

MANUEL SOSITO, PETITIONER, VS. AGUINALDO DEVELOPMENT CORPORATION, RESPONDENT.

G.R. No. L-48926. December 14, 1987

Ponente: CRUZ, J.

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CRUZ, J.:

We gave due course to this petition and required the parties to file simultaneous memoranda on the sole question of whether or not the petitioner is entitled to separation pay under the retrenchment program of the private respondent.

The facts are as follows:

Petitioner Manuel Sosito was employed in 1964 by the private respondent, a logging company, and was in charge of logging importation, with a monthly salary of P675.00,[1] when he went on indefinite leave with the consent of the company on January 16, 1976.[2] On July 20, 1976, the private respondent, through its president, announced a retrenchment program and offered separation pay to employees in the active service as of June 30, 1976, who would tender their resignations not later than July 31, 1976. The petitioner decided to accept this offer and so submitted his resignation on July 29, 1976, "to avail himself of the gratuity benefits" promised.[3] However, his resignation was not acted upon and he was never given the separation pay he expected. The petitioner complained to the Department of Labor, where he was sustained by the labor arbiter.[4] The company was ordered to pay Sosito the sum of P4,387.50, representing his salary for six and a half months. On appeal to the National Labor Relations Commission, this decision was reversed and it was held that the petitioner was not covered by the retrenchment program.[5] The petitioner then came to us.

For a better understanding of this case, the memorandum of the private respondent on its retrenchment program is reproduced in full as follows:

"July 20, 1976

"Memorandum To: ALL EMPLOYEES

"Re: RETRENCHMENT PROGRAM

"As you are all aware, the operations of wood-based industries in the Philippines for the last two (2) years were adversely affected by the worldwide decline in the demand for and prices of logs and wood products. Our company was no exception to this general decline in the market, and has suffered tremendous losses. In 1975 alone, such losses amounted to nearly P20,000,000.00.

"The company has made a general review of its operations and has come to the unhappy decision of the need to make adjustments in its manpower strength if it is to survive. This is indeed an unfortunate and painful decision to make, but it leaves the company no alternative but to reduce its tremendous and excessive overhead expense in order to prevent an ultimate closure.

"Although the law allows the Company, in a situation such as this, to drastically reduce its manpower strength

without any obligation to pay separation benefits, we recognize the need to provide our employees some financial assistance while they are looking for other jobs.

"The Company therefore is adopting a retrenchment program whereby employees who are in the active service as of June 30, 1976 will be paid separation benefits in an amount equivalent to the employee's one-half (1/2) month's basic salary multiplied by his/her years of service with the Company. Employees interested in availing of the separation benefits offered by the Company must manifest such intention by submitting written letters of resignation to the Management not later than July 31, 1976. Those whose resignations are accepted shall be informed accordingly and shall be paid their separation benefits.

"After July 31, 1976, this offer of payment of separation benefits will no longer be available. Thereafter, the Company shall apply for a clearance to terminate the services of such number of employees as may be necessary in order to reduce the manpower strength to such desired level as to prevent further losses.

"(SGD.) JOSE G. RICAFORT

President

"N.B.

"For additional information and/or resignation forms,

please see Mr. Vic Maceda or Atty. Ben Aritao."[6]

It is clear from the memorandum that the offer of separation pay was extended only to those who were in the active service of the company as of June 30, 1976. It is equally clear that the petitioner was not eligible for the promised gratuity as he was not actually working with the company as of the said date. Being on indefinite leave, he was not in the active service of the private respondent although, if one were to be technical, he was still in its employ. Even so, during the period of indefinite leave, he was not entitled to receive any salary or to enjoy any other benefits available to those in the active service.

It seems to us that the petitioner wants to enjoy the best of two worlds at the expense of the private respondent. He has insulated himself from the insecurities of the floundering firm but at the same time would demand the benefits it offers. Being on indefinite leave from the company, he could seek and try other employment and remain there if he should find it acceptable; but if not, he could go back to his former work and argue that he still had the right to return as he was only on leave.

There is no claim that the petitioner was temporarily laid off or forced to go on leave; on the contrary, the record shows that he voluntarily sought the indefinite leave which the private respondent granted. It is strange that the company should agree to such an open-ended arrangement, which is obviously one-sided. The company would not be free to replace the petitioner but the petitioner would have a right to resume his work as and when he saw fit.

We note that under the law then in force the private respondent could have validly reduced its work force because of its financial reverses without the obligation to grant separation pay. This was permitted under the original Article 272(a), of the Labor Code,[7] which was in force at the time. To its credit, however, the company voluntarily offered gratuities to those who would agree to be phased out pursuant to the terms and conditions of its retrenchment program, in recognition of their loyalty and to tide them over their own financial difficulties. The Court feels that such compassionate measure deserves commendation and support but at the same time rules that it should be available only to those who are qualified therefor. We hold that the petitioner is not one of them.

While the Constitution is committed to the policy of social justice and the protection of the working class, it

should not be supposed that every labor dispute will be automatically decided in favor of labor. Management also has its own rights which, as such, are entitled to respect and enforcement in the interest of simple fair play. Out of its concern for those with less privileges in life, this Court has inclined more often than not toward the worker and upheld his cause in his conflicts with the employer. Such favoritism, however, has not blinded us to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and the applicable law and doctrine.

WHEREFORE, the petition is DISMISSED and the challenged decision AFFIRMED, with costs against the petitioner.

SO ORDERED.

Teehankee, C.J., Narvasa, Paras, and Gancayco, JJ., concur.

[1] Rollo, p. 13.

[2] Ibid.

[3] Id., p. 14.

[4] Id., pp. 43-45.

[5] Id., pp. 62-64.

[6] Id., p. 19.

[7] "Art. 272. Termination by employer. – An employer may terminate an employment without a definite period for any of the following just causes:

"(a) the closing or cessation of operation of the establishment or enterprise, or where the employer has to reduce his work force by more than one-half due to serious business reverses, unless the closing is for the purpose of circumventing the provisions of this Chapter; x x x."

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