

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**SAN MIGUEL CORPORATION,
*Petitioner,***

-versus-

**G.R. No. L-56554
July 20, 1982**

**NATIONAL LABOR RELATIONS
COMMISSION, DANTE M. AGUINALDO
and MANUEL NACIONALES,
*Respondents.***

X-----X

D E C I S I O N

AQUINO, J.:

This case is about the dismissal of employees on the grounds of serious misconduct, willful breach of trust and violation of company regulations.

In a confidential letter dated February 6, 1979 addressed to Andres Soriano, Jr. of San Miguel Corporation, thirty-two registered dealers of the Magnolia Poultry Products Plant located at Alabang, Muntinlupa, Metro Manila complained that the officers of the plant did not give them their quotas and constrained them to purchase the chickens through certain favored women, the "chicks" of the plant officers.

The complainants alleged that, instead of being able to purchase the chickens at the dealer's price, they had to pay the market price and, consequently, they had to resell the chickens at a higher price to the prejudice of consumers. They asked for an investigation of the anomalies but they were apprehensive of reprisals from the officers of the plant.

Flor Bautista, Fermina de Leon, Violeta Sebastian, Norma C. Garcia, Rosario de Roma, David Cresino, Adelina Agilus, Benjamin H. Navarro, Carmelita Francisco, Honorata Villanueva, Fe Famatigon and Loida Q. Escobin, all signatories in that complaint, gave statements under oath from which it may be gathered that Rosemarie Lara and Tessie Cailles were the favored "chicks", that Rosemarie Lara had an intimate personal relationship with Dante M. Aguinaldo, the warehouseman, and that Aguinaldo and Manuel Nacionales, the sales order clerk, were engaged in the sale, at wholesale, of fresh chickens and their by-products through third parties and their relatives who were given special treatment.

Among the customers favored in the sale of squabs were Leticia Villaluz Doneza, the wife of Aguinaldo; Lapaz Mamonong, Aguinaldo's aunt, and Lusviminda Gregorio, the wife of Nacionales. Rosemarie Lara, when investigated, admitted that she was a favored customer.

Rosauro Javal, Jr., Porfirio Quiza, Jr., Ernesto A. Sacueza and Zoilo Lontoc, employees of the poultry plant, also testified on the anomalies and on the violation of the company rules regarding allocation of quotas and the prohibition against storage in the bodega of customers' leftover chickens and by-products.

On the other hand, according to the Labor Arbiter, the allocation of the quotas to customers was not made by Aguinaldo and Nacionales but by the plant manager and the head of the sales department; that Aguinaldo as warehouseman saw to it that the chickens sold to the customers conformed to the purchase orders prepared by the sales department and he was not guilty of favoritism or discrimination and that Nacionales did not allow customers to store their leftover

chickens in the company warehouse and, therefore, did not violate the regulation on sanitation.

Respondents counsel also noted that although Nacionales on some occasions borrowed money from Fermina de Leon, a customer he had paid all the amounts he had borrowed (p. 81, Rollo).

In connection with the same anomalies, the plant manager at Alabang, Delfin Ocampo, was investigated and he later resigned. Some security guards were removed (p. 53, Rollo).

On March 7, 1979, Aguinaldo and Nacionales were transferred to the Poultry and Livestock Feeds Plant (B-Meg) of San Miguel Corporation in Balintawak, Quezon City. On July 16, 1979, they were placed under preventive suspension. Four days later, San Miguel Corporation filed an application with the Ministry of Labor for clearance to terminate their employment (p. 35, Rollo).

The case was certified for compulsory arbitration. The Labor Arbiter on the basis of the parties' position papers held that there was no factual and legal justification for the dismissal of Aguinaldo and Nacionales.

In his decision of April 30, 1980, the Labor Arbiter ordered San Miguel Corporation to reinstate them to their former positions or substantially equivalent positions without loss of rights and privileges and with backwages and other benefits from July 16, 1979 until reinstated.

That decision was affirmed by the National Labor Relations Commission on March 10, 1981. On April 1, 1981 San Miguel Corporation filed with this Court the instant petition for *certiorari*.

We find that the Labor Arbiter acted with grave abuse of discretion in disregarding the complaint and statements of the registered dealers who specified the irregularities and discriminatory practices perpetrated by Aguinaldo and Nacionales. The dealers or customers did not fabricate those charges. They did not frame up Aguinaldo and Nacionales.

San Miguel Corporation acted in good faith in suspending the two employees and in asking for clearance for their dismissal. Under Article 283 of the Labor Code, an employer may terminate an employee if the employee is guilty of serious misconduct and of willful breach of trust.

“An employer cannot legally be compelled to continue with the employment of a person who admittedly was guilty of misfeasance or malfeasance towards his employer and whose continuance in the service of the latter is patently inimical to his interests. The law, in protecting the rights of the laborer, authorizes neither oppression nor self-destruction of the employer.” (Manila Trading & Supply Co. vs. Zulueta, 69 Phil. 485, 486-487 and other cases.)

If there is sufficient evidence that an employee has been guilty of a breach of trust or that his employer has ample reason to distrust him, the labor tribunal cannot justly deny to the employer the authority to dismiss such employee. It is not necessary for the labor court to find that employee has been guilty of a crime beyond reasonable doubt in order to warrant his dismissal. (National Labor Union, Inc. vs. Standard Vacuum Oil Company, 73 Phil. 279, 282.)

While the employer is obligated to give his workers just compensation and treatment, at the same time he has the right to expect from the workers adequate work, diligence and good conduct (Jacinto vs. Standard-Vacuum Oil Co., 70 Phil. 501).

However, considering that Aguinaldo, 40, had served the company for eleven years and eight months and Nacionales, 36, had worked for three years and seven months, and they had no previous bad record, the ends of social and compassionate justice would be served if the two are reinstated without backwages. (See San Miguel Corporation vs. Secretary of Labor, L-39195, May 16, 1975, 64 SCRA 56, 62 and cases cited therein.)

WHEREFORE, the Decisions of the Labor Arbiter and the NLRC are modified. San Miguel Corporation is directed to reinstate immediately private respondents Dante M. Aguinaldo and Manuel

Nacionales to positions substantially equivalent to their former positions but without backwages. No costs.

SO ORDERED.

Barredo, J., (Chairman), Concepcion Jr., Guerrero, Abad Santos, De Castro and Escolin, JJ., concur.

Philippine Copyright © 2005
ChanRobles Publishing Company
www.chanrobles.com