

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
SECOND DIVISION**

**ABRAHAM RAZON,**  
*Petitioner,*

*-versus-*

**G.R. No. 51809  
December 19, 1980**

**HON. AMADO G. INCIONG, as Deputy  
Minister of Labor; NATIONAL LABOR  
RELATIONS COMMISSION (NLRC);  
and PHILIPS ELECTRICAL LAMPS,  
INC.,**

*Respondents.*

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**DECISION**

**ABAD SANTOS, J.:**

Appeal by *Certiorari* to set aside the Resolution dated December 6, 1977 (Annex C, Petition) of the National Labor Relations Commission (NLRC) and the Order dated February 1, 1979 (Annex E, Petition) of

the Deputy Minister of Labor which ordered the private respondent Philips Electrical Lamps, Inc. to pay to petitioner P1,100 as separation pay. Petitioner's prayer is for reinstatement without 1099 of seniority rights and backwages.

The factual background is as follows:

On April 17, 1974, Philips Electrical Lamps, Inc. employed Abraham Razon as Supervisor of its Cathode Ray Tube (CRT) Department. On January 8, 1976, the company filed with the Ministry of Labor an application to terminate his services because of alleged animosities between Razon on the one hand and his colleagues, supervisors and subordinates on the other hand; for alleged misrepresentation as to his qualifications, i.e. he posed as an experienced electronic expert but could not troubleshoot on his own even minor CRT problems; and for alleged weird disposition in that he challenged his subordinates to fistfights, shouted at them and even padlocked the CRT doors.

Petitioner in turn filed with the Department of Labor on January 13, 1976, a complaint for illegal dismissal. Conciliation proceedings were unavailing so the case proceeded to compulsory arbitration and in a decision dated December 29, 1976, the Labor Arbiter ruled that Razon was not guilty of the charges against him but did not order his reinstatement because "the trust and confidence of the company on the complainant is already in doubt." The Labor Arbiter instead ordered that Razon be paid separation pay equivalent to his salary from the date of his dismissal to the date of the decision.

The company appealed to the NLRC on the ground that since Razon was not entitled to reinstatement he was likewise not entitled to separation pay. On December 6, 1977, the NLRC modified the appealed decision. It ruled that Razon "is entitled to separation pay equivalent to one-half month pay for every year of service." Dissatisfied because the amount awarded to him was reduced, Razon appealed to the Secretary of Labor praying, inter alia that the Commissioner's decision "be reviewed, reconsidered and reversed specifically on the denial of reinstatement and backwages." But on February 1, 1979, the Deputy Minister of Labor dismissed the appeal. Hence, the present appeal to us by certiorari where the following question is posed:

“In the face of a finding that an employee is not guilty of the charges imputed against him by his employer, is it not an error in law, or a grave abuse of discretion amounting to lack of jurisdiction to merely award him separation pay and not to reinstate him with backwages as provided by law?”

The decision of the Labor Arbiter states the petitioner is not guilty of the charges levelled against him and this implicitly confirmed by the NLRC in its resolution. For this reason the Solicitor General who represents the public respondents submits:

- “1. There was no clear and positive pronouncement by the Labor Arbiter and the NLRC that the respondent company had totally and completely lost its trust and confidence in petitioner.
2. There was no finding that petitioner had willfully breached the trust and confidence of the company so as to justify his dismissal under Article 283 (d) of the Labor Code.
3. The mere fact that petitioner may have always consulted the company’s Plant Manager and former immediate superior of petitioner for only about three months (p. 16, t.s.n., April 27, 1976), and that petitioner and his immediate superior, Hansel Arroyo, are antagonistic to each other, do not constitute substantial evidence to warrant the conclusion that the company may have lost its trust and confidence in petitioner.
4. In the language of this Honorable Court, ‘the law, in protecting the rights of the laborer, authorizes neither oppression nor self-destruction of the employer. Where, therefore, it could be shown that the result would be neither oppressive nor self-destructive, it cannot be asserted dogmatically that an outright termination of employment is justified’ (PAL. vs. PALEA, 57 SCRA 469, 493). In the case at bar, respondent company failed to demonstrate, and there was no finding by either the Labor Arbiter or the NLRC, that the continued employment of

petitioner, even in his managerial position, would result in the company's oppression or self-destruction. As a matter of fact, there was no finding that as a proximate result of petitioner's employment, the company suffered business reverses.

5. Dismissal of petitioner would, under the circumstances, be too severe and drastic a penalty (See *San Miguel Corp. vs. Sec. of Labor*, L-39195, May 16, 1975; & *PAL vs. PALEA*, supra). It would be more in consonance with the social justice and protection to labor provisions of the Constitution to order the reinstatement of petitioner, with backwages from the time of his dismissal up to the time of his reinstatement (Art. 280, Labor Code).

We agree with the Solicitor General. Additionally, we have to note that the only serious charge against petitioner which would have justified his dismissal is his alleged incompetence and yet private respondent appears to have discovered it only after almost two years from petitioner's employment.

It is true that the petitioner did not appeal the ruling of the Labor Arbiter that he was not entitled to reinstatement but he did raise the question in his appeal to the Secretary of Labor. Under the circumstances the principle of *res judicata* may not be invoked considering that labor relations proceedings are "non-litigation and summary in nature, without regard to legal technicalities obtaining in courts of law." (Rule XIII, Sec. 5, Implementing Regulations of the Labor Code.)

**WHEREFORE**, the orders appealed from are hereby reversed and the private respondent is ordered to reinstate the petitioner with backwages from the time of his dismissal to the time of his reinstatement. No special pronouncement as to costs."

**SO ORDERED.**

**Barredo, Concepcion, Jr., Fernandez<sup>[\*]</sup> and De Castro, JJ.,  
concur.**

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[\*] Justice Ramon C. Fernandez was designated to sit temporarily in the Second Division in lieu of Justice Ramon C. Aquino who did not take part.

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