

Title:

Philippine Airlines, Inc. v. Joselito Pascua, et al.

Facts:

This case stemmed from a complaint filed on February 3, 1994, by Joselito Pascua on behalf of 79 other part-time station attendants against Philippine Airlines, Inc. (PAL) for regularization, wage-related benefits, and other claims under NLRC NCR Case No. 00-02-00953-94. These workers, hired in 1992 for shifts less than 8 hours, were required to work overtime occasionally due to urgent needs, extending their contracts twice, the last for an indefinite period.

While the case was pending, PAL regularized the respondents from temporary part-time to regular part-time status which led to the dropping of the monetary claims but left the demand for full-time regularization. The Labor Arbiter deemed the case moot dismissing it, a decision overturned by the National Labor Relations Commission (NLRC) on appeal, which held the workers should be treated as regular full-time employees with entitlements from the day after one year of service. PAL's motion for reconsideration was denied by the NLRC and subsequently, its petition for certiorari was dismissed by the Court of Appeals, as was its motion for reconsideration thereof.

Issues:

1. Whether the regularization of the respondents from temporary to regular status by PAL rendered their original complaint for "regularization" moot and academic.
2. Whether the NLRC erred in ordering the change of respondents' employment status from part-time to full-time, encroaching upon PAL's management prerogative.

Court's Decision:

The Supreme Court denied PAL's appeal, affirming the Court of Appeals decision for the respondents. It ruled that the regularization of the respondents did not render the original complaint moot and academic since they consistently sought full-time regularization and benefits equivalent to full-time employees, despite working part-time hours. Furthermore, the Court found no abuse of discretion by the NLRC in changing the status of the respondents from part-time to full-time employment, emphasizing that management prerogative is not absolute and must be exercised within the bounds of law, fairness, and good faith.

Doctrine:

The Supreme Court reiterated the principle that if an employee has been engaged to perform activities usually necessary or desirable in the employer's business and has rendered at least one year of service, whether continuous or broken, they shall be considered a regular employee in relation to such activity. Additionally, it underscored that the exercise of management prerogative cannot be used to circumvent legal protections accorded to employees, maintaining the balance between the interests of labor and management.

Class Notes:

- ****Regularization of Employment****: Employees who have rendered at least one year of service, doing tasks necessary or desirable to the employer's business, should be considered regular employees.
- ****Management Prerogative vs. Employees' Rights****: While employers have discretion in managing their businesses, including employment terms, this prerogative is bounded by the principles of law, social justice, fairness, and good faith.
- ****Legal Statutes/Provisions****: Article 280 of the Labor Code defines regular and casual employment, emphasizing the conditions under which employees may be deemed regular.

Historical Context:

This case highlights the perennial conflict between labor and management in the Philippines, especially in industries that employ large numbers of non-regular workers. The Supreme Court's ruling reinforces the protection of workers' rights amidst changing contractual agreements and employment practices.