

Title:

Anita Llosa-Tan vs. Silahis International Hotel et al.

Facts:

Anita Llosa-Tan, employed as a front office cashier at Silahis International Hotel since November 2, 1976, was dismissed on October 30, 1982, following an incident involving the encashment of two US dollar checks worth \$1,200.00, against hotel policy No. 014 prohibiting such transactions without authorization. Despite her explanation and the circumstances leading to her decision, including assurances from the general cashier of a sister company and past ambiguities in policy enforcement, her termination was pursued.

Llosa-Tan filed a complaint for illegal dismissal against the hotel and related individuals. The Labor Arbiter initially ruled in her favor, ordering reinstatement without back wages, but this was overturned by the National Labor Relations Commission (NLRC), which dismissed her complaint. Subsequent motions for reconsideration by Llosa-Tan were denied by the NLRC, prompting her to petition the Supreme Court for certiorari.

Issues:

1. Whether Llosa-Tan's act of encashing the checks constitutes gross negligence justifying her termination.
2. Whether the dismissal was disproportionate considering Llosa-Tan's explanation and circumstances, including policy exceptions and past practice.
3. If Llosa-Tan's dismissal violated her right to due process under the collective bargaining agreement.

Court's Decision:

The Supreme Court found in favor of Llosa-Tan. It established that:

- The policy No. 014 was not consistently enforced and had been relaxed previously.
- Llosa-Tan acted without bad faith, under pressure, and with a reasonable belief that she had clearance from her superiors.
- The NLRC's finding of gross negligence was unfounded, and the dismissal, without considering Llosa-Tan's situation and the hotel's policy practices, was disproportionate.
- Llosa-Tan's right to due process and secure employment was infringed upon, warranting not only reinstatement but also compensation in the form of backwages for up to three years from the date of termination.

The Supreme Court reversed the NLRC's decision, reinstated Llosa-Tan to her position

without loss of seniority, and awarded her full backwages for three years.

Doctrine:

The Supreme Court reiterated that the employer's right to dismiss employees must be exercised without abuse of discretion and must be grounded on just cause, respecting the employee's right to due process and security of tenure guaranteed by the Constitution. Findings of labor arbiters, when supported by substantial evidence, are accorded great respect and finality.

Class Notes:

- Gross negligence is defined as a want of or exercise of slight care, indicating a disregard for the consequences of one's actions.
- Dismissal must be justified and follow due process; arbitrary dismissal violates constitutional rights to security of tenure.
- The discretion of employers to dismiss employees is tempered by the need for a legitimate cause and due process.
- Policies within an organization must be enforced consistently; exceptions or past deviations can affect disciplinary actions.
- In cases of illegal dismissal, reinstatement and backwages are standard remedies, highlighting the protection of labor rights under Philippine law.

Historical Background:

This case underscores the tension between enforcing corporate policies and respecting labor rights within the Philippine legal framework, highlighting the Supreme Court's role in balancing employers' disciplinary actions against the constitutional protections for workers. It illustrates the continuing evolution of labor jurisprudence in the Philippines, emphasizing the importance of fairness, due process, and the protection of workers' rights.