

FRANCISCO SORIANO, JR., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, INCORPORATED, RESPONDENTS.

G.R. NO. 165594. April 23, 2007

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

In this Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court, petitioner Francisco Soriano Jr. seeks to set aside the Decision dated 29 April 2004[2] and Resolution dated 4 October 2004[3] of the Court of Appeals in CA-G.R. SP No. 75152, affirming the Decision and Resolution of the National Labor Relations Commission (NLRC) dated 20 August 2002[4] and 28 October 2002,[5] respectively, in NLRC-CA No. 024050-2000. In its Decision and Resolution, the NLRC affirmed the Decision of Labor Arbiter Joel S. Lustria (Labor Arbiter Lustria) dated 23 March 2000 in NLRC-NCR Case No. 00-08-05259-96[6] dismissing the petitioner's complaint for illegal dismissal against respondent Philippine Long Distance Telephone Company, Incorporated.

The factual antecedents of the petition at bar are as follows:

In 1980, petitioner and certain individuals namely Sergio Benjamin (Benjamin), Maximino Gonzales (Gonzales), and Noel Apostol (Apostol) were employed by the respondent as Switchman Helpers in its Tondo Exchange Office (TEO). After participating in several trainings and seminars, petitioner, Benjamin, and Gonzales were promoted as Switchmen. Apostol, on the other hand, was elevated to the position of Frameman. One of their duties as Switchmen and Frameman was the manual operation and maintenance of the Electronic Mechanical Device (EMD) of the TEO.[7]

In November 1995, respondent PLDT implemented a company-wide redundancy program.[8] In its "Notice of Separation Due to Redundancy" dated 27 November 1995 to the Director of the Department of Labor and Employment, National Capital Region (DOLE-NCR),[9] respondent PLDT cited the following reasons for the aforesaid redundancy program:

- a) Technological changes where new technologies necessitate reduction in workforce, e.g., conversion of electro-mechanical switches; outmoded electronic switches to modern digital switches.
- b) Position declared redundant due to collapsing/merging of functions where the required number of personnel became less, i.e. rehousing of toll centers or centralization of toll centers.
- c) Non-replacement of function upon retirement of executive where attached staffs with the executive are no longer needed — Staff Assistant, Secretary, Clerk.
- d) Process Improvements and Automation of functions which render the positions as redundant since the new process or Automation require less personnel.
- e) Functions or positions which are affected adversely by market forces, thereby necessitating reduction of

current workforce to match the reduction of workload, i.e., Traffic — due to decreasing number of handled calls.

Subsequently, the respondent PLDT gave separate letters dated 15 July 1996 to petitioner, Benjamin, Gonzales, and Apostol informing them that their respective positions were deemed redundant due to the above-cited reasons and that their services will be terminated on 16 August 1996.[10] They requested the respondent PLDT for transfer to some vacant positions but their requests were denied since all positions were already filled up. Hence, on 16 August 1996, respondent PLDT dismissed the four from employment.[11]

On 20 August 1996, Benjamin received an amount of P315,435.04 from the respondent PLDT as separation pay,[12] while Apostol and Gonzales received on 2 September 1996 their separation pay from the respondent PLDT in the amounts of P486,484.95 and P472,897.08, respectively.[13] Likewise, petitioner received on 21 October 1996 an amount of P644,194.64 from the respondent PLDT as his separation pay.[14] All four of them executed a document entitled, "Receipt, Release and Quitclaim" in favor of the respondent PLDT;[15] they, however, placed a note of "Under Protest" beside their signatures in the said document.[16]

Thereafter, petitioner, Benjamin, Gonzales, and Apostol filed a joint complaint for illegal dismissal against respondent PLDT.[17] On 23 March 2000, Labor Arbiter Lustria rendered his Decision dismissing the complaint for lack of merit. He stated that the respondent PLDT legitimately exercised its management prerogative in terminating the services of petitioner, Benjamin, Gonzales, and Apostol, on the ground of a valid redundancy program. He was also convinced that the respondent PLDT complied with the requirements for dismissing an employee for redundancy under Article 283 of the Labor Code.[18]

Further, Labor Arbiter Lustria opined that respondent PLDT's redundancy program was effected in good faith as the reduction of the latter's employees was brought about by its adoption of the latest communication technology equipment which can be operated by computers alone. This undertaking was also done pursuant to the demand of the public for clearer signal, faster service and digital features. He found no ill-motive or bad faith on the part of the respondent PLDT in implementing the redundancy program and noted that petitioner, Benjamin, Gonzales and Apostol had already received their respective separation pay and had executed release and quitclaim in favor of respondent PLDT. In conclusion, Labor Arbiter Lustria held:

Finally, we have often stressed that it has always been an avowed policy of this Arbitration Branch that in carrying out and interpreting the provisions of the Labor Code and its Implementing Rules and Regulations, the working man's welfare should be the paramount and primordial consideration. In protecting the working class, however, we could not simply close our eyes to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and the applicable law and doctrine. This, is so, for while we favor the cause of the working class in his conflict with management, we likewise have to consider the rights and interest of the employers, which are equally entitled to legal protection.

WHEREFORE, foregoing premises considered, judgment is hereby rendered dismissing the instant complaint for lack of merit.[19]

Petitioner, Benjamin, Gonzales, and Apostol appealed to the NLRC. On 20 August 2002, the NLRC promulgated its Decision dismissing the appeal and affirming in toto the decision of Labor Arbiter Lustria. It ruled that the findings, conclusions and legal bases of Labor Arbiter Lustria were supported by the evidence on record. In parting, it ruled:

Needless to state, not having been illegally dismissed, as comprehensively discussed above, Complainants-Appellants are therefore not entitled to reinstatement to their former positions without loss of seniority right and privileges and to payment of full back wages.

WHEREFORE, premises considered, the Appeal is hereby DISMISSED for lack of merit. Accordingly, the Decision appealed from is sustained in toto.[20]

Petitioner, Benjamin, Gonzales, and Apostol filed a Motion for Reconsideration of the NLRC Decision but the same was denied for lack of compelling reason in the Resolution dated 28 October 2002.

Thereafter, the four dismissed employees assailed the NLRC Decision and Resolution, dated 20 August 2002 and 28 October 2002, respectively, via a Petition for Certiorari to the Court of Appeals. On 29 April 2004, the Court of Appeals dismissed the Petition and found no grave abuse of discretion on the part of the NLRC in rendering its assailed Decision and Resolution. Pertinent portions of the said decision read:

At any rate, grave abuse of discretion, the ground invoked to support the petition at bench, has been defined as "such capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction, or, x x x where the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and it must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law. It is not in fact sufficient that a tribunal, in the exercise of its power, abused its discretion; (the) abuse must be grave.

Noting that no such abuse of discretion as defined attended the assailed resolutions, We have no choice but to dismiss the petition.

WHEREFORE, the petition for certiorari is DISMISSED.[21]

Petitioner, Benjamin, Gonzales, and Apostol filed a Motion for Reconsideration but the same was denied by the Court of Appeals in its Resolution dated 4 October 2004.

On 24 November 2004, petitioner, Benjamin, Gonzales, and Apostol filed before this Court a Petition for Review on Certiorari of the Court of Appeals Decision and Resolution, dated 29 April 2004 and 4 October 2004, respectively. In our Resolution dated 24 January 2005, we denied the Petition for failure of Benjamin, Gonzales, and Apostol to sign the attached verification and certificate of non-forum shopping, thus:

In accordance with Rule 45 and other related provisions of the 1997 Rules of Civil Procedure, as amended, governing appeals by certiorari to the Supreme Court, only petitions which are accompanied by or comply strictly with the requirements specified therein shall be entertained. On the basis thereof, the Court Resolves to DENY the petition for review on certiorari dated 24 November 2004 assailing the decision and resolution of the Court of Appeals for petitioners' failure to submit a valid certification of non-forum shopping in accordance with Section 4 (e), Rule 45 in relation to Section 5, Rule 7, Section 2, Rule 42, and Sections 4 and 5 (d), Rule 56, the attached verification and certification of non-forum shopping having been signed by only one (1) of four (4) petitioners.[22]

On 28 February 2004, petitioner filed a Motion for Reconsideration alleging therein that:

Since the cause of action of each petitioner is independent of the other three, petitioner SORIANO, JR. could validly proceed with his own petition for review on certiorari without the intervention of his co-petitioners. Consequently, he should not be prejudiced by the failure of his co-petitioners to verify the petition and submit a valid certification of non-forum shopping.

Petitioner SORIANO, JR. signed the verification and certificate of non-forum shopping in the petition for review on certiorari. Hence, as far as he is concerned, his petition has complied with Section 4 (e), Rule 45 in relation to Section 5, Rule 7, Section 2, Rule 42, and Sections 4 and 5 (d), Rule 56 of the 1997 Rules of Civil Procedure. The petition in regard to him should not have been dismissed by this Honorable Court.[23]

Hence, we reinstated the Petition but excluded Benjamin, Gonzales, and Apostol as petitioners.[24]

Petitioner raises the following issues for our consideration:

I.

WHETHER OR NOT THE HONORABLE COURT OF APPEALS RULED CONTRARY TO LAW AND EXISTING JURISPRUDENCE IN REFUSING TO REVIEW THE FACTUAL FINDINGS OF THE NLRC.

II.

WHETHER OR NOT THE FINDING OF THE NLRC THAT PETITIONER WAS LAWFULLY TERMINATED FROM EMPLOYMENT IS SUPPORTED BY SUBSTANTIAL EVIDENCE.

III.

WHETHER OR NOT PETITIONER'S ACCEPTANCE OF SEPARATION BENEFITS AMOUNTS TO A WAIVER OF HIS RIGHT TO QUESTION THE VALIDITY OF HIS DISMISSAL.[25]

Apropos the first issue, petitioner argues that the Court of Appeals may review the findings of fact of the NLRC in a petition for certiorari under Rule 65 even if the factual findings of the Labor Arbiter and the NLRC do not conflict with each other; that the reliance of the Court of Appeals on the case of *Gonzales v. National Labor Relations Commission*[26] was contrary to law and jurisprudence; that our ruling in *Gonzales v. National Labor Relations Commission*, to wit: "Only when the factual findings and conclusion of the Labor Arbiter and NLRC are clearly in conflict with each other is this Court behooved to give utmost attention to and thoroughly scrutinize the records of the case, more particularly the evidence presented, to arrive at a correct decision," is not absolute; that the aforecited ruling is only a general rule and is only binding if the factual findings of the Labor Arbiter and the NLRC are supported by substantial evidence; and that in the case of *Maya Farms Employees Organization v. National Labor Relations Commission*,[27] this Court held that findings of fact of the NLRC, even though these do not conflict with the findings of the Labor Arbiter, may be reviewed on certiorari when these findings are made in disregard of the evidence on record.[28]

We reject these contentions.

As a general rule, in certiorari proceedings under Rule 65 of the Rules of Court, the appellate court does not assess and weigh the sufficiency of evidence upon which the Labor Arbiter and the NLRC based their conclusion. The query in this proceeding is limited to the determination of whether or not the NLRC acted without or in excess of its jurisdiction or with grave abuse of discretion in rendering its decision. However, as an exception, the appellate court may examine and measure the factual findings of the NLRC if the same are not supported by substantial evidence.[29]

In the case at bar, the Court of Appeals was correct in limiting its determination to the issue of whether there was grave abuse of discretion on the part of the NLRC, and in refusing to review the factual findings of the said administrative body, since its factual findings and conclusions are anchored on substantial evidence.

The Labor Arbiter, the NLRC, and the Court of Appeals all found that substantial evidence supports the absence of illegal dismissal in the present case.

Article 283 of the Labor Code provides that an employer may dismiss from work an employee by reason of redundancy. The same provision also states the procedural requirements for the validity of the dismissal, viz:

ART. 283. CLOSURE OF ESTABLISHMENT AND REDUCTION OF PERSONNEL. — The employer may also terminate the employment of any employee due to the installation of labor saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice

on the worker and the Ministry of Labor and Employment at least one (1) month before the intended date thereof. In case of termination due to the installation of labor saving devices or redundancy, the worker affected thereof shall be entitled to a separation pay equivalent to at least his one month pay or to at least one (1) month pay for every year of service, whichever is higher. (Emphases supplied.)

In upholding the legality of petitioner's dismissal from work, the NLRC relied on the documents submitted by the respondent PLDT showing compliance with the requirements abovementioned, to wit: 1) a letter notifying the Director of the DOLE-NCR of the impending termination from work of the petitioner by reason of redundancy and stating the grounds/reasons for the implementation of the redundancy program;^[30] 2) a letter apprising the petitioner of his dismissal from employment due to redundancy;^[31] 3) a receipt certifying that the petitioner had already received his separation pay from the respondent PLDT;^[32] 4) a release/waiver/quitclaim executed by the petitioner in favor of the respondent PLDT;^[33] and 5) affidavits executed by the officers of the respondent PLDT explaining the reasons and necessities for the implementation of the redundancy program.^[34] Petitioner failed to question, impeach or refute the existence, genuineness, and validity of these documents.

It is clear that the foregoing documentary evidence constituted substantial evidence to support the findings of Labor Arbiter Lustria and the NLRC that petitioner's employment was terminated by respondent PLDT due to a valid or legal redundancy program since substantial evidence merely refers to that amount of evidence which a reasonable mind might accept as adequate to support a conclusion.^[35]

With regard to petitioner's allegation that the NLRC committed grave abuse of discretion in affirming the validity of his dismissal from work, it should be borne in mind that an act of a court or tribunal may constitute grave abuse of discretion when the same is performed in a capricious or whimsical exercise of judgment amounting to lack of jurisdiction. The abuse of discretion must be so patent and gross as to amount to an evasion of positive duty, or to a virtual refusal to perform a duty enjoined by law, as where the power is exercised in an arbitrary and despotic manner because of passion or personal hostility.^[36]

As earlier discussed, the ruling of the NLRC was premised on substantial evidence comprising of documentary proofs submitted by the respondent PLDT showing compliance with the requirements of law for terminating petitioner's employment due to redundancy. This obviously negates any capriciousness or arbitrariness in the exercise of judgment of the NLRC. Thus, no grave abuse of discretion can be ascribed to the NLRC for promulgating its Decision dated 20 August 2002.

Petitioner's reliance on the case of *Maya Farms Employees Organization v. National Labor Relations Commission*^[37] is misplaced. We did not make a categorical statement in the said case that the Court of Appeals may review the findings of fact of the NLRC in a petition for certiorari under Rule 65 of the Rules of Court even if the factual findings of the Labor Arbiter and the NLRC do not conflict with each other. What we stated therein was that findings of fact of administrative agencies and quasi-judicial bodies which have acquired expertise because their jurisdiction is confined to specific matters are generally accorded not only respect but even finality and are binding upon this Court unless there is a showing of grave abuse of discretion, or where it is clearly shown that they were arrived at arbitrarily or in disregard of the evidence on record.^[38]

In *Maya Farms*, this Court deemed it necessary to look into the factual findings of the NLRC to determine whether there was grave abuse of discretion on the part of the latter. Even then, we found substantial evidence to support the NLRC decision and, thus, we held that there was no grave abuse of discretion on the part of the latter.

Moreover, the circumstances in *Maya Farms* are different from the instant case. The facts and issues of *Maya Farms* were initially referred to the Secretary of the DOLE which, subsequently, endorsed these to the NLRC. Thereafter, the said case was immediately elevated to this Court by a petition for certiorari under Rule 65 of the

Rules of Court. On the other hand, the present case was initially referred to the Labor Arbiter, whose findings were affirmed by the NLRC. From the NLRC, the instant case was appealed to the Court of Appeals through a petition for certiorari under Rule 65 of the Rules of Court. Finding that the NLRC did not commit grave abuse of discretion, the Court of Appeals denied the petition. Thereafter, this case was brought before this Court by way of Petition for Review on Certiorari under Rule 45 of the Rules of Court.

The jurisdiction of this Court in petitions for review on certiorari under Rule 45 of the Rules of Court is limited to reviewing errors of law, not of fact.[39] Nevertheless, this Court may review the facts where: (1) the findings and conclusions of the Labor Arbiter, on one hand, and the NLRC and the Court of Appeals, on the other, are inconsistent on material and substantial points; (2) the findings of the NLRC and the Court of Appeals are capricious and arbitrary; and (3) the Court of Appeals' findings that are premised on a supposed absence of evidence are in fact contradicted by the evidence on record.[40] None of the foregoing exceptions to our limited power to review the facts is present in the case at bar.

Anent the second issue, petitioner contends that there was no substantial evidence showing that the position of Switchman had become redundant; that the affidavits of the respondent PLDT's officers have no probative value and should not have been considered by the NLRC because the said officers are not competent to testify on the technical aspects and effects of respondent PLDT's adoption of new technology; that the existence of redundancy was belied by the respondent PLDT's acts of employing outside plant personnel as Switchmen and Framemen, and of hiring contractual employees to perform the functions of Switchmen; and that the respondent PLDT did not present proof of the method and criteria it used in determining the Switchman to be terminated from work.[41]

Petitioner further avers that he passed several qualifying exams and received awards for outstanding work; that by reason of his qualifications and exemplary work, he should have been among the last Switchmen to be laid-off; that the respondent PLDT violated its Collective Bargaining Agreement with the petitioner's union, Manggagawang Komunikasyon sa Pilipinas, when it terminated his job; that the respondent PLDT did not undertake sincere efforts and actual measures to avoid loss of employment due to its adoption of new technology; that at the time he was dismissed from work, there were 163 vacant positions for which he was qualified; that he timely applied for transfer to these positions; and that the respondent PLDT denied his applications without showing any evidence that the said positions were already filled up.[42]

Redundancy exists when the service capability of the workforce is in excess of what is reasonably needed to meet the demands of the business enterprise. A position is redundant where it is superfluous, and superfluity of a position or positions may be the outcome of a number of factors such as over-hiring of workers, decrease in volume of business, or dropping a particular product line or service activity previously manufactured or undertaken by the enterprise.[43]

The records show that respondent PLDT had sufficiently established the existence of redundancy in the position of Switchman. In his affidavit dated 27 September 1999, Roberto D. Lazam (Lazam), Senior Manager of GMM Network Surveillance Division of respondent PLDT, explained:

- The work, on the other hand, of all the complainants as switchmen is to MAINTAIN ALL the strowger switches in an exchange. The exchange is the center of an area's telephone network. PLDT, thus, have a Sta. Mesa Exchange that houses the switchtrains servicing the Sta. Mesa, Manila and its neighboring areas while it has exchanges in other areas like the Quezon City exchange, Parañaque, etc., that house the switchtrains of the telephones in the said respective territories.
- To maintain a single strowger switch, the following are performed according to a regular schedule:
- Spring Gauging — it is the adjusting of stationary springs to ensure that they open enough to break circuits

when they should, and so "stationary" springs, "follow" moving springs to exert pressure in break contracts when the relay is unoperated, and makes contact when operated.

- Margining — it is the measuring of moving spring tension by checking response of the armature and specific electrical limits. It measures the total mechanical resistance to the operation of the armature due to the tension of the springs.

- Stroke — is the normal armature air gap and is adjusted by bending the armature backstop.

- Routine — it is a periodic check of the functioning of telephone apparatus to detect faults.

The foregoing are some of the duties and work of a switchman. Considering the number of strowger switches in a single switchtrain and considering further the number of switchtrains in an exchange (bearing in mind the ratio of 30 switchtrains is to 200 subscribers), certainly, the use of a step-by-step automatic telephone system necessitates intensive maintenance costs and procedures, not to mention the big number of people needed to perform the maintenance work.

- With the advent, however, of new technology that is, feature for feature, more advanced than the step-by-step automatic telephone system, the company decided to upgrade its system and abandon the use of the old system.

- One of the features of the digital technology is that it does not make use of switches every step of connection. Instead, a single card studded with microchips is issued for each telephone number so that if a caller wishes to call another, the microchips in the assigned card do all the work and in a speed of light gets in contact with the microchips of the called party's card. These "cards" are stored in a "bookshelf like" structure and practically requires zero maintenance because if a card or a chip in the card is defective, a computer that monitors the entire exchange will automatically inform the computer operator of a defect, the card involved, its exact location and the specific "bookshelf." All the computer operator has to do then is to rise up from his chair, proceed to the computer identified bookshelf, locate the card, pull out the card from the "bookshelf", throw it in the waste-can, and put in a new card programmed of course with the telephone number. Programming a card, upon the other hand, is a fairly simple procedure that it is almost similar to the programming of the PIN number of an ATM card.

- With the utter simplicity of the above system, albeit ultimately hi-tech, a lot of tedious tasks have been done away with. Where before a big number of switchmen were required to keep the system in shape and where before every strowger switch was scrutinized and measured, the new system requires only one human being to ensure that an exchange servicing a million subscribers is in tip top shape. To illustrate, consider an exchange serving 50,000 subscribers. Such an exchange, using the old system, would need 100 personnel working in 3 8-hour shifts to perform preventive and corrective switch maintenance. On the other hand, an exchange using the new system would need only one man working from 8 a.m. to 5 p.m. to take care of switch maintenance.

- In addition to the simplicity of maintenance another advantage of the digital technology is the added services never before known by ordinary Filipinos. These are to name a few:

- (a) The call waiting feature
- (b) Terminal Portability
- (c) Direct dialing long distance features (International and Domestic)
- (d) Do not disturb feature
- (e) Automatic Recall
- (f) Redial gadgets
- (g) Call forwarding facilities

(h) Conference call capacity

- The new technology simply rendered the position of switchmen redundant. And since there is no other position available and suited for their qualifications, the company had no other option but to terminate their employment under a redundancy program.
- With the features of the new system, it certainly cannot be said that the company's decision and implementation of the redundancy program was arbitrary or whimsical.[44]

It is evident from the foregoing facts that respondent PLDT's utilization of high technology equipment in its operation such as computers and digital switches necessarily resulted in the reduction of the demand for the services of a Switchman since computers and digital switches can aptly perform the function of several Switchmen. Indubitably, the position of Switchman has become redundant.

As to whether Lazam was competent to testify on the effects of respondent PLDT's adoption of new technology vis-à-vis the petitioner's position of Switchman, the records show that Lazam was highly qualified to do so. He is a licensed electrical engineer and has been employed by the respondent PLDT since 1971. He was a Senior Manager for Switching Division in several offices of the respondent PLDT, and had attended multiple training programs on Electronic Switching Systems in progressive countries. He was also a training instructor of Switchmen in the respondent's office.[45]

The fact that respondent PLDT hired contractual employees after implementing its redundancy program does not necessarily negate the existence of redundancy. As amply stated by the respondent PLDT, such hiring was intended solely for winding up operations using the old system.

The respondent PLDT, as employer, has the recognized right and prerogative to select the persons to be hired and to designate the work as well as the employee or employees to perform it.[46] This includes the right of the respondent PLDT to determine the employees to be retained or discharged and who among the applicants are qualified and competent for a vacant position. The rationale for this principle is that respondent PLDT is in the best position to ascertain what is proper for the advancement of its interest. Thus, this Court cannot interfere in the wisdom and soundness of the respondent PLDT's decision as to who among the Switchmen should be retained or discharged or who should be transferred to vacant positions, as long as such was made in good faith and not for the purpose of curbing the rights of an employee.[47] Since the respondent PLDT determined that petitioner's services are no longer necessary either as a Switchman or in any other position, and such determination was made in good faith and in furtherance of its business interest, the petitioner's contention that he should be the last switchman to be laid-off by reason of his qualifications and outstanding work must fail.

Coming now to the third issue, petitioner asseverates that his acceptance of separation pay from the respondent PLDT does not bar the filing of his complaint for illegal dismissal against the latter, nor does it imply that he had already waived his right to question the validity of his dismissal; that he accepted the separation pay only after the lapse of two months from the time he filed an illegal dismissal case against respondent PLDT; that he had no intention of accepting the separation pay; that he was only forced to accept the separation pay when his parent fell ill and, thus, needed a large amount of money to cover the expenses for treatment; and that he was compelled to execute a quitclaim in favor of respondent PLDT since this was the only way he could avail himself of the necessary amount for the treatment of his parent.[48]

Generally, deeds of release, waiver or quitclaims cannot bar employees from demanding benefits to which they are legally entitled or from contesting the legality of their dismissal since quitclaims are looked upon with disfavor and are frowned upon as contrary to public policy.[49] Where, however, the person making the waiver has done so voluntarily, with a full understanding thereof, and the consideration for the quitclaim is credible and

reasonable, the transaction must be recognized as being a valid and binding undertaking.[50]

The requisites for a valid quitclaim are: 1) that there was no fraud or deceit on the part of any of the parties; 2) that the consideration for the quitclaim is credible and reasonable; and 3) that the contract is not contrary to law, public order, public policy, morals or good customs or prejudicial to a third person with a right recognized by law.[51]

It cannot be gainfully said that the petitioner did not fully understand the consequences of signing the "Receipt, Release, and Quitclaim" dated 15 August 1996. Petitioner is not an illiterate person who needs special protection. He held responsible positions in the office of the respondent PLDT and had attended and passed various training courses for his position. It is thus assumed that he comprehended the contents of the "Receipt, Release, and Quitclaim" which he signed on 15 August 1996. There is also no showing that the execution thereof was tainted with deceit or coercion. By his own admission, petitioner signed the quitclaim voluntarily, compelled by personal circumstances, rather than by respondent PLDT. He had received his separation pay and benefited therefrom. Certainly, it would result in unjust enrichment on the part of the petitioner if he is allowed to question the legality of his dismissal from work.

Further, the petitioner received separation pay from the respondent PLDT, the amount of which was more than the amount required under Article 283 of the Labor Code.[52] Indeed, there was a credible and reasonable consideration for his separation from work.

Given the foregoing circumstances, the "Receipt, Release, and Quitclaim" dated 15 August 1996 should be considered as legal and binding on petitioner. It is settled that a legitimate waiver which represents a voluntary and reasonable settlement of a worker's claim should be respected as the law between the parties.[53] Thus, the petitioner is bound by the "Receipt, Release and Quitclaim" dated 15 August 1996 and, as such, he is already precluded from assailing the validity of his dismissal.

Finally, it should be noted that the ruling of Labor Arbiter Lustria sustaining the validity of petitioner's dismissal from work by reason of a valid redundancy program was affirmed by the NLRC and the Court of Appeals. As heretofore discussed, their findings were predicated on the evidence on records and prevailing jurisprudence. It is well-established that the findings of the Labor Arbiter, the NLRC and the Court of Appeals, when in absolute agreement, are accorded not only respect but even finality as long as they are supported by substantial evidence.[54] We find no compelling reason to depart from this principle.

WHEREFORE, the petition is DENIED. The Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 75152 dated 29 April 2004 and 4 October 2004, respectively, are hereby AFFIRMED. No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Callejo, Sr., and Nachura, JJ., concur.

[1] Rollo, pp. 9-25.

[2] Penned by Associate Justice Vicente S.E. Veloso with Associate Justices Rodrigo V. Cosico and Amelita G. Tolentino, concurring; id. at 29-36.

[3] Id. at 37-38.

[4] Penned by Commissioner Tito F. Genilo with Presiding Commissioner Lourdes C. Javier and Commissioner Ireneo B. Bernardo, concurring; id. at 92-110.

[5] Id. at 117-118.

[6] Id. at 67-78.

[7] Id. at 11-13.

[8] Id. at 143-144.

[9] Id. at 195-196.

[10] Id. at 199-202.

[11] Id. at 49-62.

[12] Id. at 203-205.

[13] Id. at 206-211.

[14] Id. at 212-214.

[15] Id. at 203, 206, 209 and 212.

[16] Id.

[17] NLRC records, pp. 1-4.

[18] ART. 283. CLOSURE OF ESTABLISHMENT AND REDUCTION OF PERSONNEL. — The employer may also terminate the employment of any employee due to the installation of labor saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice on the worker and the Ministry of Labor and Employment at least one (1) month before the intended date thereof. In case of termination due to the installation of labor saving devices or redundancy, the worker affected thereof shall be entitled to a separation pay equivalent to at least his one month pay or to at least one (1) month pay for every year of service, whichever is higher. (Emphases supplied.)

[19] Rollo, p. 78.

[20] Id. at 109-110.

[21] Id. at 35-36.

[22] Id. at 131.

[23] Id. at 133.

[24] Id. at 138.

[25] Id. at 358.

[26] G.R. No. 131653, 26 March 2001, 355 SCRA 195, 204.

[27] G.R. No. 106256, 28 December 1994, 239 SCRA 508, 512.

[28] Rollo, pp. 359-360.

[29] *Danzas Intercontinental, Inc. v. Daguman*, G.R. No. 154368, 15 April 2005, 456 SCRA 382, 395-396.

[30] Rollo, pp. 195-196.

[31] Id. at 202.

[32] Id. at 213-214.

[33] Id. at 212.

[34] Id. at 252-262.

[35] Philtread Tire and Rubber Corporation v. Vicente, G.R. No. 142759, 10 November 2004, 441 SCRA 574, 581.

[36] Angeles v. Secretary of Justice, G.R. No. 142612, 29 July 2005, 465 SCRA 106, 113-114.

[37] Supra note 27.

[38] Id. at 512.

[39] Usero v. Court of Appeals, G.R. No. 152115, 26 January 2005, 449 SCRA 352, 358.

[40] Equitable PCIBank v. Caguioa, G.R. No. 159170, 12 August 2005, 466 SCRA 686, 693.

[41] Rollo, pp. 360-362.

[42] Id. at 363-367.

[43] San Miguel Corporation v. Del Rosario, G.R. Nos. 168194 and 168603, 13 December 2005, 477 SCRA 604, 614.

[44] Id. at 254-256.

[45] Id. at 252-253.

[46] San Miguel Brewery Sales Force Union (PTGWO) v. Ople, G.R. No. 53515, 8 February 1989, 170 SCRA 25, 27.

[47] Id. at 28; See also Asufrin, Jr. v. San Miguel Corporation, G.R. No. 156658, 10 March 2004, 425 SCRA 270, 274.

[48] Rollo, pp. 367-368.

[49] Great Southern Maritime Services Corporation v. Acuña, G.R. No. 140189, 28 February 2005, 452 SCRA 422, 439.

[50] Wack Wack Golf and Country Club v. National Labor Relations Commission, G.R. No. 149793, 15 April 2005, 456 SCRA 280, 295.

[51] Danzas Intercontinental, Inc. v. Daguman, supra note 29 at 397.

[52] Rollo, p. 212.

[53] Mendoza, Jr. v. San Miguel Foods, Inc., G.R. No. 158684, 16 May 2005, 458 SCRA 664, 680.

[54] Domondon v. National Labor Relations Commission, G.R. No. 154376, 30 September 2005, 471 SCRA 559, 566.

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