SUPREME COURT
FIRST DIVISION

MANILA ELECTRIC COMPANY,
***Petitioner*,**

-versus-

G.R. No. 78763
July 12, 1989

THE NATIONAL LABOR RELATIONS COMMISSION, and APOLINARIO M. SIGNO,
***Respondents*.**
x----------x

D E C I S I O N

MEDIALDEA, *J.*:

This is a Petition for *Certiorari* under Rule 65 of the Rules of Court seeking the annulment of the Resolution of the respondent National Labor Relations Commission dated March 12, 1987 (p. 28, Rollo) in NLRC Case No. NCR-8-3808-83, entitled, "Apolinario M. Signo, Complainant, versus Manila Electric Company, Respondents", affirming the decision of the Labor Arbiter which ordered the reinstatement of private respondent herein, Apolinario Signo, to his former position without backwages.

The antecedent facts are as follows:

Private respondent Signo was employed in petitioner company as supervisor-leadman since January 1963 up to the time when his services were terminated on May 18, 1983.

In 1981, a certain Fernando de Lara filed an application with the petitioner company for electrical services at his residence at Peñafrancia Subdivision, Marcos Highway, Antipolo, Rizal. Private respondent Signo facilitated the processing of the said application as well as the required documentation for said application at the Municipality of Antipolo, Rizal. In consideration thereof, private respondent received from Fernando de Lara the amount of P7,000.00. Signo thereafter filed the application for electric services with the Power Sales Division of the company.

It was established that the area where the residence of de Lara was located is not yet within the serviceable point of Meralco, because the place was beyond the 30-meter distance from the nearest existing Meralco facilities. In order to expedite the electrical connections at de Lara's residence, certain employees of the company, including respondent Signo, made it appear in the application that the sari-sari store at the corner of Marcos Highway, an entrance to the subdivision, is applicant de Lara's establishment, which, in reality is not owned by the latter.

As a result of this scheme, the electrical connections to de Lara's residence were installed and made possible. However, due to the fault of the Power Sales Division of petitioner company, Fernando de Lara was not billed for more than a year.

Petitioner company conducted an investigation of the matter and found respondent Signo responsible for the said irregularities in the installation. Thus, the services of the latter were terminated on May 18, 1983.

On August 10, 1983, respondent Signo filed a complaint for illegal dismissal, unpaid wages, and separation pay.

After the parties had submitted their position papers, the Labor Arbiter rendered a decision (p. 79, Rollo) on April 29, 1985, which stated, inter alia:

"Verily, complainant's act of inducing the Meralco employees to effectuate the installation on Engr. de Lara's residence prejudiced the respondent, and therefore, complainant himself had indeed became a participant in the transactions, although not directly, which turned out to be illegal, not to mention that some of the materials used therein belongs to Meralco, some of which were inferior quality."

"While complainant may deny the violation, he cannot do away with company's Code on Employee Discipline, more particularly Section 7, par. 8 and Section 6, par. 24 thereof. However, as admitted by the respondent, the infraction of the above cited Code is punishable by reprimand to dismissal."

"And in this case, while considering that complainant indeed committed the above-cited infractions of company Code of Employee Discipline, We shall also consider his records of uninterrupted twenty (20) years of service coupled with two (2) commendations for honesty. Likewise, We shall take note that subject offense is his first, and therefore, to impose the extreme penalty of dismissal is certainly too drastic. A penalty short of dismissal is more in keeping with justice, and adherence to compassionate society.

"WHEREFORE, respondent Meralco is hereby directed to reinstate complainant Apolinario M. Signo to his former position as Supervisor Leadman without backwages, considering that he is not at all faultless. He is however, here warned, that commission of similar offense in the future, shall be dealt with more severely.

"SO ORDERED."

Both parties appealed from the decision to the respondent Commission. On March 12, 1987, the respondent Commission dismissed both appeals for lack of merit and affirmed in toto the Decision of the Labor Arbiter.

On June 23, 1987, the instant petition was filed with the petitioner contending that the respondent Commission committed grave abuse of discretion in affirming the decision of the Labor Arbiter. A temporary restraining order was issued by this Court on August 3, 1987, enjoining the respondents from enforcing the questioned resolution of the respondent Commission.

The issue to resolve in the instant case is whether or not respondent Signo should be dismissed from petitioner company on grounds of serious misconduct and loss of trust and confidence.

Petitioner contends that respondent Signo violated Sections 6 and 7 of the company's Code on Employee Discipline, which provide:

> "Section 6, Par. 24 — Encouraging, inducing or threatening another employee to perform an act constituting a violation of this Code or of company work, rules or an offense in connection with the official duties of the latter, or allowing himself to be persuaded, induced or influenced to commit such offense.
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> "Penalty — Reprimand to dismissal, depending upon the gravity of the offense.
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> "Section 7, Par. 8 — Soliciting or receiving money, gift, share, percentage or benefits from any person, personally or through the mediation of another, to perform an act prejudicial to the Company.
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> "Penalty — Dismissal." (pp. 13-14, Rollo)

Petitioner further argues that the acts of private respondent constituted breach of trust and caused the petitioner company economic losses resulting from the unbilled electric consumption of de Lara; that in view thereof, the dismissal of private respondent Signo is proper considering the circumstances of the case.

The power to dismiss is the normal prerogative of the employer. An employer, generally, can dismiss or lay-off an employee for just and authorized causes enumerated under Articles 282 and 283 of the Labor Code. However, the right of an employer to freely discharge his

employees is subject to regulation by the State, basically in the exercise of its paramount police power. This is so because the preservation of the lives of the citizens is a basic duty of the State, more vital than the preservation of corporate profits (Euro-Linea, Phil. Inc. vs. NLRC, G.R. No. 75782, December 1, 1987, 156 SCRA 78).

There is no question that herein respondent Signo is guilty of breach of trust and violation of company rules, the penalty for which ranges from reprimand to dismissal depending on the gravity of the offense. However, as earlier stated, the respondent Commission and the Labor Arbiter found that dismissal should not be meted to respondent Signo considering his twenty (20) years of service in the employ of petitioner, without any previous derogatory record, in addition to the fact that petitioner company had awarded him in the past, two (2) commendations for honesty. If ever the petitioner suffered losses resulting from the unlisted electric consumption of de Lara, this was found to be the fault of petitioner's Power Sales Division.

We find no reason to disturb these findings. Well-established is the principle that findings of administrative agencies which have acquired expertise because their jurisdiction is confined to specific matters are generally accorded not only respect but even finality. Judicial review by this Court on labor cases does not go so far as to evaluate the sufficiency of the evidence upon which the proper labor officer or office based his or its determination but is limited to issues of jurisdiction or grave abuse of discretion. (Special Events and Central Shipping Office Workers Union vs. San Miguel Corporation, G.R. Nos. L-51002-06, May 30, 1983, 122 SCRA 557).

This Court has held time and again, in a number of decisions, that notwithstanding the existence of a valid cause for dismissal, such as breach of trust by an employee, nevertheless, dismissal should not be imposed, as it is too severe a penalty if the latter has been employed for a considerable length of time in the service of his employer. (Itogon-Suyoc Mines, Inc. vs. NLRC, et al., G.R. No. L-54280, September 30, 1982, 117 SCRA 523; Meracap vs. International Ceramics Manufacturing Co., Inc., et al., G.R. Nos. L-48235-36, July 30, 1979, 92 SCRA 412; Sampang vs. Inciong, G.R. No. 50992, June 19, 1985, 137 SCRA 56; De Leon vs. NLRC, G.R. No. L-52056, October

30, 1980, 100 SCRA 691; Philippine Airlines, Inc. vs. PALEA, G.R. No. L-24626, June 28, 1974, 57 SCRA 489).

In a similar case, this Court ruled:

> "As repeatedly been held by this Court, an employer cannot legally be compelled to continue with the employment of a person who admittedly was guilty of breach of trust towards his employer and whose continuance in the service of the latter is patently inimical to its interest. The law in protecting the rights of the laborers, authorized neither oppression nor self-destruction of the employer.
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> "However, taking into account private respondent's `twenty-three (23) years of service which undisputedly is unblemished by any previous derogatory record' as found by the respondent Commission itself, and since he has been under preventive suspension during the pendency of this case, in the absence of a showing that the continued employment of private respondent would result in petitioner's oppression or self destruction, We are of the considered view that his dismissal is a drastic punishment.
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> x x x
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> "The ends of social and compassionate justice would therefore be served if private respondent is reinstated but without backwages in view of petitioner's obvious good faith." (Itogon-Suyoc Mines, Inc. vs. NLRC, et al., 117 SCRA 528)

Further, in carrying out and interpreting the Labor Code's provisions and its implementing regulations, the workingman's welfare should be the primordial and paramount consideration. This kind of interpretation gives meaning and substance to the liberal and compassionate spirit of the law as provided for in Article 4 of the New Labor Code which states that "all doubts in the implementation and interpretation of the provisions of the Labor Code including its implementing rules and regulations shall be resolved in favor of labor" (Abella vs. NLRC, G.R. No. 71812, July 30, 1987, 152 SCRA 140).

In view of the foregoing, reinstatement of respondent Signo is proper in the instant case, but without the award of backwages, considering the good faith of the employer in dismissing the respondent.

ACCORDINGLY, premises considered, the Petition is hereby **DISMISSED** and the assailed Decision of the National Labor Relations Commission dated March 12, 1987 is **AFFIRMED**. The Temporary Restraining Order issued on August 3, 1987 is lifted.

SO ORDERED.

Narvasa, Cruz, Gancayco and Griño-Aquino, *JJ.*, concur.
