. Western & Atl. R.R. Co., 81 Tenn. 507 (1884), overruled in part by Hutton v. Watters, 179 S.W. 134 (Tenn. 1915). Payne is often cited in support of the at-will rule. See, e.g., Mag- 

n's v. Anaconda Indus., Inc., 479 A.2d 781, 784 (Conn. 1984); Parner v. American Hotels, Inc., 652 P.2d 625, 628 (Haw. 1982); Palmateer v. International Har- 
vester Co., 421 N.E.2d 876, 878 (Ill. 1981); Martin v. Sears, Roebuck & Co., 899 P.2d 551, 552 (Nev. 1995); Hennessey v. Coastal Eagle Point Oil Co., 609 A.2d 11, 14 (N.J. 1992); Hillesland v. Federal Land Bank Ass'n, 407 N.W.2d 206, 211 (N.D. 1987); Groce v. Foster, 880 P.2d 902, 904 (Okla. 1994); Sheets v. Knight, 779 P.2d 1000, 1005-06 (Or. 1989); Brockmeyer v. Dun & Bradstreet, 335 N.W.2d 834, 837 (Wis. 1983). In discussing the rule, the Payne court stated:

[Men] must be left, without interference[,] to buy and sell where they please, and to discharge or retain employees at will for good cause or for no cause, or even for bad cause without thereby being guilty of an unlawful act per se. It is a right which an employee may exercise in the same way, to the same extent, for the same cause or want of cause as the employer.

Payne, 81 Tenn. at 518-19.
Minnesota, have adopted exceptions to the rule. In 1995, however, the Minnesota Supreme Court delivered a severe blow to this state’s at-will employees by refusing to expand Minnesota’s exceptions to the at-will doctrine. In *Ruud v. Great Plains Supply, Inc.* the court considered whether an employer’s oral assurances of job security modified an at-will employment agreement. The *Ruud* court held that the employer’s statements did not alter the at-will employment arrangement because the statements were “not sufficiently definite to create an offer of permanent employment.”

This Case Note contends that despite the modern trend away from the at-will employment rule, the *Ruud* court reinforced the at-will doctrine in Minnesota. Furthermore, the *Ruud* court stopped short of providing a definitive answer to a significant practical question: Under what circumstances will oral assurances of job security bind a Minnesota employer?

II. BACKGROUND

A. Development of the Employment At Will Rule

In the early nineteenth century, master-servant law governed English employment relationships. Master-servant law held a master responsible for the general well-being of his or her servant. An employment contract that stated an annual salary amount was presumed to be for one year, even if the contract did not expressly state the duration of employment.

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5. See Howard O. Hunter, *Modern Law of Contracts* ¶ 22.03 (rev. ed. 1996) (discussing the common-law exceptions to the employment at will doctrine and identifying the states that have adopted the exceptions); *Protecting At Will Employees, supra* note 2, at 1818-24 (noting that courts have modified the at-will rule by enforcing employers’ implied promises of job security, by imposing on employers an implied duty to terminate employees in good faith, and by carving out public policy exceptions to the employment at will doctrine).

6. 526 N.W.2d 369 (Minn. 1995).

7. Id. at 372.

8. Id. In *Ruud*, the court considered whether an employer’s statements that an employee would be “taken care of” constituted policy statements or an offer of job security. Id. at 371. Even though the employee relied on the employer’s statements, the *Ruud* court held that the statements were too indefinite to constitute an offer of job security and too indefinite to support a claim for promissory estoppel. Id. at 372.


10. See id. at 770. According to Hermann and Sor, the master-servant relationship was characterized by the master’s power to command the servant, the servant’s right to a specific term of employment, and the master’s “responsibility for the safety, physical well-being[,] and even the moral condition of the employee.” Id.; see also *Protecting At Will Employees, supra* note 2, at 1824-25 (“The master bore a customary responsibility for the servant’s health and well-being.”).

lish courts held employers liable for breaching employment agreements when employers discharged employees without cause during the one-year employment period. Thus, the English one-year rule protected workers from arbitrary discharges.

Originally, the one-year rule protected only seasonal farm workers from discharge. Later, English courts extended the rule to protect factory workers as well. To defeat the one-year rule and avoid liability for breach of the employment contract, the employer had to prove that the contract clearly expressed an employment period shorter than one year. Because it was so difficult to rebut the one-year presumption, English employers rarely could discharge employees without breaching the employment contract.

Some American jurisdictions initially adopted the English one-year rule. By the middle of the nineteenth century, however, the economic realities of the industrial revolution and the emergence of new contract theories led American courts to abandon the one-year rule. In the late

12. See id.; see also Wagenseller v. Scottsdale Mem'l Hosp., 710 P.2d 1025, 1030 (Ariz. 1985) (discussing the role of master-servant law as a predecessor to employment at will).
13. See Murg & Scharman, supra note 1, at 332.
14. See Jay M. Feinman, The Development of the Employment at Will Rule, 20 AM. J. LEGAL HIST. 118, 120 (1976); Murg & Scharman, supra note 1, at 332. The reason behind the rule was that “injustice would result if... masters could have the benefit of servants’ labor during planting and harvest seasons but discharge them to avoid supporting them during the unproductive winter.” Feinman, supra, at 120. Feinman asserts that injustice would also result if servants, supported by their masters during unproductive months, could leave their masters when most needed. Id.
15. See Murg & Scharman, supra note 1, at 332.
16. See id.
17. See id. The one-year presumption in employment law was inconsistent with English landlord-tenant law. See id. at 332-34. Under English landlord-tenant law, the interval between rent payments determined the length of the tenancy. See id. For example, if the tenant paid rent on a monthly basis, the rental contract was presumed to be in effect for one month. See id. Had the English courts applied landlord-tenant concepts to employment law, the employment at will rule would have developed well before the American adoption of the rule in the late 19th century. See id.
18. See id. at 334; see also, e.g., Davis v. Gorton, 16 N.Y. 255, 257 (1857) (upholding the one-year rule in New York).
19. See Murg & Scharman, supra note 1, at 334. The law gradually changed in the late 19th century as employment relationships began to be governed by contract law rather than by master-servant law. As the nation industrialized, the employment relationship became less personal. See id. “In addition, under the formalistic contract doctrines developed by the courts during this period, employers no longer incurred obligations merely from their status as employers. Instead, employers became bound only on those promises which they clearly obligated themselves to perform.” Id.; see also Hermann & Sor, supra note 9, at 770 (asserting that the industrial revolution transformed the master-servant relation-
nineteenth and early twentieth centuries, American courts instead adopted the rule that a hiring for an indefinite period is terminable at the will of either the employer or the employee. 20

In the early twentieth century, the United States Supreme Court strengthened the at-will rule in Adair v. United States 21 by, among other things, reiterating an employer's right to discharge an employee for any reason. 22 Minnesota adopted the employment at will rule in 1936. 23

The employment at will rule was also known as the "Wood rule," named after its original proponent, Horace Gray Wood. See Murg & Scharman, supra note 1, at 334-35. In support of the at-will rule, Wood wrote: "With us the rule is inflexible, that a general or indefinite hiring is prima facie a hiring at will, and if the servant seeks to make it out a yearly hiring, the burden is upon him to establish it by proof." Id. at 334 n.28 (quoting HORACE G. WOOD, A TREATISE ON THE LAW OF MASTER AND SERVANT § 134 (1st ed. 1877)).

Although Wood's employment at will rule became the generally accepted rule in America, courts and commentators have criticized the cases cited by Wood in support of the rule. See, e.g., Wagenseller, 710 P.2d at 1030 (concluding that none of the cases Wood relied on actually supported the at-will rule); Toussaint v. Blue Cross & Blue Shield, 292 N.W.2d 880, 886 (Mich. 1980) (stating that in at least one case cited by Wood, the court had in fact concluded that the hiring for an indefinite term was for at least a year); Feinman, supra note 14, at 126 (asserting that Wood provided no valid legal support or policy grounds for the at-will rule); Protecting At Will Employees, supra note 2, at 1825 n.51 (indicating that earlier doctrines had emphasized the one-year rule rather than the at-will rule).
B. Rationales Underlying the Employment At Will Rule

Several policies and doctrines underlay American courts' adoption of the employment at will rule. The doctrine of consideration, for example, allowed courts to justify and enforce the employment at will rule. In the employment setting, an employee's labor provided consideration for the employer's obligation to pay a salary. Unless an employee provided additional consideration for a promise of future employment, courts would not enforce an employer's promise of job security. Additional consideration could include things like an employee's monetary contribution to the employer's business or an employee's settlement and release of tort claims against the employer.

The doctrine of mutuality of obligation also provided justification for the employment at will rule. Mutuality of obligation requires that both parties to a contract be legally bound to perform their obligations under the contract. Following the doctrine of mutuality of obligation, courts reasoned that if an employee could not be legally required to continue employment simply because he was a member of a union. The Adair Court, in finding that the defendant had a legal right to discharge the employee for any reason, stated:

In the absence . . . of a valid contract between the parties controlling their conduct towards each other and fixing a period of service, it cannot be, we repeat, that an employer is under any legal obligation, against his will, to retain an employee in his personal service any more than an employee can be compelled, against his will, to remain in the personal service of another.

Id. at 175-76.

See Skagerberg, 197 Minn. at 302, 266 N.W. at 877. The Skagerberg court stated the general rule that "an indefinite hiring . . . is a hiring at-will and may be terminated by either party at any time, and no action can be sustained in such case for a wrongful discharge." Id. (quoting Minter v. Tootle, Campbell Dry Goods Co., 173 S.W. 4, 8 (Mo. Ct. App. 1915)); see also Harris v. Mardan Bus. Sys., 421 N.W.2d 350, 354 (Minn. Ct. App. 1988) (relying on Skagerberg, among other Minnesota cases, for the proposition that more than oral promises of permanent employment are required before the at-will relationship is modified).

See Murg & Scharman, supra note 1, at 337-38. One definition of consideration is "a performance or a return promise [that] must be bargained for." Restatement (Second) of Contracts § 71(1) (1979). In other words, a person's performance or promise constitutes consideration if "it is sought by the promisor in exchange for his promise and is given by the promisee in exchange for that promise." Id. § 71(2).

See Murg & Scharman, supra note 1, at 337-38.

See id. at 338; see also Skagerberg, 197 Minn. at 294, 266 N.W. at 874 (holding that in the absence of either an express or implied stipulation as to employment duration or the furnishing of additional consideration by an employee, an employment contract is deemed to be at will).

See Murg & Scharman, supra note 1, at 358.

See id. at 336.

See id.
working for an employer, the employer could not be legally required to continue employing the employee. 30

In addition to contract theory explanations for judicial approval of the employment at will rule, changes in employment practices brought about by industrialization led to the acceptance of the new American rule. 31 The at-will rule clearly benefited employers by allowing employers to avoid the costs of providing for the general security and well-being of their employees. 32

C. Judicial and Statutory Exceptions to the Employment At Will Rule

Despite the numerous justifications in support of the employment at will rule, during the last sixty years courts across the United States have created numerous exceptions to the at-will doctrine. These exceptions afford some job security for workers who could otherwise be terminated for any reason or for no reason. 33

In general, courts recognize three types of exceptions to the employment at will doctrine: the public policy exception, 34 the implied con-

30. See id. at 336-37.
31. See id. at 335-36.
32. See id. at 334. Murg and Scharman state that if 19th-century courts had adopted the English rule, an employer would have been required to pay the entire annual salary of an employee in the event of termination or layoff. As a result, additional labor costs might become fixed rather than variable costs of production, thereby preventing economic growth. Under the employment at will rule, however, an employer could readily reduce his work force at will if lower production needs required fewer workers. See id. at 335-36.

33. See HUNTER, supra note 5, ¶ 22.03. But cf. Lawrence E. Blades, Employment at Will vs. Individual Freedom: On Limiting the Abusive Exercise of Employer Power, 67 COLUM. L. REV. 1404, 1410-13 (1967) (arguing that the current limitations on employers' power to discharge employees at will are inadequate). In criticizing the at-will employment doctrine, Blades states that the at-will rule forces the non-union, unprotected worker to "rely on the whim of his employer for preservation of his livelihood" and that at-will employment creates a climate of fear. Id. at 1405-06. The at-will employee becomes a "docile follower of his employer's every wish." Id. at 1405. In response to those problems, Blades argues for a "personal damage remedy" for employees who are abusively discharged. Id. at 1413. An abusive discharge is a discharge motivated by an employee's resistance to an employer's inappropriate or intrusive demands. See id. If employees had the right to sue for abusive discharge, employers would be less likely to discharge an employee except for good cause. See id. at 1414.

34. See, e.g., Wagenseller v. Scottsdale Mem'l Hosp., 710 P.2d 1025, 1035 (Ariz. 1985) (holding that public policy is violated where an employer discharges an employee for refusing to participate in activities which might violate a state statute); Sterling Drug, Inc. v. Oxford, 743 S.W.2d 380 (Ark. 1988) (stating that an at-will employee has a cause of action for wrongful discharge if fired in violation of well-established public policy); McArn v. Allied Bruce-Terminix Co., 626 So. 2d 603 (Miss. 1993) (holding that there must be a narrow public policy exception to the at-will doctrine in certain circumstances); Bowman v. State Bank, 381 S.E.2d
tract exception, and the good faith and fair dealing exception. In addition, both federal and state legislatures have enacted statutes that further limit the at-will doctrine.

1. The Public Policy Exception

Several courts have adopted the public policy exception to the general rule of employment at will. Under the public policy exception, an employer is liable in tort if the employer terminates an employee in violation of some important public policy. While the exact definition of “public policy” varies, courts have applied the public policy exception to terminations where the plaintiff engaged in whistle-blowing, refused to commit perjury, filed a workers’ compensation claim, refused to participate in an unfair labor practice, and so on. See, e.g., Toussaint v. Blue Cross & Blue Shield, 292 N.W.2d 880, 890 (Mich. 1980) (holding that an employer’s written contract contained an implied covenant of good faith and fair dealing, a bad-faith termination constitutes breach of contract); Pine River State Bank v. Mettilla, 333 N.W.2d 622, 627 (Minn. 1983) (holding that personnel handbook provisions may become enforceable contract provisions); see also infra notes 48-57 and accompanying text.

36. See, e.g., Fortune v. National Cash Register Co., 364 N.E.2d 1251, 1255-56 (Mass. 1977) (holding that because the employer’s written contract contained an implied covenant of good faith and fair dealing, a bad-faith termination constitutes breach of contract); Monge v. Beebe Rubber Co., 316 A.2d 549, 551 (N.H. 1974) (holding that an employment termination motivated by bad faith, malice, or retaliation constitutes a breach of the employment contract); see also infra notes 58-62 and accompanying text.

37. See infra notes 63-70 and accompanying text.

38. See, e.g., Phipps v. Clark Oil & Refining Corp., 408 N.W.2d 569, 571 (Minn. 1987) (holding that the employee’s refusal to perform an illegal act and the resultant termination formed the basis of a wrongful discharge claim); see also cases cited infra notes 40-47.

39. See HUNTER, supra note 5, ¶ 22.03[2][b]; Employer Opportunism, supra note 2, at 512.

40. See, e.g., Palmateer v. International Harvester Co., 421 N.E.2d 876 (Ill. 1981). In Palmateer, the employee alleged that International Harvester discharged him for informing local law enforcement officials that another employee may have violated the state’s criminal code and for assisting officials in their investigation of the matter. Id. at 877. The lower court ruled that the plaintiff had failed to state a cause of action and dismissed the complaint. Id. at 876-77. The Illinois Supreme Court held that the plaintiff had stated a cause of action for retaliatory discharge, declaring that “[t]he foundation of the tort of retaliatory discharge lies in the protection of public policy, and there is a clear public policy favoring investigation and prosecution of criminal offenses.” Id. at 880.

41. See, e.g., Peterman v. Local 396, International Bhd. of Teamsters, 344 P.2d 25, 27 (Cal. Dist. Ct. App. 1959) (asserting that public policy, as reflected in the state’s penal code, would be “seriously impaired” if an employer could discharge an employee for refusing to commit perjury).

participate in activities which violate or may violate a statute, refused to perform an illegal act, refused to date an employment supervisor, and exercised the right to participate in jury duty. In effect, the public policy exception to the at-will rule has eliminated an employer's right to fire an employee for a "bad" cause.

2. The Implied Contract Exception

Courts have limited the at-will rule by holding that contract-based exceptions may restrict an employer's right to terminate employees at will. Under the implied contract exception, courts have held that an employer's written statements in an employee manual regarding job security may constitute contractual obligations. The statements must be suffi-


43. See, e.g., Wagenseller v. Scottsdale Mem'l Hosp., 710 P.2d 1025, 1035 (Ariz. 1985) (holding that terminating an employee for refusing to participate in activities which might violate the state's indecent exposure statute violated public policy); Sheets v. Teddy's Frosted Foods, Inc., 427 A.2d 385, 389 (Conn. 1980) (holding that an employee discharged for insisting that the employer comply with labeling laws stated a cause of action for wrongful termination); Harless v. First Nat'l Bank, 246 S.E.2d 270, 276 (W. Va. 1978) (holding that an employee stated a claim for wrongful discharge where the employer terminated the employee for insisting that the bank follow certain state and federal consumer credit and protection laws).

44. See, e.g., Phipps v. Clark Oil & Ref. Corp., 408 N.W.2d 569, 571 (Minn. 1987) (holding that an employee terminated for refusing to dispense leaded gasoline into vehicle designed for unleaded gasoline stated a claim for wrongful discharge); O'Sullivan v. Mallon, 390 A.2d 149, 150 (N.J. 1978) (holding that a plaintiff terminated for refusing to perform medical procedure for which she was not trained or licensed stated a claim for wrongful termination).

45. See Monge v. Beebe Rubber Co., 316 A.2d 549 (N.H. 1974). In Monge, the plaintiff alleged that she was terminated because she refused to date her foreman. Id. at 550. The court held that the employer's termination of an employee based on retaliation is "not [in] the best interest of the economic system or the public good and constitutes a breach of the employment contract." Id. at 551.


47. See Wagenseller, 710 P.2d at 1036. In summarizing its discussion of the public policy exception to the at-will rule, the Wagenseller court stated:

Thus, in an at-will hiring we continue to recognize the presumption or to imply the covenant of termination at the pleasure of either party, whether with or without cause. Firing for bad cause – one against public policy . . . is not a right inherent in the at-will contract . . . even if expressly provided.

Id.

48. See Hunter, supra note 5, ¶ 22.03[2][a]; Employer Opportunism, supra note 2, at 513.

49. See, e.g., Wagenseller, 710 P.2d at 1037 (holding that the employer's failure to follow disciplinary procedures set forth in its employee manual violated the plaintiff's contract rights); Toussaint v. Blue Cross & Blue Shield, 292 N.W.2d 880,

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ciently clear and definite and the employee must accept the offer before the at-will employment relationship is altered.⁵⁰

Courts also have held that under the implied contract exception to employment at will, an employer's oral statements regarding job security may create contractual obligations.⁵¹ In Toussaint v. Blue Cross & Blue Shield, for example, the Michigan Supreme Court found that employers' oral promises of job security created such obligations.⁵² In Toussaint, two employees sued two different employers for wrongful termination.⁵³ Before accepting employment, both employees asked their prospective employers about job security.⁵⁴ One plaintiff was told that he could remain with the company as long as he did his job.⁵⁵ The other plaintiff was advised that he would not be discharged if he did his job.⁵⁶ The Toussaint court, basing its decision on contract principles, held that the plaintiffs could maintain actions for wrongful discharge based on the breach of those oral promises of job security.⁵⁷

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⁵⁰ 892 (Mich. 1980) (holding that statements in an employment manual can create contractual rights and obligations).
⁵¹ See, e.g., Pine River State Bank v. Mettille, 333 N.W.2d 622, 627 (Minn. 1983) ("The employee's retention of employment constitutes acceptance of the offer of a unilateral contract.").
⁵² 292 N.W.2d 880 (Mich. 1980).
⁵³ Id. at 883.
⁵⁴ Id. at 884.
⁵⁵ Id.
⁵⁶ Id.
⁵⁷ Id. at 890. The Toussaint court stated:

When a prospective employee inquires about job security and the employer agrees that the employee shall be employed as long as he does the job, a fair construction is that the employer has agreed to give up his right to discharge at will without assigning cause and may discharge only for cause (good or just cause). The result is that the employee, if discharged without good or just cause, may maintain an action for wrongful discharge.

Id.
3. The Good Faith and Fair Dealing Exception

Courts have implied a covenant of good faith and fair dealing in employment contracts. This requires employers to deal fairly with workers. Courts have applied the exception most often in cases where an employer discharged an employee to avoid paying some benefit due the employee. Although many courts have considered the good faith and fair dealing exception, a majority of courts have rejected such a requirement in employment contracts. A minority of courts have found, however, that all contracts, including employment contracts, require the parties to deal with each other in good faith.

4. Federal and State Statutory Exceptions

Despite this modern trend toward recognizing judicial exceptions to the at-will rule, the exceptions are by no means universally accepted. Consequently, legislatures at both the state and federal levels have at-
tempted to limit the at-will doctrine. For example, federal and state statutes prohibit firings arising from specified conduct such as whistleblowing, union activity, or exercising rights under the Occupational Safety and Health Act. Similarly, federal and state statutes prohibit discharges based on personal characteristics such as age, race, color, religion, sex, or national origin. Despite efforts to draft and enact legislation prohibiting dismissals without just cause, however, only Montana has enacted a “just-cause” employment termination statute.

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64. See Hunter, supra note 5, at 22.1 (cataloging individual states' attempts to restrict the at-will doctrine by statute); Employer Opportunism, supra note 2, at 514 (noting that legislatures have created causes of action for discharged employees in only narrow circumstances).


66. See, e.g., 29 U.S.C. § 158(a) (prohibiting employers from discharging employees based on union membership or activity).

67. See id. § 660(c) (prohibiting employers from discharging employees for filing a complaint, testifying in a proceeding, or exercising other rights under OSHA).


69. See Civil Rights Act of 1964, 42 U.S.C. § 2000e-2 (1994); Minn. Stat. § 363.03, subd. 1(2) (1996) (prohibiting employers from discriminating against employees because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age).


70. See Mont. Code Ann. §§ 39-2-901 to -915 (1995). In 1991, the National Conference of Commissioners on Uniform State Law approved the Model Uniform Employment Termination Act as a model law but declined to approve the draft as a uniform law. See Postic, supra note 63, at 793. The model law is intended to provide a guide to states considering enacting “just-cause” employment
D. Minnesota's Exceptions to the Employment At Will Rule

Minnesota adheres to the general rule that an employment relationship for an indefinite period is terminable at the will of either party.\textsuperscript{71} Despite this general acceptance of the at-will rule, Minnesota has enacted legislation that protects workers from unjust dismissals.\textsuperscript{72} Minnesota also has adopted the implied contract exception based on employee handbooks.\textsuperscript{73} Finally, Minnesota has applied promissory estoppel to enforce an offer of employment when it is relied on to the detriment of the prospective employee.\textsuperscript{74}

Notably, like many other jurisdictions, Minnesota has refused to imply a covenant of good faith and fair dealing in employment contracts.\textsuperscript{75} In \textit{Hunt v. IBM Mid America Employees Federal Credit Union}, the Minnesota Supreme Court stated its policy rationales for refusing to read a covenant of good faith and fair dealing into employment agreements.\textsuperscript{76} In sum, the court reasoned that imposing such a covenant would intrude heavily on the employment relationship and prevent employers from effectively managing their work forces.\textsuperscript{77}

\begin{itemize}
\item \textit{See id.}
\item \textit{See Cederstrand v. Lutheran Bhd.}, 263 Minn. 520, 532, 117 N.W.2d 213, 221 (1962) (applying the at-will rule to defeat a discharged employee's claim for wrongful termination where insufficient evidence existed as to the modification of the employment agreement).
\item \textit{See infra} notes 78-81 and accompanying text (discussing Minnesota's statutory modifications of the at-will rule).
\item \textit{See infra} notes 94-100 and accompanying text (discussing Minnesota's employee handbook exception to the employment at will rule).
\item \textit{See infra} notes 94-100 and accompanying text (discussing Minnesota's employee handbook exception to the employment at will rule).
\item \textit{See infra} notes 101-08 and accompanying text (discussing promissory estoppel as an exception to the at-will rule).
\item \textit{See Hunt v. IBM Mid Am. Employees Fed. Credit Union}, 384 N.W.2d 853, 858 (Minn. 1986) (stating that Minnesota "ha[s] not read an implied covenant of good faith and fair dealing into employment contracts").
\item \textit{Id.} at 858-59. \textit{Hunt} relied on supreme court decisions from Hawaii, Washington, Wisconsin, and New York in rejecting an implied covenant of good faith and fair dealing in Minnesota employment contracts. \textit{Id.} The court stated: For sound policy reasons, a majority of our sister jurisdictions have likewise rejected the implication of a covenant of good faith termination. As the Supreme Court of Hawaii has stated:
\begin{quote}
[T]o imply into each employment contract a duty to terminate in good faith would seem to subject each discharge to judicial incursions into the amorphous concept of bad faith. We are not persuaded that protection of employees requires such an intrusion on the employment relationship or such an imposition on the courts.
\end{quote}
\textit{Id.} at 858 (quoting \textit{Parnar v. Americana Hotels, Inc.}, 652 P.2d 625, 629 (Haw. 1982)).
\item \textit{Id.} at 858-59.
\end{itemize}
1. Minnesota's Statutory Modifications of the At-Will Rule

Since the 1970's, Minnesota has enacted several statutory protections against at-will firings of employees. With certain limited exceptions, Minnesota employers may not refuse to hire, discharge, or demote any individual on the grounds that the individual "has reached an age of less than 70." In addition, Minnesota's whistle-blower statute prevents employers from discharging, disciplining, or discriminating against any employee who, in good faith, reports a violation or suspected violation of federal or state law. Finally, the Minnesota Human Rights Act prohibits employers from discharging employees because of "race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity on a local commission, disability, sexual orientation, or age."

2. Minnesota's Contract Exceptions to the At-Will Rule

Minnesota courts have adopted two of the three traditional common-law exceptions to the at-will employment rule – the implied contract exception and the public policy exception. Because the public policy exception has been codified in Minnesota's whistle-blower statute, this Case Note does not separately review the common-law public policy exception cases.

a. Alteration of Employment At Will by Express Contract

Minnesota long has recognized that where traditional at-will employees have bargained for job security, courts will enforce their agreements.

78. See Minn. Stat. § 181.81, subd. 1(a) (1996) (prohibiting the use of age as a factor in certain employment decisions); id. § 181.932, subd. 1 (prohibiting discharges for whistle-blowing); id. § 363.03, subd. 1(2) (prohibiting discharges based on, among other things, race, creed, color, sex, marital status, and sexual orientation).

79. Id. § 181.81, subd. 1(a).

80. See id. § 181.932, subd. 1(a). Employees also are shielded from retaliatory discharge for participating in an investigation or hearing and for refusing to perform an act that the employee reasonably believes violates a state or federal law. See id. subd. 1 (b)-(c).

81. Id. § 363.03, subd. 1(2).

82. See infra notes 85-100 and accompanying text (discussing Minnesota's contract exception to the employment at will rule).

83. See Phipps v. Clark Oil & Ref. Corp., 408 N.W.2d 569, 571 (Minn. 1987) (holding that an employee may sue for wrongful discharge if terminated for refusing to perform an act which the employee believes violates state or federal law).

84. See Minn. Stat. §§ 181.932, 935 (1996); see also supra note 80 and accompanying text (discussing Minnesota's whistle-blower statute).

85. See Bussard v. College of St. Thomas, 294 Minn. 215, 223, 200 N.W.2d 155, 161 (1972) (concerning whether the employee had given valuable considera-
In *Bussard v. College of Saint Thomas*, for example, the Minnesota Supreme Court recognized that job security provisions are enforceable if the employee supplies valuable consideration in exchange for a promise of permanent employment. In *Bussard*, the plaintiff made a gift of stock to his employer in exchange for a return promise of permanent employment. The court concluded that if the plaintiff could prove that he had bargained for job security, he would be entitled to damages for breach of contract.

b. Alteration of Employment At Will by Implied Contract

An express agreement, however, is not necessarily required before the at-will relationship can be modified. In 1962, prior to its decision in *Bussard*, the Minnesota Supreme Court indicated in *Cederstrand v. Lutheran Brotherhood* that an oral modification of an at-will employment agreement might be enforceable under certain circumstances. For example, where the plaintiff presents sufficient evidence that the parties modified the at-will contract, the court will enforce the agreement. Although the *Ceder-
plaintiff was unsuccessful in her contract claim, the court indicated its willingness to enforce oral modifications of at-will agreements.\textsuperscript{95}

Twenty-one years after \textit{Cederstrand}, the Minnesota Supreme Court decided \textit{Pine River State Bank v. Mettille},\textsuperscript{94} an often-cited employee handbook case.\textsuperscript{95} In \textit{Pine River}, the court considered whether handbook provisions can modify existing at-will employment agreements.\textsuperscript{96} The court held that an employer's offer of job security that appears in an employee handbook might become an enforceable contract provision.\textsuperscript{97} In such a case, the employee's acceptance of the offer alters an existing at-will employment agreement even if the employee did not negotiate separately for job security.\textsuperscript{98}

As a result of \textit{Pine River}, disciplinary procedures set forth in employee handbooks may severely limit an employer's right to discharge employees.\textsuperscript{99} If definite enough to become part of the employment agreement, these procedures must be followed before an employee may be terminated lawfully.\textsuperscript{100}

3. Promissory Estoppel and Employment At Will

Minnesota has applied promissory estoppel principles to enforce employers' promises regarding an employment relationship.\textsuperscript{101} In \textit{Grouse v. Group Health Plan, Inc.}, the supreme court held that an employer who had revoked a job offer was liable on a theory of promissory estoppel.\textsuperscript{102} Following the \textit{Restatement of Contracts'} definition of promissory estoppel, the \textit{Grouse} court stated that "'[a] promise which the promisor should reasonably expect to induce action or forbearance...on the part of the promisee and which does induce such action or forbearance is binding if

\textsuperscript{93} \textit{Id.} at 536, 117 N.W.2d at 223.
\textsuperscript{94} 333 N.W.2d 622 (Minn. 1983).
\textsuperscript{95} See, e.g., Miller v. Certainteed Corp., 971 F.2d 167, 172 (8th Cir. 1992) (citing \textit{Pine River} for the proposition that the terms of an employee handbook can, in some circumstances, alter the at-will relationship); Eyler v. Minneapolis Star & Tribune Co., 427 N.W.2d 758, 760-61 (Minn. Ct. App. 1988) (citing \textit{Pine River} regarding the enforceability of the terms of an employee handbook as part of the employment agreement); Hoemberg v. Watco Publishers, Inc., 343 N.W.2d 676, 678 (Minn. Ct. App. 1984) (citing \textit{Pine River} as holding that the terms of an employee handbook can be enforced as part of the employment agreement).
\textsuperscript{96} \textit{Pine River}, 333 N.W.2d at 625-27.
\textsuperscript{97} \textit{Id.} at 629-30.
\textsuperscript{98} \textit{Id.} at 627.
\textsuperscript{99} See \textit{id.} at 630.
\textsuperscript{100} See \textit{id.}
\textsuperscript{101} See \textit{Grouse v. Group Health Plan, Inc.}, 306 N.W.2d 114, 116 (Minn. 1981).
\textsuperscript{102} \textit{Id.}
justice can be avoided only by enforcement of the promise. 103

In Grouse, the defendant offered the plaintiff, John Grouse, a job. 104 Grouse resigned his current position, declined another job opportunity, and accepted the defendant's offer of employment. 105 The defendant rescinded the job offer before Grouse began employment, and Grouse sued to recover damages. 106 The court held that because the defendant knew Grouse would have to resign his current employment and forgo other opportunities, "it would be unjust not to hold [the defendant] to its promise." 107 In addition, the Grouse court stated in dictum that under the appropriate circumstances, promissory estoppel could apply even after an employee begins employment. 108

E. The Continuing Problem: Employer's Oral Assurances

Even though Minnesota recognizes that clear provisions contained in employee handbooks may modify at-will employment agreements, its courts have yet to adopt the Toussaint approach to job security. 109 As noted above, the Toussaint court held that an employer's oral assurances of job security altered an at-will employment agreement even though the assurances were not reduced to writing. 110 Despite the fact that Minnesota has not expressly rejected the Toussaint rule and has allowed some promissory estoppel claims, Minnesota has failed to define when, if ever, an employer's oral assurances of job security may become an enforceable contract provision. 111 This failure perpetuates uncertainty for Minnesota employers and employees.

103. Id. (quoting RESTATEMENT OF CONTRACTS § 90 (1932)).
104. Id. at 115.
105. Id.
106. Id. at 116.
108. Id.
109. See supra notes 52-57 and accompanying text (discussing Toussaint).
111. As noted previously, the Minnesota Supreme Court has indicated that at-will employment agreements may be orally modified to include job security provisions. See Cederstrand v. Lutheran Bhd., 263 Minn. 520, 533, 117 N.W.2d 213, 222 (1962); see also supra notes 90-93 and accompanying text (discussing Cederstrand).
III. THE RUUD DECISION

A. The Facts


In March 1990, Michael Wigley, GPS's owner, and Kevin Ruud began negotiating Ruud's transfer to a GPS store in Sioux City, Iowa. Ruud was particularly concerned about his job security in the event that the Sioux City job "did not work out as planned." Ruud questioned both Wigley and Ronald Nelson, a GPS vice president, at least twice about his future with the company. Both Nelson and Wigley assured Ruud that "good employees are taken care of" and "you are considered a good employee."

In late March 1990, GPS offered Ruud a position as manager of the GPS store in Sioux City. Relying on Nelson's assurances, Ruud ultimately agreed to manage the Sioux City store. Wigley prepared a memorandum that memorialized the details of the employment offer. The memorandum specifically referenced salary and bonus information, moving expense allocations, and vacation allowances. Despite the fact that both Wigley and Nelson had assured job security to Ruud, the memorandum contained no job security provisions.

In April 1990, Kevin Ruud moved to Sioux City to begin employment. Ruud's family followed in November of that year. In May 1991, Ruud knew that the Sioux City store was operating at a loss and that GPS might close the store. Accordingly, Ruud asked GPS management what would happen to him if the Sioux City job did not work out as planned. It was in this context that GPS assured Ruud that he would be "taken care of." In response to Ruud's question, Wigley replied that "good employees are taken care of."
Ruud, who knew that the Sioux City store was operating at a loss, again asked Nelson what would happen to him if GPS closed the Sioux City store. Nelson again assured Ruud that "good employees are taken care of." Only two months later, on July 22, 1991, Nelson fired Ruud. Nelson offered Ruud three non-managerial positions with GPS, two of which required another relocation. Ruud declined the offers and moved his family back to Twin Valley, Minnesota.

Kevin Ruud and his wife Diane Ruud sued GPS, Wigley, and Nelson, claiming breach of an express employment contract for permanent employment, breach of an implied contract created by promissory estoppel, and fraudulent misrepresentation. In addition to Kevin Ruud's contract and promissory estoppel claims, Diane Ruud claimed that she had relied to her detriment on the promises made to her husband.

GPS moved for judgment on the pleadings. The trial court granted GPS's motion for summary judgment and dismissed the claims against Wigley and Nelson. The court of appeals reversed the trial court's decision on the contract and promissory estoppel claims, but upheld the trial court's decision on the fraudulent misrepresentation claim. GPS ap-
pealed to the supreme court.\textsuperscript{136}

\textbf{B. The Court's Decision}

The supreme court reversed the decision of the court of appeals and reinstated summary judgment in favor of GPS.\textsuperscript{137} In deciding for GPS, the court noted that but for the assurances made by GPS representatives, Ruud would concede his status as an at-will employee.\textsuperscript{138} Consequently, the crucial issue before the court was whether GPS’s oral assurances constituted an offer definite enough to modify the terms of Ruud’s at-will employment agreement.\textsuperscript{139}

The \textit{Ruud} court reiterated that an employer’s general policy statements do not meet the contractual requirements of an offer.\textsuperscript{140} The court noted that the difference between an employer’s policy statements and an offer of job security is one of intent.\textsuperscript{141} An employer’s statements regarding employee dismissals may simply be a reiteration of the employer’s normal policy or practice, not an offer of job security.\textsuperscript{142}

Relying on the \textit{Cederstrand} decision, the \textit{Ruud} court concluded that GPS representatives Wigley and Nelson did not intend by their statements to offer Kevin Ruud job security.\textsuperscript{143} Instead, the court found that Wigley
and Nelson "were simply making policy statements as to the general goodwill of the company toward Kevin Ruud and its other employees."\textsuperscript{144} The court further concluded that even if Wigley and Nelson had demonstrated an intent to offer job security, their statements that GPS would take care of good employees were too vague to determine the exact nature of the offer.\textsuperscript{145}

The \textit{Ruud} court also dismissed the Ruuds' promissory estoppel claims with little comment. In determining that Kevin Ruud could not maintain an action for promissory estoppel, the court first summarized the three elements required to support a claim for promissory estoppel.\textsuperscript{146} The court then held that the first requirement, that the promise must be clear and definite, was missing.\textsuperscript{147} The court stated that "as a matter of law, the statements of Wigley and Nelson are simply not 'clear and definite' enough to support a claim for promissory estoppel."\textsuperscript{148}

\section*{IV. ANALYSIS OF THE RUUD DECISION}

As noted above, the \textit{Pine River} decision affords protection for many at-will employees who rely on handbook provisions for job security.\textsuperscript{149} Although \textit{Ruud} is not an employee handbook case, the \textit{Ruud} court could have extended its holding in \textit{Pine River}, concluding that GPS had, by its statements and actions, offered job security to Ruud. Instead, the court relied on its decision in \textit{Cederstrand}.\textsuperscript{150}

\subsection*{A. The Court's Misapplication of Cederstrand}

The \textit{Ruud} court compared Nelson's statements to those made in \textit{Cederstrand}.\textsuperscript{144} Id.\textsuperscript{145} Id.\textsuperscript{146} Id. The court listed three elements: "1) Was there a clear and definite promise? 2) Did the promisor intend to induce reliance, and did such reliance occur? 3) Must the promise be enforced to prevent an injustice?" Id. (citing Cohen v. Cowles Media Co., 479 N.W.2d 387, 391 (Minn. 1992)).

\textsuperscript{147} Id. The \textit{Ruud} court declined to consider the application of promissory estoppel to third parties. The court implied that even if GPS's offer of job security to Kevin Ruud had been clear and definite, Diane Ruud could have maintained a promissory estoppel claim only if GPS had specifically asked Diane Ruud to act in reliance on GPS's promises. Because GPS representatives had not informed Diane that the family had to move to Sioux City or that Kevin's job would be threatened if she refused to move, Diane Ruud's promissory estoppel claim failed. Id. at 372 n.4.

\textsuperscript{148} Id. at 373.

\textsuperscript{149} See supra text accompanying notes 94-100.

\textsuperscript{150} Ruud v. Great Plains Supply, Inc., 526 N.W.2d 369, 372 (Minn. 1995) (observing that the statements made in \textit{Ruud} were similar to those made in \textit{Cederstrand}).
The court considered the circumstances surrounding Ruud's decision to accept the Sioux City job, but concluded that GPS did not intend to offer job security to Ruud.\(^{159}\)

The court's application of *Cederstrand* to the facts of *Ruud* fails for at least two reasons. First, in *Cederstrand*, the president of the defendant company made statements at a general meeting of all employees.\(^{155}\) Statements regarding job security were incidental to the primary purpose of the employee meeting.\(^{154}\) Second, there is no evidence that the *Cederstrand* plaintiff specifically inquired about job security. She simply attended an employee meeting where, among other topics, a dismissal policy was announced.\(^{155}\) The dismissal policy applied to all employees, not just to the plaintiff.\(^{156}\)

Conversely, Ruud questioned his employer about his future with the company at least twice before he accepted the Sioux City position and at least once after he accepted it.\(^{157}\) More importantly, GPS management responded to Ruud's specific questions by assuring him that GPS would take care of him.\(^{158}\) Because the facts in *Ruud* are clearly distinguishable from the facts in *Cederstrand*, the court could have found an implied contract of job security based on GPS's oral assurances.

### B. Alternative Approaches the Court Could Have Taken

Other states have been more willing to find implied contracts of job security based on employers' oral assurances of job security.\(^{159}\) The facts in

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151. *Id.* In *Cederstrand*, the defendant's representative advised a group of employees that "there would be no dismissals as long as people showed willingness to work and the ability and wanting to learn" and that "there was [sic] chances for advancement and people could have a job as long as they wished until retirement." *Cederstrand v. Lutheran Bhd.*, 263 Minn. 520, 523, 117 N.W.2d 213, 216 (1962).


153. *Cederstrand*, 263 Minn. at 533, 117 N.W.2d at 222. The *Cederstrand* court stated that the president's speech lacked the "indicia of intent to contract" and that the president was "extolling the qualities of Lutheran Brotherhood as a place to work." *Id.*

154. *Id.* at 523, 117 N.W.2d at 216. The president of the company met with the employees primarily to "announce the formulation of a retirement plan called the 'Home Office Retirement Program.'" *Id.*

155. *Id.*

156. *Id.*


158. *Id.* Nelson also told him that if the Sioux City job did not work out, the company would offer him "a 'similar' position elsewhere in the organization." *Id.* at 370.

159. See, e.g., *Terrio v. Millinocket Comm. Hosp.*, 379 A.2d 135, 138 (Me. 1977) (holding that a jury could find a specific oral promise of employment where the administrator assured the employee that she had a job for the rest of her life); *Toussaint v. Blue Cross & Blue Shield*, 292 N.W.2d 880, 890 (Mich.
Ruud are similar to the facts in Toussaint v. Blue Cross & Blue Shield. Like the plaintiffs in Toussaint, Ruud had inquired about job security and was assured that he would be "taken care of." However, the Ruud court reached a different result, tacitly rejecting the approach that the Michigan Supreme Court offered in Toussaint.

Had the court adopted the Toussaint approach, it could have held that GPS's assurances to Ruud—that he was a good employee and would be taken care of—had eliminated its right to terminate Ruud at will. Such an employee-friendly decision would have put at-will employers on notice that they should not discharge workers without cause after they have offered assurances of job security. The court should consider adopting the Toussaint approach and hold that employers' statements about job security, both oral and written, are binding.

Further, the Minnesota Supreme Court should have given greater consideration to Ruud's promissory estoppel claim based on its holding in Grouse v. Group Health Plan, Inc. In essence, the Ruud court rejected Ruud's promissory estoppel claim for the same reason it rejected his contract claim: because the job security promises were not sufficiently clear and definite to constitute an offer. But an analysis of the Grouse decision indicates that promissory estoppel applies even if the promise does not meet the contractual requirements of an offer. Instead, the promise must merely be one "which the promisor should reasonably expect to induce action or forbearance" on the part of the promisee, and which does in-
duce such action or forbearance.\textsuperscript{165}

GPS clearly knew that Ruud would have to give up his current position in Twin Valley, Minnesota, and forgo other opportunities in order to manage the Sioux City store. GPS also knew that Ruud was concerned about the permanency of the position because of his repeated inquiries about job security before he accepted the offer.\textsuperscript{166} The \textit{Ruud} court could have easily concluded that GPS's assurances of job security had induced Ruud to accept the Sioux City job. Moreover, the court could have found that because Ruud clearly relied on GPS's promises, it would be unjust not to enforce the promise of job security. With such an analysis, the court could have held that Ruud had stated a claim for promissory estoppel which should go to a jury for consideration.

C. The Unanswered Question

In the \textit{Ruud} decision, the supreme court reiterated that an employer's promise of employment on certain terms, if accepted by the employee, may alter an existing at-will employment agreement.\textsuperscript{167} However, the \textit{Ruud} court determined that Nelson's statements did not constitute an offer of "permanent" employment.\textsuperscript{168} The court emphasized that an employer's general statements of policy, even if communicated to the employee, do not meet the contractual requirements of an offer and will not alter an at-will agreement.\textsuperscript{169} As in earlier cases, however, the court failed to articulate the precise difference between policy statements and offers of job security.

Like the \textit{Cederstrand} court, the \textit{Ruud} court implied that an employer's statements regarding dismissal policies may be either policy statements or an offer of job security.\textsuperscript{170} The crucial distinction is the employer's intent.\textsuperscript{171} Consequently, the \textit{Ruud} court failed to answer an important question. The court has yet to identify the point at which employer assurances of job security become offers of permanent employment, making the employee terminable only for good cause.

Taken together, \textit{Cederstrand} and \textit{Pine River} indicate that an employer's offer to replace an at-will agreement with a contract providing for job security may be enforced even if the employee does not specifically bargain for it. Cases relying on \textit{Cederstrand} and \textit{Pine River} have focused

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\item \footnotesize 165. \textit{Grouse}, 306 N.W.2d at 116 (quoting \textit{Restatement of Contracts} § 90 (1932)).
\item \footnotesize 166. \textit{See Ruud}, 526 N.W.2d at 370.
\item \footnotesize 167. \textit{Id.} at 371 (citing \textit{Pine River State Bank v. Mettille}, 333 N.W.2d 622 (Minn. 1983)).
\item \footnotesize 168. \textit{Id.} at 372.
\item \footnotesize 169. \textit{Id.}
\item \footnotesize 170. \textit{Id.}
\item \footnotesize 171. \textit{See id.}
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mainly on whether offers contained in employment handbooks were sufficiently clear and whether the offers were effectively communicated to the employees.\textsuperscript{172} Significantly, before \textit{Ruud}, no Minnesota Supreme Court case focused on the enforceability of oral offers of job security.\textsuperscript{173} \textit{Cederstrand}, \textit{Pine River}, and \textit{Ruud} all fail to identify the precise language which distinguishes general policy statements from oral assurances which may constitute an offer. Until the court provides additional guidance, the distinction between general policy statements and oral assurances of job security will remain an unsettled area of the law.

V. CONCLUSION

The \textit{Ruud} decision represents a significant defeat for Minnesota workers who are not protected by specific job security provisions. In fact, the \textit{Ruud} court clearly signaled that the at-will doctrine is alive and well in Minnesota. After \textit{Ruud}, Minnesota workers will find it nearly impossible to rebut the at-will presumption by alleging that they received oral assurances of job security.

In \textit{Ruud}, the Minnesota Supreme Court had an ideal opportunity to define the difference between an employer's general policy statements and an employer's offer of job security. The court failed to do so. Absent further direction from the court, employers will continue to make oral assurances of job security, and employees will continue to rely on these statements to their detriment.

\textsuperscript{172} See, e.g., \textit{Feges v. Perkins Restaurants, Inc.}, 483 N.W.2d 701, 708 (Minn. 1992) (holding that the evidence was sufficient to support the jury's finding that a discipline and dismissal policy in the employment manual was communicated to the employee and constituted a term of the employment contract). Compare \textit{Lewis v. Equitable Life Assurance Soc'y}, 389 N.W.2d 876, 883 (Minn. 1986) (concluding that the dismissal language in the employee handbook was definite enough to constitute an offer and become part of the employment contract), with \textit{Hunt v. IBM Mid Am. Employees Fed. Credit Union}, 384 N.W.2d 853, 857 (Minn. 1986) (holding that the dismissal language in the employment manual was too indefinite to form the basis of an enforceable contract to terminate the employee only for cause).

\textsuperscript{173} The Minnesota Court of Appeals addressed the issue of whether oral assurances constituted offers of job security in at least three cases between 1986 and 1989. In \textit{Rognlien v. Carter}, the court reversed the lower court's grant of summary judgment, stating that the employer's promise that Rognlien would not have to worry about his job as long as he did good work constituted an offer of employment subject to dismissal only for good cause. 443 N.W.2d 217, 220 (Minn. Ct. App. 1989). However, in \textit{Simonson v. Meader Distribution Co.}, 413 N.W.2d 146, 148 (Minn. Ct. App. 1987) and \textit{Dumas v. Kessler & Maguire Funeral Home, Inc.}, 380 N.W.2d 544, 548 (Minn. Ct. App. 1986), both courts held that oral assurances of job security -- specifically an employer's discussions of long-term employment and a supervisor's statements that the supervisor and employee would retire together -- were insufficient to constitute agreements that the employees could only be dismissed for good cause.
The *Ruud* decision did offer some guidance by indicating that an employer's general assurances of job security, even if in response to an employee's specific question, will not alter the at-will relationship. Because the court did not extend its holding beyond the specific statements made in *Ruud*, however, the court likely will have additional opportunities to reconsider the issue.

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