

SAN MIGUEL BREWERY SALES FORCE UNION (PTGWO), PETITIONER, VS. HON. BLAS F. OPLE, AS MINISTER OF LABOR AND SAN MIGUEL CORPORATION, RESPONDENTS.

G.R. No. 53515. February 08, 1989

Ponente: GRIÑO-AQUINO, J.

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GRIÑO-AQUINO, J.:

This is a petition for review of the Order dated February 28, 1980 of the Minister of Labor in Labor Case No. AJML-069-79, approving the private respondent's marketing scheme, known as the "Complementary Distribution System", (CDS), and dismissing the petitioner labor union's complaint for unfair labor practice.

On April 17, 1978, a collective bargaining agreement (effective on May 1, 1978 until January 31, 1981) was entered into by petitioner, San Miguel Corporation Sales Force Union (PTGWO), and the private respondent, San Miguel Corporation, Section 1, of Article IV of which provided as follows:

"Art. IV, Section 1. Employees within the appropriate bargaining unit shall be entitled to a basic monthly compensation plus commission based on their respective sales." (p. 6, Annex A; p. 113, Rollo.)

In September 1979, the company introduced a marketing scheme known as the "Complementary Distribution Systems" (CDS) whereby its beer products were offered for sale directly to wholesalers through San Miguel's sales offices.

The labor union (herein petitioner) filed a complaint for unfair labor practice in the Ministry of Labor, with a notice of strike on the ground that the CDS was contrary to the existing marketing scheme whereby the Route Salesmen were assigned specific territories within which to sell their stocks of beer, and wholesalers had to buy beer products from them, not from the company. It was alleged that the new marketing scheme violates Section 1, Article IV of the collective bargaining agreement because the introduction of the CDS would reduce the take-home pay of the salesmen and their truck helpers for the company would be unfairly competing with them.

The complaint filed by the petitioner against the respondent company raised two issues: (1) whether the CDS violates the collective bargaining agreement, and (2) whether it is an indirect way of busting the union.

In its order of February 28, 1980, the Minister of Labor found:

"x x x We see nothing in the record as to suggest that the unilateral action of the employer in inaugurating the new sales scheme was designed to discourage union organization or diminish its influence, but rather it is undisputable that the establishment of such scheme was part of its overall plan to improve efficiency and economy and at the same time gain profit to the highest. While it may be admitted that the introduction of new sales plan somewhat disturbed the present set-up, the change however was too insignificant as to convince this Office to interpret that the innovation interfered with the worker's right to self-organization.

"Petitioner's conjecture that the new plan will sow dissatisfaction from its ranks is already a prejudgment of the plan's viability and effectiveness. It is like saying that the plan will not work out to the workers' [benefit] and

therefore management must adopt a new system of marketing. But what the petitioner failed to consider is the fact that corollary to the adoption of the assailed marketing technique is the effort of the company to compensate whatever loss the workers may suffer because of the new plan over and above then what has been provided in the collective bargaining agreement. To us, this is one indication that the action of the management is devoid of any anti-union hues." (pp. 24-25, Rollo.)

The dispositive part of the Minister's Order reads:

"WHEREFORE, premises considered, the notice of strike filed by the petitioner; San Miguel Brewery Sales Farce Union-PTGWO is hereby dismissed. Management however is hereby ordered to pay an additional three (3) months back adjustment commissions over and above the adjusted commission under the complementary distribution system." (p. 26, Rollo.)

The petition has no merit.

Public respondent was correct in holding that the CDS is a valid exercise of management prerogatives:

"Except as limited by special laws, an employer is free regulate, according to his own discretion and judgment, all aspects of employment, including hiring, work assignments, working methods, time, place and manner of work, tools to be used, processes to be followed, supervision of workers, working regulations, transfer of employees, work supervision, lay-off of workers and the discipline, dismissal and recall of work. x x x (NLU vs. Insular La Yebana Co., 2 SCRA 924; Republic Savings Bank vs. CIR, 21 SCRA 226, 235.)" ("Perfecto V. Hernandez Labor Relations Law, 1985 Ed., 44.) (Underlining ours.)

Every business enterprise endeavors to increase its profits. In the process, it may adopt or devise means designed towards that goal. In *Abott Laboratories vs. NLRC*, 154 SCRA 713, We ruled:

"x x x Even as the law is solicitous of the welfare of the employees, it must also protect the right of an employer to exercise what are clearly management prerogatives. The free will of management to conduct its own business affairs to achieve its purpose cannot be denied."

So long as a company's management prerogatives are exercised in good faith for the advancement of the employer's interest and not for the purpose of defeating or circumventing the rights of the employees under special laws or under valid agreements, this Court will uphold them (*LVN Pictures Workers vs. LVN*, 35 SCRA 147; *Phil. American Embroideries vs. Embroidery and Garment Workers*, 26 SCRA 634; *Phil. Refining Co. vs. Garcia*, 18 SCRA 110). San Miguel Corporation's offer to compensate the members of its sales force who will be adversely affected by the implementation of the CDS, by paying them a so-called "back adjustment commission" to make up for the commissions they might lose as a result of the CDS, proves the company's good faith and lack of intention to bust their union.

WHEREFORE, the petition for certiorari is dismissed for lack of merit.

SO ORDERED.

Narvasa, (Chairman) Cruz, Gancayco, and Medialdea, JJ., concur.

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