

****Title:****

San Miguel Corporation Supervisors and Exempt Union and Ernesto L. Ponce, President v. Hon. Bienvenido E. Laguesma, Undersecretary of Labor and Employment, Hon. Danilo L. Reynante, Med-Arbiter, and San Miguel Corporation

****Facts:****

1. ****Filing of Certification Petition:**** On October 5, 1990, the San Miguel Corporation Supervisors and Exempt Union filed a petition before the Department of Labor and Employment (DOLE) seeking a certification election among the supervisors and exempt employees of the San Miguel Corporation (SMC) Magnolia Poultry Products Plants located in Cabuyao, San Fernando, and Otis.
2. ****Med-Arbiter's Order:**** On December 19, 1990, Med-Arbiter Danilo L. Reynante ordered the conduct of a certification election among the supervisors and exempt employees as a single bargaining unit.
3. ****SMC's Appeal:**** On January 18, 1991, SMC filed a Notice of Appeal, arguing that the Med-Arbiter erred by grouping three separate plants into one bargaining unit and by including employees in supervisory levels 3 and 4 (S3 & S4) who held confidential positions.
4. ****Undersecretary Laguesma's Decision:**** On July 23, 1991, Undersecretary Bienvenido E. Laguesma granted SMC's appeal and remanded the case to the Med-Arbiter to determine the correct classification of each employee.
5. ****Union's Motion for Reconsideration:**** On August 7, 1991, the Union filed a motion for reconsideration. On September 3, 1991, Undersecretary Laguesma ordered the conduct of separate certification elections among supervisors ranked level 1 to 4 (S1 to S4) and exempt employees in each of the three plants.
6. ****SMC's Counter Motion:**** On September 21, 1991, SMC filed a Motion for Reconsideration with a Motion to Suspend Proceedings.
7. ****Order Excluding S3 & S4 Employees:**** On March 11, 1993, Undersecretary Laguesma issued an order excluding employees under supervisory levels 3 and 4 and exempt employees from joining the proposed bargaining unit, citing the doctrine from the Philips Industrial Development, Inc. v. NLRC case.

****Issues:****

1. Whether Supervisory employees 3 and 4 and exempt employees are confidential employees and thus ineligible to join a union.
2. If they are not confidential employees, whether employees from the three plants should constitute a single bargaining unit.

Court's Decision:

Issue 1: Confidentiality of S3 & S4 Employees*

- **Resolution:** The Supreme Court ruled that employees in supervisory levels 3 and 4 and exempt employees do not qualify as "confidential employees" prohibited from unionizing.
- **Reasoning:** The Court found that these employees do not assist or act in a confidential capacity to persons who formulate labor relations policies. Their roles involved operational duties and not labor relations. Thus, they can form and join a union.

Issue 2: Single Bargaining Unit for Three Plants*

- **Resolution:** The Supreme Court ruled that employees of the Cabuyao, San Fernando, and Otis plants could form a single bargaining unit.
- **Reasoning:** The Court noted the community of interest among the employees, who shared similar work, wages, and conditions. Fragmenting them into separate units would reduce their bargaining power and go against the principles of labor organizing.

Doctrine:

- **Confidential Employee Doctrine:** Confidential employees are those who (1) assist or act in a confidential capacity to persons formulating labor policies, and (2) whose assistance is required in labor relations. Only employees meeting both criteria are excluded from union membership.
- **Community of Interest for Bargaining Unit:** Employees sharing substantial, mutual interests in wages, working conditions, etc., can form an appropriate bargaining unit even if geographically dispersed, enhancing collective bargaining power.

Class Notes:

- **Key Elements:**
- **Confidential Employee:** Must have access to confidential labor relations information necessary for their duties.
- **Appropriate Bargaining Unit:** Group of employees with mutual interests in collective bargaining subjects.
- **Relevant Statutes:**
- **Article 245, Labor Code:** Defines eligibility for union membership.

- **Philippine Constitution, Article XIII, Section 3:** Ensures rights to self-organization.

Historical Background:

- During the early 1990s, labor relations in the Philippines were undergoing significant scrutiny with the aim to balance management interests and expanding worker rights. This case is part of the historical effort to define the distinction between managerial and confidential employees vis-à-vis their union membership rights, ensuring the furtherance of workers' autonomy and self-organization guaranteed by the Constitution.