SUPREME COURT
THIRD DIVISION

MANILA MANDARIN EMPLOYEES UNION,

***Petitioners*,**

-versus-

G.R. No. 76989
September 29, 1987

NATIONAL LABOR RELATIONS COMMISSION, and MELBA C. BELONCIO,

***Respondents*.**

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D E C I S I O N

GUTIERREZ, JR., *J.*:

This is a Petition to Review on *Certiorari* the National Labor Relations Commission's (NLRC) decision which modified the Labor Arbiter's decision and ordered the Manila Mandarin Employees Union to pay the wages and fringe benefits of Melba C. Beloncio from

the time she was placed on forced leave until she is actually reinstated, plus ten percent (10%) thereof as attorney's fees. Manila Mandarin Hotel was ordered to reinstate Beloncio and to pay her whatever service charges may be due her during that period, which amount would be held in escrow by the hotel.

The petition was filed on January 19, 1987. The private respondent filed her comment on March 7, 1987 while the Solicitor General filed a comment on June 1, 1987 followed by the petitioner's reply on August 22, 1987. We treat the comment as answer and decide the case on its merits.

The facts of the case are undisputed.

Herein private respondent, Melba C. Beloncio, an employee of Manila Mandarin Hotel since 1976 and at the time of her dismissal, assistant head waitress at the hotel's coffee shop, was expelled from the petitioner Manila Mandarin Employees Union for acts allegedly inimical to the interests of the union. The union demanded the dismissal from employment of Beloncio on the basis of the union security clause of their collective bargaining agreement and the Hotel acceded by placing Beloncio on forced leave effective August 10, 1984.

The union security clause of the collective bargaining agreement provides:

> "Section 2. Dismissals.
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> x x x
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> b) Members of the Union who cease to be such members and/or who fail to maintain their membership in good standing therein by reason of their resignation from the Union, and/or by reason of their expulsion from the Union, in accordance with the Constitution and By-Laws of the Union, for non-payment of union dues and other assessment, for organizing, joining or forming another labor organization shall, upon written notice of such cessation of membership or failure to maintain membership in the Union and upon written demand to the company by the Union, be

> dismissed from employment by the Company after complying with the requisite due process requirement;" (Emphasis supplied)" (Rollo, p. 114)

Two days before the effective date of her forced leave or on August 8, 1984, Beloncio filed a complaint for unfair labor practice and illegal dismissal against herein petitioner-union and Manila Mandarin Hotel, Inc. before the NLRC, Arbitration Branch.

Petitioner-union filed a motion to dismiss on grounds that the complainant had no cause of action against it and the NLRC had no jurisdiction over the subject matter of the complaint.

This motion was denied by the Labor Arbiter.

After the hearings that ensued and the submission of the parties' respective position papers, the Labor Arbiter held that the union was guilty of unfair labor practice when it demanded the separation of Beloncio. The union was then ordered to pay all the wages and fringe benefits due to Beloncio from the time she was on forced leave until actual reinstatement, and to pay P30,000.00 as exemplary damages and P10,000.00 as attorney's fees. The charge against the hotel was dismissed.

The Union then appealed to the respondent NLRC which modified the Labor Arbiter's decision as earlier stated.

A subsequent motion for reconsideration and a second motion for reconsideration were denied.

Hence, this present petition.

The petitioner raises the following assignment of errors:

I.

> "THAT RESPONDENT NLRC ERRED IN NOT DECLARING THAT THE PRESENT CONTROVERSY INVOLVED INTRA-UNION CONFLICTS AND THEREFOR IT HAS NO JURISDICTION OVER THE SUBJECT-MATTER THEREOF.

II.

> "THAT RESPONDENT NLRC SERIOUSLY ERRED IN HOLDING PETITIONER LIABLE FOR THE PAYMENT OF PRIVATE RESPONDENT'S SALARY AND FRINGE BENEFITS, AND AWARD OF 10% ATTORNEY'S FEES, AFTER FINDING AS UNMERITORIOUS HER PRETENDED CLAIMS OR COMPLAINTS FOR UNFAIR LABOR PRACTICE, ILLEGAL DISMISSAL, AND DAMAGES." (Rollo, pp. 6-9)

On the issue of the NLRC jurisdiction over the case, the Court finds no grave abuse of discretion in the NLRC conclusion that the dispute is not purely intra-union but involves an interpretation of the collective bargaining agreement (CBA) provisions and whether or not there was an illegal dismissal. Under the CBA, membership in the union may be lost through expulsion only if there is non-payment of dues or a member organizes, joins, or forms another labor organization. The charge of disloyalty against Beloncio arose from her emotional remark to a waitress who happened to be a union steward, "Wala akong tiwala sa Union ninyo." The remark was made in the course of a heated discussion regarding Beloncio's efforts to make a lazy and recalcitrant waiter adopt a better attitude towards his work.

We agree with the Solicitor General when he noted that:

> "The Labor Arbiter explained correctly that '(I)f the only question is the legality of the expulsion of Beloncio from the Union undoubtedly, the question is one cognizable by the BLR (Bureau of Labor Relations). But, the question extended to the dismissal of Beloncio or steps leading thereto. Necessarily, when the hotel decides the recommended dismissal, its acts would be subject to scrutiny. Particularly, it will be asked whether it violates or not the existing CBA. Certainly, violations of the CBA would be unfair labor practice.'
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> "Article 250 of the Labor Code provides the following:

> "'Art. 250. Unfair labor practices of labor organizations. — It shall be unfair labor practice for a labor organization, its officers, agents or representatives:
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> x x x
>
> "'(b) To cause or attempt to cause an employer to discriminate against an employee, including discrimination against an employee with respect to whom membership in such organization has been denied or to terminate an employee on any ground other than the usual terms and conditions under which membership or continuation of membership is made available to other members.' (Emphasis supplied)

Article 217 of the Labor Code also provides:

> "'Art. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide x x x the following cases involving all workers, whether agricultural or non-agricultural;
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> "'(1) Unfair labor practice cases;
>
> x x x
>
> "'(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.'" (Rollo, pp. 155-157.)

The petitioner also questions the factual findings of the public respondent on the reasons for Beloncio's dismissal and, especially, on the argument that she was on forced leave; she was never dismissed; and not having worked, she deserved no pay.

The Court finds nothing in the records that indicates reversible error, much less grave abuse of discretion, in the NLRC's findings of facts.

It is a well-settled principle that findings of facts quasi-judicial agencies like the NLRC, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect but at times even finality if such findings are supported by substantial evidence. (Akay Printing Press vs. Minister of Labor and Employment, 140 SCRA 381; Alba Patio de Makati vs. Alba Patio de Makati Employees Association, 128 SCRA 253; Dangan vs. National Labor Relations Commission, 127 SCRA 706; De la Concepcion vs. Mindanao Portland Cement Corporation, 127 SCRA 647).

The petitioner now questions the decision of the National Labor Relations Commission ordering the reinstatement of the private respondent and directing the Union to pay the wages and fringe benefits which she failed to receive as a result of her forced leave and to pay attorney's fees.

We find no error in the questioned decision.

The Hotel would not have compelled Beloncio to go on forced leave were it not for the union's insistence and demand to the extent that because of the failure of the hotel to dismiss Beloncio as requested, the union filed a notice of strike with the Ministry of Labor and Employment on August 17, 1984 on the issue of unfair labor practice. The hotel was then compelled to put Beloncio on forced leave and to stop payment of her salary from September 1, 1984.

Furthermore, as provided for in the collective bargaining agreement between the petitioner — the Union and the Manila Mandarin Hotel, "the Union shall hold the Company free and blameless from any and all liabilities that may arise" should the employee question the dismissal, as has happened in the case at bar.

It is natural for a union to desire that all workers in a particular company should be its dues-paying members. Since it would be difficult to insure 100 percent membership on a purely voluntary basis and practically impossible that such total membership would continuously be maintained purely on the merits of belonging to the union, the labor movement has evolved the system whereby the

employer is asked, on the strength of collective action, to enter into what are now familiarly known us “union security” agreements.

The collective bargaining agreement in this case contains a union security clause — a closed-shop agreement.

A closed-shop agreement is an agreement whereby an employer binds himself to hire only members of the contracting union who must continue to remain members in good standing to keep their jobs. It is “the most prized achievement of unionism.” It adds membership and compulsory dues. By holding out to loyal members a promise of employment in the closed-shop, it welds group solidarity. (National Labor Union vs. Aguinaldo’s Echague, Inc., 97 Phil. 184). It is a very effective form of union security agreement.

This Court has held that a closed-shop is a valid form of union security, and such a provision in a collective bargaining agreement is not a restriction of the right of freedom of association guaranteed by the Constitution. (Lirag Textile Mills, Inc. vs. Blanco, 109 SCRA 87; Manalang vs. Artex Development Company, Inc., 21 SCRA 561).

The Court stresses, however, that union security clauses are also governed by law and by principles of justice, fair play, and legality. Union security clauses cannot be used by union officials against an employer, much less their own members, except with a high sense of responsibility, fairness, prudence, and judiciousness.

A union member may not be expelled from her union, and consequently from her job, for personal or impetuous reasons or for causes foreign to the closed-shop agreement and in a manner characterized by arbitrariness and whimsicality.

This is particularly true in this case where Ms. Beloncio was trying her best to make a hotel bus boy do his work promptly and courteously so as to serve hotel customers in the coffee shop expeditiously and cheerfully. Union membership does not entitle waiters, janitors, and other workers to be sloppy in their work, inattentive to customers, and disrespectful to supervisors. The Union should have disciplined its erring and troublesome members instead of causing so much hardship to a member who was only doing her work for the best

interests of the employer, all its employees, and the general public whom they serve.

WHEREFORE, the petition is hereby **DISMISSED**. The questioned decision of the National Labor Relations Commission is **AFFIRMED**. Costs against the petitioner.

SO ORDERED.

Fernan, Feliciano, Bidin and Cortes, *JJ*., concur,.
