

****Title:****

Golden Farms, Inc. vs. Secretary of Labor and Progressive Federation of Labor

****Facts:****

Golden Farms, Inc., a corporation engaged in the production and marketing of bananas for export, faced a petition from the Progressive Federation of Labor (PFL) on February 27, 1992. PFL sought a certification election among the company's monthly paid office and technical rank-and-file employees. In response, Golden Farms filed a motion to dismiss the petition on three grounds: (1) PFL was not properly organized as a chapter within the establishment, (2) an existing collective bargaining agreement (CBA) covered the rank-and-file employees represented by the National Federation of Labor (NFL), and (3) a Supreme Court decision in *Golden Farms, Inc. vs. Honorable Director Pura Ferrer-Calleja* disqualified the employees represented by PFL from bargaining with management.

PFL countered that the monthly employees were expressly excluded from the CBA with NFL and should thus be allowed to form their own bargaining unit. The Med-Arbiter granted PFL's petition on April 18, 1991, ordering a certification election, which Golden Farms appealed to the Secretary of Labor. On August 6, 1991, the Secretary denied the appeal, and a subsequent motion for reconsideration was also denied on September 13, 1991. Golden Farms then filed a petition for certiorari, raising two main issues.

****Issues:****

1. Whether creating an additional bargaining unit for monthly paid rank-and-file employees contravenes the principle of *res judicata* and undermines the existing collective bargaining structure.
2. Whether PFL, as the exclusive bargaining agent of the supervisory employees, is disqualified from representing the office and technical employees.

****Court's Decision:****

The Supreme Court dismissed the petition, ruling in favor of PFL.

1. ****Separate Bargaining Unit****:

- The court recognized the constitutional right of workers to self-organization and collective bargaining. It emphasized the concept of a "bargaining unit" being a group that best suits the reciprocal interests of both employees and employer.
- The evidence demonstrated a significant difference in the nature of duties, working conditions, salary rates, and skills between monthly paid office/technical employees and

daily paid rank-and-file field workers.

- This dissimilarity justified the formation of a separate bargaining unit, aligning with the precedent in *University of the Philippines vs. Ferrer-Calleja*, which allowed separate units for academic and non-academic employees within the same establishment.

2. **Managerial Employees**:

- Golden Farms' assertion that the employees in question were managerial was rejected. The court cited the Labor Code's definition, noting that managerial employees have the authority to lay down and execute policies or make significant personnel decisions.

- The monthly paid office and technical employees did not fit this definition, lacking policy-making roles and independent judgment in their duties.

3. **Res Judicata**:

- The issue in the case cited by the petitioner was different, involving confidential employees in a different context. The monthly paid employees in the current case were excluded from the bargaining unit of daily paid employees due to their distinct interests.

4. **Employer's Role**:

- The court reiterated the principle that employers have no standing to challenge a certification election as it is solely a worker's concern. The integrity of labor representation must be free from employer influence.

Doctrine:

- **Separate Bargaining Units**: Relationships and interests within an employer's workforce can justify multiple bargaining units if there is a distinct difference in duties, working conditions, and other factors.

- **Managerial vs. Rank-and-File**: Classification as managerial employees requires involvement in policy-making and significant independent judgment.

- **Employer Neutrality in Elections**: Employers must maintain a hands-off approach in matters of certification elections, ensuring fair representation of employee interests.

Class Notes:

- **Key Elements**:

- **Bargaining Unit**: A collective group of employees suited to represent employee interests effectively.

- **Managerial Employee Definition** (Art. 212, Labor Code): Involves power to make significant personnel decisions and execute management policies.

- **Res Judicata**: Doctrine preventing re-litigating issues already judged comparably in former cases.
- **Labor Code**: Access and authority definitions are critical in disputes over employee classifications.
- **Employer's Role in Certification Elections**: Employers should refrain from intervening in certification elections to ensure labor autonomy.

Historical Background:

The case arose during a period of growing labor assertiveness in the Philippines, aiming to ensure fair labor practices and worker representation. The decision reaffirms workers' rights under the 1987 Constitution, reflecting the period's legal emphases on labor reforms and democratization of workplace relations.