

ANTONIO HABANA, PETITIONER VS. THE NATIONAL LABOR RELATIONS COMMISSION, HOTEL NIKKO MANILA GARDEN, MASAKASU TSURUOKA, MASAO YOKOO, AND TAMIYASU OKAWA, RESPONDENTS.

G.R. No. 121486. November 16, 1998

Ponente: KAPUNAN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-121486/>

KAPUNAN, J.:

Before us is a petition for certiorari under Rule 65 of the Revised Rules of Court seeking the reversal of the decision of the NLRC dated 31 January 1995 which affirmed the decision of Labor Arbiter Manuel R. Caday dated 23 September 1994 dismissing petitioner's complaint for illegal dismissal and damages. Similarly impugned is the NLRC's resolution dated 20 April 1995 denying the motion for reconsideration filed by petitioner.

The facts are:

On 16 March 1989, the Hotel Nikko Manila Garden (Nikko for brevity), a corporation duly organized and existing under Philippine laws and primarily engaged in the hotel and restaurant business, employed petitioner Antonio Habana as Rooms Division Director.

Then General Manager Masakazu Tsuruoka issued the following inter-department memorandum announcing petitioner's appointment, detailing his experiences in the hotel business. He expressed full support for petitioner's capability to improve and develop the services and facilities of the Rooms Division. The pertinent portion of the memorandum reads:

INTER-DEPARTMENT MEMORANDUM

TO : All Directors and Managers

FROM : SLZ

SUBJECT : MR. ANTONIO R. HABANA, ROOMS DIVISION DIRECTOR

DATE : March 15, 1989

I am pleased to announce the appointment of MR. ANTONIO R. HABANA to the position of Rooms Division Director effective March 16, 1989.

Mr. Habana joins Manila Garden Hotel backed by 20 years experience in the hotel industry. He worked with Manila Hilton, Guam Hilton and Hyatt Regency Manila in various managerial capacities. His recent employments were with Manila Hotel as Operations Analyst for 10 years up to June 1986, and with Penta Hotel in Manhattan, New York as Night Manager. From 1986 to early 1989, he was president of a travel/tour company in New York.

Mr. Habana is a BSBA Management graduate of Dela Salle University, and a BSBA Accounting graduate of the University of the East.

I ask every one to welcome and extend full support and cooperation to Mr. Habana to enable him to upgrade the services and facilities of the Division.

(SGD.) MASAKAZU TSURUOKA[1]

As Rooms Division Director, petitioner was tasked with the management and supervision of the “Front Office, GRO, Concierge, Reservations, Roomskeeping, Housekeeping and Telephone Exchange to ensure high standard of service.” [2]In particular, his duties were:

1. Formulates plans, projects, policies, system/procedures and new approaches in the management of all departments under Rooms and supervises the implementation of the same if determined feasible.
2. Conducts regular and surprise inspection of all work areas to ensure quality of performance. Formulates/implement operations improvement measures for Rooms Division.
3. Prepares divisional objectives and budget and implementation of the same.
4. Oversees the proper implementation of established Standard Operating procedures in Front Office operations, Reservations, public areas, guest floors and offices.
5. Ensures effective and efficient handling and processing of FITS, group booking and convention.
6. Upgrades the guest rooms and services offered therein, the laundry service and cleanliness and maintenance of public/service and garden areas for a more effective and efficient Housekeeping operations.
7. Oversees the efficient and high quality Housekeeping of guest rooms, suites, service areas at guest floors.
8. Oversees the proper handling of hotel telephone systems and switchboard operation to ensure good communication service.
9. Performs other duties that the General Manager/Assistant General Manager may assign from time to time.[3]

On 31 May 1989, upon the request of top management, petitioner submitted a “Report on Rooms Division’s Operation” to Mr. Tsuruoka wherein he identified the problem areas under his responsibility and concomitantly discussed the improvements that had been accomplished and programs he had initiated in line with Hotel Nikko’s aim to upgrade “the standard of service and hotel facilities to ensure guest satisfaction.”[4] These included open dialogues among the department heads, modification of duties for easy determination of accountability, training program for Assistant Department Heads to prevent disruption of operations in absence of the Department Heads and various repairs and refurbishments of guest rooms and public area facilities.[5]

In the course of his employment, however, petitioner encountered several difficulties, among which was his failure to unite and control his managerial staff. In particular, petitioner had several conflicts with his Senior Rooms Manager, Dolores Samson. On 9 January 1990, he issued a memorandum admonishing her for her failure to comply with the standard operating procedure of informing petitioner, being her immediate supervisor, of matters pertaining to their division’s operations. Petitioner reminded Samson that it was her responsibility to advise and inform him of all memoranda, reports, problems and other matters relative to their operations which come to her attention.[6] Similarly, in a special meeting called on 24 January 1990, petitioner reiterated that “meetings/ discussions and instructions/decisions should not be done by (Samson) unless cleared with (him),” [7]due to the “confusions regarding (the) implementation of instructions coming from the Rooms Division office.”[8]

Thereafter, on 22 March 1990, then Assistant General Manager Masao Yokoo issued a memorandum expressing concern over the dispute between petitioner and his managerial staff in the Rooms Division. Mr. Yokoo stressed the importance of good teamwork and urged petitioner to take responsibility for the “unhealthy situation” and to immediately carry out corrective measures. Otherwise, management may be compelled to intervene and take action. The memorandum reads in full:

INTER-OFFICE MEMORANDUM

TO : R M Z

FROM : S L Z A

DATE : 22 March 1990

I would like you to realize that management is very much concerned with the conflicts involving yourself and your managerial staff within Rooms Division. This may be the first time we are calling your attention through this manner, but management has been aware for quite some time of the disunity and disharmony that has remained unresolved inspite of the several attempts management has initiated for you to have person-to-person dialogues with your managers, inasmuch as management wants you, as Director for Rooms Division, to take responsibility for the existence of such an unhealthy situation.

We strongly believe that good teamwork coupled with high respect for each other’s potentiality and creativity within your area of responsibility is essential to motivate efficiency and improve self-esteem of your staff, as we consider it of vital importance for operations and should be given the highest priority at this instance.

As a result, management has decided to give you due process to carry out management’s perception through instant corrective measures, or management would be compelled to act or intervene directly and irrevocably.

(Sgd) MASAO YOKOO

Assistant General Manager[9]

Instead of complying, petitioner issued a reply belying the existence of any conflict within the Rooms Division. He explained that the misunderstanding was only between himself and his assistant Dolores Samson which arose when he reprimanded her for violating the hotel’s SOPs. Petitioner stated that the aforementioned memorandum should have been addressed to Ms. Samson. He suggested that “better result will be attained if you (Yokoo) call the attention of those uncooperative with their supervisor whose intention is to achieve a systematic and orderly operation of his division such as mine”[10] He further stated that he had tried to solve the conflict following the applicable disciplinary actions but “the only way to make it effective to Ms. Samson is when management make(s) her realize that her improper behavior is to the detriment of the operation.”[11]

Aside from the afore-discussed conflict, the Labor Arbiter found that petitioner was engaged in real estate business, was frequently absent and tardy and that there were rampant violations of hotel rules due to petitioner’s failure to effectively manage his division. For instance, an employee with an approved room discounts for only one night (August 13, 1989) was allowed to change the reservation to August 17 and extend their stay availing of the discounted rate up to August 21 1989. There were also complaints regarding wrong key issuances and double check-in of guests in one room. In addition, the rooms in the hotel were often found dirty and unkempt.[12]

As a result thereof on 24 April 1990, Mr. Tamiyasu Okawa who was appointed on 26 March 1990, as Executive Assistant for Sales, Marketing and Rooms and replaced Mr. Yokoo as petitioner’s immediate superior, issued a memorandum instructing petitioner, Ms. Vicky Raquepo (Roomkeeping Manager) and Mr. Danilo Cabaluna (Housekeeping Manager) to conduct a daily inspection of the guestrooms and the public areas, due to the several complaints received by management. The full text of the memorandum is hereby reproduced:

HOTEL NIKKO MANILA GARDEN

OFFICE OF THE ROOMS DIVISION

TO : RMZ/HKM/RKM

FROM : E A S R

RE : DAILY INSPECTION

DATE : 24 APRIL 1990

As you all know we have been receiving several complaints regarding not only of our guestrooms but also in our public area.

Please ensure that a daily inspection is conducted and report to the undersigned. Schedule as follows:

ATTENTION

9:00AM - 12:00 NN - Room Inspection RMZ/RKM

1:30 PM - 3:30 PM - Public Area RMZ/HKM

3:30 PM - 4:30 PM - Coordinate with RMZ/HKM/RKM

Engineering

6:00 PM - 6:30 PM - Report the result RMZ/HKM/RKM

(SGD.) TAMIYASU OKAWA[13]

On 27 April 1990, petitioner sent a memorandum of protest to Mr. Okawa alleging that the latter's order for petitioner to inspect the hotel's guestrooms and public areas from 9:00 a.m. to 6:30 p.m. left him no time to perform his other functions and thus effectively stripping him of his powers and responsibilities without justification. He declared that the above order was a form of harassment to "ease him out of his position." In the said memorandum, petitioner illustrated in detail the other forms of alleged harassment perpetrated supposedly by Mr. Okawa, like the transfer of petitioner to a smaller office; the removal of petitioner's name as one of the approving officers in the personnel forms; and the exclusion of petitioner from regular meetings regarding Rooms Division operations:

HOTEL NIKKO MANILA GARDEN

OFFICE OF THE ROOMS DIVISION DIRECTOR

F O R : E A S R

F R O M : R M Z

R E : AS STATED

D A T E : 27 APRIL 1990

Recently, you stripped me of my powers and responsibilities, without case (sic) and justification and relegated me to the job of inspecting rooms and public area. Thus, in your Memorandum of April 24, 1990, you instructed me to do the above job from 9:00 a.m. to 6:30 p.m., thereby preventing me from performing my other functions such as attending meetings, managing the activities at the Front Office, Reservations, Telephone Departments as well as attending to matters affecting the overall operation of my area of responsibility. This strongly confirms the fact that you are exerting best efforts to harass me and ease me out of my position, as can be gleaned from the following:

1. On April 16, 1990, while I was on sick leave, you caused my office/things to be transferred to a smaller room which is a passageway going to SLZA's office. This caused me great shame and embarrassment;
2. For some time now, you have been conducting meetings with my staff without inviting me although matters discussed therein involved the operation of my division. Thus, I was left out in the cold as to matters concerning my own division;

3. Last Friday, April 20, 1990, you informed me that you can easily ease me out of my job by just effecting a reorganization of my division;
4. One time upon seeing a request from PHI particularly addressed to me for me to review a contract, you took said request and directly acted on it without informing me thereof, inspite of the fact that I was in my office at that time.
5. Last April 24, 1990, you particularly instructed me not to attend a very important seminar intended for all Directors and Managers, and instead ordered me to do routine room inspection. I was the only director who was not allowed to attend this seminar, to my great embarrassment;
6. When I issued a memorandum to a subordinate who had repeatedly failed to follow the hotel's SOPs, you reprimanded me and instructed me not to send out memos anymore. When I tried to explain, you shouted at me and ordered me to resign. I would like to make it of record that I have no plans to resign because I have not done anything which warrants me to do so. I will try to do my job to the best of my ability despite that fact that you have been persistently making my working conditions unbearable in order to force me to resign;
7. During the past weeks, before your memo for my daily inspection dated April 24, 1990, whenever I would go to my office so that I can review some documents or otherwise work out some plans for the different departments under my division, you would always send me out and require me to do some more inspection work.
8. You instructed our secretaries not to include my name as signatory to Personnel Forms such as Employees Status Form and Misconduct Notice prepared for Rooms Division, which means that my authority to approve the same has likewise been removed from me. This again curtailed my authority as a Division Director.
9. In several occasions you have been very rude, sarcastic and discourteous. I cannot be denied that you have shouted and insulted me even in the presence of my staff. But even if my self respect is agitated, I cannot openly question your manner being my superior.

The above acts have caused me serious anxiety. Hence, with respect, this is to call your attention of the abovementioned to respect my rights as an employee and dignity as a human.

Thank you.

(SGD.) ANTONIO R. HABANA[14]

However, on 2 May 1990, petitioner went to the Hotel's Comptroller, Mr. Ernesto Rosales asking for his severance pay of P120,000.00 plus accrued benefits in the amount of P11,865.28, for a total of P131,865.28. The check was prepared but before it was released, petitioner was asked to submit a letter of resignation pursuant to hotel policy. Petitioner dictated the contents of his resignation letter to Mr. Rosales' secretary who prepared the same. After the letter was finished, petitioner signed it and submitted it to Mr. Rosales who, in turn, gave the check to petitioner. [15]Petitioner's resignation letter reads as follows:

May 02, 1990

Hotel Nikko Manila Garden

Makati, Metro Manila

Attention: Personnel Department

Gentlemen:

I hereby tender my resignation effective the close of business hour of May 15, 1990 and I wish to thank the

management and staff for having worked with them for the past year.

Very truly yours,

(SGD.) ANTONIO HABANA

Rooms Division Director[16]

Petitioner, likewise, executed an Affidavit of Quitclaim in favor of Hotel Nikko.

The next day, 3 May 1990, respondents received a letter from petitioner (addressed to Mr. Okawa) who insisted that he was forced to resign because he could no longer endure Mr. Okawa's acts of harassment against him. The letter reads in full:

MR. TAMIYASU OKAWA

Executive Assistant for

Sales and Rooms

Hotel Nikko Manila Garden

Makati, Metro Manila

Dear Mr. Okawa,

I resigned because I could no longer endure your harassments. Yesterday, May 2, 1990, when I explained to you that the reason for my absence last April 28 and 30, 1990 was due to fever, you told me that I was sick here (pointing to your head). This was just another instance among the other several acts of harassment which you maliciously performed in order to force me to resign. With the things you have done which subjected me to humiliation and embarrassment, the only decent thing to do was to resign.

I was likewise forced to receive the money offered to me, in order to have money to spend during the days I am out of work.

Thank you.

(SGD.) ANTONIO R. HABANA[17]

Consequently, on 17 May 1990, petitioner filed a complaint for illegal dismissal and damages against Hotel Nikko and its officers Masakazu Tsuruoka, Masao Yokoo and Tamiyasu Okawa.

On 23 September 1994, Labor Arbiter Manuel R. Caday dismissed the complaint. He ruled that when petitioner sensed that the hotel's top management has lost its confidence in his ability to effectively manage the Rooms Division, he offered to voluntarily resign in exchange for a large amount of separation pay. Labor Arbiter Caday further declared that the alleged acts of harassment were non-existent, being merely the "self-serving imaginations conceptualized by complainant who for boasting too much of his alleged twenty (20) years know-how in hotel operations, could not swallow his pride and accept his being constantly reminded, reproached and reprimanded by his disciplinarian new superior officer, respondent Okawa, for his failing ability to effectively manage and control his own Division." [18]

The dispositive portion of the above decision states as follows:

WHEREFORE, premises all considered, judgment is hereby rendered dismissing the instant case for utter lack of merit.

SO ORDERED.[19]

On appeal to the NLRC, the latter rendered a decision on 31 January 1995 affirming the findings of Labor Arbiter Caday. The NLRC ruled that the “alleged harassments” were “nothing more than resentment to (the) high and strict standards of work and personal grudge or animosity towards a superior.”[20] Likewise, the NLRC maintained that petitioner voluntarily resigned as manifested by his act of negotiating for a huge amount of separation pay. Hence, the dispositive portion of the NLRC decision reads:

WHEREFORE, premises considered, the Decision dated 23 September 1994 is hereby AFFIRMED and the appeal of complainant is DISMISSED for lack of merit.

SO ORDERED.[21]

When his motion for reconsideration was denied in the Resolution of the NLRC dated 20 April 1998, petitioner came to this Court stating the following grounds for his petition for certiorari:

I

PUBLIC RESPONDENT GRAVELY ABUSED ITS DISCRETION IN CONCLUDING THAT PETITIONER HAD VOLUNTARILY RESIGNED FROM EMPLOYMENT.

II

PUBLIC RESPONDENT GRAVELY ABUSED ITS DISCRETION IN NOT AWARDING DAMAGES TO PETITIONER.[22]

The petition is without merit.

Evidently, the issues raised in this case are factual in nature and firm is the principle that “factual findings of the NLRC, particularly when they coincide with those of the Labor Arbiter, are accorded respect, even finality, and will not be disturbed for as long as such findings are supported by substantial evidence.”[23]

We have painstakingly reviewed the records of this case and we find no justifiable reason to overturn the findings of both the Labor Arbiter and the NLRC.

Petitioner accuses the hotel’s top brass of deliberately committing acts of harassment which were intended to and eventually succeeded in forcing him to resign.

Petitioner laments that he was completely stripped of his powers and functions as Director of the Rooms Division when Mr. Okawa, Executive Assistant for Sales, Marketing and Rooms and petitioner’s immediate superior, tasked him with inspecting the hotel’s guest rooms and public areas. Conducting these daily inspections, he adds, took up all of his working hours leaving him no time to attend to his other important duties. Hence, “the very essence and substance of his directorship” was taken away from him. He was, in effect, demoted to a mere room inspector “with a rank a notch higher than a bellboy.” Moreover, petitioner could no longer endure the humiliation and indignity of going from room to room, inspecting the toilets and garbage areas, “clad in his standard formal suit and tie” and concludes that this was part of a malicious scheme to “harass” him out of his position.

We are not convinced.

The instructions for petitioner, along with the Executive Housekeeper (Danilo Cabaluna) and the Executive Roomskeeper (Victoria Raquepo) to conduct daily inspection of the guest rooms and public areas of the hotel could hardly be characterized as harassment. The orders were not borne out of mere whim and caprice. As explicitly stated in the Memorandum dated 24 April 1990, the management was getting several complaints

regarding the hotel's guestrooms and public areas[24] and petitioner did not dispute this. In fact, he testified as follows:

x x x.

ATTY. BAUSA:

We will go back to that letter on Mr. Habana, we will quote to you the next complaint which is the alleged inspection of rooms. As the Rooms Division Director, it is one of your duties to inspect the rooms, is it not?

WITNESS:

Yes, sir.

ATTY. BAUSA:

As a matter of fact, it is one of the duties enumerated in your Job Description? Is that correct?

WITNESS:

Yes, sir.

ATTY. BAUSA:

More specifically, it is contained in item No. 2 in the enumeration of your Job description contained in your affidavit?

WITNESS:

Yes, sir.

ATTY. BAUSA:

You will agree with us Mr. Habana, that the rooms and public area of a five (5) star hotel should not only be clean and tidy, it would be impeccable also, is that correct?

WITNESS:

Yes, sir.

ATTY. BAUSA:

And seeing to it that this (sic) rooms were in that impeccable condition, are critical and crucial part of your job, is that correct?

WITNESS:

Yes, sir.

ATTY. BAUSA:

During this time that you complaint of which is also mentioned in your affidavit, it is not a fact that there were several complaints from the public about the condition of the rooms as well as the public area.

WITNESS:

Yes, sir.

ATTY. BAUSA:

Is it for this reason that . . . the improvement and the maintenance of this rooms condition were imperative?

WITNESS:

Yes, sir.

x x x[25].

From the aforequoted testimony petitioner, likewise, admitted that his primordial responsibility as Rooms Division Director was to ensure that the guestrooms measure up to the highest standards of cleanliness. He supplemented this by testifying that:

x x x.

ATTY. BAUSA:

Mr. Habana, you confirmed here that one of the most important functions of your room division, is to see to it that the guest rooms and the public areas in the hotel, are in the best condition, it is not?

WITNESS:

Yes, sir.

ATTY. BAUSA:

I see. And as a matter of fact, Mr. Habana, this is your major responsibility in the hotel, is it not?

WITNESS:

Yes, sir, that is one of my responsibilities.

ATTY. BAUSA:

And that the time that you were requested to conduct continuous inspections of the rooms.... conditions of the hotel rooms and the public areas were at the worse?

WITNESS:

Well, yes.

ATTY. BAUSA:

Just answer the question, Mr. Habana?

WITNESS:

Yes, sir.

xxx.[26]

If petitioner was well-aware that conducting room inspections was a major part of his responsibilities, then, he certainly had no reason to complain, much less be embarrassed about. Moreover, inspections conducted by division heads are not without precedent. Ms. Pearl Aragon, Hotel Nikko's Director for Administration (who holds the same level position as petitioner) testified that she herself had to inspect garbage areas and the hotel sewers and she did not feel the least bit embarrassed about it because it was part of her work. Even the General Manager, she added, would go around and inspect various areas of the hotel. She expounded thus:

x x x.

ATTY. ANASCO:

Q: Mr. Habana also claim that he was made to inspect rooms, toilets, garbage areas for eight hours a day, what can you say about his claim, Madam Witness?

MS. ARAGON:

A: That is something that we are all expected to do. I for one, being in-charge, since I managed for instance the engineering department, I'm being asked to inspect sewage fits; I'm being asked to inspect wet and dry garbage areas. Even the GM, itself, would go around and inspect each places. So I don't think that anyone to be exempt to do those things. All of us have our own duties to perform and areas to visit and inspect. I don't think that it is unusual for asking Mr. Habana to go and inspect the areas under his responsibility.

ATTY. ANASCO:

Q: You mentioned earlier that you, yourself did kind of inspection?

MS. ARAGON:

A: Yes.

ATTY. ANASCO:

Q: When you did this inspection, how did you feel then?

MS. ARAGON:

A: It's part of my work as Manager in-charge of those areas. It's my obligation to do those things, so I should do that without any question, without any bitterness, without any thinking that I'm being downgraded or being put to embarrassment or anything. Just performing my regular job.

x x x[27].

Petitioner's complaint that he was made to conduct inspections the whole day while his two subordinates were assigned only a few hours each is unmeritorious. Petitioner was the head of his division. Precisely, it was his duty to take command responsibility. Sadly, petitioner has lost sight of the fact that being a leader is not all prestige and glamour but includes, in great measure, hard work. Being charged to take action is not harassment but a challenge to petitioner's leadership capability.

Petitioner puts too much emphasis on the merit for cleanliness given to Hotel Nikko in 1989 by the Department of Tourism. He stated that the same was awarded at the time he took over the helm of the hotel's Rooms Division.

This pronouncement deserves scant consideration. Firstly, in his testimony during the 11 March 1992 hearing, petitioner explicitly stated that he was not aware that Hotel Nikko was awarded such recognition,[28] Secondly, the Hotel must be able to maintain, if not surpass, the same standard of cleanliness which merited them the award in the first place. Hence, the need for the daily inspections.

Equating the "daily inspection measure" to harassment is but the result of petitioner's misplaced perception. On the contrary, it was a valid solution conceived by top management to counter guest complaints on the state of hotel's guestrooms and public areas. It cannot be denied that cleanliness is top priority in the hotel business. Petitioner was the Rooms Division Director and this was his responsibility. He was not singled out. He was simply called to task.

Another act of harassment, petitioner contends, was his unceremonious ouster from his old office and his transfer to a "pitiable passageway."

Petitioner exaggerates. As found by the Labor Arbiter and the NLRC, said move was brought about by operational necessity. Mr. Okawa needed a room which could be divided into an office and a meeting area. [29]Again, this is not an uncommon practice. From her own experience, Ms. Aragon testified thus:

x x x.

ATTY. ANASCO:

Q: Another form of harassment that Mr. Habana claimed is that he was transferred from big room to small room, what can you say about this, Madam Witness?

MS. ARAGON:

A: The relocation of office has happened several times. I for one, again, as an example, used to occupy a forty (40) square meter room and my secretary in that room. Now, I'm occupying a twelve (12) square meter room because my room had to be given with the new PHI President. These things we have to do to give way to some operational requirements. Its' not the first time it happened.

ATTY. ANASCO:

Q: For the record what is your present position?

MS. ARAGON:

A: I'm the Director for Administration and I have five departments under me. I'm supervising personnel, accounting, training, engineering and purchasing. I'd like to say it is the same level Mr. Habana used to occupy, a director level.

x x x.[30]

Petitioner also claims that his alleged exclusion from the regular staff meetings held by Mr. Okawa and the removal of his name from the hotel's personnel requisition forms were concoctions aimed to force him to resign.

On the first claim, aside from petitioner's self-serving allegation, there is nothing in the record to support the same. On the second accusation, we agree with the findings of the Labor Arbiter. Said rearrangement was not intended to ease petitioner out, rather it was to enable Mr. Okawa, petitioner's immediate supervisor "to have stricter control inasmuch as in the past, there were many occasions that the hiring, recruitment and transfer of employees were being freezed by the Rooms Division Head." [31]

In sum, the various measures executed by the hotel's top management were not acts of harassment but were legitimate exercise of management prerogatives. In *San Miguel Brewery Sales Force Union (PTGWO) v. Ople*, [32] when San Miguel's marketing scheme known as the "Complementary Distribution System" (CDS), [whereby its beer products were offered for sale directly to wholesalers through its sales offices] came under fire for allegedly reducing the take-home pay of its route salesmen and truck helpers since the company, in effect, would be competing with them, we held:

Public respondent was correct in holding that the CDS is a valid exercise of management prerogatives:

"Except as limited by special laws, an employer is free to regulate, according to his own discretion and judgment, all aspects of employment, including hiring, work assignments, working methods, time, place and manner of work, tools to be used, processes to be followed, supervision of workers, working regulations, transfer of employees, work supervision, lay-off of workers and the discipline, dismissal and recall of work. x x x (NLU vs. *Insular La Yebana Co.*, 2 SCRA 924; *Republic Savings Bank vs. CIR*, 21 SCRA 226, 235.)" (*Perfecto V. Hernandez*, Labor Relations Law, 1985 ED., p. 44.) (Italics ours.)

Every business enterprise endeavors to increase its profits. In the process, it may adopt or devise means designed towards that goal. In *Abbott Laboratories vs. NLRC*, 154 SCRA 713, We ruled:

“x x x Even as the law is solicitous of the welfare of the employees, it must also protect the right of an employer to exercise what are clearly management prerogatives. The free will of management to conduct its own business affairs to achieve its purpose cannot be denied.”

So long as a company’s management prerogatives are exercised in good faith for the advancement of the employer’s interest and not for the purpose of defeating or circumventing the rights of the employees under special laws or under valid agreements, this Court will uphold them (*LVN Pictures Workers vs. LVN*, 35 SCRA 147; *Phil. American Embroideries vs. Embroidery and Garment Workers*, 26 SCRA 634; *Phil. Refining Co. vs. Garcia*, 18 SCRA 110).

The harassment issue raised by petitioner was but a smokescreen to conceal his own shortcomings.

The next issue to be resolved is whether or not petitioner voluntarily resigned. Petitioner asserts that private respondents coerced and intimidated him into resigning through their collective acts of harassment which caused him tremendous psychological and emotional stress. He further alleges that the P120,000.00 separation pay was the pay-off offered by Hotel Nikko in exchange for his resignation. Petitioner stresses that he had no intention of resigning as manifested in his memorandum dated 27 April 1990, the pertinent portion of which states:

x x x.

When I issued a memorandum to a subordinate who had repeatedly failed to follow the hotel’s SOP’s, you reprimanded me and instructed me not to send out memos anymore. When I tried to explain, you shouted at me and ordered me to resign. I would like to make it of record that I have no plans to resign because I have not done anything which warrants me to do so. I will try to do my job to the best of my ability despite that fact that you have been persistently making my working conditions unbearable in order to force me to resign;

x x x.[33]

Contrariwise, private respondents contend that it was petitioner who approached (around the first week of April 1990) Ms. Aragon indicating his desire to resign due to his “difficulty in coping with his responsibilities as Rooms Division Director”[34] and his differences with his immediate boss, Mr. Okawa. Petitioner wanted a severance pay of P250,000.00 and he solicited Ms. Aragon’s assistance in this regard. Negotiations ensued until both parties (petitioner and Hotel Nikko through Ms. Aragon) agreed on P120,000.00 as separation pay. Thereafter, on 2 May 1990, petitioner went to the office of the Comptroller, Mr. Rosales to get his check. Upon Mr. Rosales’ request, pursuant to hotel policy, petitioner prepared his letter of resignation (typed by Mr. Rosales’ secretary) and submitted it to the former.

We agree with private respondents that petitioner voluntarily resigned.

Voluntary resignation is defined as the voluntary act of an employee who “finds himself in a situation where he believes that personal reasons cannot be sacrificed in favor of the exigency of the service and he has no other choice but to disassociate himself from his employment.”[35] In this case, as indicated in the various memoranda he received from his superiors, petitioner was clearly having trouble performing his job, one which undeniably carries immense responsibilities. Notable too was petitioner’s failure to see eye to eye with his immediate bosses, first, Mr. Yokoo and then Mr. Okawa. Because of these difficulties, it was quite reasonable for petitioner to think of, and eventually, relinquishing his position voluntarily (and get a fat sum as severance pay in the bargain) instead of waiting to be fired.

Petitioner could not have been intimidated by private respondents to quit. In his 27 April 1990 memorandum,

petitioner emphatically vowed not to resign despite private respondents' alleged acts of harassment. Surprisingly, however, after only a few days he did quit alleging that he was forced and harassed to do so. If petitioner was adamant in his intention not to be coerced into leaving, how could he suddenly be forced to resign. Petitioner glaringly contradicted himself. His excuse is, thus, unbelievable and unjustifiable.

Guatson Int'l. Travel & Tours vs. NLRC[36] does not apply in this case. The factual milieu is different and more importantly the Guatson case involved a mere messenger who, understandably, could easily be cowed and forced by his employer to quit, while the case at bar involves a well-educated professional and a managerial employee at that. The ruling in Samaniego v. NLRC[37] is instructive:

It must be emphasized as well that the petitioners are not ordinary laborers or rank-and-file personnel who may not be able to completely comprehend and realize the consequences of their acts. The petitioners are managerial employees holding responsible positions. They are educated individuals. For his part, petitioner Samaniego immediately assumed a ranking position in a competing company after his resignation from Sandvik Philippines, Inc. Under these circumstances, it can hardly be said that they were coerced into resigning from the company.

The Solicitor General maintains that receipt of separation pay is not a bar to contesting the legality of dismissal from employment. The observation is beside the point. As stated earlier, there is no illegal dismissal in the case at bar.

From the foregoing, it clearly appears that the petitioners voluntarily resigned from the company for a valuable consideration. The quitclaim they executed in favor of the company amounts to a valid and binding compromise agreement. To allow the petitioners to repudiate the same will be to countenance unjust enrichment on their part. The Court will not permit such a situation.

Petitioner tries to belie private respondents' contention that they negotiated for the former's separation pay by pointing out that the negotiations allegedly began in the first week of April 1990 but petitioner categorically stated on 27 April 1990 that he would not resign.

Petitioner's claim is not convincing. As testified by Ms. Aragon, in early April 1990, petitioner told her he was thinking of resigning. At that time petitioner had not yet made up his mind. Apparently, he made his decision to voluntarily quit after 27 April 1990 and after finally agreeing on the P120,000.00 separation pay.

Furthermore, the fact that Mr. Rosales, the hotel's Comptroller required petitioner to submit a resignation letter before his separation pay was released did not militate against the voluntariness of his resignation. Petitioner readily acceded and was the one who dictated the contents of the said letter to Mr. Rosales' secretary who typed the same and he showed neither resistance nor protest when he submitted his letter of resignation.[38]

Finally, the timing of petitioner's letter of protest, which he sent to private respondents just after he received the check for his severance pay on 3 May 1990, arouses suspicion of bad faith. He wanted to exact something more from private respondents despite his voluntary resignation and acceptance of a huge amount of separation pay.

In view of the foregoing findings, petitioner's claim for damages must, likewise, fail.

WHEREFORE, premises considered, the petition for certiorari is hereby DISMISSED.

SO ORDERED.

Narvasa CJ. (Chairman), Romero, Purisima and Pardo JJ., concur.

- [1] Annex D, Rollo, p. 79.
- [2] Annex E, Rollo, p. 80.
- [3] Rollo, p. 80-81.
- [4] Annex C, Original Records, pp. 47-50.
- [5] Ibid.
- [6] Annex F, Original Records, p. 53.
- [7] Annex H, Original Records, pp. 57-58.
- [8] Ibid.
- [9] Rollo, p. 82.
- [10] Id., at 83-85.
- [11] Ibid.
- [12] Id., at 51-52.
- [13] Id., at 86.
- [14] Id., at 87-88.
- [15] TSN, 8 February 1994, pp. 9-10.
- [16] Annex "E," Original Records, p. 89.
- [17] Rollo, p. 89.
- [18] Id., at 59.
- [19] Id., at 63.
- [20] Id., at 74-75.
- [21] Id., at 75.
- [22] Id., at 24-25.
- [23] *Belaunzaran v. NLRC*, 265 SCRA 800 (1996); See also *Oscar Ledesma and Company v. NLRC*, 246 SCRA 471 (1995) and *Ala Mode Garments, Inc. v. NLRC*, G.R. No. 122165, 17 February, 1997.
- [24] Rollo, p. 86.
- [25] TSN, 26 March 1992, pp. 64-67.
- [26] TSN, 23 April 1992, pp. 55-56.
- [27] TSN, 8 February 1994, pp. 21-24.
- [28] TSN, 11 March 1992, p. 40.
- [29] Rollo, pp. 58-59; TSN, 8 February 1992, p. 29.
- [30] TSN, 8 February 1992, pp. 24-26.

[31] Rollo, p. 58.

[32] 170 SCRA 25 (1989).

[33] Rollo, p. 88.

[34] *Id.*, at 120.

[35] PHIMCO Industries, Inc. vs. NLRC, G.R. No. 118141, 11 June 1997.

[36] 230 SCRA 815 (1994).

[37] 193 SCRA 111 (1991).

[38] TSN, 21 March 1994, pp. 9-14.

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.