

ADAMSON & ADAMSON, INC., PETITIONER, VS. THE COURT OF INDUSTRIAL RELATIONS AND ADAMSON & ADAMSON SUPERVISORY UNION (FFW), RESPONDENTS.

G.R. No. L-35120. January 31, 1984

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

Adamson and Adamson, Inc., filed this petition to set aside orders of the respondent Court of Industrial Relations (CIR) holding that the Adamson and Adamson Inc. Supervisory Union (FFW) can legally represent supervisors of the petitioner corporation notwithstanding the affiliation of the rank and file union of the same company with the same labor federation, the Federation of Free Workers.

The Adamson and Adamson, Inc. Supervisory Union (FFW) informed the petitioner about its having organized on the same date that the Adamson and Adamson, Inc. Salesmen Association (FFW) advised the petitioner that the rank and file salesmen had formed their own union.

The CIR dismissed the petition in CIR Case No. 3267-MC entitled "In the Matter of Representation of the Supervisory Employees of Adamson and Adamson, Inc., Petitioner" thus prompting the filing of this petition for review on certiorari.

Subsequently and during the pendency of the present petition, the rank and file employees formed their own union, naming it Adamson and Adamson, Independent Workers (FFW).

The petitioner made a lone assignment of error, to wit:

THE RESPONDENT COURT OF INDUSTRIAL RELATIONS ERRED IN SUSTAINING THE ELIGIBILITY OF THE RESPONDENT UNION TO REPRESENT THE PETITIONER'S SUPERVISORY EMPLOYEES NOTWITHSTANDING THE AFFILIATION OF THE SAID UNION WITH THE SAME NATIONAL FEDERATION WITH WHICH THE UNIONS OF NON-SUPERVISORS IN THE PETITIONER COMPANY ARE ALSO AFFILIATED.

The petitioner argues that the affiliation of the respondent union of supervisors, the salesmen's association, and the Adamson and Adamson Independent Worker's Union of rank and file personnel with the same national federation (FFW) violates Section 3 of the Industrial Peace Act, as amended, because - (1) it results in the indirect affiliation of supervisors and rank-and-file employees with one labor organization; (2) since respondent union and the unions of non-supervisors in the same company are governed by the same constitution and by-laws of the national federation, in practical effect, there is but one union; and (3) it would result in the respondent union's losing its independence because it becomes the alter ego of the federation.

The petitioner also submits that should affiliation be allowed, this would violate the requirement of separateness of bargaining units under Section 12 of the Act because only one union will in fact represent both supervisors and rank-and-file employees of the petitioner.

The respondents on the other hand argue that the supervisory employees of an employer may validly join an organization of the rank-and-file employees so long as the said rank and file employees are not under their supervision. They submit that Adamson and Adamson Supervisory Union (FFW) is not composed of sales supervisors and, therefore, the salesmen of the company are not under the supervision of the supervisory employees forming the union. Respondents also argue that even if the salesmen of the petitioner company are under the supervision of the members of the supervisory union, the prohibition would not apply because the salesmen and the supervisory employees of the company have their separate and distinct labor organizations, and, as a matter of fact, their respective unions sent separate proposals for collective bargaining agreements. They contend that their respective labor organizations, not the FFW, will represent their members in the negotiations as well as in the signing of their respective contracts. Respondents further argue that the Federation of Free Workers has, as its affiliates, supervisory as well as rank-and-file employees, and should both the supervisory and the rank-and-file employees of a certain employer who have separate certificates of registration affiliate with the same federation, the prohibition does not apply as the federation is not the organization of the supervisory employees contemplated in the law.

The issue presented involves the correct interpretation of Section 3 of Republic Act No. 875, the Industrial Peace Act, as amended, which states:

Employees shall have the right to self-organization and to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. Individuals employed as super-visors shall not be eligible for membership in a labor organization of employees under their supervision but may form separate organizations of their own.

The right of employees to self-organization and to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining and to engage in concerted activities for mutual aid or protection is a fundamental right of labor that derives its existence from the Constitution. It is recognized and implemented through the above cited Section 3 of the Industrial Peace Act as amended.

In interpreting the protection to labor and social justice provisions of the Constitution and the labor laws or rules and regulations implementing the constitutional mandates, we have always adopted the liberal approach which favors the exercise of labor rights.

In deciding this case, we start with the recognized rule that the right of supervisory employees to organize under the Industrial Peace Act carries certain restrictions but the right itself may not be denied or unduly abridged. The supervisory employees of an employer cannot join any labor organization of employees under their supervision but may validly form a separate organization of their own. As stated in *Caltex Filipino Managers and Supervisors Association v. Court of Industrial Relations* (47 SCRA 112), it would be to attach unorthodoxy to, not to say an emasculation of, the concept of law if managers as such were precluded from organizing. Thus, if Republic Act 875, in its Section 3, recognizes the right of supervisors to form a separate organization of their own, albeit they cannot be members of a labor organization of employees under their supervision, that authority of supervisors to form a separate labor union carries with it the right to bargain collectively with the employer. (*Government Service Insurance System v. Government Service Insurance System Supervisors' Union* (68 SCRA 418).

The specific issue before us is whether or not a supervisor's union may affiliate with a federation with which unions of rank-and-file employees of the same employer are also affiliated. We find without merit the contentions of petitioner that if affiliation will be allowed, only one union will in fact represent both supervisors and rank-and-file employees of the petitioner; that there would be an indirect affiliation of supervisors and rank-and-file employees with one labor organization; that there would be a merging of the two bargaining units;

and that the respondent union will lose its independence because it becomes an alter ego of the federation.

There is nothing in the provisions of the Industrial Peace Act which provides that a duly registered local union affiliating with a national union or federation loses its legal personality, or its independence.

In *Elisco-Elirol Labor Union (NAFLU) v. Noriel* (80 SCRA 681) and *Liberty Cotton Mills Workers Union v. Liberty Cotton Mills, Inc.* (66 SCRA 512), we held:

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"x x x the Court expressly cited and affirmed the basic principle that '(T)he locals are separate and distinct units primarily designed to secure and maintain an equality of bargaining power between the employer and their employee-members in the economic struggle for the fruits of the joint productive effort of labor and capital; and the association of the locals into the national union (as PAFLU) was in furtherance of the same end. These associations are consensual entities capable of entering into such legal relations with their members. The essential purpose was the affiliation of the local unions into a common enterprise to increase by collective action the common bargaining power in respect of the terms and conditions of labor. Yet the locals remained the basic units of association, free to serve their own and the common interest of all, subject to the restraints imposed by the Constitution and By-laws of the Association, and free also to renounce the affiliation for mutual welfare upon the terms laid down in the agreement which brought it into existence.'"

In other words, notwithstanding affiliation, the local union remained the basic unit free to serve the common interest of all its members.

We agree with the Court of Industrial Relations when it ruled that:

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"The confusion seems to have stemmed from the prefix of FFW after the name of the local unions in the registration of both. Nonetheless, the inclusion of FFW in the registration is merely to stress that they are its affiliates at the time of registrations. It does not mean that said local unions cannot stand on their own. Neither can it be construed that their personalities are so merged with the mother federation that for one difference or another they cannot pursue their own ways, independently of the federation. This is borne by the fact that FFW, like other federations, is a legitimate labor organization separate and distinct from its locals and affiliates and to construe the registration certificates of the aforementioned unions, along the line of the Company's argument, would tie up any affiliates to the shoe string of the federation. x x x"

The Adamson and Adamson Supervisory Union and the Adamson and Adamson, Inc., Salesmen Association (FFW), have their own respective constitutions and by-laws. They are separately and independently registered of each other. Both sent their separate proposals for collective bargaining agreements with their employer. There could be no employer influence on rank-and-file organizational activities nor there could be any rank and file influence on the supervisory functions of the supervisors because of the representation sought to be proscribed.

WHEREFORE, the instant petition is DISMISSED for lack of merit. The questioned order and the resolution en banc of the respondent Court of Industrial Relations are AFFIRMED.

SO ORDERED.

Teehankee, (Chairman), Melencio-Herrera, Plana, and Relova, JJ., concur.

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