

GREG ANTHONY L. CAÑEDA, PETITIONER, VS. PHILIPPINE AIRLINES, INC., RESPONDENT.

G.R. NO. 152232. February 26, 2007

Ponente: CORONA, J.

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CORONA, J.:

Respondent Philippine Airlines, Inc. (PAL) maintained a daily petty cash fund of P250,000 in the hands of one of its cashiers, petitioner Greg Anthony Cañeda. On July 9, 1996, the fund was audited and found short of P34,338.69.

PAL's investigation found petitioner liable for misappropriating company funds. His employment was terminated effective July 29, 1996.

PAL filed a complaint for estafa and falsification against petitioner in the City Prosecution Office of Makati City. The case was, however, dismissed.[1]

Petitioner filed a case for illegal dismissal with the labor arbiter. This was resolved in his favor on April 14, 1998.[2] PAL's appeal to the National Labor Relations Commission (NLRC) was dismissed for lack of merit on July 22, 1999.[3]

In its motion for reconsideration, PAL called the NLRC's attention to its retrenchment program in June 1998 brought about by the heavy losses caused by then prevailing Asian economic crisis and the pilots' strike. Out of a workforce of 14,000, it retained only 8,000 employees. One of the positions abolished was petitioner's. Since the position had ceased to exist, reinstatement became impossible. Nonetheless, the motion for reconsideration was denied.

PAL then filed a petition for certiorari in the Court of Appeals. This was partly granted.[4]

... [Petitioner] is separated from his employment by reason of retrenchment and entitled to separation pay as of June 1998 when his position was abolished, equivalent to one-half month's pay for every year of service; and that the award in favor of [petitioner] of full backwages be computed from the date of his termination on July 29, 1996 up to the time of his retrenchment in June 1998.[5]

PAL's motion for reconsideration was denied. Hence, this recourse.

The issues for our resolution are: (1) whether petitioner was illegally dismissed on July 29, 1996 and, in the affirmative, (2) whether he was validly retrenched in June 1998.

To constitute a valid dismissal from employment, two requisites must be met, namely: (1) it must be for a just or authorized cause and (2) the employee must be afforded due process. The alleged violation of the first requirement lies at the root of this controversy.

Article 282 of the Labor Code allows an employer to dismiss an employee for willful breach of trust or loss of confidence. The basic premise for dismissal on this ground is that the employee concerned holds a position of

trust.[6]

A special and unique employment relationship exists between a corporation and its cashier. More than most key positions, that of cashier calls for utmost trust and confidence.[7] It is the breach of this trust that results in an employer's loss of confidence in the employee.[8]

In dismissing a cashier on the ground of loss of confidence, it is sufficient that there is some basis for the same or that the employer has a reasonable ground to believe that the employee is responsible for the misconduct, thus making him unworthy of the trust and confidence reposed in him.[9] If there is sufficient evidence to show that the employer has ample reason to distrust the employee, the labor tribunal cannot justly deny the employer the authority to dismiss him.[10]

PAL, a major airline company, conducts its business through numerous personnel who cannot obviously be supervised closely. Because of this, PAL had the right to demand wholehearted loyalty from petitioner who was entrusted with handling PAL's money.

The dismissal of the criminal complaint by the prosecutor's office could not have automatically negated loss of confidence as a basis for administrative liability. It was enough that PAL had a reasonable ground to believe that petitioner was responsible for the shortage and that he was unworthy of the trust and confidence in him. This was so because, in holding a position requiring full trust and confidence, he gave up some of the rigid guarantees available to ordinary employees. Infractions which, if committed by others, might be overlooked or condoned may be penalized with a more severe disciplinary action precisely because of the special trust and confidence given the employee. A company's resort to self-defense, in the form of termination, would then be more easily justified.[11]

... As a rule this Court leans over backwards to help workers and employees continue in their employment. We have mitigated penalties imposed by management on erring employees and ordered employers to reinstate workers who have been punished enough through suspension. However, breach of trust and confidence and acts of dishonesty and infidelity in the handling of funds and properties are an entirely different matter.[12] (emphasis ours)

It is therefore immaterial that petitioner, as he claims, did not misappropriate the funds. The fact remains that there was an undisputed shortage in the petty cash fund entrusted to him. At the very least, petitioner was negligent. Whatever it was, he failed to meet the degree of fidelity demanded of him. His failure to give a satisfactory explanation for the cash shortage gave PAL sufficient reason to lose confidence in him. His accountability for the missing funds was clear. Indeed,

It would be most unfair to require an employer to continue employing as its cashier a person whom it reasonably believes is no longer capable of giving full and wholehearted trustworthiness in the stewardship of company funds.[13]

Foregoing considered, it is unnecessary to look into the validity of respondent's retrenchment in June 1998 as petitioner's dismissal on July 29, 1996 was for a just and valid cause.

WHEREFORE, the petition is hereby DENIED. The decision of the Court of Appeals dated March 7, 2001 is SET ASIDE and a new one entered declaring the dismissal of petitioner on the ground of loss of trust and confidence as valid.

No pronouncement as to costs.

SO ORDERED.

Puno, C.J., (Chairperson), Sandoval-Gutierrez, and Garcia, JJ., concur.

Azcuna, J., on official leave.

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- [1] Resolution dated 10 January 1997, penned by Investigation Prosecutor Benjamin Bautista; rollo, pp. 39-43.
- [2] Decision penned by Labor Arbiter Eduardo J. Carpio, rollo, pp. 47-51.
- [3] Resolution penned by Commissioner Victoriano R. Calaycay and concurred in by Presiding Commissioner Raul T. Aquino and Commissioner Angelita A. Gacutan, rollo, pp. 55-62.
- [4] CA-G.R. SP No. 56060; Decision penned by Associate Justice Godardo Jacinto (retired) and concurred in by Associate Justices Bernardo Abesamis (retired) and Eliezer de los Santos (deceased) of the Ninth Division of the Court of Appeals, dated March 7, 2001, rollo, pp. 122-135.
- [5] Rollo, p. 134.
- [6] *Central Pangasinan Electric Cooperative v. Macaraeg*, 443 Phil. 866 (2003).
- [7] *Metro Drug Corporation v. NLRC*, 227 Phil. 121 (1986).
- [8] *Quezon Electric Cooperative v. NLRC*, G.R. Nos. 79718-22, 12 April 1989, 172 SCRA 88.
- [9] *Supra* note 6.
- [10] *Reynolds Philippines Corporation v. Eslava*, No. L-48814, 27 June 1985, 137 SCRA 259.
- [11] *Supra* note 7.
- [12] *San Miguel Corporation v. NLRC*, 213 Phil. 168 (1984).
- [13] *Supra* note 7.

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