SECOND DIVISION

[G.R. No. 195297, December 05, 2018]

COCA-COLA BOTTLERS PHILIPPINES, INC., PETITIONER, VS. ILOILO COCA-COLA PLANT EMPLOYEES LABOR UNION (ICCPELU), AS REPRESENTED BY WILFREDO L. AGUIRRE, RESPONDENT.

DECISION

A. REYES, JR., J.:

Challenged before this Court *via* this Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court is the Decision[2] dated June 23, 2010 of the Court of Appeals (CA), and its Resolution[3] dated October 19, 2010 which reversed the Decision[4] dated September 7, 2006 of the National Conciliation and Mediation Board (NCMB), Regional Branch No.6, Iloilo City, in Case No. PAC-613-RB6-02-01-06-2006.

The Antecedent Facts

Petitioner Coca-Cola Bottlers Philippines, Inc. (CCBPI) is a domestic corporation engaged in the business of manufacturing and selling of leading non-alcoholic products and other beverages.[5] It operates a manufacturing plant in Ungka, Pavia, Iloilo City, where the aggrieved former employees herein, as represented by respondent Iloilo Coca-Cola Plant Employees Labor Union (respondent), worked as regular route drivers and helpers.[6]

The conflict arose due to the CCBPI's policy involving Saturday work. In the said policy, several of CCBPI's employees were required to report for work on certain Saturdays to perform a host of activities, usually involving maintenance of the facilities. This prerogative was supposedly consistent with the pertinent provisions[7] in the Collective Bargaining Agreement (CBA) between CCBPI and its employees, which stated that management had the sole option to schedule, work on Saturdays on the basis of operational necessity.[8]

CCBPI later on informed the respondent that, starting July 2, 2005, Saturday work would no longer be scheduled, with CCBPI citing operational necessity as the reason for the decision.[9] Specifically, the discontinuance was done with the purpose of saving on operating expenses and compensating for the anticipated decreased revenues. As Saturday work involved maintenance-related activities, CCBPI would then only schedule the day's work as the need arose for these particular undertakings, particularly on some Saturdays from September to December 2005.[10]

On July 1, 2005, the parties met, with CCBPI's Manufacturing Manager setting forth

the official proposal to stop the work schedule during Saturdays.[11] This proposal was opposed and rejected by the officers and members of the respondent who were present at the meeting. Despite this opposition, CCBPI pushed through with the non-scheduling of work on the following Saturday, July 2, 2005.

As a result of the foregoing, the respondent submitted to CCBPI its written grievance, stating therein that CCBPI's act of disallowing its employees to report during Saturday is a violation of the CBA provisions, specifically Section 1, Article 10 thereof.[12] Along with the submission of the written grievance, the respondent also requested a meeting with CCBPI to discuss the issue. CCBPI response to the request, however, was to merely send a letter reiterating to the respondent that under the set of facts, management has the option to schedule work on Saturday on the basis of operational necessity.[13] Further letters on the part of the respondent were responded to in the same way by CCBPI.

Respondent thus brought its grievances to the office of the NCMB, and on June 9, 2006, the parties pursuant to the provisions of their CBA submitted the case for voluntary arbitration.[14] The panel comprised of three (3) voluntary arbitrators (the Panel of Arbitrators), was charged with resolving two issues: First, whether or not members of the respondent were entitled to receive their basic pay during Saturdays under the CBA even if they would not report for work, and second, whether or not CCBPI could be compelled by the respondent to provide work to its members during Saturdays under the CBA.[15]

After the presentation of evidence and the subsequent deliberations, the Panel of Arbitrators ruled in favor of CCBPI, the dispositive part of the decision reading:

> IN VIEW OF THE FOREGOING, the Panel of Arbitrators, rules on the first issue, that the Complainant's Union members are nary entitled to receive their Basic Pay during Saturdays under the CBA if they are not reporting for work, under Section I Article 10, and Sections 1(c) and 3(c) Article II of the CBA.
>
> On the second issue, the PANEL, rules that [CCBPI] cannot be compelled by the Complainant Union to provide works to its members during Saturdays under the CBA, for lack of legal and factual basis.
>
> SO ORDERED.[16]

Respondent's Motion for Reconsideration to the Panel of Arbitrators' ruling was denied for lack of merit on October 24, 2006.[17]

Unwilling to accept the findings of the Panel of Arbitrators, the respondent elevated its case to the CA *via* a Petition for Review under Rule 43 of the Rules of Court. After a review of the same, the CA subsequently rendered a Decision[18] dated June 23, 2010 granting the respondent's Petition for Review and reversing the decision of the Panel of Arbitrators. The dispositive portion of the CA decision reads, to wit:

> WHEREFORE, premises considered, the petition is GRANTED. The assailed Decision, dated 07 September 2006, and, Order, dated 24 October 2006, respectively, by the panel of voluntary arbitrators, namely: Atty. Mateo A.

Valenzuela, Atty. Inocencio Fener, Jr., and Gloria Aniola, of the NCMB. Regional Branch No. 6, Iloilo City, are REVERSED and SET ASIDE. A NEW judgment is rendered ORDERING CCBPI to:

1. COMPLY with the CBA provisions respecting its normal work week, that is, from Monday to Friday for eight (8) hours a day and on Saturdays for four (4) hours;

2. ALLOW the concerned union members to render work for four (4) hours on Saturdays; and

3. PAY the corresponding wage for the Saturdays work which were not performed pursuant to its order to do so commencing on 02 July 2005, the date when it actually refused the concerned union members to report tor work, until the finality of this decision. The rate for work rendered on a Saturday is composed of the whole daily rate (not the amount equivalent to one-half day rate) plus the corresponding premium.

No Costs.

SO ORDERED.[19]

CCBPI's Motion for Reconsideration was denied by the CA in a Resolution[20] dated October 19, 2010 received on January 28, 2011. On appeal to this Court, on February 11, 2011, CCBPI filed Motion for Extension and requested for an additional period of 30 days from February 12, 2011, or until March 14, 2014, within which to file its Petition for *Certiorari*, which was granted by this Court in a Resolution[21] dated February 21, 2011.

Hence, this Petition, to which the respondent filed a Comment[22] to on June 11, 2011, the latter pleading responded to by CCBPI *via* Reply[23] on September 6, 2011.

The Issues of the Case

A perusal of the parties' pleadings will show the following issues and points of contention:

First, whether or not the CA erred in ruling that under the CBA between the parties, scheduling Saturday work for CCBPI's employees is mandatory on the part of the Company.

Second, whether scheduling Saturday work has ripened into a company practice, the removal of which constituted a diminution of benefits, to which CCBPI is likewise liable to the affected employees for, including the corresponding wage for the Saturday work which was not performed pursuant to the policy of the Company to remove Saturday work based on operational necessity.

The Arguments of the Parties

It is the contention of CCBPI that the CA erred in reversing the decision of the Panel

of Arbitrators and finding that the CBA gave the employees the right to compel CCBPI to give work on Saturdays, that the scheduling of work on a Saturday had ripened into a company practice, and that the subsequent withdrawal of Saturday work constituted a prohibited diminution of wages. CCBPI states that this ruling is contrary to fact and law and unduly prejudiced CCBPI as the company was ordered to allow the affected employees to render work for four hours on Saturdays. CCBPI was also ordered to pay the corresponding wage for the Saturday work which were not performed pursuant to its order to do so, the said amount corresponding to the date when the company actually refused the affected employees to report for work, until the finality of this decision.[24]

CCBPI argues that based on the provisions of its CBA, specifically Article 10, Section 1, in relation with, Article 11, Section 1 (c) and Section 2(c), it is clear that work on a Saturday is optional on the part of management,[25] and constitutes a legitimate management prerogative that is entitled to respect and enforcement in the interest of simple fair play.[26] CCBPI likewise posits that the option to schedule work necessarily includes the prerogative not to schedule it. And, as the provisions in the CBA are unmistakable and unambiguous, the terms therein are to be understood literary just as they appear on the face of the contract.[27]

For CCBPI, permitting the workers to suffer work on a Saturday would render the phrase "required to work'' in Article 10, Section 1 and Article II, Section 2(c) meaningless and superfluous, as while the scheduling of Saturday work would be optional on the pat1of management, the workers would still be required to render service even if no Saturday work was scheduled.[28]

Aside front the clear and unambiguous provisions of the CBA, CCBPI states that the evidence on record negates the finding that Saturday work is mandatory.[29] The evidence shows that only some, and not all the same daily-paid employees reported for work on a Saturday, and the number of the daily-paid employees who reported for work on a Saturday always depended on the CCBPI's operational necessity.[30] The optional nature of the work on the Saturday is also highlighted by the fact that, subject to the fulfillment of certain conditions, the employees who were permitted to suffer work on such day are compensated with a premium pay.[31] This means that work on a Saturday is part of the normal work week, as there would be no reason why employees who reported for work on such date should be given additional compensation or premium pay.

CCBPI also disagrees with the CA that the scheduling of work on a Saturday had ripened into a company practice and that the withdrawal of Saturday work constitutes a prohibited diminution of wages.[32] CCBPI maintains that work on a Saturday does not amount to a benefit as a result of a long-established practice. CCBPI states that in several analogous cases involving overtime work, *Manila Jockey Club Employees Labor-Union-PTGWO v. Manila Jockey Club, Inc.*[33] and *San Miguel Corporation v. Layoc, Jr.*,[34] the Court has already ruled that the work given in excess of the regular work hours is not a "benefit" and the previous grant thereof cannot amount to a "company practice." CCBPI particularly cites the Layoc case which held that there is no violation of the rule on non-diminution of benefits as.the nature of overtime work of the supervisory employees would show that these are not freely given by the employer, and that on the contrary, the payment of overtime

pay is made as a means of compensation for services rendered in addition to the regular hours of work.[35]

CCBPI likewise cites several cases involving overtime work, there the Court ruled that the work given in excess of the regular work hours is not a "benefit" and the previous grant thereof cannot amount to a "company practice."[36] As a premium day, that Saturday would have the effect of being a holiday wherein the employees are entitled to receive their pay whether they reported for work or not.[37]

For CCBPI, the previous grant of Saturday work cannot amount to a benefit that cannot be withdrawn by the Company. Contrary to the nature of "benefits" under the law, CCBPI did not freely give payment for Saturday work, instead paying the employees the corresponding wage and premium pay as compensation for services rendered in addition to the regular work of eight (8) hours per day from Mondays to Fridays.[38]

On the other hand, the respondents argue that CCBPI failed to regard the express provision of the CBA which delineates CCBPI's normal work-week which consists of five (5) consecutive days (Monday to Friday) or eight (8) hours each and one (1) day (Saturday) of four (4) hours.[39] The highlighted provision reads as follows:

ARTICLE 10
HOURS OF WORK

> **SECTION 1.** *Work Week*. For daily paid workers the nom1al work week shall consist of five (5) consecutive days (Monday to Friday) of eight (8) hours each find one (1) day (Saturday) of four (4) hours. Provided, however, that any worker required to work on Saturday must complete the scheduled shift tor the day and shall be entitled to the premium pay provided in Article IX hereof.

As such, the respondent advocates that the various stipulations of a contract shall be interpreted together, and that assuming there is any ambiruity in the CBA, this ambiguity should not prejudice respondents under the principle that any doubt in all labor legislation and all labor contracts shall be construed in favor of the safety and decent living for the laborer.[40] According to the respondent, Article 11, Section 1(c) merely grants to CCBPI the option to schedule work on Saturdays on the basis of operational necessity, and by contrast nothing in the CBA allegedly allows or grants CCBPI the right or prerogative to unilaterally amend the duly established work week by eliminating Saturday work.[41]

Respondent also alleges that CCBPI was obliged to provide work on Saturday, not only due to the apparent .mandate in the CBA, but also as the same ripened into an established company practice, as CCBPI's practice of providing Saturday work had been observed for several years.[42] Respondent thus contends that the unilateral abrogation of the same would squarely tantamount to diminution of benefits, especially as the CBA itself expressly provides that Saturday is part of CCBPI's normal work week, hence the same cannot be unilaterally eliminated by CCBPI,[43] and that the option granted by the CBA to CCBPI is merely to schedule Saturday work, not eliminate it entirely. Thus, to eliminate the Saturday work allegedly would amount to diminution of benefits because the affected employees are ultimately