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THE SIGNIFICANCE OF PRINCIPLES FOR THE GENERAL OBLIGATIONS OF EMPLOYMENT CONTRACT PARTIES IN RECENT COURT PRACTICE

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Abstract. *The foundation of labor law lies in legal principles that reflect the values of society and shape the direction of legal regulation. These principles are essential not only for interpreting and applying legal norms but also for filling legislative gaps and ensuring consistency within the legal system. They help to uncover the true meaning of legal provisions, influence the development of law, and aid in understanding the essence of specific legal norms. The provisions of the Labor Code incorporate principles that apply to all areas regulated by labor law, including direct employment relationships as well as closely related areas such as pre-contractual relations, the resolution of labor disputes, and more. In labor law, principles such as the equality of parties and the protection of employee rights are not merely theoretical - they carry real legal weight and directly impact both court decisions and daily employment practices.*
This scientific article aim is to review the latest Lithuanian case law, in which the courts examining the cases took into account general obligations of the parties to the employment contract, the determining principles and based their decisions on them. In order to achieve these goals, the first part of this article examines the role and legal significance of the fundamental principles and their functions in employment legal relations. The second part of the scientific article analyzes the interpretations provided by the Supreme Court of Lithuania regarding the general obligations of the parties to an employment contract - particularly the principles of cooperation, timely information, non-discrimination, and respect for the employee's family obligations - as well as the employer's duty to train the employee, as established in the current Labor Code. The analysis focuses on how these principles are applied in practice, how their violations are assessed in labor disputes, and what legal consequences arise when these obligations are not fulfilled.

Keywords: *labor law, principles, general obligations of the parties to the employment contract, employer, employee.*

Introduction

One of the sources of law is legal principles, which are understood as fundamental provisions and ideas that determine the direction of legal regulation. In labor law, as in any other branch of law, both general legal principles that cover the entire legal system (fairness, reasonableness, justice, etc.) and specific legal principles intended only for this branch of law are applied. Most principles of labor law relations are established in the form of norms and are found in various norms of the Labor Code of the Republic of Lithuania (hereinafter referred to as the Labor Code). For example, Article 2 of the Labor Code establishes the principles of legal regulation of employment relations, such as legal certainty, protection of legitimate expectations and full defense of employment rights, creation of safe and healthy working

conditions, stability of employment relations, freedom to choose work, fair remuneration for work, equality of subjects of labor law, etc.

The **objective** of this work is to review the latest Lithuanian case law, in which the courts examining the cases took into account the aforementioned general obligations of the parties to the employment contract, the determining principles and based their decisions on them.

The relevance of this scientific article lies in its timely and in-depth analysis of how fundamental principles of labor law are applied in Lithuanian judicial practice. This scientific article contributes to the academic discussion and offers practical insights into how legal norms are interpreted by the Supreme Court of Lithuania, helping to clarify the scope and importance of general obligations in employment relations.

The **purpose** of this scientific article is to analyze the latest Lithuanian case law, in which the courts examining the cases took into account general obligations of the parties to the employment contract, the determining principles and based their decisions on them. In order to achieve these goals, the first part of this article examines the role and legal significance of the fundamental principles and their functions in employment legal relations. The second part of the scientific article analyzes the interpretations provided by the Supreme Court of Lithuania regarding the general obligations of the parties to an employment contract - particularly the principles of cooperation, timely information, non-discrimination, and respect for the employee's family obligations - as well as the employer's duty to train the employee, as established in the current Labor Code. The analysis focuses on how these principles are applied in practice, how their violations are assessed in labor disputes, and what legal consequences arise when these obligations are not fulfilled.

The **subject** of the scientific article is the problematic aspects of the interpretation and application of the significance of principles for the general obligations of the parties to an employment contract.

The following theoretical and empirical **methods** are used in the scientific article: the method of comparative analysis, logical - analytical and systematic analysis. The comparative analysis method is employed to compare legal principles and their functions within employment legal relations. The logical-analytical method is used to examine the importance of interpreting and applying the significance of principles for the general obligations of the parties to an employment contract. Both the logical-analytical and systematic analysis methods are applied to identify the problematic aspects of these principles, analyze the scientific doctrine, summarize the article's findings, highlight the core problem, and formulate conclusions.

Legal principles and their functions in employment legal relations

In legal theory, legal principles are understood as guiding principles, ideas that express the essence of law as a specific regulator of social relations (Bagdanskis 2008, 29). According to their scope of application, legal principles are divided into general, inter-branch, branch and legal institute principles. It should be noted that legal principles also differ in their power. The principles of the highest hierarchy are enshrined in the supreme source of law of the rule of law - the constitution. Such principles are called constitutional principles and all principles of law of a lower hierarchy must comply with them. E.Kūris describes constitutional principles as special compared to other principles of law. We cannot disagree with his position that the entire legal system, all elements of a legal text, all general provisions formulated in legal acts – including those that are constructed as legal norms, i.e. general rules of conduct – must be based on constitutional principles (Kūris, 2001, 54). Constitutional principles permeate and affect the entire legal system and all branches of law without exception, including labor law. The

Constitution of the Republic of Lithuania (hereinafter referred to as the Constitution) contains principles that are directly intended to regulate legal employment relations. Article 35 of the Constitution enshrines the principle of freedom of association, which grants individuals the right to unite into communities, political parties or associations, provided that their goals and activities are not contrary to the Constitution and laws. Article 48 of the Constitution enshrines the principles of freedom to choose employment and the right to decent working conditions, which determine that every person can freely choose work and business and has the right to have decent, safe and healthy working conditions, to receive fair remuneration for work and social protection in the event of unemployment, and also prohibits forced labor. The Constitution guarantees every working person the right to rest and leisure, as well as annual paid leave (Article 49 of the Constitution). Finally, the Constitution enshrines the right to strike as a way for employees to defend their economic and social interests (Article 51 of the Constitution) (Lietuvos Respublikos Konstitucija, 1992). As mentioned, these are the principles of law of the highest hierarchy, which all other principles of labor law must comply with.

Legal principles differ not only in their power, but also in the form in which they are formulated. Professor A.Vaišvila distinguished legal principles into principles-ideas and principles-norms based on the nature of their formulation. A.Vaišvila points out that principles-ideas are fundamental legal ideas that are not enshrined in any positive law norm or group of norms, but rather stem from the concept of law itself. Meanwhile, principles-norms are legal principles enshrined in one or more norms of positive law. (Vaišvila, 2004, 146-147). This position is generally supported by other legal scholars – Edita Žiobienė distinguishes primary, composite and derived principles in her textbook "Lietuvos konstitucinė teisė" ("Lithuanian Constitutional Law") (Jarašiūnas, 2017, 53 p.). Although the author specifically speaks about constitutional principles, this classification method can also be applied to principles lower in the hierarchy. Primary principles are understood as directly enshrined in a legal act. Composite principles are those that are enshrined in more than one provision, but in different ones, each of which reveals different aspects of the principle. Finally, derived principles are understood as those that are not directly enshrined in a legal act, but are revealed by the court when interpreting the legal act (Jarašiūnas. 2017, 53-54 p.).

It is noteworthy that when drafting the current Labor Code, it was decided to establish most of the principles of labor law directly in the norms of the Labor Code. Although derived principles are in no way inferior in power to primary principles, the latter have a distinct advantage - according to A.Vaišvila, when legal principles are established in norms, the imperativeness and binding nature of the principle is strengthened. At the moment, it can be firmly stated that the norms of the Labor Code establish principles for all areas regulated by labor law, i.e. both direct labor relations and labor relations closely related to them, such as pre-contractual labor relations, the resolution of labor disputes, etc. For example, some of the essential principles of pre-contractual employment relations are the principles of gender equality and non-discrimination on other grounds, enshrined in Article 26 of the Labor Code.

A sufficiently detailed catalog of principles for the legal regulation of employment relations is provided in Article 2 of the Labor Code. This statutory provision establishes such principles of employment relations as legal certainty, protection of legitimate expectations and full protection of employment rights, creation of safe and healthy working conditions, stability of employment relations, freedom to choose work, fair remuneration for work, equality of subjects of employment law, etc. The application of the above principles in Lithuanian judicial practice has been reviewed in detail by legal scholars and practitioners, such as Dr. Tomas Bagdanskis, Dr. Gintautas Bužinskas, Inca Gaižauskaitė and others, in the collective monograph „Darbo teisės principai ir jų taikymas Lietuvos teismų praktikoje" ("Labor Law

Principles and Their Application in Lithuanian Judicial Practice"). The authors' position is supported that legal principles help to reveal the true meaning of legal norms and fill in their gaps, they influence the development of law, help to understand the essence of a specific legal norm and apply it correctly (Bagdanskis 2016, 15).

In addition to the aforementioned principles of legal regulation of employment relations enshrined in Article 2 of the Labor Code, the Labor Code also establishes other principles determining the general obligations of the parties to an employment contract. In many cases, it is not enough for the court hearing the case to rely solely on the legal norm regulating a specific legal relationship (for example, a norm of the Labor Code providing for a specific basis for termination of an employment contract), but it is also necessary to assess the actions of the parties to the dispute taking into account the general obligations of the parties to the employment contract. Articles 24-31 of the Labor Code in force at the time of the study distinguish the following general obligations of the parties to an employment contract: implementation of the principles of honesty and cooperation, fair information and protection of confidential information, gender equality of employees and non-discrimination on other grounds, ensuring the right to private life and protection of personal data, respecting the employee's family obligations and professional development aspirations, protecting honor and dignity, prohibiting violence and harassment, and protecting property and non-property interests.

The meaning of legal principles is also revealed when a court resolves specific legal disputes - in court decisions, legal principles are applied to relationships that have arisen in real life. As already mentioned, principles are the basic provisions that determine the direction of legal regulation, therefore, by making a decision and basing it not only on the formal application of norms, but also on principles, the court can ensure consistent legal regulation and avoid deviations from the established direction of regulation. D.Mamonė stated that legal principles must be recognized and evaluated as certain regulators of the legal system, standards that, together with legal norms, ensure the full functioning of the legal system (Mamonė, 2023, 56)

The place of legal principles in the legal system has also been discussed by G.Lastauskienė, who states that in Lithuania, both in legal science and in court jurisprudence, a logical distinction is made between norms and principles. G.Lastauskienė points out that Lithuanian judges, when deciding cases, rely on the principles of law, as legal, not moral standards (Lastauskienė. 2024, 342). G.Lastauskienė supports the interpretation of legal principles as special elements of the legal system, differing from legal norms in their extremely general nature, consolidation of the regulatory direction, and special importance for law (Lastauskienė. 2024, 349).

In conclusion, it can be stated that legal principles are one of the essential sources of labor law, the function of which is to fill gaps in legal regulation, ensure consistent legal regulation and the full functioning of the legal system. The principles of labor law are enshrined both at the highest level - in the Constitution - and in the main law regulating labor relations - the Labor Code. When drafting the currently valid Labor Code, it was decided to establish most of the principles of labor law as primary - in the form of legal norms, thus giving these principles additional authority. The norms of the Labor Code establish principles for all areas regulated by labor law, i.e. both direct employment relationships and closely related employment relationships, including principles determining the general rights and obligations of the parties to an employment contract.

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Principles determining the general rights and obligations of the parties to an employment contract in the practice of the Supreme Court of Lithuania

The currently valid Labor Code includes a chapter regulating the parties to an employment contract and their general obligations. Articles 24-31 of the Labor Code distinguish the following general obligations of the parties to an employment contract: implementation of the principles of honesty and cooperation, fair information and protection of confidential information, gender equality of employees and non-discrimination on other grounds, ensuring the right to private life and protection of personal data, respecting the employee's family obligations and professional development aspirations, protecting honor and dignity, preventing violence and harassment, and protecting property and non-property interests.

Article 24, Part 1 of the Labor Code establishes the obligation of the parties to an employment contract to act honestly, cooperate, and not abuse the right when exercising their rights and performing their duties. In the work of scientists-practitioners, the obligation of the parties to cooperate means, *inter alia*, that the parties to an employment contract must strive for the common good (of the employer and the employee or all employees), harmony of labor relations, and protection of the legitimate interests of the other party to the employment contract (Davulis 2018, 96.) It is believed that this obligation is closely related to another obligation, provided for in Article 25 of the Labor Code, which determines that the parties to an employment contract must notify each other in a timely manner of any circumstances that may significantly affect the conclusion, performance, and termination of the contract. At first glance, it may seem that these are only general provisions that do not cause any real consequences in practice, however, the latest case law of the Supreme Court of Lithuania confirms that violation of these principles, which establish the obligations of the parties to an employment contract, can cause real consequences, for example, (non)compensation for non-pecuniary damage.

In the ruling adopted on June 10, 2024 in civil case No. e3K-154-684/2024, the Supreme Court of Lithuania, when assessing the validity of the plaintiff's claims, was guided specifically by Articles 24 and 25 of the Labor Code and the principles established therein that determine the obligations of the parties to the employment contract. In the case at hand, the plaintiff (employee) filed a lawsuit with the court, demanding, among other things, that the defendant (employer) be awarded non-pecuniary damage in the amount of EUR 4,000, that her dismissal from work under Article 69, Part 1 of the Labor Code (upon the expiration of a fixed-term employment contract) be declared unlawful, and that monetary compensation be awarded in connection therewith. Although the Court of Cassation ruled that the plaintiff (employee) was lawfully dismissed from her job under Article 69, Part 1 of the Labor Code, the court decided the issue of compensation for non-pecuniary damage in accordance with the provisions of Articles 24 and 25 of the Labor Code.

The Court of Cassation assessed that the defendant (employer) made the decisions to remove from the register the master's degree program "European Union Business Law", in which the plaintiff worked, and thus the decision not to extend the employment relationship with the plaintiff (employee), in May-June 2022, but informed the plaintiff about this only upon the expiration of the fixed-term employment contract, i.e. only on August 31, 2022. The court, taking into account the fact that the defendant, knowing the existing personnel needs and having received several inquiries from the plaintiff (the plaintiff contacted the defendant's central administration 8 times in writing in August 2022), did not communicate with the plaintiff, found that the defendant did not fulfill the obligations of cooperation set out in Article 24, Part 1 of the Labor Code and timely information set out in Article 25 of the Labor Code and, by

informing the plaintiff on the last day of the academic year, made it more difficult for her to find a scientific and pedagogical job, which caused the plaintiff to feel uncertain about her future.

The judicial panel of the Civil Cases Division of the Supreme Court of Lithuania, guided by the previous practice of the Court of Cassation regarding the amount of non-pecuniary damage in employment cases, and taking into account the individual circumstances established in the case under consideration, recognized that compensation for non-pecuniary damage in the amount of EUR 2,000 in this particular case is a fair and proportionate satisfaction of the plaintiff's (employee's) non-pecuniary experiences.

Summing up the discussion of this cassation case, it should be emphasized that the liability of the defendant (employer) and the obligation to compensate the plaintiff (employee) for the non-pecuniary damage caused were directly determined by the violation of the obligations of cooperation established in Article 24, Part 1 of the Labor Code and of timely information established in Article 25 of the Labor Code, despite the fact that the procedure for terminating the employment contract was carried out lawfully and properly. It should be emphasized that in the judicial practice of the Republic of Lithuania, until the adoption of the ruling of June 10, 2024 in civil case No. e3K-154-684/2024, there has never been a case where compensation for non-pecuniary damage was determined by a violation of the obligations of cooperation and timely information. This ruling of the Supreme Court of Lithuania established the importance of the aforementioned obligations of the parties to the employment contract, and this decision became a binding precedent in the resolution of future labor disputes.

Another important ruling of the Supreme Court of Lithuania in the context of this issue was adopted on October 8, 2024 in civil case No. e3K-3-176-684/2024. This cassation case also analyzed the obligation of cooperation between the parties to an employment contract, which is established in Article 24 of the Labor Code. The plaintiff (employee) filed a lawsuit with the court, requesting that her dismissal on the basis of Article 58, Paragraph 2, Paragraph 1 of the Labor Code (for gross violation of labor duties) to be recognized as unlawful, and to award related compensation and compensation for non-pecuniary damage in the amount of EUR 20,000.

The courts that examined the case determined that the plaintiff (employee) worked for the defendant (employer) as an internet planner. The defendant (employer) argued in the case that the plaintiff (employee) was dismissed from work for the reason that she did not come to work from January 27, 2023 to February 10, 2023 without reason. In turn, the plaintiff (employee) claimed that a gross violation of labor duties was unreasonably established from January 27, 2023 to February 10, because during that period she worked remotely, submitted requests to the defendant (employer) to perform such work, i.e., complied with the internal work procedures established by the employer.

When deciding on the (il)legality of the dismissal of the plaintiff (employee), the Court of Cassation assessed that the defendant's company did not regulate the procedure for organizing remote work, i.e. the defendant (employer) had not created appropriate and clear rules on how remote work is organized, how such work is recorded, the procedure for submitting and assessing applications for such work, how the employee should communicate with the employer, etc. In addition, the judicial panel noted that the employer's practice in assessing the employee's consent to work remotely was not consistent: in some cases, remote work had to be coordinated with the direct supervisor, in other cases, it did not have to be, in some cases the employer allowed remote work after informing the employee before the start of work, in others - after the work had already started. Taking into account these arguments and the fact that the plaintiff (employee) submitted requests to the employer to work remotely on

every day that the defendant (employer) considered absenteeism, but the defendant did not consider them, did not respond in any way, only invited her to come to the physical workplace several times and discuss the work and the situation, without explaining that such work by the employee was considered absenteeism and that certain consequences may arise for the plaintiff, the Supreme Court of Lithuania ruled that there was no basis for the conclusion that the plaintiff did not come to work without justifiable reasons, because during the specified period she worked remotely.

However, the Court of Cassation noted that the plaintiff (employee), by not arriving at the physical workplace at the request of the defendant's manager, did not comply with the employer's requirements and such behavior should be viewed as violating one of the characteristics of the employment contract - the employee's subordination in employment relations. The judicial panel emphasized that the principles applicable in employment relations to act honestly, cooperate, not abuse the law, avoid conflicts of interest, strive for common good, sustainable development of employment relations, protection of the legitimate interests of the other party, etc. determined the plaintiff's obligation to take measures and seek ways to meet with the defendant's manager, especially when the parties failed to resolve the issue of termination of employment relations by mutual agreement, and at the same time both parties did not see many opportunities for further cooperation and each of them adhered to its own position, considering the behavior of the other party unacceptable and unjust. Thus, by not seeking to cooperate, to arrive at the workplace at the employer's invitation, to avoid miscommunication, etc., the plaintiff acted insufficiently prudently and with care and, through her careless behavior, contributed to the consequences that arose.

In the opinion of the judicial panel of the Civil Cases Division of the Supreme Court of Lithuania, even if it were recognized that the plaintiff (employee) ignored the employer's invitation and continued to work remotely, such behavior of the plaintiff could not be assessed as an independent violation of work duties, for which the most severe penalty can be applied - dismissal, and may be relevant in resolving the issue of compensation for non-pecuniary damage. When deciding on the plaintiff's (employee's) claim to award the employer EUR 20,000 in compensation for non-pecuniary damage, the Court of Cassation emphasized that although the plaintiff was dismissed from her job illegally, she herself did not obey the defendant's manager's invitations to come to the physical workplace, therefore, with her careless actions, she contributed to the consequences that arose and created the conditions for the employer to act illegally. Taking this into account, the Court of Cassation decided that sufficient satisfaction for non-pecuniary damage due to unlawful dismissal would be the amount of EUR 20,767.05 for the time of forced absence, which the employer would have to pay to the plaintiff (employee), therefore the aforementioned claim for compensation of EUR 20,000 for non-pecuniary damage was not satisfied.

As the analysis of these two rulings adopted by the Supreme Court of Lithuania shows, in the case of the first cassation case discussed (ruling of the Supreme Court of Lithuania of 10 June 2024, civil case No. e3K-154-684/2024), the employer's violation of the obligations of cooperation set out in Article 24, Part 1 of the Labor Code and of timely information set out in Article 25 of the Labor Code resulted in the employer's obligation to compensate the employee for the damage caused, despite the fact that the procedure for terminating the employment contract was carried out lawfully and properly. In the second case (ruling of the Supreme Court of Lithuania of 8 October, 2024, civil case No. e3K-3-176-684/2024), the employee's violation of the duty of cooperation and the employee's subordination in employment relations contributed to the employee's claim for compensation for non-pecuniary damage being rejected, despite the fact that her dismissal was recognized as unlawful. The analysis of these cases

allows us to reasonably state that compliance with the duty of cooperation established in Article 24, Part 1 of the Labor Code has real practical significance in the resolution of labor disputes and may result in non-compensation of non-pecuniary damage.

In its ruling of 24 February 2021 in civil case No. 3K-3-25-248/2021, the Supreme Court of Lithuania, when resolving the labor dispute, relied on two general obligations of the parties to the employment contract, i.e. the principle of cooperation of the parties to the employment contract established in Article 24, Part 1 of the Labor Code, and analyzed the employer's obligation to train the employee to work, which is established in Article 29 of the Labor Code. In the case under analysis, the plaintiff (employee) filed a lawsuit with the court, requesting that his dismissal from work by the defendant (employer) be declared unlawful and that monetary compensation be awarded in connection therewith.

The plaintiff (employee) worked as a driver for the defendant (employer) and transported goods by road vehicles within the territory of the European Union. According to Directive 2003/59/EC of the European Parliament and of the Council on the initial qualification and further training of drivers of certain road vehicles for the carriage of goods and passengers and the Law of the Republic of Lithuania on Road Safety implementing it (Article 22, Part 6), drivers carrying goods or passengers on the EU roads for commercial purposes must have a qualification code 95. The employer decided to terminate the employment contract concluded with the plaintiff, citing the fact that the plaintiff (employee) did not renew his code 95 qualification on time. In the opinion of the defendant (employer), the loss (non-renewal) of this qualification should be considered a fundamental violation of the employer's interests, because without this qualification the plaintiff could not perform his job functions, i.e. transport international cargo for remuneration within the territory of the EU.

In the cassation case under consideration, the Supreme Court of Lithuania analyzed how the issue of improving professional qualifications should be resolved in cases where the employee's code 95 qualification expires and its extension requires participation in periodic professional driver training while the employee is in an employment relationship. The Court of Cassation drew attention to the fact that when exercising their rights and performing their duties, employers and employees must act honestly, cooperate, and not abuse the law (Article 24, Part 1 of the Labor Code); the exercise of labor rights and the performance of duties must not violate the rights and interests protected by law of other persons (Article 24, Part 2 of the Labor Code).

In addition, the court also analyzed the employer's obligations related to the professional development of the employee, established in Article 29 of the Labor Code. This statutory norm obliges the employer to train the employee to work to the extent necessary to perform his job function. T.Bagdanskis and others distinguish several stages of fulfilling this obligation: 1) the employer must train the employee, when hiring or changing the nature of the job, to the extent that the employee can perform the assigned job function, 2) the employer has the obligation to take care of the continuous improvement of the qualifications of employees, to create conditions for the employee to learn and develop professionally (Bagdanskis 2016, 41).

In the case at hand, the Supreme Court of Lithuania emphasized that the obligations of the employer and the employee in maintaining and improving the employee's qualifications may differ depending on whether the knowledge and skills acquired by the employee are directly related to the performance of work functions and are necessary for their work activities. The court, taking into account that the main activity of the defendant (employer) is commercial freight transport within the territory of the European Community, ruled that the code 95 qualification is mandatory for the defendant's employees performing these functions (drivers), as such qualification knowledge is directly related to the performance of their job functions and

is necessary for work activities. Taking this into account, the Court of Cassation ruled that both the employer and the employee who intends to continue the employment relationship are interested in acquiring such a qualification (periodic extension).

The court found that there is no evidence in the case that the plaintiff (employee) unreasonably refused to attend training during work, which could be treated as failure to perform job duties, and moreover, the defendant (employer) consistently held the position that the code 95 qualification must be acquired during the employee's rest time, although she herself did not coordinate the working hours that could be allocated for such training.

The court ruled that in the case in question, failure to obtain the necessary qualifications may be a reason for termination of employment, but cannot be considered a violation of work duties committed by the employee. The Court of Cassation noted that the plaintiff was employed as a driver under an employment contract, without the contract linking his duties to qualifications to transport goods within the territory of the European Community. The court also followed the provision of Article 6, Part 2 of the Labor Code, which states that in cases where there are doubts about the terms of contracts regulating employment relations, they shall be interpreted in favor of the employees. Based on the discussed reasons, the Court of Cassation ruled that in the case at hand, it was not obvious from either the law or the provisions of the employment contract concluded between the parties that the plaintiff (employee) had an obligation to acquire the qualifications necessary for working for the current employer at his own expense and during his leisure time, therefore there is no basis to establish a violation of this obligation.

The Supreme Court of Lithuania ruled that the dismissal of the plaintiff (employee) was unlawful, and also discussed the compliance of the actions of the parties to the employment contract with the principle of cooperation (Article 24 of the Labor Code). The judicial panel drew attention to the fact that the plaintiff (employee), knowing about the expiring term of the qualification code 95, not only did not acquire it independently, but also did not clearly express to the defendant (employer) his position declared in the legal dispute that the acquisition of this qualification must be ensured by the employer. Finally, when the validity period of the qualification code 95 expired and the date of the planned business trip approached, the plaintiff informed the employer that he would acquire the specified qualification independently, and later acquired it, but by doing so, he was unable to go on the business trip planned by the employer. Although the Court of Cassation considered such actions of the employee as shortcomings in cooperation, taking into account the fact that the obligation of the plaintiff to independently, at his own expense, acquire the necessary qualification was not clearly established, it decided that such shortcomings cannot be considered as a gross violation of work duties, forming the basis for imposing the strictest disciplinary penalty - dismissal.

In another civil case heard by the Supreme Court of Lithuania, No. e3K-3-227-684/2021, it was decided whether the employer, by its actions, which it took upon learning about the employee's pregnancy, violated the provisions of Article 26 of the Labor Code prohibiting discrimination in employment relations. The statements of scientists - practitioners that the principle of non-discrimination must be implemented at all stages of employment relations, i.e. the employer must apply the same criteria to all persons when hiring them, during the employment relationship, and when terminating the employment contract are fully supported (Bagdanskis, 2018, 27-28).

Commenting on Article 26 of the Labor Code, which had just entered into force at that time, T.Davulis pointed out that it already contains norms regulating the relationship between labor law provisions and special anti-discrimination provisions, which aim to facilitate the practical implementation of this principle where disputes arise and where they are actually

resolved - in enterprises, labor dispute commissions, and courts. T.Davulis hopes that this will increase the visibility of these rights and obligations and encourage more active protection of violated rights (Davulis, 2017, 110).

It is worth noting that discrimination in employment relations can also manifest itself as unequal pay, especially based on the employee's gender. The principle of equal pay ensuring equal opportunities for women in employment relations is discussed in detail in the works of K. Ambrazevičiūtė. It is noteworthy that this author also conducted an analysis of the Supreme Court of Lithuania cases related to equal pay on the basis of gender and concluded that there are practically no such cases (Ambrazevičiūtė, 2022, p. 240). It should be noted that the situation has not changed at present. The conclusion that there are no violations of the principle of equal pay in the labor market of the Republic of Lithuania sounds unconvincing, therefore there is reason to believe that employees who face discrimination in this aspect are not sufficiently active in defending their rights.

In the case discussed in this study, the plaintiff (employer) applied to the court and requested that the downtime declared against the defendant (employee) be recognized as lawful. In turn, the defendant (employee) indicated that the plaintiff, upon learning of the defendant's pregnancy, took targeted actions towards her: declared downtime, took away work tools, disconnected her from the electronic system, and refused to grant her leave. The defendant (employee) views such actions of the plaintiff (employer) as discrimination against her on the basis of gender due to pregnancy.

The Court of Cassation, taking into account the fact that the plaintiff (employer) did not prove that the downtime was declared due to objective circumstances beyond her control, and also that did not offer the defendant (employee) another job, ruled that the downtime was declared unlawfully. However, in the context of this investigation, the arguments of the Supreme Court of Lithuania are much more important in relation to the discrimination applied against the defendant.

The Court of Cassation drew attention to the fact that Article 26 of the Civil Code establishes the prohibition of both direct and indirect discrimination and the foundations for the implementation of the principle of equal opportunities. In the case at hand, the courts considered the actions of the plaintiff (employer) towards the defendant (employee) as discriminatory. The judicial panel noted that the discriminatory actions against the employee were not one-time and manifested themselves in the form of illegal declaration of downtime, seizure of work equipment, failure to inform the employee about the consideration of her requests and the granting of annual leave. Moreover, such actions began immediately after the defendant informed the plaintiff in writing about her pregnancy. The defendant, being pregnant, additionally had to defend her violated rights in accordance with the procedure established for labor disputes, which undoubtedly caused the defendant emotional distress.

The judicial panel noted that a person's work activity is that area of life on which the well-being of the person and his or her family, social assessment, the opportunity to realize oneself, and ensure social stability depend, therefore the violation of these values could have caused the person a strong feeling of uncertainty, distrust, and great distress, especially in the defendant's situation. For this reason, the Court of Cassation ruled that the plaintiff (employer) is obliged to compensate the employee for the non-pecuniary damage she suffered, which the employer caused her through its active, targeted actions, which are to be assessed as discrimination. The judicial panel that heard the case recognized that the employee should be awarded compensation for non-pecuniary damage in the amount of EUR 5,000.

In the opinion of the authors, by such actions the employer also violated another duty of the parties to the employment contract established by the Labor Code – to respect the

employee's family obligations and the principle of work-family harmony, which is established in Article 28, Part 3 of the Labor Code. The aforementioned norm establishes that the employee's behavior and actions at work must be evaluated by the employer in order to practically and comprehensively implement the principle of work-family harmony. We agree with T.Davulis point of view that this does not mean that just because an employee has children, the quality of his work must be assessed better than that of other employees, as this would contradict the provisions of Article 2, Part 1 and Article 26, Part 1 of the Labor Code (Davulis 2018, 121). Such a statutory norm obliges the employer to take into account the employee's family obligations when making certain decisions regarding the employee (for example, when explaining the circumstances of a violation of work duties committed by the employee). Other authors view this principle as an effort to create the most favorable working conditions for employees so that they can combine work with family obligations (Bagdanskis 2018, 40).

In the case at hand, the Supreme Court of Lithuania could, or perhaps even must, have noted that the employer's actions, which he took upon learning about the employee's pregnancy (illegally declaring downtime, confiscating work equipment, failing to inform the employee about the consideration of her requests and the granting of annual leave), are incompatible with the provisions of Article 28 of the Labor Code and had a negative impact on the employee's family interests.

It should be noted that under the current Labor Code, the Supreme Court of Lithuania has never once relied on this statutory provision when examining labor disputes. It should be noted that the Labor Code of the Republic of Lithuania, which was in force prior to the entry into force of the current Labor Code and approved by the law No. IX-926 of 4 June 2002 (hereinafter referred to as the 2002 Labor Code), did not contain an article analogous to Article 28 of the current Labor Code. However, the requirement to take into account an employee's family obligations has been indirectly discussed in case law. Vilnius Regional Court, having examined civil case No. 2A-1929-590/2013 on appeal, adopted a ruling of 27 May 2013, by which it recognized the dismissal of the plaintiff (employee) as unlawful. The defendant (employer) made the decision to dismiss the employee taking into account the fact that the employee left work and did not come to work at all for two days after that. The plaintiff submitted evidence to the case confirming that he missed work and did not come to work for several days because he had to take care of the health of his pregnant wife and future baby. The court noted that these were important reasons why the plaintiff (employee) was absent from work, and described the behavior of the defendant (employer), who does not provide the employee with the opportunity to take care of his pregnant wife's suddenly deteriorating health and even dismisses him from work, as completely unfair, contrary to common sense and decency. It is obvious that the court that heard the case, when resolving this labor dispute, also took into account the employee's family obligations and applied the principle of work-family harmony, which currently already has the form of a norm (Article 28, Part 3 of the Labor Code).

The current Labor Code, compared to the 2002 Labor Code, contains numerous norms establishing certain benefits for employees due to their family situation, for example, for employees raising children. Moreover, the legislator explicitly established the obligation to respect the employee's family obligations. Nevertheless, courts do not rely on these statutory norms when considering labor cases. Taking this into account, the conclusion is that both employees and courts hearing labor cases pay insufficient attention to respecting an employee's family obligations and the principle of work-family harmony.

It should be noted, however, that in case law, courts rely on Article 28 of the Labor Code when examining family cases, not labor cases, and when resolving issues related to establishing the procedure for communication between parents and minor children. The courts have noted

that parents must strive for a balance between family obligations and work interests and use Article 28 of the Labor Code when making any requests to the employer based on the need to care for children or provide assistance to family members (see, for example, the ruling of the Kaunas Regional Court of 1 March, 2022, civil case no. e2S-314-324/2022, the ruling of the Kaunas Regional Court of 25 June, 2024, civil case no. e2S-948-324/2024).

Another important norm-principle of employment law relations is the employer's obligation to train employees to work. It has already been mentioned that Article 29, Part 1 of the Labor Code establishes the employer's obligation to train an employee to work to the extent necessary to perform his/her job function. Part 2 of the aforementioned article establishes that the employer must take measures to increase the qualifications of employees and their professionalism, as well as their ability to adapt to changing business, professional or working conditions. In T. Davulis opinion, such a provision of the Labor Code, by establishing the principle of employee professional development as a legal regulation of employment relations, encourages employer investments in employee qualifications (Davulis, 2017, p. 20).

In addition, Article 37, Part 1 of the Labor Code enables the parties to an employment contract to agree on the terms of reimbursement of the employer's training or qualification development costs of the employee when the employment contract is terminated at the employer's initiative due to the employee's fault or at the employee's initiative without significant reasons. Although Article 37, Part 2 of the Labor Code establishes that only expenses related to providing an employee with knowledge or skills that exceed the requirements for work activities may be reimbursed, in practice, disputes still arise regarding the limits of the employer's obligation to train an employee to work.

By the ruling adopted on 13 January 2021 in civil case No. e3K-3-174-701/2021, the Supreme Court of Lithuania established key provisions allowing for the delimitation of employee training to perform work functions and employee training (qualification improvement) expenses, the compensation for which may be subject to an agreement in accordance with the provisions of Article 37 of the Labor Code. In the case at hand, the plaintiff (employer) filed a lawsuit with the court, requesting that the defendant (employee) be awarded the costs incurred for improving her qualifications. The plaintiff (employer) considered such expenses to include the costs incurred in paying the fee for the defendant's (employee's) participation in two real estate conferences and two real estate exhibitions.

The court found that the defendant (employee) worked for the plaintiff (employer) as an assistant manager and later became an investment project coordinator. The case data confirm that, among other tasks, the defendant's tasks during her employment at the company were to know and be interested in the company's activities and achievements, to be interested in and collect information about real estate (prices, trends), economic and social indicators, to be interested in the indicators of investment real estate projects in Lithuania and other countries, and to search for potential clients.

The judicial panel of the Civil Cases Division of the Supreme Court of Lithuania stated that not just any employee's training or qualification improvement may result in the employee's obligation to reimburse the employer for the costs incurred as a result of them. The court emphasized that Article 37 of the Labor Code must be interpreted in conjunction with Article 29 of the Labor Code, which establishes the employer's obligation to train an employee to work to the extent necessary to perform his or her job function and to take measures to increase the employee's qualifications and their professionalism, as well as their ability to adapt to changing business, professional or working conditions. As mentioned above, in this cassation case, the Supreme Court of Lithuania established key provisions allowing for the distinction between the training of an employee to perform work functions and the costs of employee training

(qualification improvement), the compensation for which may be subject to an agreement in accordance with the provisions of Article 37 of the Labor Code.

The judicial panel explained that the employee's obligation to reimburse the employer for training costs incurred should arise if the employee, who is suitable for performing the assigned functions without training or qualification improvement, acquires additional knowledge or skills that exceed the requirements (competence) for the work (functions) performed by him, which provide additional value to the employee in the labor market and increase the employee's value. The court also emphasized that, solely in fulfilling the employer's obligation set out in Article 29 of the Labor Code to train an employee to work to the extent necessary to perform his/her job function, and to take measures to increase the qualifications of employees and their professionalism, ability to adapt to changing business, professional or working conditions, the costs incurred by the employer for training or improving the employee's qualifications should not be assessed as related to providing the employee with knowledge or skills that exceed the requirements for work activities, and the costs of performing job functions when the employee goes on a business trip should also not be considered reimbursable.

It is necessary to emphasize that this position of the Supreme Court of Lithuania essentially coincides with the explanations provided by legal scholars even before the adoption of this ruling. T.Bagdanskis and other authors in the book „Lietuvos Respublikos darbo kodekso komentaras: individualieji darbo santykiai“ (“Commentary on the Labor Code of the Republic of Lithuania: Individual Labor Relations”) indicated that an employee and an employer may enter into agreements regarding the employer's training costs if the employer sends the employee to learn additional competencies, although the existing ones are sufficient for the employee to properly perform their job duties (Bagdanskis 2018, 42). After adoption of the analyzed ruling, these rules took the form of a court precedent, which is followed by courts hearing subsequent labor cases.

It is noteworthy that in the case under discussion, the judicial panel also discussed the rules for allocating the burden of proof in cases regarding reimbursement of employee training or qualification development costs incurred by the employer. The Supreme Court of Lithuania noted that it is the employer who is obliged to prove that the employee was provided with knowledge that meets the criteria set out in Article 37, Part 2 of the Labor Code, i.e. two comparable matters must be proven: what knowledge is necessary to perform the employee's job functions and the fact that the knowledge provided to the employee during the training was of a higher level than required to perform the employee's direct functions.

In the case of the civil case under analysis, the courts that heard the case, having examined and assessed the evidence collected in the case regarding the defendant's (employee's) work functions and the nature of her participation in the events, found that the plaintiff (employer) had not proven that the expenses requested to be awarded to her, related to the defendant's participation in the specified events and business conferences, comply with the provisions of Article 37, Part 2 of the Labor Code. The court emphasized that the plaintiff (employer) did not prove that the defendant's (employee's) participation in the events (two real estate conferences and two real estate exhibitions) provided the defendant (employee) with knowledge or skills that exceeded the requirements for the job.

Summarizing this case law of the Supreme Court of Lithuania, it should be emphasized that an employer can expect reimbursement of expenses incurred for employee training only if the knowledge provided to the employee during such training was of a higher level than that required to perform the employee's direct job functions. In the event of a dispute, the employer has the obligation to prove two aspects: first, what knowledge is necessary to perform the

employee's job functions and, second, that the knowledge provided to the employee during the training was of a higher level than required to perform the employee's direct functions.

Conclusions

Legal principles form the foundation of labor law, as they reflect the values and ideas recognized by society that shape the direction of legal regulation. Legal principles ensure that labor law is applied not merely formally, but legal principles help to reveal the true meaning of legal norms and fill in their gaps, they influence the development of law, help to understand the essence of a specific legal norm and apply it correctly. They help maintain the coherence and internal consistency of the entire legal system.

In labor law, principles are not merely theoretical postulates – they have concrete legal significance and directly influence the practical implementation of legal regulation. The principles enshrined in the Labor Code, such as equality between the parties to employment relations or protection of employees' rights are binding for all actions of labor law subjects. They are applied both in resolving disputes in court and in the daily interactions between employers and employees. Therefore, legal principles not only supplement positive law but also ensure fair, proportionate and socially responsible regulation of employment relationships.

The analysis of the rulings by the Supreme Court of Lithuania reveals a significant shift in legal practice, indicating a fundamental change in the previously prevailing judicial approach to the importance of general obligations of the parties to an employment contract - particularly cooperation and timely information - in practice. In the analyzed labor case, compensation for non-pecuniary damage was awarded solely based on the violation of these general obligations, and the ruling itself became an important precedent for future labor disputes, reinforcing the significance of honest communication and timely information within employment relationships. Thus, the obligation to act honestly and cooperate, as enshrined in Article 24 of the Labor Code, is not merely a formal provision - its observance is assessed in a real and practical context and can lead to significant legal consequences. This principle has become one of the key criteria when evaluating the conduct of parties in labor disputes. Therefore, both employers and employees must actively fulfill their duties related to communication, information sharing, and mutual respect within the employment relationship. This means that honest, proactive, and responsible behavior from both parties is not only a moral expectation but also a legal necessity to avoid adverse outcomes in employment-related legal conflicts.

The principle of non-discrimination must be upheld at all stages of the employment relationship - during recruitment, throughout the course of employment, and at the time of termination. The case law of the Supreme Court of Lithuania shows that violation of this principle, especially discrimination based on gender or pregnancy, can result in legal consequences for the employer, including the obligation to compensate for non-pecuniary damage. In a case where the employer took targeted actions against an employee after being informed of her pregnancy, such actions - unlawful declaration of downtime, withdrawal of work tools, and failure to provide information - were clearly recognized as discriminatory and in violation of Article 26 of the Labor Code. Such actions by the employer can also considered to be in breach of the duty to respect the employee's family obligations and the principle of work-life balance, as enshrined in Article 28(3) of the Labor Code.

In judicial practice, a clear distinction has been established between the employer's obligation to train an employee to perform their direct work functions and additional training that exceeds the required qualifications, for which reimbursement agreements may be

concluded under Article 37 of the Labor Code. The employer may seek reimbursement only for training that provides the employee with knowledge or skills exceeding the competencies necessary for their job duties and that add value to the employee in the labor market. Thus, training carried out by the employer under the obligation set out in Article 29 of the Labor Code - to train the employee to the extent necessary to perform their job functions - is not considered additional, and the employee is not required to reimburse the employer for such training. The burden of proof that the training exceeded what was necessary for the job lies with the employer. This position not only aligns with legal doctrine but also ensures the protection of the employee's interests by preventing abuse of the concept of training as a means of seeking financial compensation from the employee.

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