

SECOND DIVISION

[G.R. No. 198066, June 07, 2017]

YOLANDO T. BRAVO, PETITIONER, VS. URIOS COLLEGE (NOW FATHER SATURNINO URIOS UNIVERSITY) AND/OR FR. JOHN CHRISTIAN U. YOUNG, RESPONDENTS.

DECISION

LEONEN, J.:

The employer must adduce proof of actual involvement in the alleged misconduct for loss of trust and confidence to warrant the dismissal of fiduciary rank-and-file employees. However, "mere existence of a basis for believing that [the] employee has breached the trust [and confidence] of [the] employer" is sufficient for managerial employees.^[1]

Through this Petition for Review,^[2] Yolando T. Bravo (Bravo) challenges the Decision^[3] dated January 31, 2011 and Resolution^[4] dated July 14, 2011 of the Court of Appeals in CA-G.R. SP No. 02407-MIN. The Court of Appeals reinstated the Executive Labor Arbiter's decision, which upheld petitioner's dismissal from service.^[5]

Bravo was employed as a part-time teacher^[6] in 1988 by Urios College, now called Father Saturnino Urios University.^[7] In addition to his duties as a part-time teacher, Bravo was designated as the school's comptroller from June 1, 2002 to May 31, 2002.^[8]

Urios College organized a committee to formulate a new "ranking system for non-academic employees for school year 2001-2002." The committee was composed of the Vice-President for Academic Affairs, Dr. Aldefa Yumo; the Human Resources Department Head, Atty. Josefe C. Sorraera-Ty; and the Vice-President for Administration, Dr. Wilma Balmocena. "[U]nder [the proposed ranking] system, the position of Comptroller was classified as an office [h]ead while the position of Vice-President for Finance was classified as [m]iddle [management]."^[9]

The proposed ranking system for school year 2001—2002 was presented to Bravo for comments.^[10] Bravo recommended that "the position of Comptroller should be classified as a middle management position [because it was] . . . informally merged with . . . the position of [V]ice-[P]resident for [F]inance."^[11] In addition, the Comptroller and the Vice-President for Finance performed similar functions, which included follow up of payroll preparation, verification of daily cash vouchers, and certification of checks issued by the school. Moreover, they were responsible for the control of checkbooks issuance to the Cashier, preparation of departmental budget guidelines, supervision of reports and payments to various government agencies,

and analysis and interpretation of financial statements.^[12] Bravo further suggested that since he assumed the duties of Comptroller and Vice-President for Finance, his salary scale should be upgraded.^[13]

The committee allegedly agreed with Bravo and accepted his recommendations.^[14] Bravo was then directed to arrange a salary adjustment schedule for the new ranking system.^[15]

Later, Bravo obtained his employee ranking slip which showed his evaluation score and the change of his rank "from office head to middle manager-level IV."^[16] The change, however, was merely superimposed. The employee ranking slip bore the signatures of the Human Resources Department Head, the Vice-President for Administration, and the President of Urios College.^[17]

The implementation of the new ranking system for non-academic employees and administrators for school year 2001-2002 and the corresponding schedule of salary adjustments were reflected on the October 15, 2001 payroll. This was opposed by several individuals within the school.^[18]

Urios College formed another committee to adopt a new ranking system for school year 2002-2003. After deliberation, the committee decided to maintain the ranking system used in the previous school year for school year 2002-2003. In the employee's ranking profile report, the position of Comptroller was classified as middle management.^[19]

Meanwhile, Urios College decided to undertake a structural reorganization.^[20] During this period, Bravo occupied the Comptroller position in a "hold-over" capacity until May 31, 2003. He was reappointed to the same position, which expired on May 31, 2004. Bravo was then designated as a full-time teacher^[21] in the college department for school year 2004-2005.^[22]

In October 2004, Urios College organized a committee to review the ranking system implemented during school year 2001-2002.^[23] In its report, the committee found that the ranking system for school year 2001-2002 caused salary distortions among several employees.^[24] There were also discrepancies in the salary adjustments of Bravo and of two (2) other employees, namely, Nena A. Turgo and Cherry I. Tabada.^[25] The committee discovered that "the Comptroller's Office solely prepared and implemented the [s]alary [a]djustment [s]chedule" without prior approval from the Human Resources Department.^[26]

The committee recommended, among others, that Bravo be administratively charged for serious misconduct or willful breach of trust under Article 282^[27] of the Labor Code.^[28] Bravo allegedly misclassified several positions and miscomputed his and other employees' salaries.^[29]

On March 16, 2005, Bravo received a show cause memo requiring him to explain in writing why his services should not be terminated for his alleged acts of serious misconduct:

The committee noted a discrepancy in the Schedule of Salary Adjustments, the implementation of which was entirely based on the computation that was then the responsibility of your office (Comptroller). For this reason, you are advised to explain or show cause why your employment with Urios College will not be terminated for Serious Misconduct due to intentional misclassification/miscomputation of your salary and some employees named hereunder, thereby causing prejudice not only to the school but also to said employees as well.

1. As Comptroller then, you belong to Office Pleads classification. However, in the Schedule of Salary Adjustment, you are misclassified as Middle Manager, that resulted to overpayment in your salary by PhP 3,651.76 per month since June 2001.

Also, having passed the comprehensive exam and oral defense for your master's degree, your salary adjustment based on your educational qualification ought to be is (sic) PhP 800.00 only. However, what is reflected in the Schedule of Salary Adjustment is PhP 1,000.00, which amount is appropriately given to Master's Degree holders. Considering that you have not even finished the degree up to the present, such circumstance resulted to overpayment in your salary by PhP 200.00 per month since June 2001.

This means that you have been receiving a monthly salary more than what is due to you. The overpayment therefore of PhP 3,851.76 per month (PhP 3,651.76 plus PhP 200.00) from June 2001 up to February 2005 presently amounts to PhP 185,131.34.

2. As Community Extension Service Officer then, Mrs. Nena A. Turgo belongs to Office Heads classification. However, in the Schedule of Salary Adjustment, she was misclassified as Office Staff, which resulted to underpayment by PhP 2,888.99 on her monthly salary. From June 2001 to February 2005 the underpayment is in the total amount of PhP 140,356.76.
3. Ms. Cherry I. Tabada only passed the comprehensive examination for Master of Arts in Educational Management in Urios College. This entitled her [to] PhP 500.00 adjustment in salary due to Educational Qualification (E.Q.). However, what is reflected in the Schedule of Salary Adjustment is PhP 1,000.00, which resulted to overpayment in salary by PhP 500.00 from June 2001 to March 2003, or in the total amount of PhP 11,000.00.

The foregoing actuations would necessarily affect your character as a teacher in the Commerce Program, and as an employee of the school, whose honesty and integrity ought to be beyond reproach to serve as role model for the students in this institution.

We are therefore requesting for your written explanation relative to these matters within three (3) days from receipt of this memorandum. Documentary evidence, if there be any, [may be] attached to the written

explanation. You may avail the aid of a legal counsel.

Your failure to submit your written explanation as requested will be construed as a waiver on your part, as a consequence of which the school may take such appropriate action on the bases of the available records in connection with the matters made subject of this memorandum.

For your compliance.^[30]

A committee was organized to investigate the matter.^[31] Hearings were conducted on April 5, 2005, April 9, 2005, and once in May 2005, after which the parties submitted their respective position papers.^[32] In his Position Paper, Bravo alleged that he did not prepare the ranking system for school year 2001-2002. It was the ranking committee which categorized the position of Comptroller as middle management.^[33]

The committee found that Bravo floated the idea of his salary adjustment, which Urios College never formally approved.^[34] The committee also discovered an irregularity in the implementation of the ranking system for school year 2001—2002.^[35] Flordeliz V. Rosero (Rosero) of the Human Resources Department attested that Bravo failed to follow the school's protocol in computing employees' salaries.^[36]

According to Rosero, the Human Resources Department would prepare a summary table for each department containing the names of employees, their respective ranks, and the points they earned from their regular evaluation.^[37] The accomplished summary tables were forwarded to the Comptroller's Office, which would then designate each employee's salary based on a salary scale.^[38] When the ranking system for school year 2001-2002 was implemented, the Comptroller's Office prepared its own summary table,^[39] which did not indicate each employee's rank or bear the signature of the Human Resources Department Head.^[40]

Bravo was found guilty of serious misconduct for which he was ordered to return the sum of P179,319.16, representing overpayment of his monthly salary.^[41] He received a copy of the investigation committee's decision on July 15, 2005.^[42]

On July 25, 2005, Urios College notified Bravo of its decision to terminate his services^[43] for serious misconduct and loss of trust and confidence.^[44] Upon receipt of the termination letter, Bravo immediately filed before Executive Labor Arbiter Benjamin E. Pelaez (Executive Labor Arbiter Pelaez) a complaint for illegal dismissal with a prayer for the payment of separation pay, damages, and attorney's fees.^[45]

In the Decision^[46] dated December 27, 2005, Executive Labor Arbiter Pelaez dismissed the complaint for lack of merit.^[47] Bravo's act of "assigning to himself an excessive and unauthorized salary rate while working as a [C]omptroller" constituted serious misconduct and willful breach of trust and confidence for which he may be dismissed.^[48]

Bravo appealed the Decision of Executive Labor Arbiter Pelaez.^[49] In the Resolution^[50] dated January 31, 2007, the National Labor Relations Commission found that Bravo's dismissal from service was illegal. There was no clear showing that Bravo violated any school policy.^[51] Moreover, Bravo received the increased salary in good faith.^[52] The National Labor Relations Commission also found that Urios College "failed to afford [Bravo] the opportunity to be heard and to defend himself with the assistance of counsel."^[53] Urios College was ordered to pay Bravo separation pay instead of reinstating him to his former position due to strained relations. Full backwages and attorney's fees were likewise awarded.^[54]

Urios College assailed National Labor Relations Commission's Resolution dated January 31, 2007 through a petition for certiorari before the Court of Appeals.^[55]

In the Decision dated January 31, 2011, the Court of Appeals reversed the National Labor Relations Commission's Resolution and reinstated the decision of Executive Labor Arbiter Pelaez.^[56]

The Court of Appeals ruled that Urios College had substantial basis to dismiss Bravo from service on the ground of serious misconduct and loss of trust and confidence.^[57] Bravo occupied a highly sensitive position as the school's Comptroller. "[I]n the course of his duties, [he] granted himself additional salaries" without proper authorization.^[58] Rank-and-file employees may only be dismissed from service for loss of trust and confidence if the employer presents proof that the employee participated in the alleged misconduct. However, for managerial employees, it is sufficient that the employer has reasonable ground to believe that the employee is responsible for the alleged misconduct.^[59]

Bravo moved for reconsideration but his motion was denied in the Resolution^[60] dated July 14, 2011.

Bravo filed a Petition for Review^[61] before this Court on August 31, 2011 to which respondent filed a Comment on January 6, 2012.^[62] In the Resolution dated January 30, 2013, this Court gave due course to the Petition and required the parties to submit their respective memoranda.^[63]

Petitioner asserts that he acted in good faith. He insists that key school officials, including the Human Resources Department Head,^[64] classified the position of Comptroller as middle management.^[65] Thus, he cannot be held accountable for the change in the rank of Comptroller from that of office head to middle management.^[66]

Petitioner argues that suggesting an upgrade in his rank and salary cannot be considered serious misconduct.^[67] He claims that he did not transgress any established rule or policy as "he was duly authorized . . . to receive the benefits of a middle[-]management employee."^[68] Petitioner further argues that a dismissal based on loss of trust and confidence must rest on an actual breach of duty.^[69] It may not be invoked by an employer without any factual basis.^[70]