JOHNSON & JOHNSON (PHILS.), INC., JANSSEN PHARMACEUTICA, AND/OR RAFAEL BESA, PETITIONERS, VS. JOHNSON OFFICE & SALES UNION- FEDERATION OF FREE WORKERS (FFW), MA. JESUSA BONSOL A...

G.R. No. 172799. July 06, 2007

Ponente: TINGA, J.

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TINGA, J.:

The instant petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure seeks the reversal of the Decision[1] dated 31 January 2006 and Resolution[2] dated 23 May 2006 of the Court of Appeals in CA-G.R. SP No. 86963. The Court of Appeals' Decision affirmed two resolutions of the National Labor Relations Commission (NLRC) directing the reinstatement of respondents Ma. Jesusa Bonsol and Rizalinda Hirondo to their former positions in Johnson & Johnson (Phils.), Inc. while the Resolution denied petitioners' motion for reconsideration.

The instant petition originated from the complaint for illegal dismissal filed by respondents Ma. Jesusa Bonsol and Rizalinda Hirondo against petitioners Johnson & Johnson (Phils.), Inc. and Janssen Pharmaceutica, one of the former's divisions. On 11 November 1999, the Labor Arbiter dismissed the complaint, prompting respondents to elevate the matter to the NLRC. On 14 December 2001, the NLRC rendered a Resolution,[3] modifying the decision of the Labor Arbiter. The NLRC ruled that the violations of company procedure committed by respondents did not constitute serious misconduct or willful disobedience warranting their dismissal; hence, respondents were entitled to reinstatement.

The dispositive portion of the Resolution reads in part:

> WHEREFORE, premises considered, the instant Appeal is hereby PARTIALLY GRANTED. Accordingly, the Decision appealed from is hereby MODIFIED to the effect complainants-appellants [private respondents] were illegally dismissed; that they are entitled to reinstatement to their respective former position[s] without loss of seniority rights and privileges but without any backwages or in the alternative, to payment of separation pay each equivalent to one-half (1/2) month pay for every year of service; that they merit payment of their claims for thirteenth (13th) month pays, service incentive leave pays and attorney's fees equivalent to ten [percent] (10%) of their monetary awards for thirteenth (13th) month pay and service incentive leave pay.
>
> The foregoing awarded claim of Complainants-Appellants are computed as follows:

1. Ma. Jesusa Bonsol Salary: P15,000/mo

1. Separation Pay:
From May 1992 to Dec. 28, 1998 7 yrs.
P15,000.00 x 7 yrs. x ½ [m]o.

P52,500.00

2. 13th Month Pay
Service Incentive Leave Pay:
P15,000 x 12 / 365 = P493.15 x 5 day
15,000.00

2,465.75

2. Attorney's Fees:
P15,000.00 + 2,4465.75 x 10% 1,746.57
Total P71,712.32

2. Rizalinda Hirondo Salary: P12,000/mo.

1. Separation Pay:
From April 17, 1995 to December 28, 1998 = 4 yrs.
P12,000 x 4 yrs. x ½ mo.

P24,000.00

2. 13th Month Pay
Service Incentive Leave Pay:
P12,000 x 12 / 265 = P394.52 x 5 days
12,000.00

1,972.60

2. Attorney's Fees:
P12,000.00 + 1,972.60 x 10%

1,397.26

P39,369.86

GRAND TOTAL
P111,082.18
=========

As regards the other issues, the Decision is SUSTAINED.

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SO ORDERED.[4]

Petitioners sought partial reconsideration but the NLRC denied the motion in a Resolution dated 11 February 2002. Neither party appealed from the resolution decision of the NLRC within the reglementary period. The Resolution dated 14 December 2001 became final and executory.

On 5 March 2002, petitioners filed a Motion to Set Case for Conference before the NLRC, manifesting their willingness to pay respondents' separation pay and other monetary awards.[5] According to petitioners, in the conferences called by the NLRC, none of the respondents were in attendance. The Labor Arbiter even suggested to petitioners to prepare the check payment. Instead, in a motion dated 18 December 2002, respondents sought the issuance of a writ of execution to implement the Resolution dated 14 December 2001 and prayed for their immediate reinstatement to their former positions.[6] Petitioners opposed the motion.[7]

At the conference held on 31 March 2004, petitioners reiterated their intention to satisfy respondents' monetary award but the latter refused and insisted on their reinstatement. Thereafter, petitioners filed a Manifestation and Motion,[8] arguing that the 14 December 2001 Resolution granted petitioners the right to choose between the payment of separation pay and the reinstatement of respondents based on the finding that while their termination was illegal, respondents were not entirely faultless "as they did not follow the exact procedure in the performance of their duties." Petitioners also claimed that reinstatement was no longer feasible in view of the strained relations between the parties.[9]

On 18 June 2004, the NLRC issued a Resolution,[10] which directed the reinstatement of respondents pursuant to the 14 December 2001 Resolution. The NLRC recognized respondents' right to choose between reinstatement and separation pay and disregarded petitioners' claim of "strained relations."[11] Petitioners' motion for reconsideration was denied in the Resolution dated 28 July 2004.[12]

Aggrieved, petitioners filed a petition for certiorari with the Court of Appeals. They contended that respondents' Motion for the Issuance of a Writ of Execution had the effect of altering the 14 December 2001 Resolution, which had already become final and executory and which clearly granted petitioners the option to either reinstate respondents to their former positions or to pay the monetary award. Petitioners also argued against respondents' reinstatement in view of the strained relations between the parties.

On 31 January 2006, the Court of Appeals rendered the assailed Decision dismissing the petition for certiorari and affirming the resolutions of the NLRC dated 18 June 2004 and 28 July 2004. On 23 May 2006, the Court of Appeals denied petitioners' motion for reconsideration.

Hence, the instant petition, imputing the following errors on the Court of Appeals:

> - THE HONORABLE COURT OF APPEALS DISREGARDED THE LITERAL IMPORT AND SPIRIT OF THE NLRC'S RESOLUTION DATED 14 DECEMBER 2001 WHICH GIVES TO PETITIONERS THE EXCLUSIVE OPTION WHETHER TO REINSTATE INDIVIDUAL RESPONDENTS TO THEIR FORMER POSITIONS OR TO GRANT THEM SEPARATION PAY IN LIEU OF REINSTATEMENT.
>
> - THE HONORABLE COURT OF APPEALS CONTRADICTED ITS OWN FINDING THAT THE DECISION OF THE NLRC DATED 14 DECEMBER 2001 IS ALREADY FINAL AND EXECUTORY WHEN IT MODIFIED THE LITERAL IMPORT OF SAID DECISION BY HOLDING THAT THE OPTION TO CHOOSE BETWEEN REINSTATEMENT OR SEPARATION PAY BELONGS TO THE INDIVIDUAL RESPONDENTS.
>
> - THE HONORABLE COURT OF APPEALS SHOULD HAVE RULED THAT THE REINSTATEMENT OF INDIVIDUAL RESPONDENTS TO THEIR FORMER POSITIONS IS NO LONGER POSSIBLE IN

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> VIEW OF THE FACT THAT THE RELATIONS BETWEEN THE PARTIES HAD BECOME SO STRAINED THAT REINSTATEMENT WILL NO LONGER BE TO THE BEST INTERESTS [sic] OF ALL CONCERNED.[13]

Petitioners contend that the intent of the 14 December 2001 Resolution was to grant petitioners the option to reinstate respondents to their former positions without the payment of backwages, or in the alternative, to pay them separation pay, because the dispositive portion of the Resolution was directed toward or addressed to petitioners, who are legally obliged to implement the ruling. According to petitioners, the NLRC erred and modified the Resolution dated 14 December 2001, which had become final and executory, when it stated in its 18 June 2004 Resolution that respondents have the right to choose between their reinstatement and getting paid the monetary award when no such categorical pronouncement can be gathered from the 14 December 2001 Resolution.

The petition has no merit.

Well-entrenched is the rule that an illegally dismissed employee is entitled to reinstatement as a matter of right. Over the years, however, case law developed that where reinstatement is not feasible, expedient or practical, as where reinstatement would only exacerbate the tension and strained relations between the parties, or where the relationship between the employer and employee has been unduly strained by reason of their irreconcilable differences, particularly where the illegally dismissed employee held a managerial or key position in the company, it would be more prudent to order payment of separation pay instead of reinstatement.[14] In other words, the payment of separation compensation in lieu of the reinstatement of an employee who was illegally dismissed from work shall be allowed if and only if the employer can prove the existence of circumstances showing that reinstatement will no longer be for the mutual benefit of the employer and employee.

The NLRC Resolution dated 14 December 2001 expressly recognized respondents' right to reinstatement in view of the illegality of their termination. Thus, the dispositive portion of said resolution ordered respondents' reinstatement without, however, the payment of backwages as a primary relief.

Petitioners are mistaken in holding that they have the prerogative to choose whether to reinstate respondents to their former positions or to just pay their monetary award. Neither party can claim that it has the categorical right to choose between reinstatement and the payment of the monetary award. Ultimately, the NLRC has the authority to execute its judgment and to settle any issue that may arise pertaining to the manner or details of implementing its judgment.

In the instant case, although the opposing parties yielded to the judgment of the NLRC and did not anymore elevate the labor dispute to the appellate court, they are now at odds as to how the 14 December 2001 Resolution should be implemented. Thus, the NLRC properly exercised its authority to resolve the controversy when it issued the Resolution dated 18 June 2004, where it categorically ordered the reinstatement of respondents to their former positions, in consonance with its earlier ruling. The NLRC upheld the continuing primacy of reinstatement as the available relief and made short shrift of petitioners' avowal that separation pay should be awarded in lieu of reinstatement. Effectively, the NLRC and the Court of Appeals disregarded petitioners' claim that the relation between the parties was so strained that only the payment of the monetary award was feasible under the circumstances. The Court defers, as it should, to the common finding of the NLRC and Court of Appeals since the issue of the existence of strained relations between the parties is factual in nature.

The subsequent resolution did not in any manner modify the 14 December 2001 Resolution, which had become final and executory, contrary to petitioners' contention, because the dispositive portion of the 14 December 2001 Resolution particularly stated that respondents were entitled to reinstatement to their former positions. In other

words, the primary relief granted to respondents was reinstatement to their former positions. What constitutes an alteration of a final and executory judgment is when a court or, in the instant case, the NLRC, executes an award that is not among those stated in the dispositive portion of the judgment. That is not the case here.

That the dispositive portion of the 14 December 2001 Resolution contained the phrase "or in the alternative, [private respondents are entitled] to payment of separation pay x x x" does not mean that petitioners were granted the option to pay the separation pay in lieu of reinstating respondents. More than anything else, the statement was in the nature of an affirmation of the state of the law rather than an adjudication of a right in favor of petitioners.

Moreover, a reading of a court's judgment must not be confined to the dispositive portion alone; rather, it should be meaningfully construed in unanimity with the ratio decidendi thereof to grasp the true intent and meaning of a decision.[15] A reading of the Resolution dated 14 December 2001 shows that after finding that respondents' termination was illegal, the NLRC held that they were entitled to reinstatement, thus:

> Having been illegally dismissed as comprehensively discussed above, complainants-appellants are normally entitled to reinstatement to their respective former positions without loss of seniority rights and privileges and to payment of backwages and other benefits.
>
> However, inasmuch, as they are not entirely faultless as they did not follow exact procedures in the performance of their duties in the instant case, like paying for medicines immediately upon their being pulled out of Alstar, not later on, and paying with checks belonging to their customers, not with their personal checks, Complainants-Appellants should thus be reinstated to their former position without loss of seniority rights and previliges [sic] but without any backwages whatsoever or in the alternative, should thus be paid separation pay each equivalent to one-half (1/2) month pay for every year of service.[16]

The NLRC ruling expressly recognized respondents' entitlement to reinstatement because of the illegality of their dismissal, although they were no longer entitled to backwages. As found by the NLRC, respondents violated certain company policies, the effect of which was the forfeiture of the award of backwages.

Petitioners argue that the aforementioned finding of the NLRC that respondents were not entirely blameless grants them the right to choose between reinstating respondents or giving them separation pay.

Nothing in the body of the 14 December 2001 Resolution supports petitioners' conclusion. As already stated, the finding of the NLRC that respondents were not entirely faultless merely caused them the forfeiture of their backwages and did not deny them reinstatement to their former positions.

WHEREFORE, the instant petition for review on certiorari is DENIED and the Decision dated 31 January 2006 and Resolution dated 23 May 2006 of the Court of Appeals in CA-G.R. SP No. 86963 are AFFIRMED. Costs against petitioners.

SO ORDERED.

Carpio, (Acting Chairperson), Carpio-Morales, and Velasco, Jr., JJ., concur.
Quisumbing, (Chairperson), J., on official leave.

[1] Rollo, pp. 38-46. Penned by J. Japar B. Dimaampao and concurred in by JJ. Martin S. Villarama, Jr., Chairman of the Eighth Division, and Edgardo F. Sundiam.

[2] Id. at 48-49.

[3] Id. at 1145-141.

[4]Id. at 139-40.

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[5] Id. at 84-86.

[6] Id. at 95.

[7]Id. at 88-91.

[8] Id. at 96-102.

[9] Id. at 100.

[10] Id. at 78-80.

[11] Id. at 79.

[12]Id. at 82-83.

[13] Id. at 19-20.

[14] Quijano v. Mercury Drug Corporation, 354 Phil. 112, 121-122 (1998).

[15] Heirs of Timoteo Moreno and Maria Rotea v. Mactan-Cebu International Airport Authority, G.R. No. 156273, 9 August 2005, 466 SCRA 288, 305.

[16] Rollo, p. 137-138.

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