

### Title:

Enrique Marco G. Yulo vs. Concentrix Daksh Services Philippines, Inc.: A Legal Examination of Termination Due to Redundancy

### Facts:

The case concerns Enrique Marco G. Yulo (petitioner), who was employed by Concentrix Daksh Services Philippines, Inc. (respondent), initially working under the Amazon.com account. On February 17, 2015, Yulo was informed about his potential redundancy due to a business decision to “right size” the Amazon account’s workforce. Despite promises of redeployment, Yulo was eventually terminated on grounds of redundancy after failing to secure a position in another account.

Yulo filed a complaint against the respondent for illegal dismissal and other related claims. The Labor Arbiter ruled in favor of Yulo, which was affirmed by the National Labor Relations Commission (NLRC). However, the Court of Appeals (CA) reversed these decisions, finding Yulo’s termination to be legal and in good faith.

Yulo then appealed to the Supreme Court, contesting the CA’s decision.

### Issues:

1. Whether the CA erred in ruling that Yulo’s dismissal based on redundancy was legally executed.
2. Whether the respondent demonstrated good faith and utilized fair and reasonable criteria in executing the redundancy program leading to Yulo’s termination.

### Court’s Decision:

The Supreme Court sided with Yulo, ruling that his dismissal was illegal. The Court found that the respondent failed to prove the existence of a genuine redundancy situation justifying Yulo’s termination. The respondent’s lack of evidence to substantiate the redundancy claim, failure to exhibit good faith, and the absence of fair and reasonable criteria in selecting employees for termination were pivotal in the Court’s decision.

The Court specifically criticized the respondent’s reliance on an internal document, which was deemed insufficient to demonstrate a bona fide redundancy program. Additionally, the respondent’s failure to present comprehensive evidence, such as a new staffing pattern or feasibility studies, further weakened their position.

The Supreme Court reinstated the decisions of the Labor Arbiter and the NLRC, finding

Yulo to have been illegally dismissed.

### ### Doctrine:

The Supreme Court reiterated the doctrine concerning termination due to redundancy, underscoring the requirements for lawful execution: written notice to the employees and the Department of Labor and Employment, payment of separation pay, demonstration of good faith, and employment of fair and reasonable criteria in selecting positions for redundancy.

### ### Class Notes:

- **Redundancy as a Ground for Termination**: Redundancy occurs when an employee's position becomes superfluous, emphasizing the need for a genuine business necessity.
- **Requirements for a Valid Redundancy Program**:
  - Procedural: Proper notice to the employee and the DOLE, and payment of appropriate separation pay.
  - Substantive: The demonstration of good faith in abolishing the redundant positions, and the use of fair and reasonable criteria in selecting which positions are redundant.

### **Critical Legal Provisions**:

- **Article 298 (formerly 283) of the Philippine Labor Code**: Outlines the legal grounds and procedures for the termination of employment due to redundancy, including the entitlement to separation pay and the necessity for a one-month notice period.

### ### Historical Background:

This case highlights the intricate balance between an employer's management prerogative to restructure its workforce and the protection of employee rights under Philippine labor law. It emphasizes the judiciary's role in scrutinizing the genuine nature of redundancy claims to prevent the circumvention of labor protections.