

DOLE PHILIPPINES, INC., PETITIONER, VS. PAWIS NG MAKABAYANG OBRERO (PAMAO-NFL), RESPONDENT.

G.R. No. 146650. January 13, 2003

Ponente: CORONA, J.

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CORONA, J.:

Before us is a petition for review filed under Rule 45 of the 1997 Rules of Civil Procedure, assailing the January 9, 2001 resolution of the Court of Appeals which denied petitioner's motion for reconsideration of its September 22, 2000 decision[1] which in turn upheld the Order issued by the voluntary arbitrator[2] dated 12 October 1998, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the complainant. Respondent is hereby directed to extend the "free meal" benefit as provided for in Article XVIII, Section 3 of the collective bargaining agreement to those employees who have actually performed overtime works even for exactly three (3) hours only.

SO ORDERED. [3]

The core of the present controversy is the interpretation of the provision for "free meals" under Section 3 of Article XVIII of the 1996-2001 Collective Bargaining Agreement (CBA) between petitioner Dole Philippines, Inc. and private respondent labor union PAMAO-NFL. Simply put, how many hours of overtime work must a Dole employee render to be entitled to the free meal under Section 3 of Article XVIII of the 1996-2001 CBA? Is it when he has rendered (a) exactly, or no less than, three hours of actual overtime work or (b) more than three hours of actual overtime work?

The antecedents are as follows:

On February 22, 1996, a new five-year Collective Bargaining Agreement for the period starting February 1996 up to February 2001, was executed by petitioner Dole Philippines, Inc., and private respondent Pawis Ng Makabayang Obrero-NFL (PAMAO-NFL). Among the provisions of the new CBA is the disputed section on meal allowance under Section 3 of Article XVIII on Bonuses and Allowances, which reads:

Section 3. MEAL ALLOWANCE. The COMPANY agrees to grant a MEAL ALLOWANCE of TEN PESOS (P10.00) to all employees who render at least TWO (2) hours or more of actual overtime work on a workday, and FREE MEALS, as presently practiced, not exceeding TWENTY FIVE PESOS (P25.00) after THREE (3) hours of actual overtime work.[4]

Pursuant to the above provision of the CBA, some departments of Dole reverted to the previous practice of granting free meals after exactly three hours of actual overtime work. However, other departments continued the practice of granting free meals only after more than three hours of overtime work. Thus, private respondent filed a complaint before the National Conciliation and Mediation Board alleging that petitioner Dole refused to comply with the provisions of the 1996-2001 CBA because it granted free meals only to those who rendered overtime

work for more than three hours and not to those who rendered exactly three hours overtime work.

The parties agreed to submit the dispute to voluntary arbitration. Thereafter, the voluntary arbitrator, deciding in favor of the respondent, issued an order directing petitioner Dole to extend the “free meal” benefit to those employees who actually did overtime work even for exactly three hours only.

Petitioner sought a reconsideration of the above order but the same was denied. Hence, petitioner elevated the matter to the Court of Appeals by way of a petition for review on certiorari.

On September 22, 2000, the Court of Appeals rendered its decision upholding the assailed order.

Thus, the instant petition.

Petitioner Dole asserts that the phrase “after three hours of actual overtime work” should be interpreted to mean after more than three hours of actual overtime work.

On the other hand, private respondent union and the voluntary arbitrator see it as meaning after exactly three hours of actual overtime work.

The “meal allowance” provision in the 1996-2001 CBA is not new. It was also in the 1985-1988 CBA and the 1990-1995 CBA. The 1990-1995 CBA provision on meal allowance was amended by the parties in the 1993-1995 CBA Supplement. The clear changes in each CBA provision on meal allowance were in the amount of the meal allowance and free meals, and the use of the words “after” and “after more than” to qualify the amount of overtime work to be performed by an employee to entitle him to the free meal.

To arrive at a correct interpretation of the disputed provision of the CBA, a review of the pertinent section of past CBAs is in order.

The CBA covering the period 21 September 1985 to 20 September 1988 provided:

Section 3. MEAL ALLOWANCE. The COMPANY agrees to grant a MEAL ALLOWANCE of FOUR (P4.00) PESOS to all employees who render at least TWO (2) hours or more of actual overtime work on a workday, and FREE MEALS, as presently practiced, after THREE (3) hours of actual overtime work.”[5]

The CBA for 14 January 1990 to 13 January 1995 likewise provided:

Section 3. MEAL ALLOWANCE. The COMPANY agrees to grant a MEAL ALLOWANCE of EIGHT PESOS (P8.00) to all employees who render at least TWO (2) hours or more of actual overtime work on a workday, and FREE MEALS, as presently practiced, not exceeding SIXTEEN PESOS (P16.00) after THREE (3) hours of actual overtime work.”[6]

The provision above was later amended when the parties renegotiated the economic provisions of the CBA pursuant to Article 253-A of the Labor Code. Section 3 of Article XVIII of the 14 January 1993 to 13 January 1995 Supplement to the 1990-1995 CBA reads:

Section 3. MEAL ALLOWANCE. The COMPANY agrees to grant a MEAL SUBSIDY of NINE PESOS (P9.00) to all employees who render at least TWO (2) hours or more of actual overtime work on a workday, and FREE MEALS, as presently practiced, not exceeding TWENTY ONE PESOS (P21.00) after more than THREE (3) hours of actual overtime work (Section 3, as amended).”[7]

We note that the phrase “more than” was neither in the 1985-1988 CBA nor in the original 1990-1995 CBA. It was inserted only in the 1993-1995 CBA Supplement. But said phrase is again absent in Section 3 of Article XVIII of the 1996-2001 CBA, which reverted to the phrase “after three (3) hours”.

Petitioner asserts that the phrase “after three (3) hours of actual overtime work” does not mean after exactly three hours of actual overtime work; it means after more than three hours of actual overtime work. Petitioner insists that this has been the interpretation and practice of Dole for the past thirteen years.

Respondent, on the other hand, maintains that “after three (3) hours of actual overtime work” simply means after rendering exactly, or no less than, three hours of actual overtime work.

The Court finds logic in private respondent’s interpretation.

The omission of the phrase “more than” between “after” and “three hours” in the present CBA spells a big difference.

No amount of legal semantics can convince the Court that “after more than” means the same as “after”.

Petitioner asserts that the “more than” in the 1993-1995 CBA Supplement was mere surplusage because, regardless of the absence of said phrase in all the past CBAs, it had always been the policy of petitioner corporation to give the meal allowance only after more than 3 hours of overtime work. However, if this were true, why was it included only in the 1993-1995 CBA Supplement and the parties had to negotiate its deletion in the 1996-2001 CBA?

Clearly then, the reversion to the wording of previous CBAs can only mean that the parties intended that free meals be given to employees after exactly, or no less than, three hours of actual overtime work.

The disputed provision of the CBA is clear and unambiguous. The terms are explicit and the language of the CBA is not susceptible to any other interpretation. Hence, the literal meaning of “free meals after three (3) hours of overtime work” shall prevail, which is simply that an employee shall be entitled to a free meal if he has rendered exactly, or no less than, three hours of overtime work, not “after more than” or “in excess of” three hours overtime work.

Petitioner also invokes the well-entrenched principle of management prerogative that “the power to grant benefits over and beyond the minimum standards of law, or the Labor Code for that matter, belongs to the employer x x x”. According to this principle, even if the law is solicitous of the welfare of the employees, it must also protect the right of the employer to exercise what clearly are management prerogatives.[8] Petitioner claims that, being the employer, it has the right to determine whether it will grant a “free meal” benefit to its employees and, if so, under what conditions. To see it otherwise would amount to an impairment of its rights as an employer.

We do not think so.

The exercise of management prerogative is not unlimited. It is subject to the limitations found in law, a collective bargaining agreement or the general principles of fair play and justice.[9] This situation constitutes one of the limitations. The CBA is the norm of conduct between petitioner and private respondent and compliance therewith is mandated by the express policy of the law.[10]

Petitioner Dole cannot assail the voluntary arbitrator’s interpretation of the CBA for the supposed impairment of its management prerogatives just because the same interpretation is contrary to its own.

WHEREFORE, petition is hereby denied.

SO ORDERED.

Puno, (Chairman), Panganiban, Sandoval-Gutierrez, and Carpio-Morales, JJ., concur.

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- [1] Penned by Associate Justice Eliezer R. de los Santos and concurred in by Associate Justices Eugenio S. Labitoria and Edgardo P. Cruz of the Special Twelfth Division.
- [2] Voluntary Arbitrator Art O. Tan.
- [3] Rollo, pp. 89-94.
- [4] Rollo, p. 42.
- [5] Rollo, p. 43.
- [6] Ibid.
- [7] Rollo, p. 44.
- [8] Abbot Laboratories Phils., Inc. vs. NLRC, 154 SCRA 713 [1987].
- [9] University of Santo Tomas vs. NLRC, 190 SCRA 758 [1990] as cited in Metrolab Industries, Inc. vs. Roldan-Confessor, 254 SCRA 182 [1996].
- [10] E. Razon, Inc. vs. Secretary of Labor and Employment, 222 SCRA 1 [1993].

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