

Title: PMI Colleges vs. National Labor Relations Commission and Alejandro Galvan

Facts:

Alejandro Galvan was employed by the petitioner PMI Colleges, an educational institution, as a contractual instructor on July 7, 1991. He was to be paid P30.00 to P50.00 per hour based on the subject and schedule. Galvan organized classes in marine engineering and was initially paid for the first three contract periods. However, he stopped receiving payment, prompting the Acting Director of PMI Colleges to write to the President of the college seeking the release of unpaid salaries for instructors, including Galvan.

Despite repeated demands, Galvan's salary remained unpaid, leading him to file a complaint with the National Capital Region Arbitration Branch of the NLRC on September 14, 1993. The complaint sought payment for classes, on-the-job training, and shipyard visits from October 1991 to September 1992, as well as compensation for serving as Acting Director of the Seaman Training Course for 3.5 months.

Galvan presented documentary evidence to support his claim, including a letter-request for salary payment by the Acting Director. PMI Colleges argued that the claimed classes were not held within the school premises and questioned whether they were conducted. They claimed lack of supervision over the classes and alleged that Galvan abandoned his work.

The Labor Arbiter ordered both parties to file their position papers, after which he decided there was no need for a formal trial and subsequently ruled in favor of Galvan. PMI appealed to the NLRC, which affirmed the decision in August 1995. PMI then petitioned to the Supreme Court, arguing the lack of legal and factual bases for Galvan's claims, asserting denial of their right to due process, and disputing the NLRC's findings.

Issues:

1. Whether Galvan's claims for unpaid salaries/wages have valid legal and factual bases.
2. The validity of claims for salaries/wages for services related to on-the-job training and shipboard and plant visits.
3. Whether PMI was denied its right to procedural due process.
4. Whether the NLRC findings were supported by sound legal and factual evidence.

Court's Decision:

The Supreme Court dismissed PMI's plea, as the issues raised involved re-examination of factual evidence which falls outside the scope of a certiorari proceeding. They affirmed the NLRC's decision, stating that there was no grave abuse of discretion. The Court held that

contractual obligations are binding regardless of form, provided the essential requisites are present. The Court also established that the Labor Arbiter had appropriately decided based on the evidence presented and that PMI had been given ample opportunity to present their case, hence they were not denied due process.

**Doctrine:**

The essence of procedural due process is that a party should be given the opportunity to be heard and submit evidence in support of their defense. Quasi-judicial bodies like the NLRC have the discretion to opt for position papers over formal trials based on the evidence presented.

**Class Notes:**

- Essential elements of an employment contract: consent of both parties, object certain which is the subject matter of the contract, and cause of the obligation.
- Procedural Due Process: The right to be heard and to defend oneself in a fair and open proceeding.
- Substantial Evidence: The required amount of evidence needed in administrative proceedings for a finding to be upheld.

**Historical Background:**

The case represents an era in Philippine labor law where the boundary between substantive and procedural due process is delineated, with an emphasis on the rights of workers to fair remuneration and due process in resolving labor disputes. It also illustrates the role of the Supreme Court in reviewing decisions of quasi-judicial bodies like the NLRC, underscoring its limitation to jurisdictional issues and grave abuse of discretion, rather than re-evaluating factual findings.