SUPREME COURT
FIRST DIVISION

EDMUNDO SAMANIEGO, ANTONIO L. ACOSTA, JAIME L. DIAZ and PABLO MANAHAN,
***Petitioners*,**

-versus-

G.R. No. 93059
June 3, 1991

NATIONAL LABOR RELATIONS COMMISSION, SANDVIK PHILIPPINES, INC., KRISTER BROBECK and AKE FRIBERG,
***Respondents*.**
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D E C I S I O N

GANCAYCO, *J.*:

The post-employment status of certain managerial employees is in issue in this Special Civil Action for *Certiorari*. The employees contend that the termination of their employment with the company was illegally undertaken. On the other hand, the company maintains that the said employees voluntarily resigned. Thus put, the Court is tasked to resolve the controversy.

The facts are not disputed.

The herein petitioners Edmundo Samaniego, Antonio L. Acosta, Jaime L. Diaz and Pablo Manahan used to be managerial employees of the private respondent company, Sandvik Philippines, Inc. The other private respondents, Krister Brobeck and Ake Friberg, are ranking officials of the said company.

Sometime before 1987, the management was of the view that a serious financial crisis was confronting the company. For this reason, the management resolved to reorganize the company by streamlining its operations and eliminating middle management positions, including those of the petitioners. The management eventually decided that the managerial employees so affected by the reorganization should be given the option of either facing termination of their employment and receiving separation pay, or resigning voluntarily from the company under terms more financially advantageous than those as regards the first option.

Meanwhile, as early as April 1987, three of the petitioners filed a labor case against the company for the purpose of seeking the payment of certain money claims, and for the purpose of calling public attention to some alleged anomalous activities of private respondent Krister Brobeck. The matter, however, remained unresolved.

On August 24, 1987, representatives of the company held a meeting with the petitioners at the Hotel Intercontinental Manila for the purpose of discussing the company reorganization. In time, the petitioners were given the following options.

(1) Termination of employment on account of the company reorganization, with payment of separation benefits; or

(2) Voluntary resignation from the company, with more benefits.

It appears that the petitioners negotiated with the company representatives for an improvement of the benefits under the voluntary resignation option. By the end of the day, no agreement was reached by the parties.

Negotiations were resumed the next day, August 25, 1987. The company representatives eventually offered better benefits under the voluntary resignation option. Three of the petitioners found the proposal satisfactory and thus accepted the same. The fourth employee, petitioner Diaz, at first decided to take the first option but he eventually changed his mind and opted to resign from the company under the improved terms. The petitioners signed company-prepared resignation letters. They acknowledged therein that they have received the benefits agreed upon and that they have no legal claim against the company or its officers and representatives. On the same day, the petitioners received the checks corresponding to their benefits under the voluntary resignation option.

It appears, however, that sometime later in the day, the petitioners sent a letter to the company, through registered mail, informing the latter that they received their benefits under protest. Later on, the petitioners deposited their checks in their respective bank accounts. Petitioners Diaz and Samaniego eventually received documents effectively transferring in their favor the ownership rights over the company vehicles assigned to them in the course of their employment, pursuant to their corresponding benefits. In time, the petitioners received all the benefits appertaining to the voluntary resignation option.

On September 2, 1987, the petitioners filed a complaint for illegal dismissal, discrimination and damage against the private respondents before the National Labor Relations Commission (NLRC). The case was docketed as NLRC-NCR Case No. 00-09-03062-87 and assigned to Labor Arbiter Ceferina J. Diosana. A formal trial on the merits ensued and upon the conclusion thereof, the parties submitted their respective memoranda. As stated earlier, the petitioners contended that the termination of their employment was illegally undertaken. The private respondents maintained that this case is one of voluntary resignation.

On November 28, 1989, the labor arbiter rendered a decision in favor of the petitioners. The labor arbiter opined that the reorganization of the company was merely a scheme to dismiss the petitioners inasmuch as the same was haphazardly carried out and considering the haste attending the termination of the employment of the

petitioners. The labor arbiter also opined that the termination of the employment of the petitioners was in retaliation against them for the complaint they filed against the private respondents earlier. In sum, the labor arbiter concluded that the petitioners did not voluntarily sign their resignation letters.[1]

The private respondents brought an appeal to the NLRC. On April 24, 1990, the NLRC promulgated a resolution setting aside the decision of the labor arbiter and entering a new one dismissing the complaint filed by the petitioners.[2] The NLRC stressed that the issue to be resolved is not whether the company reorganization was valid, but whether or not the petitioners voluntarily resigned from the company. All told, the NLRC held that the petitioners voluntarily resigned from the company. The pertinent portions of the said resolution are quoted herein —

> "The issue in this case is not whether the company's reorganization announced to the complainants (the herein petitioners) on August 24, 1987 is valid. Rather, the pivotal issue is whether or not the complainants voluntarily resigned from the company.
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> "The appeal is impressed with merit. Contrary to the findings of the Arbiter a quo, there is nothing on record which will support her conclusions that the complainants were terminated in due haste, much less under the guise of a reorganization. Perhaps because of this mistaken impression, the issues were diverted to whether or not there was an honest-to-goodness reorganization. This particular issue, however, is material only if the complainants were indeed dismissed from employment due to said ground. The facts of the case do not show that this is the controversy.
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> "Although it is true that in the morning of August 24, 1987, the complainants were notified that their positions would be abolished due to the company's reorganization program and hence, their services will no longer be needed, it is equally true that their termination from employment did not materialize. There is no dispute that notwithstanding the announced reorganization plan of the company, the respondents offered

the complainants an alternative avenue for exit which is voluntary resignation. We see nothing illegal with this approach. Indeed, the practice of allowing an employee to resign instead of being terminated for just cause so as not to smear his employment record is commonly practiced in some companies.

"In the present case, the propriety of the choice given to the complainants by the company is even reinforced by the fact that the separation benefits due to resignation offered to them were much higher than what they would receive under termination due to the reorganization. A more attractive scheme, therefore, was merely tendered to the complainants. It was not imposed upon them. In fact, two of the complainants, admitted in their testimonies that they were made to choose between the two (2) options. And if they eventually chose the alternative of resigning from the company with greater benefits, as in this case, the complainants cannot subsequently repudiate their choice nor be heard to say later on that they were terminated without just cause. It is inconsistent with dismissal (where the concerned employee is left with no option). In termination cases, the employer decides for the employee and not the other way around. In the instant case, the complainants decided to resign.

"In their resignation letters, they all acknowledged receipt of substantial amounts of money plus the transfer of the company car assigned to them as part of their compensation package. There is also no dispute that this package is greater than that provided by law or the separation pay that may be due on account of the reorganization. These benefits, in turn, were obtained by the complainants through negotiations and haggling with the company. Under the circumstances, it is difficult to believe that the complainants were really forced to resign so as to render their act nugatory. It must be noted that it took the complainants at least one day before they signed their resignation letters. In the interim, complainant Manahan even admitted that he had already consulted his lawyer before he signed his resignation letter the following day. Considering the lapse of time, it is evident that the complainants had the

opportunity to carefully deliberate on their choices and evaluate the consequence thereof. In short, there intervened a sufficient period of time that enabled the complainants to meditate and decide on their action. Moreover, the absence of force or compulsion is also evident from the fact that complainants did not sign their resignation letters on that meeting of August 24, 1987 but rather, they stalled and executed the said documents only the following day. We take note that the complainants were not ordinary laborers who may not be able to fully appreciate the consequences of their acts. They were all admittedly managerial employees holding responsible positions. Well-educated and experienced in various business dealings on account of their high positions, complainants very well know that their resignation constituted a bar against any charge of unlawful dismissal and they cannot now be allowed to conveniently invalidate or disregard the same.

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"In this connection, we also doubt the accuracy of the impression of the Labor Arbiter a quo that the company's act was in retaliation to the actions taken by the complainants against Mr. Brobeck, had the respondent company really wanted to retaliate against the complainants, then they should have been terminated outrightly by virtue of the reorganization, rather than being given the opportunity to voluntarily resign and receive higher financial compensation packages. Certainly, this act of the respondent company negates any allegation of vindictiveness or retaliatory attitude.

"All told, it is evident that the surrounding circumstances of the case indubitably point to the conclusion that complainant's resignation from the company was valid and hence, operated to effectively sever the employment relationship.

"Finally, the fact that complainant Samaniego, on September 1987, immediately assumed the position of Chief Executive Officer of Universal Sales, Inc., a corporation similar to, if not in competition with, respondent company, is highly indicative of his intention to really leave the company and work elsewhere.

> His subsequent employment thereat as one of the highest executives barely a few days after he tendered his resignation is an unmistakable sign of his decision to relinquish his position at the company and sever his employment relationship.[3]

On May 4, 1990, the petitioners elevated the case to this Court by way of the instant petition.[4] It is alleged therein that the decision of the NLRC is contrary to law and is not supported by the evidence on record. It is also alleged therein that the decision of the NLRC will cause grave and irreparable injury to the petitioners and that the NLRC committed a grave abuse of discretion in resolving the case against the petitioners.[5]

The private respondents filed their comment on the petition, reiterating therein their position on the matter.[6] The Office of the Solicitor General filed its "Manifestation In Lieu Of Comment" praying therein that the challenged resolution be set aside and the decision of the labor arbiter be reinstated. The Solicitor General opines that the petitioners did not voluntarily resign from the company inasmuch as they were forced to choose between two extreme choices, and that the receipt of separation benefits does not bar them from contesting the validity of their dismissal.[7] Considering the position taken by the Solicitor General, the NLRC, through counsel, filed its memorandum reiterating therein the discussion in the challenged resolution.[8]

In due time, the case was deemed submitted for Decision.

After a careful evaluation of the entire record of the case, the Court finds the petition devoid of merit.

As correctly pointed out by the NLRC, the issue to be resolved is not whether the company reorganization is valid, but whether or not the petitioners voluntarily resigned from the company.

The discussions relating to the validity of the company reorganization are, therefore, immaterial. This matter is pertinent only if the petitioners were indeed dismissed from their employment due to such reorganization. The Court is convinced that this is a case of voluntary resignation on the part of the petitioners.

It should be emphasized that notwithstanding the intended reorganization of the company, the petitioners were given the option to resign from the company with corresponding benefits attending such option. They opted for resignation on account of these negotiated benefits. In termination cases, the employee is not afforded any option; the employee is dismissed and his only recourse is to institute a complaint for illegal dismissal against his employer, assuming of course that there are valid grounds for doing so. In this particular case, the petitioners were given the option to resign. It was the option they chose. Thus, there is no illegal dismissal to speak of.

The record is devoid of any indication that the petitioners were coerced into resigning from the company. On the contrary, the record supports the view that the petitioners chose to resign without any element of coercion attending their option. The petitioners negotiated for an improvement of the resignation package offered to them. The negotiations lasted for at least two days. As a matter of fact, they managed to obtain a better package under the voluntary resignation option. Petitioner Manahan even admitted that he consulted his lawyer before he signed his resignation letter.[9] Some of the petitioners managed to obtain ownership rights over the company vehicles originally assigned to them. The petitioners admittedly deposited the checks given to them by the company in their respective bank accounts. If their intention was to receive their benefits in protest, they could have just held on to the checks instead of depositing the same. Although the resignation letters signed by the petitioners were apparently prepared by the company, it is important to note that the petitioners signed the same voluntarily.

It must be emphasized as well that the petitioners are not ordinary laborers or rank-and-file personnel who may not be able to completely comprehend and realize the consequences of their acts. The petitioners are managerial employees holding responsible positions. They are educated individuals. For his part, petitioner Samaniego immediately assumed a ranking position in a competing company after his resignation from Sandvik Philippines, Inc. Under these circumstances, it can hardly be said that they were coerced into resigning from the company.

The Solicitor General maintains that receipt of separation pay is not a bar to contesting the legality of dismissal from employment.[10] The observation is beside the point. As stated earlier, there is no illegal dismissal in the case at bar.

From the foregoing, it clearly appears that the petitioners voluntarily resigned from the company for a valuable consideration. The quitclaim they executed in favor of the company amounts to a valid and binding compromise agreement. To allow the petitioners to repudiate the same will be to countenance unjust enrichment on their part. The Court will not permit such a situation.

At this juncture, We find it appropriate to call attention to Our pronouncement in Periquet vs. National Labor Relations Commission,[11] to wit —

> "Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represents a reasonable settlement, it is binding on the parties and may not later be disowned simply because of a change of mind. It is only where there is clear proof that the waiver was wangled from an unsuspecting or gullible person, or the terms of settlement are unconscionable on its face, that the law will step in to annul the questionable transaction. But where it is shown that the person making the waiver did so voluntarily, with full understanding of what he was doing, and the consideration for the quitclaim is credible and reasonable, the transaction must be recognized as a valid and binding undertaking."

This observation holds true for the case at bar.

Finally, the remedy of *certiorari* does not lie absent any showing of abuse of power properly vested in the Ministry (now Department) of Labor and Employment.[12] No such abuse or jurisdictional infirmity on the part of the NLRC has been demonstrated in this case. Accordingly, the writ of *certiorari* sought will not issue.

WHEREFORE, the instant Petition is hereby **DISMISSED** or lack of merit. The Court makes no pronouncement as to costs.

SO ORDERED.

Narvasa, Griño-Aquino and Medialdea, *JJ.*, concur.
Cruz, *J.*, took no part.

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[1] Pages 59 to 66, rollo.
[2] Pages 30 to 45, rollo. Commissioner Romeo B. Putong of the First Division of the NLRC wrote the resolution. Presiding Commissioner Bartolome S. Carale and Commissioner Vicente Veloso III concurred.
[3] Pages 35 to 43, rollo.
[4] Pages 2 to 9, rollo.
[5] Page 5, rollo.
[6] Pages 83 to 96, rollo.
[7] Pages 103 to 119, rollo.
[8] Pages 281 to 296, rollo.
[9] TSN, July 7, 1988, page 68.
[10] Citing Raposon vs. National Labor Relations Commission, 176 SCRA 549 (1989).
[11] 186 SCRA 724 (1990). Mr. Justice Isagani A. Cruz wrote the decision.
[12] Buiser vs. Leogardo, Jr., 131 SCRA 151 (1984).
