

Title: Globe-Mackay Cable and Radio Corporation vs. National Labor Relations Commission and Imelda Salazar

Facts:

Imelda L. Salazar was employed by Globe-Mackay Cable and Radio Corporation (GMCR) as a general systems analyst in May 1982. Delfin Saldivar, who was alleged to have been closely associated with Salazar, was the manager for technical operations' support. In 1984, GMCR received reports of missing company equipment and spare parts under Saldivar's custody, leading to an investigation. The company's internal auditor, Agustin Maramara, prepared a report implicating Saldivar in fraudulent activities and theft, including taking a Fedders airconditioner for personal use. Saldivar was also found to have formed a partnership, Concave Commercial and Industrial Company, with Richard A. Yambao, a supplier often recommended by him to GMCR.

Salazar signed as a witness to the partnership between Yambao and Saldivar. GMCR's investigation suggested that she knew of the missing airconditioner and did not inform the company. Consequently, Salazar was placed under preventive suspension for one month starting October 8, 1984, and asked to explain her involvement. Instead of responding, Salazar filed a complaint for illegal suspension three days later. After notifying Salazar of her dismissal effective November 8, 1984, due to her failure to address the allegations, she amended her complaint to include illegal dismissal and other relief. The Labor Arbiter ordered GMCR to reinstate Salazar, pay backwages, benefits, and moral damages. On appeal, the National Labor Relations Commission (NLRC) affirmed the decision but removed the award for moral damages and limited backwages to two years.

Issues:

1. Whether the preventive suspension of Salazar was lawful.
2. Whether Salazar's dismissal was for just or authorized cause.
3. The proper relief and remedies for Salazar if her dismissal was found to be unlawful.

Court's Decision:

1. The Supreme Court found the preventive suspension to be proper, as the investigation into Saldivar warranted precautionary action from GMCR, especially regarding employees closely associated with him.

2. However, the Court held that Salazar's dismissal was without cause. It did not find substantive evidence implicating her in activities that constituted a conflict of interest with GMCR. Her duties as a systems analyst did not relate to procurement, and being a witness to a partnership document did not equate to a breach of trust and confidence by GMCR.

3. In terms of relief, the Court stipulated that under Article 279 of the Labor Code, an unjustly dismissed employee is entitled to reinstatement without loss of seniority rights and full backwages. Considering that Salazar's position did not primarily involve trust and confidence, resulting in strained relations, she was wrongfully dismissed and entitled to reinstatement and back wages for two years, as determined by the NLRC.

Doctrine:

Employees are protected by the right to security of tenure and cannot be dismissed without just or authorized cause. Upon unlawful dismissal, they are entitled to reinstatement without loss of seniority rights and other privileges, and to their full backwages, inclusive of allowances, and to their other benefits or their monetary equivalent, as provided under Article 279 of the Labor Code.

Class Notes:

- Preventive suspension is lawful during an ongoing investigation if there is sufficient reason.
- Dismissal must be supported by substantial evidence.
- Unlawful dismissal entitles an employee to reinstatement and backwages.
- The "strained relations" principle may only apply when reinstatement might lead to substantial operational issues, which may be the case in positions requiring significant trust and confidence.
- Article 279 of the Labor Code provides a distinct and streamlined remedy in the event of unlawful dismissal.

Historical Background:

This case underscores the strengthened protection given to labor rights under the 1987 Philippine Constitution, which advances the social justice agenda more prominently than the 1973 Charter. It reflects the intent of Constitutional framers to afford full protection to workers' rights and highlights the transition into law within the Labor Code. The legal doctrinal principle established in this case aligned with the constitutional and legislative

progressions toward securing labor rights.