

FIRST DIVISION

[G.R. No. 206800, July 02, 2018]

**STRADCOM CORPORATION AND JOSE A. CHUA, PETITIONERS, V.
JOYCE ANNABELLE L. ORPILLA, RESPONDENT.**

DECISION

TIJAM, J.:

Before Us is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court filed by petitioners Stradcom Corporation (Stradcom) and Jose A. Chua (Chua) (collectively referred to as petitioners), assailing the Decision^[1] dated September 28, 2012 and Resolution^[2] dated April 17, 2013 of the Court of Appeals (CA) in CA-G.R. SP No. 91150, which reversed the National Labor Relations Commission (NLRC) Decision^[3] dated July 30, 2004 and Resolution^[4] dated April 20, 2005 and reinstated the Labor Arbiter's (LA's) ruling^[5] dated September 30, 2003.

The Procedural and Factual Antecedents

The Version of Respondent Joyce Anabelle L. Orpilla

On November 15, 2001, Joyce Anabelle L. Orpilla (respondent) was employed by Stradcom as Human Resources Administration Department (HRAD) Head, under a probationary status for six months, with a monthly salary of P60,000.^[6] Her duties included administrative and training matters.^[7]

On January 2, 2003, Chua, the President and Chief Executive Officer (CEO) of Stradcom, issued a Memorandum addressed to the Chief Operating Officer (COO), Ramon G. Reyes (Reyes), and Chief Financial Officer (CFO), Raul C. Pagdanganan (Pagdanganan), announcing the reorganization of the HRAD.^[8] The pertinent portions of the memorandum provides:

1. The Training Section of the Department shall be spinned off and will form part of the Business Operations. x x x (The Training Section shall be called Human Resources Training and Development).

x x x x

3. Under the said reorganization, new sections shall be reporting to the following:

- The Human Resources Training and Development shall be reporting to Mr. Ramon G. Reyes, COO.
- The Personnel and Administration shall be reporting to Mr. Raul Pagdanganan, CFO.
- Ms. Joyce Anabelle L. Orpilla and the Training Section will be reporting directly to the COO. x x x^[9]

After the turn-over of the documents and equipment of HRAD, respondent inquired from Chua as to her status in the light of the said reorganization. Chua, on the other hand, replied that the management has lost its trust and confidence in her and it would be better if she resigned. Respondent protested the resignation and insisted that if there were charges against her, she was open for formal investigation. Chua, however, was not able to come up with any charges.^[10]

On January 9, 2003, a meeting was held wherein, Atty. Eric Gene Pilapil (Atty. Pilapil), the Chief Legal Officer (CLO) offered a settlement to respondent in exchange for her employment, otherwise, respondent would have to undergo the burden of litigation in pursuing the retention of her employment.^[11] Atty. Pilapil set another meeting on January 13, 2003 with respondent, and told her to take a leave in the meantime to think about the settlement offer. Atty. Pilapil also assured respondent that she would continue to receive her salary.^[12]

On January 13, 2003, per advice of Atty. Pilapil, respondent reported for work but the guards refused her entry and advised her to take a leave of absence.^[13]

Respondent claimed that she was informed by Accounting Manager, Mr. Arnold C. Ocampo, that her January 15, 2003 salary was already deposited in her bank account which included the proportionate 13th month pay for the year 2003 and was her last and final pay. After such, respondent no longer received any kind of payment from petitioners.^[14] Respondent claimed that she was constructively dismissed on January 2, 2003 and turned into an actual dismissal on January 15, 2003, when she received her last pay.^[15]

On June 29, 2003, respondent filed a complaint for constructive dismissal with monetary claims of backwages, attorney's fees and damages.^[16]

The Version of Petitioners Stradcom Corporation and Jose A. Chua

On November 15, 2001, respondent was employed by Stradcom as HRAD Head, a managerial position with a monthly salary of P60,000.^[17] As HRAD Head, respondent's duties and responsibilities included administration and personnel, and training matters.^[18]

Sometime in December 2002, Pagdanganan gave instructions to respondent to commence preparations for Stradcom's 2002 Christmas party. Chua also gave instructions to respondent to include the Land Registration Systems, Inc. (Lares) officers and employees, an affiliate of Stradcom in the Christmas party, to foster camaraderie and working relations between the two companies.^[19]

Contrary to Chua's instruction, respondent then called a staff lunch meeting for Stradcom's 2002 Christmas party, wherein respondent conveyed her intention of easing out Lares' employees from the party.^[20]

Later, it had come to Stradcom's attention that respondent was not comfortable with the idea to include Lares in the Christmas party, as respondent appeared evasive on the queries about the event made by Ms. May Marcelo, the Head Personnel and Administration of Lares.^[21] This matter was brought to the attention of Chua, who decided to strip respondent of any responsibility in organizing the Christmas party and transferred the same to another committee. As part of the turnover, respondent

furnished the committee with a copy of the initial budget which included the catering services from G&W Catering Services at P250 per head.^[22]

On December 16, 2002, Ms. Rowena Q. Samson (Samson) and Mr. Saturnino S. Galgana (Galgana), members of the new Christmas party committee went to see Mrs. Myrna G. Sese (Sese), the proprietress of the G&W Catering Services.^[23] They were surprised to find out that the price of the food was actually P200 per head and not P250 per head as represented by respondent. Suspicious about the correct pricing, Samson and Galgana reported the matter to the Stradcom's management. Stradcom began its investigation and interviewed some employees regarding the conduct of respondent.^[24]

After the investigation, Stradcom also discovered that respondent required her staff to prepare presentation/training materials/manuals using company resources for purposes not related to the affairs of the company, on overtime and on Sundays.^[25]

Subsequently, Pagdanganan called for a conference with respondent, and discussed respondent's non-inclusion of Lares in Stradcom's Christmas party, the overpricing of the food, and her moonlighting. Respondent made a bare denial.^[26]

On January 3, 2003, Chua notified his employees about the reorganization of the HRAD and the Business Operations Department.^[27] On the same date and as part of routine procedure, respondent turned-over the necessary documents and equipment.^[28] Respondent reported to Reyes, her new immediate superior and secured the latter's approval for her leave of absence on the dates of January 3 in the afternoon up to January 6, 2003, due to personal reasons. Reyes approved her leave.^[29]

However, before respondent's scheduled leave, she approached Chua to discuss the reorganization and her previous conference with Pagdanganan regarding her said infractions. Chua told respondent that the management has lost its trust and confidence in her due to her willful disobedience in excluding the employees of Lares in the Stradcom's Christmas party and for willful breach of trust in connection with the canvassing of the caterer.^[30]

Respondent explained her side and asked Chua for his advice. Chua replied that considering her position is one that requires the trust and confidence of the management, it would be difficult to force herself on the management. Thus, respondent conveyed her willingness to resign. In view of this, Stradcom's officers agreed that any formal investigation on respondent was unnecessary in view of her willingness to resign.^[31]

However, on January 7, 2003, respondent reported for work and surprisedly informed Stradcom that she would not resign. When Chua found out about the respondent's retraction of her statement to resign, he instructed Atty. Pilapil to talk things through with respondent.^[32]

On January 9, 2003, Atty. Pilapil invited respondent for dinner outside the company premises. Respondent was given another chance regarding her said infractions. Respondent then requested for four days leave to think things through and Atty. Pilapil adhered to request and assured her that she will receive her pay while on

leave. They likewise agreed that they would meet again on January 13, 2003, outside the office to discuss respondent's final decision.^[33]

Petitioners were shocked when they found out that respondent had filed a complaint for constructive dismissal with monetary claims of backwages, attorney's fees and damages on January 29, 2003.^[34]

Petitioners contended that the dismissal of respondent was for just cause on the ground of loss of trust and confidence and the same was in compliance with the due process requirements.^[35] Petitioners further contended that the acts that caused the loss of trust and confidence of the petitioners in the respondent were her mishandling of Stradcom's 2002 Christmas party, dishonesty in preparing the budget thereof, misrepresentation in her application for employment, and using company personnel and resources for purposes not beneficial to the interest of Stradcom.^[36]

The Ruling of the LA

On September 30, 2003, the LA rendered a Decision, which ruled that respondent was illegally dismissed and Chua is solidarily liable with Stradcom for the payment of the monetary awards to respondent.^[37] The dispositive portion of the LA Decision, provides:

WHEREFORE, decision is hereby rendered, as follows:

1. Declaring that the complainant was illegally dismissed;
2. Declaring that the dismissal was effected in violation of the due process and notice requirements; and
3. Ordering respondents Stradcom Corporation and Jose A. Chua to pay complainant, jointly and severally, the total amount of EIGHT HUNDRED FORTY SEVEN THOUSAND PESOS (P847,000.00) representing her separation pay, backwages, moral and exemplary damages and attorney fees.

The awards for separation pay, backwages and the corresponding 10% attorney's fees shall be subject to further computation until the decision in this case becomes final and executory.

The other claims are denied for lack of merit.

SO ORDERED.^[38]

Aggrieved, petitioners seasonably filed a memorandum of appeal before the NLRC.

The Ruling of the NLRC

On July 30, 2004, the NLRC issued its Decision. It partially granted the appeal filed by petitioners and modified the Decision of the LA. The NLRC ruled that respondent was validly dismissed on the ground of loss and trust confidence, due to her mishandling of the 2002 budget for the Christmas party. The NLRC awarded respondent her unpaid salary for the period of January 16 to April 16, 2003, the date when she was formally advised of her disengagement from service. Attorney's fees were also awarded.^[39] The decretal portion of the NLRC Decision thus, reads:

WHEREFORE, in view of the foregoing considerations, the appeal is hereby PARTIALLY GRANTED. The dispositive portion of the appealed Decision is hereby MODIFIED and another one entered:

1. Declaring that Appellee, Joyce Anabelle L. Orpilla was validly dismissed and;
2. Ordering appellant corporation to pay her the following:

a) Withheld wages from	P195,000.00
January 16 to April	
16, 2003 (P60,000.00	
x 3 plus 1/12 thereof	
as 13th month pay)	
b) attorney's fees	P 19,500.00
	- - - - -
Total Award	P214,500.00

SO ORDERED.^[40]

Respondent sought to reconsider the above-mentioned Decision but it was denied by the NLRC in its Resolution^[41] dated April 20, 2005, for lack of merit.

Dismayed, respondent filed a petition for review on *certiorari* under Rule 65 with the CA.

The Ruling of the CA

On September 28, 2012, the CA reversed and set aside the NLRC and ruled that respondent was illegally dismissed.^[42] The *fallo* of the CA Decision provides:

IN VIEW OF ALL THESE, the Petition is **GRANTED**. The assailed Decision and Resolution of public respondent NLRC are **SET ASIDE**. The Decision of the Labor Arbiter dated September 30, 2003 is **REINSTATED**.

SO ORDERED.^[43]

Petitioners promptly filed a Motion for Reconsideration but it was denied by the CA in its Resolution dated April 17, 2013.^[44]

Hence, the present petition.

The Issues

A. WHETHER OR NOT THE COURT OF APPEALS HAS COMMITTED SERIOUS AND REVERSIBLE ERRORS IN REVERSING THE DECISION OF THE NATIONAL LABOR RELATIONS COMMISSION AND FAULTING THE SAME WITH GRAVE ABUSE OF DISCRETION BY FINDING THAT PETITIONERS HAS ILLEGALLY DISMISSED RESPONDENT FROM HER EMPLOYMENT AS HEAD OF THE HUMAN RESOURCE DEPARTMENT?

A.1 WHETHER OR NOT RESPONDENT HAS WILLFULLY DISOBEYED PETITIONERS' LAWFUL AND REASONABLE INSTRUCTIONS?