

Title:

****Navarro III v. Damasco & Busco Sugar Milling Co., Inc.: A Case on Employment Termination and the Limits of Personal Conduct Within Company Premises****

Facts:

Casiano A. Navarro III, the petitioner, was employed as a typist at Busco Sugar Milling Co., Inc., located in Quezon, Bukidnon. On November 27, 1990, a series of events unfolded that led to Navarro's dismissal from employment. Navarro visited Mercy Baylas, a co-employee, at the ladies' dormitory within the company's compound, resulting in a physical altercation that was reported by fellow employees and the dormitory housekeeper. Following an investigation, Navarro was placed under preventive suspension on December 5, 1990. The investigation concluded with a recommendation for Navarro's dismissal for violating the company's Code of Employee Discipline, specifically provisions relating to bodily injury, immoral conduct, and improper behavior within company premises. Navarro was officially dismissed on January 5, 1991.

Subsequently, the president of the Mindanao Sugar Workers Union, representing Navarro, and the Personnel Officer of Busco Sugar Milling Co., agreed to submit the case to voluntary arbitration. At the initial conference, the issues were narrowed down, and the parties agreed to a decision based on position papers. On August 16, 1991, the Voluntary Arbitrator, Israel D. Damasco, dismissed Navarro from employment, asserting that the company did not violate the grievance procedure under the Collective Bargaining Agreement (CBA).

Navarro filed a petition for certiorari, contesting the decision and alleging several procedural and substantive errors, including a violation of due process and the improper application of the grievance procedure under the CBA.

Issues:

1. Whether the grievance procedure in the CBA was followed before submitting the case to voluntary arbitration.
2. Whether Navarro's dismissal was legal and justified.
3. Whether the incident between Navarro and Baylas constituted a private matter or a violation of company policy justifying dismissal.
4. Whether Navarro was denied due process in the arbitration proceedings.

Court's Decision:

The Supreme Court dismissed Navarro's petition, affirming the decision of the Voluntary Arbitrator. It concluded that:

1. The instant case did not qualify as a grievance under the CBA that necessitated following the grievance procedure. The matter pertained to a violation of the company's Code of Employee Discipline, specifically involving immoral conduct within company premises.
2. Navarro's dismissal was deemed valid and legal, upheld by the evidence and procedures followed by the company.
3. The altercation between Navarro and Baylas was not considered a purely private affair since it occurred within company premises, involved company employees, and affected the company's peace and order.
4. Navarro was not denied due process. The agreement between parties for arbitration and the submission of the case based on position papers satisfied the essence of due process, which is an opportunity to be heard.

Doctrine:

In employment disputes involving company discipline, even actions deemed as private matters that occur within company premises and disturb company order justify disciplinary action, including dismissal, when they violate the company's established Code of Employee Discipline.

Class Notes:

- **Due Process in Administrative Proceedings:** The essence of due process is the opportunity to be heard or to explain one's side, which does not always require a formal trial-type hearing.
- **Collective Bargaining Agreements (CBAs) and Grievance Procedures:** Grievance procedures in CBAs pertain to disputes arising from the interpretation or implementation of the CBA itself and not to every disciplinary action taken by the company.
- **Role of Voluntary Arbitration:** Voluntary arbitration is endorsed by the State as a mode of settling labor disputes, with parties agreeing on this mode being bound by the arbitrator's decision.
- **Immoral Conduct Within Company Premises:** Immoral conduct within company premises is subject to disciplinary action according to the company's Code of Employee Discipline, irrespective of it being committed during working hours or not.

Historical Background:

This case underscores the Supreme Court's approach toward maintaining discipline within

the workplace and affirming the rights of employers to enforce company policies strictly, provided that the due process rights of the employees are not violated. It reflects a balancing act between protecting employee rights and upholding the employer's right to enforce Standards of conduct within the workplace.