

THIRD DIVISION

[G.R. No. 121439, January 25, 2000]

**AKLAN ELECTRIC COOPERATIVE INCORPORATED (AKELCO),
PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION
(FOURTH DIVISION), RODOLFO M. RETISO AND 165 OTHERS,^[1]
RESPONDENTS.**

DECISION

GONZAGA-REYES, J.:

In his petition for certiorari and prohibition with prayer for writ of preliminary injunction and/or temporary restraining order, petitioner assails (a) the decision dated April 20, 1995, of public respondent National Labor Relations Commission (NLRC), Fourth (4th) Division, Cebu City, in NLRC Case No. V-0143-94 reversing the February 25, 1994 decision of Labor Arbiter Dennis D. Juanon and ordering petitioner to pay wages in the aggregate amount of ₱6,485,767.90 to private respondents, and (b) the resolution dated July 28, 1995 denying petitioner's motion for reconsideration, for having been issued with grave abuse of discretion.

A temporary restraining order was issued by this Court on October 9, 1995 enjoining public respondent from executing the questioned decision upon a surety bond posted by petitioner in the amount of ₱6,400,000.00.^[2]

The facts as found by the Labor Arbiter are as follows:^[3]

"These are consolidated cases/claims for non-payment of salaries and wages, 13th month pay, ECOLA and other fringe benefits as rice, medical and clothing allowances, submitted by complainant Rodolfo M. Retiso and 163 others, Lyn E. Banilla and Wilson B. Sallador against respondents Aklan Electric Cooperative, Inc. (AKELCO), Atty. Leovigildo Mationg in his capacity as General Manager; Manuel Calizo, in his capacity as Acting Board President, Board of Directors, AKELCO.

Complainants alleged that prior to the temporary transfer of the office of AKELCO from Lezo Aklan to Amon Theater, Kalibo, Aklan, complainants were continuously performing their task and were duly paid of their salaries at their main office located at Lezo, Aklan.

That on January 22, 1992, by way of resolution of the Board of Directors of AKELCO allowed the temporary transfer holding of office at Amon Theater, Kalibo, Aklan per information by their Project Supervisor, Atty. Leovigildo Mationg, that their head office is closed and that it is dangerous to hold office thereat;

Nevertheless, majority of the employees including herein complainants

continued to report for work at Lezo Aklan and were paid of their salaries.

That on February 6, 1992, the administrator of NEA, Rodrigo Cabrera, wrote a letter addressed to the Board of AKELCO, that he is not interposing any objections to the action taken by respondent Mationg...

That on February 11, 1992, unnumbered resolution was passed by the Board of AKELCO withdrawing the temporary designation of office at Kalibo, Aklan, and that the daily operations must be held again at the main office of Lezo, Aklan;^[4]

That complainants who were then reporting at the Lezo office from January 1992 up to May 1992 were duly paid of their salaries, while in the meantime some of the employees through the instigation of respondent Mationg continued to remain and work at Kalibo, Aklan;

That from June 1992 up to March 18, 1993, complainants who continuously reported for work at Lezo, Aklan in compliance with the aforementioned resolution were not paid their salaries;

That on March 19, 1993 up to the present, complainants were again allowed to draw their salaries; with the exception of a few complainants who were not paid their salaries for the months of April and May 1993;

Per allegations of the respondents, the following are the facts:

1. That these complainants voluntarily abandoned their respective work/job assignments, without any justifiable reason and without notifying the management of the Aklan Electric Cooperative, Inc. (AKELCO), hence the cooperative suffered damages and systems loss;
2. That the complainants herein defied the lawful orders and other issuances by the General Manager and the Board of Directors of the AKELCO. These complainants were requested to report to work at the Kalibo office x x x but despite these lawful orders of the General Manager, the complainants did not follow and wilfully and maliciously defied said orders and issuance of the General Manager; that the Board of Directors passed a Resolution resisting and denying the claims of these complainants, x x x under the principle of "no work no pay" which is legally justified; That these complainants have "mass leave" from their customary work on June 1992 up to March 18, 1993 and had a "sit-down" stance for these periods of time in their alleged protest of the appointment of respondent Atty. Leovigildo Mationg as the new General Manager of the Aklan Electric Cooperative, Inc. (AKELCO) by the Board of Directors and confirmed by the Administrator of the National Electrification Administration (NEA), Quezon City; That

they engaged in " . . . slowdown mass leaves, sit downs, attempts to damage, destroy or sabotage plant equipment and facilities of the Aklan Electric Cooperative, Inc. (AKELCO)."

On February 25, 1994, a decision was rendered by Labor Arbiter Dennis D. Juanon dismissing the complaints.^[5]

Dissatisfied with the decision, private respondents appealed to the respondent Commission.

On appeal, the NLRC's Fourth Division, Cebu City,^[6] reversed and set aside the Labor Arbiter's decision and held that private respondents are entitled to unpaid wages from June 16, 1992 to March 18, 1993, thus:^[7]

"The evidence on records, more specifically the evidence submitted by the complainants, which are: the letter dated April 7, 1993 of Pedrito L. Leyson, Office Manager of AKELCO (Annex "C"; complainants' position paper; Rollo, p.102) addressed to respondent Atty. Leovigildo T. Mationg; respondent AKELCO General Manager; the memorandum of said Atty. Mationg dated 14 April 1993, in answer to the letter of Pedrito Leyson (Annex "D" complainants' position paper); as well as the computation of the unpaid wages due to complainants (Annexes "E" to "E-3"; complainants' position paper, Rollo, pages 1024 to 1027) clearly show that complainants had rendered services during the period - June 16, 1992 to March 18, 1993. The record is bereft of any showing that the respondents had submitted any evidence, documentary or otherwise, to controvert this asseveration of the complainants that services were rendered during this period. Subjecting these evidences submitted by the complainants to the crucible of scrutiny, We find that respondent Atty. Mationg responded to the request of the Office Manager, Mr. Leyson, which We quote, to wit:

"Rest assured that We shall recommend your aforesaid request to our Board of Directors for their consideration and appropriate action. This payment, however, shall be subject, among others, to the availability of funds."

This assurance is an admission that complainants are entitled to payment for services rendered from June 16, 1992 to March 18, 1993, specially so that the recommendation and request comes from the office manager himself who has direct knowledge regarding the services and performance of employees under him. For how could one office manager recommend payment of wages, if no services were rendered by employees under him. An office manager is the most qualified person to know the performance of personnel under him. And therefore, any request coming from him for payment of wages addressed to his superior as in the instant case shall be given weight.

Furthermore, the record is clear that complainants were paid of their wages and other fringe benefits from January, 1992 to May, 1992 and from March 19, 1993 up to the time complainants filed the instant cases.

In the interregnum, from June 16, 1992 to March 18, 1993, complainants were not paid of their salaries, hence these claims. We could see no rhyme nor reason in respondents' refusal to pay complainants salaries during this period when complainants had worked and actually rendered service to AKELCO.

While the respondents maintain that complainants were not paid during this interim period under the principle of "no work, no pay", however, no proof was submitted by the respondents to substantiate this allegation. The labor arbiter, therefore, erred in dismissing the claims of the complainants, when he adopted the "no work, no pay" principle advanced by the respondents.

WHEREFORE, in view of the foregoing, the appealed decision dated February 25, 1994 is hereby Reversed and Set Aside and a new one entered ordering respondent AKELCO to pay complainants their claims amounting to P6,485,767.90 as shown in the computation (Annexes "E" to "E-3")."

A motion for reconsideration was filed by petitioner but the same was denied by public respondent in a resolution dated July 28, 1995.^[8]

Petitioner brought the case to this Court alleging that respondent NLRC committed grave abuse of discretion citing the following grounds:^[9]

1. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN REVERSING THE FACTUAL FINDINGS AND CONCLUSIONS OF THE LABOR ARBITER, AND DISREGARDING THE EXPRESS ADMISSION OF PRIVATE RESPONDENTS THAT THEY DEFIED PETITIONER'S ORDER TRANSFERRING THE PETITIONER'S OFFICIAL BUSINESS OFFICE FROM LEZO TO KALIBO AND FOR THEM TO REPORT THEREAT.
2. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN CONCLUDING THAT PRIVATE RESPONDENTS WERE REALLY WORKING OR RENDERING SERVICE ON THE BASIS OF THE COMPUTATION OF WAGES AND THE BIASED RECOMMENDATION SUBMITTED BY LEYSON WHO IS ONE OF THE PRIVATE RESPONDENTS WHO DEFIED THE LAWFUL ORDERS OF PETITIONER.
3. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN CONSIDERING THE ASSURANCE BY PETITIONER'S GENERAL MANAGER MATIONG TO RECOMMEND THE PAYMENT OF THE CLAIMS OF PRIVATE RESPONDENTS AS AN ADMISSION OF LIABILITY OR A RECOGNITION THAT COMPENSABLE SERVICES WERE ACTUALLY RENDERED.
4. GRANTING THAT PRIVATE RESPONDENTS CONTINUED TO REPORT AT THE LEZO OFFICE, IT IS STILL GRAVE ABUSE OF DISCRETION FOR PUBLIC RESPONDENT TO CONSIDER THAT PETITIONER IS LEGALLY OBLIGATED TO RECOGNIZE SAID CIRCUMSTANCE AS

COMPENSABLE SERVICE AND PAY WAGES TO PRIVATE RESPONDENTS FOR DEFYING THE ORDER FOR THEM TO REPORT FOR WORK AT THE KALIBO OFFICE WHERE THE OFFICIAL BUSINESS AND OPERATIONS WERE CONDUCTED.

5. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION AND SERIOUS, PATENT AND PALPABLE ERROR IN RULING THAT THE "NO WORK, NO PAY" PRINCIPLE DOES NOT APPLY FOR LACK OF EVIDENTIARY SUPPORT WHEN PRIVATE REpondENTS ALREADY ADMITTED THAT THEY DID NOT REPORT FOR WORK AT THE KALIBO OFFICE.
6. PUBLIC RESPONDENT COMMITTED GRAVE ABUSE OF DISCRETION IN ACCORDING WEIGHT AND CREDIBILITY TO THE SELF-SERVING AND BIASED ALLEGATIONS OF PRIVATE RESPONDENTS, AND ACCEPTING THEM AS PROOF, DESPITE THE ESTABLISHED FACT AND ADMISSION THAT PRIVATE RESPONDENTS DID NOT REPORT FOR WORK AT THE KALIBO OFFICE, OR THAT THEY WERE NEVER PAID FOR ANY WAGES FROM THE TIME THEY DEFIED PETITIONER'S ORDERS.

Petitioner contends that public respondent committed grave abuse of discretion in finding that private respondents are entitled to their wages from June 16, 1992 to March 18, 1993, thus disregarding the principle of "no work, no pay". It alleges that private respondents stated in their pleadings that they not only objected to the transfer of petitioner's business office to Kalibo but they also defied the directive to report thereat because they considered the transfer illegal. It further claims that private respondents refused to recognize the authority of petitioner's lawful officers and agents resulting in the disruption of petitioner's business operations in its official business office in Lezo, Aklan, forcing petitioner to transfer its office from Lezo to Kalibo transferring all its equipments, records and facilities; that private respondents cannot choose where to work, thus, when they defied the lawful orders of petitioner to report at Kalibo, private respondents were considered dismissed as far as petitioner was concerned. Petitioner also disputes private respondents' allegation that they were paid their salaries from January to May 1992 and again from March 19, 1993 up to the present but not for the period from June 1992 to March 18, 1993 saying that private respondents illegally collected fees and charges due petitioner and appropriated the collections among themselves for which reason they are claiming salaries only for the period from June 1992 to March 1993 and that private respondents were paid their salaries starting only in April 1993 when petitioner's Board agreed to accept private respondents back to work at Kalibo office out of compassion and not for the reason that they rendered service at the Lezo office. Petitioner also adds that compensable service is best shown by timecards, payslips and other similar documents and it was an error for public respondent to consider the computation of the claims for wages and benefits submitted merely by private respondents as substantial evidence.

The Solicitor General filed its Manifestation in lieu of Comment praying that the decision of respondent NLRC be set aside and payment of wages claimed by private respondents be denied for lack of merit alleging that private respondents could not have worked for petitioner's office in Lezo during the stated period since petitioner transferred its business operation in Kalibo where all its records and equipments