

THIRD DIVISION

[G.R. No. 219025, September 09, 2020]

ASIAN INSTITUTE OF MANAGEMENT FACULTY ASSOCIATION, PETITIONER, VS. ASIAN INSTITUTE OF MANAGEMENT, INC., RESPONDENT.

DECISION

LEONEN, J.:

An employer has a wide latitude on how to conduct its business affairs per its discretion and judgment through its management prerogative. However, such a right should be exercised in accordance with duly constituted laws, justice, and fair play. Moreover, acts of an employer, although seemingly lawful, must be taken in consideration with the totality of its acts, including preceding and subsequent circumstances. The employer's right to management prerogative will not absolve it of liability if its acts are against the law or motivated by unlawful cause constituting unfair labor practices.

This Court resolves a Petition for Review on Certiorari^[1] filed by A Institute of Management Faculty Association assailing the Decision^[2] Resolution^[3] of the Court of Appeals. The Court of Appeals affirmed the National Labor Relations Commission's (NLRC) Decision and held that Asian Institute of Management, Inc. is not guilty of unfair labor practice.^[4]

Asian Institute of Management Faculty Association (AFA) is a labor organization registered with the Department of Labor and Employment. It was formed by faculty members of Asian Institute of Management (AIM) on October 14, 2004 to act as a collective body on behalf of its members for all matters concerning their rights and interests as employees.^[5]

On September 6, 2005, AFA filed a Resolution asking AIM's management to recognize it as a legitimate labor organization.^[6] AIM disregarded this, but the issue was elevated to AIM's Board of Trustees, headed by Mr. Washington Sycip (Sycip). The Board refused to recognize AFA for "philosophical, economic[,] and governance" considerations.^[7]

On February 26, 2007 to March 3, 2007, AIM conducted a "Leadership Week" with its alumni and members of the Board of Trustees and Board of Governors as participants.^[8] There, AFA, through the law firm of Yorac Arroyo Chua Caedo & Coronel, slipped a letter dated February 27, 2007 under the members of the Board of Trustees and Board of Governors' respective hotel room doors.^[9] In the letter, AFA claimed that AIM failed to allocate a portion of the money received from the students' tuition fee increases to the salaries of the professors. It demanded AIM to pay them P984,137,921.20 worth of salary increases for the faculty and other

employees.^[10]

On March 8, 2007, AFA filed a Complaint for unfair labor practice against AIM. It prayed for actual, moral, and exemplary damages, as well as attorney's fees.^[11]

On April 27, 2007, AIM issued Notices of Administrative Charges filed against AFA Chairman Dr. Victor Limlingan (Dr. Limlingan) and AFA President Professor Emmanuel Leyco^[12] (Professor Leyco) charging them with dysfunctional behavior, a grave offense under AIM's Policy Manual for Faculty. The administrative charge was due to the distribution of the February 27, 2007 letter which allegedly meant to disrupt Leadership Week and malign the school's reputation.^[13]

On May 2, 2007, Dr. Limlingan and Professor Leyco submitted their joint explanation to AIM. A few days later, AFA filed the complaint for unfair labor practice subject of this Petition.^[14]

AFA stated in its Position Paper that AIM's management abused and discriminated against its members, particularly: (1) President Francis Estrada; (2) Vice-President Victor Tan; and (3) Dean Victoria Licuanan, after registering as a labor organization with the Department of Labor and Employment on December 20, 2004.^[15]

To prove AIM's alleged anti-union stance, AFA enumerated the following acts of harassment:

- 1) Despite Prof. Jose Jesus Roces (Prof. Roces) permanent status of employment, he was assigned fewer teaching loads and was merely given a 6-month employment contract. Thereafter, he filed a Complaint for Reinstatement.
- 2) The Application for Full Scholarship filed by AFA's Secretary, Prof. Ma. Lisa Dacanay (Prof. Dacanay), was denied because she was a signatory of AFA's DOLE registration.
- 3) AFA's Vice President Dr. Gloria Chan (VP Chan), was informed that her Application for Full Professorship, would be discussed first with the Board of Trustees due to AFA's previous registration with the DOLE. Upon the denial of her application, she was not allowed to appeal the Board's decision, contrary to the AIM's prevailing rules.
- 4) Associate Dean Ricardo Lim (Assoc. Dean Lim) admitted and even confirmed in a meeting that Prof. Jacinto Gavino's (Prof. Gavino), research proposal was not acted upon by Dean Licuanan because of Prof. Gavino's membership with AFA.
- 5) Prof. Felixberto Bustos (Prof. Bustos), who was both the President of the ACT Group as well as AIM's JBF Center for Banking and Finance, was accused of abusing his authority in relation to a program entered with the Bangko Sentral ng Pilipinas on February 25, 2004, known as Chartered Financial Analyst Review (BSP Program). Allegedly, Prof. Bustos diverted the BSP Program to the ACT Group instead of promoting AIM's interest by coursing said program to the JBF Center.
- 6) Dr. Eduardo Morato (Dr. Morato), Prof. Alejandrino Ferreria (Prof. Ferreria) and Prof. Herminia Coloma (Prof. Coloma), key

figures in the formation of AFA, were allegedly subjects of an investigation for a case on grounds of conflict of interest. This information was mentioned in an email which the management circulated among faculty members.^[16]

On May 17, 2007, AFA filed a Petition for Certification Election with the Department of Labor and Employment, which AIM subsequently opposed, claiming that the faculty members of AIM were managerial employees prohibited from forming a union.^[17]

On June 2008, the Labor Arbiter granted AFA's Complaint and held that AIM is guilty of unfair labor practice.^[18] The dispositive portion of the Labor Arbiter's Decision reads:

WHEREFORE, premises considered, this Office finds respondent Asian Institute [of] Management, Inc. to be guilty of unfair labor practice under Article 248 (a) of the Labor Code, as amended.

SO ORDERED.^[19]

AFA partially appealed the June 30, 2008 Decision on the award of damages and issuance of a cease and desist order. AIM appealed the Decision as well.^[20]

The NLRC reversed and set aside the Labor Arbiter's findings. It found that the acts complained of were in the exercise of AIM's management prerogative.^[21] The dispositive portion of the National Labor Relations Commission provides:

WHEREFORE, the decision dated 5 June 2008 is VACATED and SET ASIDE.

The complaint for unfair labor practice is DISMISSED for lack of merit.

SO ORDERED.^[22]

Upon review on certiorari, the Court of Appeals affirmed the NLRC's Decision. To be considered unfair labor practice, the Court of Appeals explained that the acts committed must "violate the workers' right to organize."^[23] However, there was no indication that AIM's actions in suspending or refusing to renew the contracts of any of its teachers led to "discrimination or harassment."^[24] On the contrary, AIM's exercise of its management prerogative was in good faith.^[25]

The dispositive portion of the assailed Decision reads:

WHEREFORE, the petition is DENIED. The Public Respondent's NLRC's December 18, 2008 Decision, and February 9, 2009 Resolution, in NLRC LAC Case No. 00-05-04524-07 are hereby AFFIRMED.

SO ORDERED.^[26]

AFA then filed a Motion for Reconsideration, which the Court of Appeals denied in its June 16, 2015 Resolution.^[27]

On August 24, 2015, AFA filed their Petition for Review on Certiorari^[28] before this Court.

On October 21, 2015, this Court required respondent to comment on the Petition.^[29]

After requesting for additional time to Comment twice,^[30] respondents filed their Comment on January 25, 2016.^[31]

On April 17, 2017, this Court required petitioner to file a reply to the comment on the petition.^[32] Petitioners filed three motions for additional time to file a reply^[33] before submitting its Reply on July 21, 2017.^[34]

In its Petition for Review, petitioner argues that respondent's acts against it could not be considered management prerogative, as they were in bad faith and were clearly intended to harass and discriminate against petitioner, its officers, members, and organizers.^[35] Moreover, it asserts that the totality of evidence it presented proves that respondent is guilty of unfair labor practice.^[36]

In claiming that the Court of Appeals erred when it relied on the presumption of good faith, petitioner enumerated respondent's numerous actions that demonstrated bad faith and malice.^[37] Among these, petitioner claims that the Court of Appeals ignored Sycip's categorical statement in his March 21, 2006 letter, vehemently refusing to recognize petitioner's legal personality and the rights of its members for self-organization.^[38]

Petitioner submits that the Court of Appeals erred in holding that respondent's opposition against its Petition for Certification Election does not equate to unfair labor practice.^[39] Further, it claims that the Court of Appeals "should have sanctioned [respondent]" for violating Section 1, Rule VIII of Department of Labor and Employment Department Order No. 40-F-03, which mandates that in certification election proceedings, "the employer shall not be considered a party with a concomitant right to oppose a petition for certification election[.]"^[40]

Petitioner also underscored that the Court of Appeals issued a January 8, 2013

Decision denying respondent's appeal in a separate petition it filed in its bid to cancel petitioner's Certificate of Registration. In this Decision, the Court of Appeals found respondent's Petition to be bereft of merit.^[41]

Petitioner added that the Court of Appeals erred in disregarding the numerous complained acts of harassment and discrimination.^[42]

In its Comment,^[43] respondent asserts that petitioner merely rehashed the same matters already ruled upon by the Court of Appeals and the NLRC, which both absolved it of unfair labor practice.

Respondent claims that petitioner filed the complaint on unfair labor practice due to the administrative charges filed against Professor Leyco and Dr. Limlingan^[44] and their eventual dismissal from respondent.^[45]

Respondent further asserts that the Petition lacks the mandatory and jurisdictional requirements since the verification and certification against forum shopping attached was executed and notarized on August 20, 2015, four days earlier than the date of the Petition. Consequently, it asks that the petition be treated as an unsigned pleading.^[46]

It also claimed that other than petitioner's allegations, there is no proof that respondent's actions were committed to deliberately harass and discriminate petitioner's officers and members.^[47] It submitted that this was correctly found by the Court of Appeals in its assailed Decision and Resolution.^[48] Instead, they offer that the acts cited by petitioner are either false, or legitimate acts of management prerogative.^[49]

For this Court's resolution are the following issues: (1) whether or not respondent committed unfair labor practice; and (2) whether or not respondent is liable for damages.

The petition is meritorious.

I

It is a general rule that this Court is not a trier of facts. In reviewing a petition for review on certiorari under Rule 45, this Court is limited to determining whether the Court of Appeals was correct in finding the presence or absence of grave abuse of discretion and jurisdictional errors on the lower tribunal's part.^[50] In *Meralco Industrial v. National Labor Relations Commission*,^[51] it was held:

This Court is not a trier of facts. Well-settled is the rule that the jurisdiction of this Court in a petition for review on *certiorari* under Rule 45 of the Revised Rules of Court is limited to reviewing only errors of law, not of fact, unless the factual findings complained of are completely devoid of support from the evidence on record, or the assailed judgment