

### ### Title

**\*\*Oligario Salas vs. Aboitiz One, Inc., and Sabin Aboitiz (G.R. No. 179213)\*\***

### ### Facts

Oligario Salas (Salas) was hired by Aboitiz One, Inc. (Aboitiz) on May 11, 1993, initially as an assistant utility man at the Maintenance Department-Manila Office. Salas later became a material controller in the Materials Management Operations Team on February 22, 2000. As a material controller, his responsibility included monitoring and maintaining the supply of Quickbox for Aboitiz's daily operations.

On June 4, 2003, a stock-out of Large Quickbox occurred, affecting Aboitiz's business operations. On June 5, 2003, Aboitiz issued a memorandum requiring Salas to explain within 72 hours why he should not face disciplinary action for failing to monitor inventory and not informing his superiors about the dwindling stock levels. An administrative hearing was held on June 10, 2003. Despite Salas' explanations, Aboitiz deemed them unsatisfactory and issued a decision on July 2, 2003, terminating Salas' employment effective July 15, 2003 for gross negligence, tampering with bin cards, and causing significant damage to the company.

Salas requested reconsideration of the termination, asking either for early retirement, to tender his resignation, or an extension of his stay until July 31, 2003. Aboitiz denied the first two requests but granted an extension until August 15, 2003.

Salas subsequently filed a complaint with the Labor Arbiter (LA) against Aboitiz and its president Sabin Aboitiz for illegal dismissal, seeking reinstatement, backwages, damages, and attorney's fees.

### ### Procedural Posture

- **\*\*Labor Arbiter Decision (February 19, 2004):\*\*** Sustained the validity of Salas' dismissal.
- **\*\*NLRC Decision (September 21, 2005):\*\*** Reversed LA's decision; ordered payment of separation pay but denied backwages.
- **\*\*NLRC Resolution (January 24, 2006):\*\*** Denied motions for reconsideration filed by both parties.
- **\*\*Court of Appeals Decision (January 31, 2007):\*\*** Consolidated petitions; reversed NLRC's decision and sustained Salas' dismissal.
- **\*\*Court of Appeals Resolution (June 13, 2007):\*\*** Denied Salas' motion for reconsideration.
- **\*\*Supreme Court Petitioner Salas' petition (received June 15, 2007).\*\***

### ### Issues

1. Whether Salas' termination was justified based on alleged gross negligence, willful breach of trust, and serious misconduct.
2. Whether the procedural aspects of the case (e.g., certification of non-forum shopping, material dates) affected the petition's viability.
3. Whether Salas was entitled to backwages and reinstatement.

### ### Court's Decision

#### \*\*Gross Negligence:\*\*

- The Court found that Salas made efforts to prevent the stock-out by requisitioning Quickbox in advance and following up with the relevant personnel and suppliers. Therefore, he could not be held liable for gross negligence.

#### \*\*Willful Breach of Trust:\*\*

- Salas' position as material controller did not amount to a highly confidential position that would easily justify termination for loss of trust and confidence. The alleged tampering of bin cards did not equate to a willful breach, as Aboitiz failed to show substantial evidence of malicious intent by Salas.

#### \*\*Serious Misconduct:\*\*

- The alleged failure to account for unused accountable forms amounting to P57,850.00 was raised post-dismissal and lacked substantial evidence. Hence, it was deemed an afterthought by the court.

#### \*\*Procedural Infirmities:\*\*

- The Supreme Court held that Salas substantially complied with procedural requirements regarding certification of non-forum shopping, indicating material dates, and submitting relevant documents. Minor errors did not merit dismissal of the petition.

### ### Doctrine

#### \*\*Doctrine on Loss of Trust and Confidence:\*\*

- To justify dismissal based on loss of trust and confidence, the breach must be willful, substantial, and supported by concrete evidence, not based on mere suspicion or minor infractions (Art. 282(c) of the Labor Code).

### ### Class Notes

#### 1. \*\*Elements for Dismissal Based on Gross Negligence:\*\*

- Repeated neglect of duties.

- Substantial impact on employer's operations.
- Evident and chronic failure to perform.
- 2. **Requirements for Loss of Trust and Confidence:**
  - Applicable typically to managerial or highly confidential roles.
  - Must be willful, intentional breaches substantiated with clear evidence.
  - Not based on arbitrary or capricious grounds.
- 3. **Reinstatement and Backwages:**
  - Employees unjustly dismissed may be entitled to reinstatement and backwages, mitigated by contributory negligence but not fully disallowed (Art. 279, Labor Code).

### ### Historical Background

The case provides insight into employment jurisprudence in the Philippines, particularly regarding managerial trust, procedural rights, and employer-employee relations. The stringent conditions for proving gross negligence and willful breach of trust indicate the courts' cautious approach to balance employer prerogatives with worker security in an evolving labor landscape.