

GENERAL ELECTRIC CO. (P.I.) EMPLOYEES ASSOCIATION AND ENRIQUE SORIANO, PETITIONERS, VS. COURT OF INDUSTRIAL RELATIONS, W. A. POWERS, RODOLFO REYES, ALICIO ALVAREZ AND GENERAL ELE...

G.R. No. L-29283. March 31, 1976

Ponente: ESGUERRA, J.

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ESGUERRA, J.:

This case is before Us on petition for certiorari to review the Resolution en banc of the Court of Industrial Relations reversing the decision of the trial Judge which found respondents guilty of unfair labor practice and ordered the reinstatement of petitioner Enrique Soriano with back wages from the time of his dismissal.

The antecedents of this case are as follows:

Enrique Soriano started working for respondent General Electric (P.I.) Inc., in 1938 as accounting clerk until July, 1960, when he was separated therefrom. On October 26, 1960, petitioners lodged a complaint with the Court of Industrial Relations against said respondent, and against W.A. Powers as General Manager, Rodolfo Reyes, and Alicia Alvarez as supervisors thereof. The complaint was docketed on January 6, 1961, as case No. 2639, with Atty. Manuel Mirafuente as Prosecutor. The charge of unfair labor practice was based on the alleged discriminatory dismissal of petitioner Soriano for no valid reason other than his union membership and activities; and that respondent corporation (1) interfered with, restrained and/or coerced complainant, now petitioner, Soriano in his right to assist and/or join the above-petitioning Union; (2) in further discouraging continued membership and activities of complainants, the respondent corporation, discriminating in the tenure and/or condition of employment of complainant Soriano by unlawfully terminating his employment ostensibly for dishonesty and inefficiency but actually and in reality for his aggressive and militant union activities; (3) to further harass and defeat the legitimate objectives and activities of the complainants, the respondent corporation unfairly and repeatedly denied Soriano's request for reinstatement after he had exhausted all remedies provided for in the Collective Bargaining Agreement and in spite of the favorable recommendation of the Conciliation Service of the Department of Labor; (4) that despite complainant Soriano's more than twenty (20) years of honest, devoted and efficient service duly acknowledged by respondent corporation by means of award, bonuses, and/or certificates of merit, the respondent corporation discriminated against and exerted coercive measures to deliberately and ultimately defeat complainant's just and lawful purposes and claims by accusing specifically Enrique Soriano of alleged inefficiency and finally dismissing him on July 30, 1960; (5) that respondent corporation, to promote the ultimate dissolution of complainant union and to further frustrate complainants' objectives, vigorously and unlawfully exerted pressure, coercive acts and other unfair methods, by disbursing company funds and threatening union members with dismissal should complainant union exercise the right to strike and persist in further espousing Enrique Soriano's case. (Petition pp. 2-3 Rollo).

On the other hand, respondent corporation contends that the dismissal was for a just cause and not for union

activities; that Enrique Soriano committed acts of dishonesty and inefficiency when "in the preparation of the reconciliation statement, Soriano committed an error by entering the amount of \$369.28 as \$369.25, thus creating a 3¢ difference and to cover up the difference, Soriano entered two fictitious figures in said reconciliation statement of \$22.16 and \$22.19; that Soriano was instructed to write off certain accounts but instead he transferred them to doubtful accounts against written instructions from his superiors, which act has prejudiced the corporation as it was not able to claim tax deductions for these items; and that Soriano likewise made a mistake in the conversion rate. His reconciliation statements as of March 31, 1960, should have presented a beginning balance of current items and a listing of non-current items beyond 120 days; * * * however, in his reconciliation statement for 1960, Soriano presented items for the years 1955, 1956 and 1957. (Answer for respondent pp. 4 and 5 Rollo)

Judge Amando Bugayong, then acting presiding Judge of the Court of Industrial Relations before whom this case was tried rendered a decision on May 9, 1967, in favor of the complainants, petitioners herein. Respondents filed a motion for reconsideration which was objected to by petitioners, but on April 5, 1968, the Court of Industrial Relations en banc granted reconsideration and reversed the decision of the trial judge. The petitioners' motion for reconsideration of the Resolution en banc having been denied, petitioners appealed to this Court and assigned the following errors of the CIR:

1. The Court en banc erred in holding, completely devoid of basis and in grave abuse of discretion, that complainant Soriano was not and could not have been a union spokesman;
2. The Court en banc erred in holding that it was only five months after his separation that Soriano complained that he was separated due to union activities, the truth being that his complaint was prompt and immediate, thereby committing so grave and palpable an error in the appreciation of evidence amounting to a total lack of jurisdiction;
3. The Court en banc erred in holding that Soriano entered fictitious figures in the reconciliation statement, and that had it not been for this anomaly he would not have been dismissed;
4. The Court en banc erred in holding that Soriano buried items in the preparation of financial statements;
5. The Court en banc committed a grave error of law and grave abuse of discretion, amounting to a violation of the due process clause, in holding that complainant Soriano was dismissed for just cause.

The dominant issue at bar revolves around the question of whether or not the dismissal of the deceased Enrique Soriano (he died on August 28, 1973, and was substituted by his heirs) was for a just cause.

We have perused the record very carefully and found that the evidence on record supports the conclusion that petitioner has been unjustly dismissed by reason of his union activities.

The charge of dishonesty based on petitioner's mistakes spread over the years, is too flimsy to merit serious consideration. We have on record the undisputed fact that petitioner has been with respondent company for twenty-two years (1938-1960), starting as accounting clerk and slowly rising to the position of supervisor for General Accounting. All through those years (1938 to 1959), he was a recipient of merit awards (Exhs. B, B-1, to B-8, pp. 18-26 Record), although We noted that for the year 1959 the cash award for merit was reduced by fifteen pesos. We have likewise on record the fact of petitioner joining the General Electric (PI) Employees Association and his becoming Vice-President thereof in February of 1958; his being the head of Internal Affairs and Chairman of the Screening Committee on Proposals; his being designated by the Union Board of Directors as Chairman of the Committee on Implementation, which committee, as manifested in the letter, Exh. "E" (p. 11 Record) questioned the hazy provisions of the Collective Bargaining Agreement concluded on January 29, 1958. This letter prompted the addressee, Bautista, Union President, to make representations with management. A portion of

the letter of petitioner Soriano to Union President Bautista is hereunder quoted for easy reference:

"* * * After an extensive study made by the Committee it appears that these inquiries were prompted by the Management's failure to effect the necessary payroll review and salary adjustments despite your repeated pronouncements and constant assurance therefor and the length of period that has elapsed since the Agreement was entered into. Somehow the members are beginning to feel that they have been deluded into the agreement. Somehow a great number of them are getting disillusioned and that they are almost convinced to believe that the promises made to you by the Management to make the payroll review and salary adjustment as soon as the agreement has been signed were not voluntarily expressed in good faith.

"The Committee wishes to invite your attention to Article VII of the agreement. A very careful reading of paragraphs 1 and 2 thereof shows that it is vague and hazy and that under its provisions the members cannot demand salary adjustment as a matter of right, leaving it therefore at the mercy of the Management upon whose option it may or may not choose to undertake such payroll review and salary adjustment. Under these circumstances it is therefore suggested that steps be taken to either amend the same or come to a supplementary agreement whereby the members are given wider latitude to press for payroll review and salary adjustment." (Italics supplied)

Petitioner Soriano participated in the deliberations conducted in connection with the question of reinstatement and payment of bonus to the bodega employees of respondent company (t.s.n. p. 30 April 27, 1961 p. 251 Record), and also in relation to the employees' hospitalization benefits. In 1960 Soriano failed to receive an increase in salary, so he asked Mr. Alvarez, his immediate supervisor, for the reason and he was told to "keep away from union activities" (t.s.n. p. 40 June 14, 1961 p. 252 Record). On February 29, 1960, he also wrote Mr. Powers, Manager for Finance of the respondent company (Exh. "F" p. 157 Record), formally inquiring why he had been denied a salary increase during the past months and why his merit award had suddenly been reduced. Petitioner's letter which was never given the courtesy of a reply is partly reproduced:

"In view of these circumstances I am almost tempted to suspect that all indications point the probable cause to be due to my active participation in the affairs of the association, taking into consideration an incident that happened two years ago in connection with the inquiry prepared by the Committee of Implementation, addressed to Mr. Bautista, in which I was the Committee Chairman. The inquiry was requesting him to clarify as to the accuracy of the supposed commitments of the management to undertake a general payroll review as soon as the agreement has been signed, which have caused you great displeasure. Another incident was when I participated in the deliberation last year on the complaints of two employees in the bodega regarding the reduction of their bonuses."

* * *

A few months thereafter, or on July 30, 1960, petitioner received a notice of separation, although five days prior thereto he had been verbally notified of the same. He registered his protest which was dismissed. The dismissal of the protest is claimed to be "highly arbitrary and unjust" (Exh. "H" p. 27 Record). The Union on its part took up the cudgels for Soriano by filing a notice of strike with the Bureau of Labor Relations (Exh. "M" p. 35 Record). To get even, respondent company prepared a memorandum (Exh. "K" p. 33 Record), with a threat couched in the following manner:

"* * * all employees not taking up their usual duties during regular working hours are irrevocably separated and can never expect further employment by this Company." * * *

The preparation of the memorandum was admitted by Alvarez himself although he claims that it was not distributed. Evidently however, the Union members were cowed into withdrawing their plan to strike (t.s.n. p. 41 June 14, 1961 p. 254 Record). A grievance meeting ensued but labor and management never came to an agreement. Petitioner then appealed to the Conciliation Service of the Bureau of Labor Relations which

recommended his reinstatement. Repeated refusal of the company to reinstate him triggered the suit.

During the trial one Pablo Santos, secretary of the GE (P.I.) Union and a member of the Accounting Staff of respondent company testified for the petitioner. He categorically stated that petitioner was the most outspoken among the union officers as he was in the know, having access to the books of the company and had first hand information regarding its financial standing (t.s.n. p. 6 August 17, 1964); that Benjamin Ilagan, their union president resigned from the respondent company after things "got hot" for him; that the union since 1961 is no longer existent as the members thereof feared company's lockout. (t.s.n. p. 41 October 28, 1963 p. 256 Record)

All the above circumstances strongly indicate that the discharge of petitioner was motivated by his union activities.

We now turn to respondent company's contention on the existence of a just cause for petitioner's dismissal. Respondent company maintains that Soriano was dismissed for "inefficiency, irresponsibility and dishonesty, faults that cannot be tolerated in a supervisor in the accounting department." (Brief for Respondent p. 24 Rollo) Respondent company recited the errors supposedly committed by Soriano (quoted in Our statement of Facts). We have gone over the record and the exhibits presented and the most serious charge against Soriano is that he deliberately inserted fictitious figures (\$22.16 and \$22.19) in the reconciliation of accounts to patch up a typographical error of 3 cents, thereby forcing a balance. We quote the finding of the trial Judge with which We are in full accord –

"* * * Soriano stated, which was corroborated by Santos, that all the entries in said Reconciliation Statement are supported by papers he copied from the folder of other items reported to IGE and said folder is in possession of respondent company. For this reason, he has repeatedly asked for the production of several documents by means of request for Subpoena Duces Tecum but respondents failed to produce said documents in Court –"

In this regard, pertinent is the following ruling of this Court in the case of Cason vs. Rickards, No. 2437, 5 Phil. 611, 613:

"When a witness has testified that he has seen the books of the defendant, and if produced they would prove the liability of the latter, the failure of the defendant to present his books in evidence strongly corroborates the testimony of the witnesses."

The trial Judge, continuing further in his findings, said:

"However, even assuming arguendo that such entry was in fact a plugged entry for lack of supporting details, the fact remains that the alleged mistakes committed by Soriano, in the words of respondent Powers "did not in any way affect or alter the financial standing of the company" and that the sources of the items in said reconciliation statement are documents in the file of the company (t.s.n. pp. 14-15 August 3, 1965). Likewise, in the words of respondent Alvarez, "any error in the reconciliation statement is immaterial" because a reconciliation statement is merely a summary listing of accounts copied from existing records of the company (t.s.n. pp. 10-12 Jan. 28, 1965)

We have likewise read the notes taken at the grievance meeting and obtained the information that Soriano did not stand to personally profit from the error(s) he committed nor did he malverse company funds. (Exhibit "11-B" Folder of Exhibits)

Regarding the other errors imputed to Soriano, We find a satisfactory explanation for each of them. For instance, the error in the non-conversion of dollars into pesos in a financial statement Soriano purportedly prepared in December 1956, is inconsequential as it was rectified and again the company admitted that the error did not affect the company's financial standing. Also We noted that if these errors committed even before 1960 really were

irreparable, then how would one account for his merit awards and efficiency performance ratings in 1959 and prior thereto?

It is likewise claimed that Soriano committed errors spread over the years, and yet his immediate superior did not even see fit to administer him a reprimand. As supervisor for accounting, Soriano was still under the direct supervision of respondent Alvarez who was supposed to check his work before signing the same. As aptly observed by the trial Judge in his dissenting opinion (p. 332 Record):

"* * * In this connection did it not strike the majority that in said attributed error, if true, Powers and Alvarez, as immediate supervisors of Soriano, are equally to blame for their failure to detect the same when the said reconciliation statements passed them for review before they were transmitted to IGE? So too, is it not surprising that the earlier mistakes heaped on Soriano in 1955, 1956 and 1957 at a time when there was no complainant union to speak of appear to be more serious – money wise – but the same were not capitalized by respondents to justify his dismissal? * * *."

That respondents did not terminate the services of petitioner until 1960, belies their charges of irresponsibility and inefficiency.

Respondent Company too tried to debunk petitioners' contention that Soriano was discharged because of his militant union activities; his being outspoken and for being the union's spokesman. Said the Company in its brief:

"Petitioner Soriano, noted the respondent court, was not the president of petitioner union, and its spokesman in negotiations with respondent company were the union president and other officers."

The company's stand falls to pieces as We have in the record Exh. "F", dated February 29, 1960 (p. 157 Record), which is the letter of petitioner to W. Powers, manager of Finance of respondent company, where he mentioned his active participation in the union; Santos' testimony re Soriano's role in the organization and a letter dated April 11, 1958 (Exh. "E-3" p. 12 Record) of V. H. Bautista, then Union President to W. Powers, from which We quote:

"This is to acknowledge receipt of your letter WAP-42662 dated March 7, 1958 in response to my indorsement of February 24, 1958 transmitting the communication of the Committee on Implementation (headed by no other than petitioner Soriano)

"* * *

"And during one of our conversations in the presence of Mr. Soriano, Chairman of the Committee on Implementation, you specifically mentioned * * *."

The above letter clearly shows that petitioner Soriano since 1958, when he joined the union, was not a mere passive but a militant unionist.

After considering the conflicting claims of both parties, We are inclined to give credence to the findings of the trial Judge, who observed the witnesses on stand as well as scrutinized the evidence presented. We are of the view that Soriano's discharge for alleged dishonesty, inefficiency was not based on solid grounds, but in retaliation for his union activities. Respondent company has failed to give sufficient justification for the peremptory dismissal of an efficient employee with a long record of service behind him.

FOR ALL THE FOREGOING, the resolution of the Court of Industrial Relations en banc dated April 5, 1968, is set aside. The decision of the trial judge dated May 9, 1967, is affirmed with the modification that since reinstatement is no longer possible as petitioner is now dead, his back wages which are hereby fixed at the equivalent of five (5) years pay based on his last salary rate without deduction or qualification, following the precedent of *Davao Free Workers Front vs. Court of Industrial Relations* (60 SCRA 408) shall be paid

immediately to his legal heirs.

Costs against the respondents.

SO ORDERED.

Teehankee, (Chairman), Makasiar, Muñoz Palma, and Martin, JJ., concur.

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