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SECOND DIVISION

[G.R. No. 102084, August 12, 1998]

DE LA SALLE UNIVERSITY MEDICAL CENTER AND COLLEGE OF MEDICINE, PETITIONER, VS. HON. BIENVENIDO E. LAGUESMA, UNDERSECRETARY OF LABOR AND EMPLOYMENT; ROLANDO S. DE LA CRUZ, MED-ARBITER REGIONAL OFFICE NO. IV, DE LA SALLE UNIVERSITY MEDICAL CENTER AND COLLEGE OF MEDICINE SUPERVISORY UNION-FEDERATION OF FREE WORKERS, RESPONDENTS. DECISION

MENDOZA, J.:

Petitioner De La Salle University Medical Center and College of Medicine (DLSUMCCM) is a hospital and medical school at Dasmariñas, Cavite. Private respondent Federation of Free Workers"De La Salle University Medical Center and College of Medicine Supervisory Union Chapter (FFW-DLSUMCCMSUC), on the other hand, is a labor organization composed of the supervisory employees of petitioner DLSUMCCM.

On April 17, 1991, the Federation of Free Workers (FFW), a national federation of labor unions, issued a certificate to private respondent FFW-DLSUMCCMSUC recognizing it as a local chapter. On the same day, it filed on behalf of private respondent FFW-DLSUMCCMSUC a petition for certification election among the supervisory employees of petitioner DLSUMCCM. Its petition was opposed by petitioner DLSUMCCM on the grounds that several employees who signed the petition for certification election were managerial employees and that the FFW-DLSUMCCMSUC was composed of both supervisory and rank-and-file employees in the company.[1]

In its reply dated May 22, 1991, private respondent FFW-DLSUMCCMSUC denied petitioner's allegations. It contended that-

2. Herein petition seeks for the holding of a certification election among the supervisory employees of herein respondent. It does not intend to include managerial employees.

. . . .

6. It is not true that supervisory employees are joining the rank-and-file employees' union. While it is true that both regular rank-and-file employees and supervisory employees of herein respondent have affiliated with FFW, yet there are two separate unions organized by FFW. The supervisory employees have a separate charter certificate issued by FFW.[2]

On July 5, 1991, respondent Rolando S. de la Cruz, med-arbiter of the Department of Labor and Employment Regional Office No. IV, issued an order granting respondent union's petition for certification election. He said:

> . . . . [petitioner] . . . claims that based on the job descriptions which will be presented at the hearing, the covered employees who are considered managers occupy the positions of purchasing officers, personnel officers, property officers, cashiers, heads of various sections and the like.
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> [Petitioner] also argues that assuming that some of the employees concerned are not managerial but mere supervisory employees, the Federation of Free Workers (FFW) cannot extend a charter certificate to this group of employees without violating the express provision of Article 245 which provides that "supervisory employees shall not be eligible for membership in a labor organization of the rank-and-file employees but may join, assist or form separate labor organizations of their own" because the FFW had similarly issued a charter certificate to its rank-and-file employees.
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> In its position paper, [petitioner] stated that most, if not all, of the employees listed in . . . the petition are considered managerial employees, thereby admitting that it has supervisory employees who are undoubtedly qualified to join or form a labor organization of their own. The record likewise shows that [petitioner] promised to present the job descriptions of the concerned employees during the hearing but failed to do so. Thus, this office has no basis in determining at this point in time who among them are considered managerial or supervisory employees. At any rate, there is now no question that [petitioner] has in its employ supervisory employees who are qualified to join or form a labor union. Consequently, this office is left with no alternative but to order the holding of certification election pursuant to Article 257 of the Labor Code, as amended, which mandates the holding of certification election if a petition is filed by a legitimate labor organization involving an unorganized establishment, as in the case of herein respondent.

As to the allegation of [petitioner] that the act of the supervisory employees in affiliating with FFW to whom the rank-and-file employees are also affiliated is violative of Article 245 of the Labor Code, suffice it to state that the two groups are considered separate bargaining units and local chapters of FFW. They are, for all intents and purposes, separate with each other and their affiliation with FFW would not make them members of the same labor union. This must be the case because it is settled that the locals are considered the basic unit or principal with the labor federation assuming the role of an agent. The mere fact, therefore, that they are represented by or under the same agent is of no moment. They are still considered separate with each other.[3]

On July 30, 1991, petitioner DLSUMCCM appealed to the Secretary of Labor and Employment, citing substantially the same arguments it had raised before the med-arbiter. However, its appeal was dismissed. In his resolution, dated August 30, 1991, respondent Undersecretary of Labor and Employment Bienvenido E. Laguesma

found the evidence presented by petitioner DLSUMCCM concerning the alleged managerial status of several employees to be insufficient. He also held that, following the ruling of this *Court in Adamson & Adamson, Inc. v. CIR,*[4] unions formed independently by supervisory and rank-and-file employees of a company may legally affiliate with the same national federation.

Petitioner moved for a reconsideration but its motion was denied. In his order dated September 19, 1991, respondent Laguesma stated:

We reviewed the records once more, and find that the issues and arguments adduced by movant have been squarely passed upon in the Resolution sought to be reconsidered. Accordingly, we find no legal justification to alter, much less set aside, the aforesaid resolution. Perforce, the motion for reconsideration must fail.

> WHEREFORE, the instant motion for reconsideration is hereby denied for lack of merit and the resolution of this office dated 30 August 1991 STANDS.
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> No further motions of a similar nature shall hereinafter be entertained.[5]

Hence, this petition for *certiorari.*

Petitioner DLSUMCCM contends that respondent Laguesma gravely abused his discretion. While it does not anymore insist that several of those who joined the petition for certification election are holding managerial positions in the company, petitioner nonetheless pursues the question whether unions formed independently by supervisory and rank-and-file employees of a company may validly affiliate with the same national federation. With respect to this question, it argues:

> THE PUBLIC RESPONDENT, HONORABLE BIENVENIDO E. LAGUESMA, UNDERSECRETARY OF LABOR AND EMPLOYMENT, IN A CAPRICIOUS, ARBITRARY AND WHIMSICAL EXERCISE OF POWER ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO ACTING WITHOUT OR IN EXCESS OF JURISDICTION WHEN HE DENIED THE PETITIONER'S APPEAL AND ORDERED THE HOLDING OF A CERTIFICATION ELECTION AMONG THE MEMBERS OF THE SUPERVISORY UNION EMPLOYED IN PETITIONER'S COMPANY DESPITE THE FACT THAT SAID SUPERVISORY UNION WAS AFFILIATED WITH THE FEDERATION OF FREE WORKERS TO WHICH THE RANK-AND-FILE EMPLOYEES OF THE SAME COMPANY ARE LIKEWISE AFFILIATED, CONTRARY TO THE EXPRESS PROVISIONS OF ARTICLE 245 OF THE LABOR CODE, AS AMENDED.[6]

The contention has no merit.

Supervisory employees have the right to self-organization as do other classes of employees save only managerial ones. The Constitution states that "the right of the people, including those employed in the public and private sectors, to form unions, associations or societies for purposes not contrary to law, shall not be abridged."[7] As we recently held in *United Pepsi-Cola Supervisory Union v. Laguesma,*[8] the framers of the Constitution intended, by this provision, to restore the right of