

FLEISCHER COMPANY, INC. AND/OR RUTH YRAD, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION, NATHANIEL RUAMAR, PEDRO DALIT, FELIX VIVERO, AND EDDIE DUBAL, RESPONDENTS.*G.R. No. 121608. March 26, 2001*

Ponente: BUENA, J.

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This petition for certiorari under Rule 65 of the Rules of Court assails the decision[1] of the National Labor Relations Commission (NLRC) dated December 27, 1994 which reversed the decision of the Labor Arbiter granting private respondents' complaint for illegal dismissal and ordering petitioners to pay them separation pay, wage differentials, 13th month pay and service incentive leave pay, as well as the resolution of the NLRC dated June 21, 1995 modifying its earlier decision by deleting therefrom the monetary award in favor of private respondent Pedro Dalit who signed a quitclaim in favor of petitioner. In the assailed decision, the NLRC declared private respondents' termination as valid on the ground of redundancy and ordered the payment of separation pay, wage differentials, 13th month pay and service incentive leave pay.

Petitioner Fleischer Company, Inc., an agricultural plantation producing copra, hired private respondents as security guards in 1989.[2] Nathaniel Ruamar was terminated on February 23, 1990 on the ground that his services were "no longer needed by the corporation" and was instructed to collect his separation pay from the corporation's resident manager.[3] Pedro Dalit, Felix Vivero and Eddie Dubal were all terminated on March 13, 1990 because they allegedly could no longer perform their duties as security guards since they no longer had the necessary firearms, and were informed that the corporation would be hiring security guards from a security agency.[4]

On March 27, 1990, private respondents filed a complaint for illegal dismissal with prayer for reinstatement, backwages, underpayment of wages, 13th month pay, holiday pay, rest-day pay, and 5-day service incentive leave pay before Labor Arbiter Arturo P. Aponesto.[5] In their position paper dated July 9, 1990, private respondents argued that their dismissal from employment was illegal and the alleged reason for their dismissal has no basis, claiming that they were not required to provide their own firearms when they were hired by Fleischer Company, Inc. but were actually provided with firearms by the latter.[6] Private respondents further claimed that they were dismissed without due process asserting that they should have been given notice of their dismissal at least 30 days before the intended date of termination.[7] The dismissal of private respondents from employment was made effective upon receipt of their respective termination letters.[8] Furthermore, private respondents insisted that they were entitled to wage differentials on the ground that as security guards their wages should be based on the industrial rate and not on the agricultural rate.[9] Finally, private respondents sought their reinstatement with full backwages.

On the other hand, Fleischer Company, Inc., in its position paper dated August 15, 1990, maintained that private respondents were dismissed for valid causes. According to Fleischer, Nathaniel Ruamar was incompetent and

once used company funds for personal purposes without authority or consent from the company.[10] The three (3) other private respondents were allegedly terminated due to lack of firearms, beside the fact that Felix Vivero had a defective ear and could not hear anymore.[11] Furthermore, Fleischer rejected private respondents' money claims contending that they are agricultural workers and not underpaid, and that the company's payroll showed that they were given their money claims.

After the parties had submitted their respective position papers, the Labor Arbiter rendered a decision dated July 31, 1991, the dispositive part of which reads:

"WHEREFORE, finding that complainants Pedro Dalit, Felix Vivero, Nathaniel Ruamar and Eddie Dubal were dismissed by respondent Fleischer Company, Inc. without just or authorized cause, hence illegal, said respondent is hereby directed to pay complainants their respective separation pay. In addition respondent company is further ordered to pay complainants' money claims for wage differentials, 13th month pay and service incentive leave pay as detailed and set forth above, thus:

Separation Pay P 43,748.14

Money Claims P 53,843.25

P 97,591.39

SO ORDERED." [12]

In his decision, the Labor Arbiter ruled in favor of private respondents holding that there was "no showing that the[ir] dismissal was for just cause and after due process." [13] According to the Labor Arbiter, Fleischer was not able to sufficiently establish the facts that would warrant private respondents' dismissal from employment. In addition, the Labor Arbiter found that there was lack of due process in effecting their dismissal. Having concluded that private respondents were illegally dismissed, the Labor Arbiter ruled that private respondents are entitled to reinstatement to their former positions. However, since reinstatement was found to be impractical and illogical under the circumstances, and the relationship between the parties appeared to be strained, the Labor Arbiter ordered the payment of separation pay in lieu of reinstatement. With regard to the payment of backwages, the Labor Arbiter maintained that Fleischer was in good faith when it offered and directed private respondents to get their respective separation pays at the time they were terminated, hence, declined to award backwages to private respondents inasmuch as "...to order respondent [Fleischer] to pay backwages would be unreasonable, if not oppressive." [14] The Labor Arbiter also found private respondents' claims for wage differential, 13th month pay and service incentive leave pay to be meritorious, it appearing from the payrolls presented by Fleischer that these money claims were not paid, but the same must be computed on the basis of the agricultural-plantation rate rather than the industrial rate.

On appeal, the NLRC, in a decision dated December 27, 1994, reversed the finding of the Labor Arbiter that private respondents were illegally dismissed from employment. The dispositive part of the said decision reads:

"WHEREFORE, the decision of the Labor Arbiter below in the above-entitled case is hereby correspondingly modified and respondent Fleischer Company, Inc. is hereby ordered to pay complainants' claims which are hereunder stated as follows:

Separation Pay to the four -----P34,918.00

complainants

Other Money Claims----- 53,843.25

TOTAL AWARD-----P88,761.25

SO ORDERED."[15]

In its decision, the NLRC upheld the existence of an employer-employee relationship between Fleischer and private respondents, thus:

"xxx xxx xxx.

"A review of the pleadings and evidence submitted before the Labor Arbiter of origin reveals that there is no dispute that complainants herein were indeed hired by the respondents. Respondent admitted to have hired complainant Nathaniel Ruamar as utility man although the latter contends that he was hired as [a] security guard. As to the other complainants - Pedro Dalit, Felix Vivero and Eddie Dubal, respondents admit to have hired them as security guards because at the time of their hiring, they were members of the Civilian Home Defense Force (CHDF) with authority to carry firearms, and respondent believed they could make use of said employees to guard their premises against thieves and other malefactors.

"xxx xxx xxx."[16]

Regarding the legality of private respondents' dismissal from employment, the NLRC held that private respondents were not illegally dismissed from employment inasmuch as it considered the case "analogous to or one involving REDUNDANCY,"[17] explaining thus:

"xxx xxx xxx.

"It is clearly established that complainants were hired as security guards, or as utility man in the case of complainant-Ruamar, because of their positions as members of the CHDF, and being such they were authorized to carry firearms. Their being members of the CHDF or their having with them the firearms issued to them as CHDF members was a condition sine qua non to their positions as security guards of the company. Thus, when they ceased to be members of the CHDF and had lost the authority to carry their issued firearms, their positions in the company had become redundant because then, the company would have to hire duly licensed security guards from a security agency who are authorized to carry firearms."[18]

Consequently, the NLRC ordered the payment of separation pay equivalent to one-month pay for every year of service as mandated by Article 283 of the Labor Code. Lastly, the NLRC affirmed the Labor Arbiter's finding that private respondents are entitled to their money claims and the same should be based on the prevailing wage rates for workers of agricultural plantations. However, the NLRC made a recomputation of the monetary awards because the actual computations done by the Labor Arbiter were based on the prevailing rates for non-agricultural or industrial establishments.

In a Resolution dated June 21, 1995, the NLRC modified its earlier decision by deleting the monetary awards in favor of private respondent Pedro Dalit on account of the "Release and Quitclaim" signed by the latter, and affirmed its decision in all other respects.[19]

In this petition for certiorari, Fleischer Company, Inc. argues that the NLRC acted with grave abuse of discretion in rendering the assailed decision and resolution, and contends that first, there is no employer-employee relationship between petitioner and private respondents; and second, the parties have long settled this case amicably.[20]

We find no merit in the petition.

It is well-settled that the existence of an employer-employee relationship is essentially a factual question and the public respondent's findings thereon are accorded great weight and respect and even finality when the same are supported by substantial evidence.[21] A careful scrutiny of the records of this case failed to convince this Court that the findings of the agencies below are not supported by substantial evidence leading us to concur with the

NLRC and the Labor Arbiter that an employer-employee relationship exists between Fleischer and private respondents. Fleischer's contention on this matter deserves scant consideration.

Likewise, Fleischer's contention that this case has long been settled amicably by the parties is a question of fact the determination of which is the statutory function of the NLRC. As long as the findings of the NLRC on this question are supported by substantial evidence, the same will not be disturbed on review by this Court. Review in the Supreme Court concerning factual findings in labor cases is confined to determining allegations of lack of jurisdiction or grave abuse of discretion. In this case, we see no cogent reason to disturb the findings of the NLRC. We are in agreement with the public respondent's conclusion that there indeed existed an employer-employee relationship between Fleischer and private respondents, and the case has been amicably settled only as between Fleischer and Pedro Dalit.[22]

WHEREFORE, the petition is DISMISSED. The assailed decision of public respondent National Labor Relations Commission dated December 27, 1994, as modified by its Resolution dated June 21, 1995 is hereby AFFIRMED.

SO ORDERED.

Bellosillo, (Chairman), Mendoza, and De Leon, Jr., JJ., concur.
Quisumbing, J., on leave.

[1] Decision penned by Commissioner Oscar Abella, and concurred in by Presiding Commissioner Musib M. Buat and Commissioner Leon G. Gonzaga, NLRC-Cagayan de Oro City, Fifth Division, Rollo, p. 12.

[2] Petition, p. 3 in Rollo, pp. 4-10.

[3] Records, vol. 1, p. 20.

[4] Ibid., pp. 21-23.

[5] Records, vol. 1, p. 1.

[6] Ibid., pp. 15-16.

[7] Ibid., p. 16.

[8] Ibid., pp. 20-23.

[9] Ibid., p. 16.

[10] Ibid., p. 31.

[11] Ibid., p. 32.

[12] Ibid., pp. 46-47.

[13] Ibid., p. 42.

[14] Ibid., p. 45.

[15] Rollo, p. 16.

[16] Ibid., p. 13.

[17] Ibid.

[18] Ibid., p. 14.

[19] Ibid., p. 21.

[20] Ibid., p. 72.

[21] Santos vs. NLRC, 293 SCRA 113, 125 (1998).

[22] Records, vol. 3, Annex A, A-1, pp. 61-62.

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