

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
THIRD DIVISION**

**CAROLINA CASTILLO,
*Petitioner,***

-versus-

**G.R. No. 104319
June 17, 1999**

**NATIONAL LABOR RELATIONS
COMMISSION and PHILIPPINE
COMMERCIAL & INTERNATIONAL
BANK,**

Respondents.

X-----X

DECISION

GONZAGA-REYES, J.:

This Petition for *Certiorari* and Prohibition filed under Rule 65 seeks to annul the Decision dated December 27, 1991 and the Resolution dated January 21, 1992 of the respondent National Labor Relations Commission (NLRC, for brevity) and to prohibit, enjoin and restrain respondents from enforcing the questioned Decision and Resolution.

The following facts are undisputed: Petitioner was an employee since April 1981 of private respondent Philippine Commercial & International Bank (PCIB) as Foreign Remittance Clerk from 1987 to January 31, 1988 in the private respondent bank's Ermita branch.^[1]

On January 12, 1988, Faisal Al Shahab, a Jordanian national, went to respondent bank's Ermita branch to claim a foreign remittance in the amount of US\$2,000.00. Shahab paid P450.00 as commission charges as computed by petitioner. Upon re-computation, the correct amount of the charges amounted to only P248.75.^[2]

On January 13, 1988, petitioner received a Memorandum^[3] as follows:

“January 13, 1988

MEMO TO: MS. CAROLINA L. CASTILLO
REMITTANCE CLERK/RPC
ERMITA BRANCH

SUBJECT: REASSIGNMENT

In line with the Bank's policy on flexibility employee development, effective immediately, you are hereby requested to report to the Luneta Area Office for your training grid. Please report to Mr. Eufrazio E. Cruz, Jr.-SM/AOO for further instructions.

Also, please accomplish the usual transfer of accountabilities and submit the same to your immediate supervising officer.

(Sgd.)
ARTURO O. ALCASAR
RPC OO

(Sgd.)
GILBERTO C. MARQUEZ
Branch Manager”

Another Memorandum dated January 13, 1988^[4] was sent to petitioner reading as follows:

“January 13, 1988

MEMO TO: MS. CAROLINA L. CASTILLO
REMITTANCE CLERK/RPC
ERMITA BRANCH

SUBJECT: REASSIGNMENT

In line with the Bank's policy on flexibility employee development and internal control, effective immediately, you are hereby reassigned temporarily as Remittance Clerk-Inquiry. Please accomplish the usual transfer of accountabilities and submit the same to your immediate supervising officer.

(Sgd.)
ARTURO O. ALCASAR
RPC OO"

On January 21, 1988, petitioner filed with the NCR Arbitration Branch a complaint-affidavit for illegal dismissal asking for her reinstatement as Foreign Remittance Clerk plus moral and exemplary damages and attorney's fees.^[5]

Subsequently, petitioner received allegedly under protest, a Memorandum dated January 25, 1988^[6] which reads:

"January 25, 1988

MEMO TO: MS. CAROLINA L. CASTILLO
REMITTANCE CLERK-INQUIRY

THRU: MR. INOCENCIO R. NASAPUY
PP/HEAD-REMITTANCE SECTION

SUBJECT: DUTIES AND RESPONSIBILITIES

Relative to your reassignment as Remittance Clerk-Inquiry effective January 21, 1988, for internal control purposes, you are hereby instructed that your specific duties and responsibilities will be confined to handling of inquiring by phone, by walk-in clients over the counter and to assist the FX

Supervisor-Inquiry & Investigation in verifying inquiries of correspondent banks, agencies, other banks and branches.

Accordingly, you are hereby instructed further to desist from performing functions of other staff positions particularly those of the Remittance Clerk-POP/Collection Items.

For your strict compliance.

(Sgd.)
ARTURO O. ALCASAR
RPC OO

(Sgd.)
GILBERTO C. MARQUEZ
Branch Manager”

On January 25, 1988, Shahab filed a formal complaint with the branch manager of the respondent bank regarding the over-charging of commission on foreign remittances, specifically mentioning petitioner as the one who attended to his withdrawals.^[7] The branch manager decided to pursue further investigation on the matter.^[8]

On February 2, 1988, branch manager Gilbert Marquez issued a Memorandum to petitioner requiring her to explain within seventy-two (72) hours why no disciplinary action should be taken against her. Petitioner did not submit a written explanation. Respondent bank deferred further action on the matter.^[9]

In the meantime, trial ensued in the case for illegal dismissal earlier filed by petitioner and on October 8, 1990, the Labor Arbiter^[10] rendered a decision ruling that petitioner was “constructively dismissed from her employment when she was transferred to the position of Remittance Clerk-Inquiry from her position of Foreign Remittance Clerk and was later barred from reporting for work on February 5, 1988 by the security guards upon instruction of the management of respondent bank.” The Labor Arbiter opined that while the positions of Foreign Remittance Clerk for Inquiry and Foreign Remittance Clerk for Payment Order Collection are within Level III of the position classification of the private respondent bank,

the latter position is vested with more power and responsibilities, thus concluding that petitioner was demoted in her position. As regards petitioner's reassignment, the Labor Arbiter was of the view that although management has the right to control the nature of hiring, the status of the employee and his work assignment, such right must be anchored on just and valid grounds. The dispositive portion of the decision reads:

“WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered declaring the dismissal of complainant as illegal and ordering the respondent Philippine Commercial and International Bank, to immediately reinstate complainant to her former position as Foreign Remittance Clerk with full backwages amounting to P102,500.00 from her constructive dismissal on January 13, 1988 up to the present without loss of seniority rights, privileges and other rights granted by law.

“The claim for damages for insufficiency of evidence is hereby dismissed.

“Pursuant to Section 12 of RA 6715 amending 223 (sic) of the Labor Code, respondent PCIB is hereby ordered to immediately reinstate complainant upon receipt of this decision, to her position as Foreign Remittance Clerk, Ermita Branch, or reinstate her in the payroll as mandated by the same law.”

On appeal, the National Labor Relations Commission set aside the labor arbiter's decision. It ruled that there was no demotion because the position to which she was being reassigned belongs to the same job level as her former position and both positions have the same rate of compensation. The dispositive portion of the decision reads:

“WHEREFORE, premises considered, the appealed decision is hereby set aside, and a new judgment is entered, ordering the respondent to reinstate the complainant as Remittance Clerk Inquiry, without backwages to the position where she is being reassigned. Failure to comply on the part of the complainant within ten (10) days from receipt would be construed as abandonment of her job.”

Hence, the present petition wherein petitioner raises the following assignment of errors:

- “I. RESPONDENT NLRC ERRED IN DISREGARDING THE FACTUAL FINDINGS OF THE LABOR ARBITER;
- II. RESPONDENT NLRC ERRED IN RULING THAT PETITIONER WAS NOT CONSTRUCTIVELY AND ILLEGALLY DISMISSED.”

Private respondent PCIB filed its Comment to the petition alleging that the reassignment of petitioner could not result in demotion as both positions of Foreign Remittance Clerk for Payment Order/Collection and Foreign Remittance Clerk for Inquiry are given the same weight in terms of duties and responsibilities and there was no diminution in rank, wages and other benefits.

Public respondent NLRC, through the Office of the Solicitor General, filed its Comment arguing that it is the prerogative of management to transfer an employee from one office to another within the business establishment provided there is no demotion in rank or diminution of his salary, benefits and other privileges.

On July 1, 1992, this Court issued a Resolution^[11] giving due course to the petition and requiring the parties to submit their simultaneous memoranda.

The public respondent filed a Manifestation and Motion alleging that the issues and arguments raised in the petition had already been extensively discussed in its Comment to the petition and praying that its Comment be considered as its memorandum in this case.^[12] Said Manifestation and Motion was noted and granted by this Court in the Resolution dated August 12, 1992.^[13]

In compliance with this Court’s resolution, petitioner and private respondent submitted their respective memorandum.

In her Memorandum, petitioner admits that the right to transfer or reassign an employee is an employer’s exclusive right and the prerogative of management, but argues that such right is not

absolute. Petitioner alleges that she refused to obey the “transfer and demotion order” from private respondent as the same was “issued arbitrarily and without any basis whatsoever,” thereby depriving her of procedural and substantive due process. The Memorandum dated January 13, 1988 was issued immediately after the incident of January 12, 1988 involving allegedly an honest mistake in computation committed by petitioner and she avers that there was no prejudice caused to management considering that no complaint was filed on that date and she finally succeeded in returning the difference to the client in the amount of P201.25. Petitioner was never apprised of any on-going investigation or even the filing of the complaint. She asseverates that there was no legal basis for her transfer and demotion order; that the order was issued to apply only to her and that for her to accede to said transfer and demotion order would have meant an admission of fault and blame for inadvertent error, thereby admitting inefficiency and incompetence.

Petitioner further alleges that private respondent immediately appointed another employee in her place and refused to allow petitioner to perform her usual functions as she became a mere fixture in the office premises to her gross humiliation. She was allegedly barred from the office premises and was thereby constructively dismissed without any legal ground and without due process. Petitioner reiterates her prayer for moral and exemplary damages for the alleged arbitrariness and highhanded actuations of private respondent in addition to reinstatement as foreign remittance clerk with back wages and all accruing benefits.

In its Memorandum, private respondent bank alleges that the respondent NLRC acted in accordance with the dictates of justice and fair play in upholding the legality of petitioner’s transfer as a valid exercise of private respondent’s management prerogative. The respondent bank avers that petitioner was not barred from the premises of the respondent bank contrary to her allegation.

The petition is devoid of merit.

We find that the respondent NLRC did not abuse its discretion when it reversed the findings of the Labor Arbiter.

This Court in the case of De Paul/King Philip Customs Tailor and/or Milagros Chaukay and William Go vs. NLRC, et al.,^[14] has ruled that abuse of discretion does not necessarily follow from a reversal by the NLRC of a decision of a Labor Arbiter. Mere variance in evidentiary assessment between the NLRC and the Labor Arbiter does not automatically call for a full review of the facts by this Court. The NLRC's decision, so long as it is not bereft of substantial support from the records, deserves respect from this Court.^[15] As a rule, the original and exclusive jurisdiction to review a decision or resolution of respondent NLRC in a petition for certiorari under Rule 65 of the Rules of Court does not include a correction of its evaluation of the evidence but is confined to issues of jurisdiction or grave abuse of discretion. Thus, the NLRC's factual findings, if supported by substantial evidence, are entitled to great respect and even finality, unless petitioner is able to show that it simply and arbitrarily disregarded the evidence before it or had misappreciated the evidence to such an extent as to compel a contrary conclusion if such evidence had been properly appreciated.^[16] We see no cogent reason to deviate from this rule.

Petitioner claims that she was constructively dismissed. We agree with the respondent Commission's finding rejecting the same. Well-settled is the rule that it is the prerogative of the employer to transfer and reassign employees for valid reasons and according to the requirement of its business. An owner of a business enterprise is given considerable leeway in managing his business. Our law recognizes certain rights collectively called management prerogative as inherent in the management of business enterprises. One of the prerogatives of management is the right to transfer employees in their work station. This Court has consistently recognized and upheld the prerogative of management to transfer an employee from one office to another within the business establishment, provided that there is no demotion in rank or a diminution of his salary, benefits and other privileges. In the case of Philippine Japan Active Carbon Corporation vs. National Labor Relations Commission,^[17] we held:

“It is the employer's prerogative, based on its assessment and perception of its employees' qualifications, aptitudes, and competence, to move them around in the various areas of its business operations in order to ascertain where they will

function with maximum benefit to the company. An employee's right to security of tenure does not give him such a vested right in his position as would deprive the company of its prerogative to change his assignment or transfer him where he will be most useful. When his transfer is not unreasonable, nor inconvenient, nor prejudicial to him, and it does not involve a demotion in rank or a diminution of his salaries, benefits, and other privileges, the employee may not complain that it amounts to a constructive dismissal."^[18]

The Court, as a rule, will not interfere with an employer's prerogative to regulate all aspects of employment which includes among others, work assignment, working methods, and place and manner of work.^[19] The rule is well-settled that labor laws discourage interference with an employer's judgment in the conduct of his business.^[20]

Of course, the managerial prerogative to transfer personnel must be exercised without grave abuse of discretion, putting to mind the basic elements of justice and fair play. It cannot be used as a subterfuge by the employer to rid himself of an undesirable worker.^[21]

In case of a constructive dismissal, the employer has the burden of proving that the transfer and demotion of an employee are for valid and legitimate grounds, i.e., that the transfer is not unreasonable, inconvenient, or prejudicial to the employee; nor does it involve a demotion in rank or a diminution of his salaries, privileges and other benefits. Where the employer fails to overcome this burden of proof, the employee's demotion shall no doubt be tantamount to unlawful constructive dismissal.^[22]

We find no basis for disturbing the respondent's conclusion that private respondent bank has sufficiently showed that there was no demotion. The case of *Philippine Telegraph and Telephone Corp. vs. Laplana*,^[23] sets out the case law on the matter, to wit:

“The employer has the prerogative of making transfers and reassignment of employees to meet the requirements of the business. Thus, where the rotation of employees from the day shift to the night shift was a standard operating procedure of

management, an employee who had been on the day shift for some time may be transferred to the night shift (Castillo vs. CIR, 39 SCRA 81). Similarly, transfers effected pursuant to a company policy to transfer employees from one theater to other theaters operated by the employer, in order to prevent connivance among them, was sustained (Cinema, Stage and Radio Entertainment Free Workers vs. CIR, 18 SCRA 1071). Similar transfers and re-assignments of employees have been upheld such as the re-assignment of one from a position of supervisor to that of engineer at the power house (Interwood Employees Assn. vs. Interwood, 99 Phil. 82), or the transfer of the union president from his position of messenger clerk in a hotel to purely office work and two other unionists from the position of hotel guard to line and elevator men, without diminution of pay or other employees' rights (Bay View Hotel Employees Union vs. Bay View Hotel, L-10393, March 30, 1960), or the temporary assignment of a sales clerk to another section of the store (Marcaida vs. PECO, 63 O.G. 8559)."

In this case, the respondent Commission upheld PCIB's contention that the remittance clerk payment order/collection item is given the same weight in terms of duties and responsibilities as that of a remittance clerk inquiry. It was established that both positions are remittance clerks under level S-S III^[24] and that these positions are of "co-equal footing, co-important and of the same level of authority"^[25] and that the transfer did not entail any reduction of wages and other benefits.^[26] The respondent Commission sustained the position of the respondent bank that the duties of the second position include not only receiving the complaints of clients and the "scope is wider in the sense that she can get access to some other records which are not being prepared by her and which also entitle her to communicate directly with higher officers of the bank."^[27] As explained by Mr. Jose Ortega, the Head of the Job Evaluation Section of the Human Resources Management Unit of private respondent bank:

"Employees belonging to the same level are compensated in a defined salary structure corresponding to that level which means that persons belonging to the same level may have different actual salaries depending on length of stay and performance. While their functions may differ, said functions

are given the same weight in terms of duties and responsibilities because both are slotted at level S-III.

Thus, a Remittance Clerk Payment Order/Collection Item(s) is given the same weight in terms of duties and responsibilities as that of a Remittance Clerk Inquiry because both positions are in fact Remittance Clerks, which, in PCIB's classification system, are both slotted at level S-III.

Accordingly, a person occupying the position of Remittance Clerk Payment Order/Collection Items who is transferred to the position of Remittance Clerk Inquiry will not suffer any diminution of wages and other benefits. Neither will said person suffer a diminution in rank and responsibilities since both positions are slotted at level S-III and both are, in fact, Remittance Clerks. Attached as Annex A is the Table of Organization of PCIB Remittance Processing Center, Ermita, Branch."^[28]

PCIB's Branch Manager, Gilbert Marquez, likewise stated in his Affidavit^[29] that:

"The position of Remittance Clerk-Inquiry and that of a Remittance Clerk-Payment Order Payable/Collections Items are of a co-equal footing, importance and level under our approved plantilla;

It is not true that Castillo has become a mere fixture in the office premises without any function and given no-assignment nor responsibilities as alleged by her (Castillo) in par. 7 of her complaint, the truth of the matter being that she was assigned duties and responsibilities which are at the very least co-equal, co-important and of the same level of authority with that of her former duties and responsibilities as Remittance Clerk-Payment Order/Collection items, and that she refused to do said newly assigned duties and responsibilities. Had she assumed her new position, it would have given her a better opportunity to learn more about the entire operations of the bank and would have paved the way to a successful development of her career.

In her position paper, Ms. Castillo claims that her transfer to the position of Remittance Clerk-Inquiry was a demotion. This lacks factual basis since the transfer did not entail any reduction of wages and other benefits. As a matter of fact, had she accepted her new position, she would have assumed a bigger responsibility, a big departure from her former position where she merely did routine processing work. Neither did Ms. Castillo's transfer result in constructive dismissal since she was transferred to a position which would have required her to do much more work than before."

Accordingly, petitioner's bare assertion that the transfer or reassignment was arbitrary and without any basis was rejected by respondent NLRC, which held that the respondent bank was acting within its management prerogative to protect its interest and that of its clients^[30] and found that petitioner "simply refused to assume her new position" in view of the positive assertion of the branch manager that she was "not prevented from entering the bank's premises."^[31] In other words, there was no sufficient basis to conclude that petitioner was barred from entering the bank's premises.

As earlier pointed out, findings of the NLRC are practically conclusive on this Court. It is only when the NLRC's findings are bereft of any substantial support from the records that the Court may step in and proceed to make its own independent evaluation of the facts.^[32] The Court has found none.

WHEREFORE, the Petition is hereby **DISMISSED**. The Decision dated December 27, 1991 and the Resolution dated January 21, 1992 of the respondent National Labor Relations Commission are hereby **AFFIRMED**.

SO ORDERED.

Romero, Vitug, Panganiban and Purisima, JJ., concur.

[1] p. 1, Decision dated October 8, 1990 of the Labor Arbiter, Annex "C" of the Petition, p. 43, Rollo; p. 5 of the Petition, p. 6, Rollo.

- [2] p. 2, NLRC Decision dated December 27, 1991, Annex “A” of the Petition, p. 26, Rollo; p. 5 of the Petition, p. 6, Rollo.
- [3] Ibid.
- [4] Ibid., at pp. 7 & 27-28, Rollo.
- [5] Ibid., at pp. 7 & 29, Rollo.
- [6] Ibid., at pp. 8 & 28, Rollo.
- [7] Ibid.
- [8] pp. 2-3, Memorandum of Private Respondent, pp. 126-127, Rollo.
- [9] pp. 3 & 21, PCIB’s Memorandum, pp. 127-145, Rollo.
- [10] Manuel R. Caday.
- [11] p. 107, Rollo.
- [12] pp. 112-113, Rollo.
- [13] p. 115, Rollo.
- [14] G.R. No. 129824, March 10, 1999.
- [15] Taggat Industries, Inc. vs. NLRC, and Antonio Jacildo, G.R. No. 120971, March 10, 1999; Philippine Advertising Counselors, Inc. vs. NLRC, 263 SCRA 395.
- [16] Azcor Manufacturing, Inc., et al. vs. NLRC, et al., G.R. No. 117963, February 11, 1999; Loadstar Shipping Co., Inc. vs. Gallo, 229 SCRA 659.
- [17] 171 SCRA 164; also cited in Chu vs. NLRC, 232 SCRA 764 & Isabelo vs. NLRC, 276 SCRA 141.
- [18] at p. 168.
- [19] Arellano, Jr. vs. NLRC, 278 SCRA 296.
- [20] Maya Farms Employees Organization vs. NLRC, 239 SCRA 508; NAFLU vs. NLRC, 202 SCRA 346.
- [21] Pocketbell Philippines, Inc. vs. NLRC, 240 SCRA 358.
- [22] Jarcia Machine Shop and Auto Supply, Inc. vs. NLRC, 266 SCRA 97.
- [23] 199 SCRA 485.
- [24] p. 13, NLRC-Decision, p. 37, Rollo.
- [25] p. 14, Ibid., p. 38, Rollo.
- [26] pp. 13-14, NLRC-Decision, pp. 37-38, Rollo; p. 13, PCIB’s Memorandum, p. 137, Rollo.
- [27] pp. 14-15, PCIB’s Memorandum, pp. 138-139, Rollo.
- [28] p. 8, PCIB’s Comment, p. 71, Rollo; p. 8, PCIB’s Memorandum, p. 132, Rollo.
- [29] pp. 9-10, PCIB’s Comment, pp. 72-73, Rollo; pp. 9-10, PCIB’s Memorandum; pp. 133-134, Rollo.
- [30] p. 15, NLRC-Decision, p. 39, Rollo.
- [31] pp. 15-16, NLRC-Decision pp. 39-40, Rollo.
- [32] Agoy vs. NLRC, 252 SCRA 588; CMP Federal Security Agency, Inc. vs. NLRC, et al., G.R. No. 125298, February 11, 1999.