SHIN&KIM
법무법인(유) 세종

Court Rejects Workplace Harassment and Unpaid Performance Bonus Claims

F, a former employee of Company G, filed a lawsuit seeking damages from the company, alleging persistent workplace harassment by a supervisor during F's employment and claiming that Company G was vicariously liable for the supervisor's conduct and separately liable for breaching its duty to protect employees. F also sought payment of performance bonuses that F claimed had not been paid.

Representing Company G, Shin & Kim explained in detail, drawing on a range of supporting evidence, that most of F's allegations rested solely on F's own statements and that the alleged workplace harassment could not be substantiated. Shin & Kim also explained that Company G had made every effort to investigate the allegations, including commissioning an external specialist organization to conduct an objective investigation and repeatedly contacting former employees to verify the relevant facts.

As to the unpaid performance bonus claim, Shin & Kim argued that the bonuses did not constitute wages. In support of this position, Shin & Kim pointed out that Company G had no internal rules governing performance bonuses; that the decision whether to pay them and the applicable payment rates had been determined annually through labor-management council consultations, taking into account business performance and other factors; and that the payment rates varied significantly across business divisions.

Shin & Kim further argued that, even if the bonuses were considered wages, the active-employment requirement attached to the bonuses was valid and Company G therefore had no obligation to pay them to F, who had already left the company. Shin & Kim maintained that F's claim for unpaid performance bonuses failed on either ground.

The court accepted Shin & Kim's arguments and dismissed all of F's claims. It found insufficient evidence to conclude that F had been subjected to workplace harassment or that Company G had breached its duty to protect employees. The court also held that the performance bonuses, which were determined through labor-management consultations based on business performance, did not constitute wages paid in consideration for work performed. Even if the bonuses were considered wages, the court found that the active-employment requirement was valid and that Company G was therefore not required to pay them to F, who had already left the company.

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