

NOEL CAGADAS, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (5TH DIVISION), CAGAYAN DE ORO CITY, MINDANAO SOLIDMARK, INC., AND/OR ALEJANDRO D. PORTUGAL AND FRANCES Y. UY....

Ponente: FRANCISCO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e0a82fa7fbea/>

FRANCISCO, J.:

This RESOLVES the Motion for Reconsideration[1] filed by petitioner on April 5, 2013.

Judicious review of the instant motion was nothing but a mere rehash of the argument that had been carefully considered, evaluated and passed upon by this Court.

Again, this issue was so ruled by this Court in this manner:

“Law and jurisprudence have long recognized the right of employers to dismiss employees by reason of loss of trust and confidence. More so, in the case of supervisors or personnel occupying positions of responsibility, loss of trust justifies termination.[2] Loss of trust and confidence as a just cause for

termination of employment is premised on the fact that an employee concerned holds a position where greater trust is placed by management and from whom greater fidelity to duty is correspondingly expected.[3]

In recent decisions of the Supreme Court, the treatment of managerial employees has been distinguished from that of rank-and-file personnel, insofar as the application of the doctrine of loss of trust and confidence is concerned. Thus, with respect to rank-and-file personnel, loss of trust and confidence as ground for valid dismissal requires proof of involvement in the alleged events in question, and that mere uncorroborated assertions and accusations by the employer will not be sufficient. But as regards a managerial employee, the mere existence of a basis for believing that such employee has breached the trust of his or her employer would suffice for his or her dismissal. Hence, in the case of managerial employees, proof beyond reasonable doubt is not required, it being sufficient that there is some basis for such loss of confidence, such as when the employer has reasonable ground to believe that the employee concerned is responsible for the purported misconduct, and the nature of his or her participation therein renders him or her unworthy of the trust and confidence demanded by his or her position.[4]

In the present case, as pointed out by the NLRC and as argued by private respondents, petitioner is not an ordinary rank-and-file employee. He was the Branch Manager or Supervisor of private respondents' Butuan-Langihan Branch. As such, he occupied a very sensitive and critical position that involves a high degree of responsibility requiring trust and confidence. As a supervisor, more than anyone else, he is expected to pursue the interest of the company with utmost loyalty, dedication and commitment.

We agree with the claim of private respondents that petitioner's pursuit of a lending business of his own is inimical to the company's interest because he is essentially serving two (2) masters at the same time. There is reasonable ground to private respondents' wariness and apprehension that as between the company's interest and that of petitioner's personal interest in his lending business, petitioner will devote more time and effort in the latter venture. Hence, he could not give his full attention to the duties and responsibilities reposed upon him

as the Branch Manager and Credit and Collections Supervisor of the Butuan-Langihan Branch.

To the mind of this Court, petitioner's conduct of engaging in a lending business, which he never denies, is sufficient basis for the company to lose its trust and confidence in him. Under the circumstances, the company cannot be expected to retain its trust and confidence in, and continue to employ a manager whose attitude is perceived to be inimical to its interests. Unlike other just causes for dismissal, trust in an employee, once lost, is difficult, if not impossible to retain.[5]

The ELA, therefore, erred in treating petitioner as an ordinary rank-and-file. As a managerial employee, petitioner is held at a different standard insofar as the application of the doctrine of trust and confidence is concerned.

As to the finding of the ELA that private respondents failed to comply with the requirements of statutory due process, we do not agree. Before the services of an employee can be validly terminated, the employer must furnish him or her with two written notices: (a) a written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his or her side; and, (b) a written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his or her termination.[6]

In the instant case, the facts are clear that private respondents, through Portugal, informed petitioner in the 10 January 2007 memo that the company received reports that he is engaged in a lending business but that his position as the Branch Manager requires his full attention and that engaging in another job "would be detrimental to the company's interest." In the same memo, private respondents asked him to explain his side in writing. After petitioner submitted his reply, private respondents served him the notice of his termination on 7 February 2007. Clearly, the twin notice requirement that constitutes due process has been satisfied. The essence of due process is that a party be afforded a reasonable opportunity to be heard and to submit any evidence he or she may have in support of his or her defense. We agree with the following pronouncements of the NLRC:

...[I]n a long line of cases, it is well settled that the essence of due process is simply to be heard, or as applied to administrative proceedings, an opportunity to explain one's side, or an opportunity to seek a reconsideration of the action or ruling complained of xxx.

Due process contemplates mere opportunity to be heard and not always and indispensably in an actual hearing. What is sought to be safeguarded is not the lack of previous notice but the denial of opportunity to be heard. Such lack of opportunity is what the law abhors xxx.

This Commission cannot therefore abide with the Labor Arbiter's findings of alleged lack of due process in the termination of complainant's employment xxx.[7]

All told, the imputation of grave abuse of discretion on the part of the NLRC, which necessarily implies a capricious and whimsical exercise of its discretion, cannot be sustained in the instant case.”[8]

WHEREFORE, petitioner's Motion for Reconsideration is hereby DENIED.

SO ORDERED.

Camello, J., Chairperson and Badelles, JJ., concur.

[1] Rollo, p. 203.

[2] Etcuban, Jr. v. Sulpicio Lines, Inc., G.R. No. 148410, 17 January 2005.

[3] Caingat v. NLRC, et al., G.R. No. 154308.

[4] Supra, note 14. (Etcuban).

[5] e Pacific Global Contact Center, Inc. and Sison v. Cabansay, G. R. No. 167345, 23 November 2007.

[6] Supra, note 17. (e Pacific); Book VI, Rule I, Section 2 (d) of the Omnibus Rules Implementing the Labor Code.

[7] Rollo, p. 26.

[8] Rollo, p. 191.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.