

## THIRD DIVISION

[ G.R. No. 131467, April 21, 1999 ]

**BENEDICTO CAÑETE AND EDGAR ISABIDA, PETITIONERS, VS.  
NATIONAL LABOR RELATIONS COMMISSION AND ABRAHAM  
ABAJO, RESPONDENTS.**

### D E C I S I O N

#### **PANGANIBAN, J.:**

If, through their own fault or inaction, parties fail to fully air their side before the labor arbiter, the remand of their case for further proceedings is not justified. With substantial justice as goal, the labor arbiters are given wide latitude in conducting proceedings before them. Subject to the requirements of due process, they may decide the cases on the basis of pleadings, documents and evidence filed before them by the parties. A formal or trial-type hearing is not always necessary.

#### **The Case**

Before us is a Petition for *Certiorari* under Rule 65 of the Rules of Court assailing the July 31, 1997 Resolution of the National Labor Relations Commission (NLRC),<sup>[1]</sup> the dispositive portion of which reads:

"WHEREFORE, the decision appealed from is [v]acated and [s]et [a]side, and a new one entered remanding this case to the Arbitration Branch of Origin for further proceeding."<sup>[2]</sup>

Likewise challenged in this petition is the September 25, 1997 Resolution of the NLRC denying petitioners' motion for reconsideration.

The dispositive portion of the labor arbiter's Decision,<sup>[3]</sup> which was set aside by the NLRC, reads:

"WHEREFORE, in view of the foregoing consideration, judgment is hereby rendered in the above-entitled case:

(1) Declaring Benedicto Cañete and Edgar Isabida to have been illegally dismissed, and ordering respondent Abraham Abajo to pay them backwages and separation pay as hereinafter specified; and

(2) Also ordering respondent Abraham Abajo to pay Benedicto Cañete and Edgar Isabida wage differentials, 13th month pay and holiday pay, as set forth below together with backwages and separation pay, viz:

#### **Benedicto Cañete**

Backwages

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P 6,971.18

Separation Pay	-----	6,337.44
Wage Differentials	-----	21,149.66
13th Month Pay	-----	4,257.49
Holiday Pay	-----	1,140.10
Total	-----	P 40,155.87

#### Edgar Isabida

Backwages	-----	P 6,971.18
Separation Pay	-----	12,674.88
Wage Differentials	-----	21,149.66
13th Month Pay	-----	4,257.49
Holiday Pay	-----	1,440.10
Total	-----	P 46,493.31

SO ORDERED."<sup>[4]</sup>

### **The Facts**

The antecedent facts are summarized by the the NLRC as follows:

"Respondent Abraham Abajo is the owner of a rubber tree farm, located at New Bohol, Kidapawan, Cotabato, with an area of about 49,643 square meters (or 4.9 hectares) planted [with] about 1,800 rubber trees; 20% of which are dried up or no longer available for tapping.

"The complainants were formerly employed in the rubber farm of respondent. The lengths of their employment are strongly disputed by the parties. Complainant Cañete claims that he started his employment in May 1993, and complainant Isabida on January 7, 1989; that they worked from 6:00 a.m. to 12:00 noon or six (6) hours daily; and that they were paid at the daily wage rates of P30.00 in 1994 and P33.00 in 1996.

"On November 26, 1996, complainants contend that they were verbally told by respondent to stop working and [that] xxx their employment [was terminated] effective November 29, 1996. They claim that the respondent did not inform them of the reason for their intended dismissal. Hence, they charged respondent for illegal dismissal with money claims.

"Respondent, on the other hand, alleges that complainant Cañete was employed as his tapper only on June 1, 1995 and his salary was P1,000.00 a month and not P33.00 as alleged by him. Cañete tapped half of the rubber plantation or about 900 rubber trees every 15 days each month, working at an average of five (5) hours per day or 2 1/2 daily per month, after which Cañete was free and worked in other rubber plantations. Respondent further contends that Cañete also worked as rubber tapper of Bacus rubber plantation with a ten (10) hectare area.

"The complainant Cañete does not deny having worked with Bacus rubber plantation but explains that he only did so after he was terminated by respondent and only on temporary basis.

"With respect to complainant Isabida, respondent avers that the former started working as his tapper on September 21 up to November 26, 1996 and not on January 7, 1989 as alleged by Isabida[,] and his salary was also P1,000.00 a month and not P33.00 a day. xxx Isabida also tapped the other half of respondent's rubber trees every 15 days and work[ed] an average of five (5) hours daily for the period. After his work, he too was free to work at other rubber tree plantations, maintains respondent.

"On the charge of dismissal, respondent asserts that complainants were dismissed for valid causes. He avers that they were guilty of insubordination as both did not obey the manner and procedure as instructed by the former of tapping the rubber trees they were respectively assigned for 15 days each month. Respondent also charges them [with] negligence because they left uncollected rubber cup lumps in the tapping area which were stolen by thieves. Moreover, respondent alleges that complainants were often absent from their jobs without prior permission from the former.

"Further, respondents contend that when they were advised to stop working on account of their deficient work performance, the complainants immediately filed a complaint with the Department of Labor and Employment Regional Office. The respondent tried to settle this case but no settlement could be arrived at because complainants were demanding huge amounts which the former could not well afford. The complainants also refused to return to work when they were offered by respondent and [they instead] insisted on their claims, finally argues the respondent.

xxx xxx xxx<sup>[5]</sup>

The Ruling of the NLRC

In debunking the labor arbiter's findings, NLRC ruled as follows:

"After a careful review of the records of this case, we find the Executive Labor Arbiter to have misappreciated the facts and the evidence on record. The findings of the Labor Arbiter that complainants were illegally dismissed on the premise that they were terminated without any reason or valid cause on the sole basis of the allegation of complainants, is not truly reflective of the facts and circumstances.

"It is improbable that an employer like herein respondent at his admitted age of about 78 years and unlettered at that would simply dismiss complainants without any reason at all. If the Labor Arbiter entertained doubts on the averments of respondent, it would have been more in accord with prudence and the principle of fair play that a clarificatory hearing [of] this case should at least be conducted in view of the seriously disputed issues.

"Under the facts and circumstances, we are not prepared to render xxx a definitive finding on whether or not complainants were in fact illegally dismissed. Considering the size and number of rubber trees [in]

respondent's farm, we could not readily accept the contention of complainants that they performed tapping jobs thereat for about six (6) hours and continuously for the period of one (1) month each.

"So far, what appears well established in the records is that this labor dispute arose from the misunderstanding between the parties on the manner and procedure of tapping the rubber trees of respondent. The latter blamed complainants for the drying up of some rubbers due to the failure of the complainants to follow the tapping procedure[,] while complainants blamed it on improper management. As to who in fact was telling the truth, we fail to find any sufficient evidence on record.

"There is also serious dispute over the length of service of complainants that has to be further threshed out.

"With respect to the monetary awards, we find necessity to further remand the same for being merely based on a straight method of computation which i[s] too arbitrary and unfair to the respondent. There should be concrete evidence on the number of working hours and the regularity of the tapping activity as basis for computation.

"Under the rules, the Labor Arbiter is tasked to avail himself of all reasonable means to ascertain the facts in each controversy speedily and objectively[,] and this includes whenever necessary and practicable the conduct of ocular inspection of the premises, subpoena of relevant documentary evidence, examination of well-informed persons or witness, if any. (See Sections 4 and 7, Rule V, NLRC New Rules of Procedure).

xxx xxx xxx"[6]

Hence, this petition.[7]

### **The Issues**

Petitioners submit the following issues for resolution:

"I

Whether or not the NLRC was correct to remand the case to the labor arbiter for the reception of further evidence because the evidence for the respondent is grossly insufficient to sustain a favorable decision and respondent's counsel failed to vigorously defend his case at the arbiter's level."

II

Whether or not there is something wrong with the position-paper procedure in labor cases.

III

Whether or not it is always necessary to hold hearings at the labor