

****Title:**** Golden Farms, Inc. v. Director Pura Ferrer-Calleja, Bureau of Labor Relations and National Federation of Labor

****Facts:****

The case arose from the dispute between Golden Farms, Inc., a banana production corporation, and its employee union, the National Federation of Labor (NFL). Initially, the NFL filed a Petition for Direct Certification or Recognition on behalf of certain office employees and foremen before the Regional Office No. XI, Davao City of the Ministry of Labor and Employment. Golden Farms opposed this petition, claiming the petitioners performed managerial or confidential functions and hence could not form a separate collective bargaining unit.

In 1984, a somewhat similar petition in ROXI Case No. UR-70-84 was previously dismissed by Med-Arbiter Conchita Martinez, who ruled that a collective bargaining unit already existed between the Corporation and its rank-and-file employees. However, she noted that the foremen, based on their affidavits, were still considered rank-and-file employees, as their job titles lacked convincing proof of actual managerial functions.

Golden Farms, through a "Manifestation," declared that acknowledging foremen as managerial employees was already recognized in their Collective Bargaining Agreement (CBA) and that including confidential employees in the bargaining unit would defeat the purpose of their roles.

The NFL appealed the dismissal, opposing the Manifestation, but the appeal was dismissed. Subsequently, the NFL refiled another Petition for Certification, NLRC Case No. R-418-ROX-MED-UR-88-86, which was dismissed as well. The NFL appealed this dismissal to BLR Case No. A-2-56-87, wherein Director Pura Ferrer-Calleja affirmed Med-Arbiter Conrado O. Macasa's directive to negotiate a supplementary CBA or integrate the monthly paid rank-and-file employees in the existing agreement. Golden Farms then petitioned to the Supreme Court for a reversal.

****Issues:****

1. Does a Med-Arbiter have the power or authority to direct management to enter into a supplemental collective bargaining agreement with a contracting union?
2. Can supervisors, cashiers, foremen, and employees holding managerial or confidential functions compel management to enter into a collective bargaining agreement with them?

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

1. **Med-Arbiter's Authority:**

The Supreme Court ruled that Med-Arbiter Macasa, and by extension Director Calleja, overstepped their authority by directing management to negotiate for a supplementary CBA or to include certain employees in the existing CBA. The Court emphasized respecting the freely and voluntarily entered CBA between Golden Farms and the NFL, which explicitly excluded managerial, supervisory, and confidential employees. Hence, no changes could be imposed until the CBA's agreed period expired.

2. **Inclusion of Managerial and Confidential Employees:**

The Court affirmed the ineligibility of supervisors, cashiers, foremen, and confidential employees from union membership and collective bargaining. It cited Article 212 (k) of the Labor Code, defining managerial employees and the detrimental potential their inclusion could pose to both management's policy and union loyalty. Foremen, despite their lower role, can influence rank-and-file employees detrimentally and hold a quasi-managerial capacity unsuitable for unionization.

Doctrine:

- **Respect for CBAs:** The rulings solidify the inviolability of collective bargaining agreements entered into freely and voluntarily for their agreed duration.
- **Exclusion of Managerial and Confidential Employees from Union Activities:** Managerial and confidential employees are ineligible for union membership and representation to avoid conflicts of interest and maintain loyalty to management.

Class Notes:

- **Labor Code Article 212(k):** Defines managerial employees excluded from union membership.
- **Collective Bargaining Agreement (CBA):** Legally binding agreements excluding certain employees as specified.

Historical Background:

The case reflects an era of organized labor efforts striving to balance union rights with managerial control in the Philippines. It underscores the delicate positioning of certain employee roles within the labor laws and the enforceability of CBAs.