

Title

Philippine National Construction Corporation vs. National Labor Relations Commission, Rolando S. Angeles, and Ricardo P. Pablo, Jr.

Facts

The case centers around the dismissal of Rolando S. Angeles and Ricardo P. Pablo, Jr., who were employed as tollway guards by the Philippine National Construction Corporation (PNCC). Their termination on June 15, 1994, was due to serious misconduct, specifically for committing bribery at the North Luzon Tollway, Sta. Rita, Guiguinto, Bulacan.

A complaint by Rosario C. Maravilla about the “mulcting activities” led to the formation of an investigating team by the Tollway General Manager. On September 11, 1993, an entrapment operation involving marked bills resulted in catching Angeles and Pablo accepting bribe money and a dog. Subsequent investigations and a formal inquiry led to their dismissal.

Angeles and Pablo filed a complaint for illegal dismissal, claiming unfair treatment and lack of due process. The Labor Arbiter found their dismissal illegal, awarding them backwages and separation pay. PNCC appealed, and the NLRC modified the decision, affirming the dismissal’s legality but maintaining the award for separation pay on the grounds of equity.

PNCC’s motion for reconsideration was denied, leading to a special civil action for certiorari in the Supreme Court to annul the NLRC’s decision regarding the separation pay and mid-year bonus awarded to Angeles and Pablo.

Issues

1. Whether the doctrine of laches and estoppel applies due to the time elapsed between the act of misconduct and the disciplinary action.
2. If the petition was filed within a reasonable time frame.
3. The entitlement of the dismissed employees to separation pay and mid-year bonus considering their valid dismissal for serious misconduct.

Court’s Decision

The Supreme Court granted the petition, setting aside the NLRC’s decision and resolution, based on the following rationales:

1. ****Laches and Estoppel****: The Court disagreed with the application of laches and estoppel, noting that employers are not expected to dismiss employees immediately and may

give them a chance to reform.

2. **Timeliness of the Petition**: The Court found the petition was filed within a reasonable time, adhering to the then-prevailing rule that petitions for certiorari may be filed within a reasonable time from receipt of the resolution denying a motion for reconsideration.

3. **Entitlement to Separation Pay and Mid-Year Bonus**: The Court ruled against the entitlement of separated employees to separation pay and mid-year bonus in cases of dismissal due to serious misconduct or causes reflecting on moral character. It was emphasized that such awards could send a wrong message, potentially encouraging misconduct among employees.

Doctrine

The doctrine established is that separation pay is not a reward for dismissed employees who have been found guilty of serious misconduct or causes reflecting on their moral character. This decision reiterates that the policy of social justice should not be invoked to protect those undeserving due to misconduct, thereby aligning with the principles set forth in previous jurisprudence like *Philippine Long Distance Telephone Co. vs. NLRC*.

Class Notes

- **Laches**: An unreasonable delay in pursuing a right or claim, in a way that prejudices the opposite party.
- **Employment Termination Requirements**: Legal cause and due process are crucial. Employers must substantiate the reason for dismissal and follow procedural due process.
- **Separation Pay**: Can be awarded as a measure of social justice except when dismissal is for serious misconduct or reflects negatively on an employee's moral character.
- **Entitlement to Bonuses**: A bonus is not a demandable and enforceable right unless it is made a part of the wage, salary, or compensation package.

Historical Background

The case reflects on the broader labor law framework in the Philippines, emphasizing the balance between protecting employees' rights and maintaining discipline and integrity within the workplace. It underscores the Supreme Court's position on not allowing the principles of social justice to shield misconduct, highlighting its role in clarifying employment law doctrines and the standards for awarding separation benefits.