

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

**NATION BROADCASTING
CORPORATION and ABELARDO
YABUT, SR.,**
Petitioners,

-versus-

**G.R. No. 116184
October 2, 1997**

**NATIONAL LABOR RELATIONS
COMMISSION and DOUGLAS DE LA
PAZ,**
Respondents.

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DECISION

BELLOSILLO, J.:

DOUGLAS DE LA PAZ, theorizing that his appointment as regular radio announcer from Officer-in-Charge and/or Acting Station Manager was done without due process and just cause, instituted the instant labor case. He obtained a favorable judgment from the Labor Arbiter as well as from the National Labor Relations Commission (NLRC). The Nation Broadcasting Corporation (NBC) and its President, Abelardo Yabut, Sr., are now before this Court assailing the Resolution of the NLRC.

De la Paz started in 1979 as a radio announcer in AM Radio Station DXRB Butuan owned and operated by petitioner NBC. On 19 August 1991 he was assigned as Officer-in-Charge and/or Acting Station Manager pending the appointment of a Station Manager after the former Station Manager resigned. Petitioner NBC however appeared dissatisfied with his performance. Thus on 5 November 1991 he was reverted to radio announcer, and on 12 November 1991 was placed under suspension after he was said to have violated various directives of the management. Consequently, in January 1992 he commenced the instant labor case before the NLRC Arbitration Branch in Butuan City.

De la Paz claimed that despite the improvement in the financial position of the radio station during his stint as Officer-in-Charge and/or Station Manager, he was still demoted to the position of regular announcer based on alleged unsubstantiated reports, without due process nor just cause. And, even before he could be apprised of his demotion, it was already announced over the air lanes of the radio station, causing him to succumb to a mild stroke and be confined in a hospital where he was served a notice of suspension. He was then forced to go on leave. Upon his return, he was dismayed to find out that someone else had taken over his regular slot without informing him first. He was thus assigned to other programs and was warned that if he did not accept the new assignments his services would be terminated. He submitted that his demotion and reassignment to other programs were tantamount to constructive dismissal.

On 21 October 1992 Labor Arbiter Marissa Macaraig-Guillen^[1] ruled that there was no constructive dismissal at all since it was made clear that De la Paz was appointed Station Manager only in an acting capacity, not on a permanent basis. Likewise it is on record that petitioner NBC manifested that it was willing to accept De la Paz back to his old position as regular announcer of the programs he used to hold, but he never asked for it. De la Paz was however granted service incentive leave pay and 13th month pay, and was also awarded moral and exemplary damages and attorney's fees for having been maligned over the radio station's air lanes and for being sent "threatening memorandums."^[2] Thus —

judgment is hereby rendered ordering respondent Nation Broadcasting Corporation to permit complainant Douglas de la Paz to return to work to his regular position of radio announcer with his usual schedule of radio programs and field work as discussed in this Decision.

Respondents is (sic) also hereby directed to pay complainant the sum of FIFTY-FOUR THOUSAND FIVE HUNDRED SEVEN PESOS AND SIX CENTAVOS (P54,507.06) representing service incentive leave pay, 13th month pay, moral and exemplary damages and attorney's fees. [3]

NBC appealed to the NLRC. On 3 May 1994 the NLRC^[4] modified the decision of the Labor Arbiter by deleting the award for service incentive leave pay and 13th month pay as "these claims were not pleaded or alleged either in the complaint or position paper of complainant."^[5] Thus —

the decision appealed from is Affirmed with modification and the appeal Dismissed for lack of merit. The Labor Arbiter is ordered and directed to determine the practicability of the reinstatement of complainant preparatory to the execution of the judgment. Should the reinstatement be found impractical after due proceedings, complainant is granted payment of separation pay at the rate of one (1) month pay for every year of service, inclusive of other fringe benefits complainant may be entitled, if any. Finally, the monetary awards for 13th month pay and service incentive leave pay are deleted for lack of basis. No findings as to costs.

Petitioner NBC argues that "the finding of the Labor Arbiter that there was definitely no constructive dismissal should have closed the door for the prayer for damages and attorney's fees. After all the basis for claiming damages and attorney's fees was found to be inexistent. There being no constructive dismissal, there is no foundation upon which the award of damages and attorney's fees can stand on."^[6] NBC submits that the cause of action for the award of damages and attorney's fees, i.e., when it supposedly allowed De la Paz to be maligned over the radio station's air lanes causing his health to worsen and his reputation besmirched, is not within the jurisdiction

of the Labor Arbiter but within the competence of the civil courts. Hence, the Labor Arbiter erred in awarding damages and attorney's fees to De la Paz after holding that there was no constructive dismissal, and the NLRC committed grave abuse of discretion when it affirmed the award "there being evidence showing that respondents (NBC and its President and General Manager Abelardo Yabut, Sr.) acted with bad faith in the manner the constructive discharge of complainant (De la Paz) was effected."^[7]

We disagree. Article 217 of the Labor Code provides —

Art. 217. Jurisdiction of Labor Arbiters and the Commission.
— (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide the following cases involving all workers. 4. Claims for actual, moral, exemplary and other forms of damages arising from employer-employee relations.

In *Air Material Wing Savings and Loan Association, Inc. vs. National Labor Relations Commission*^[8] we said that labor arbiters have original and exclusive jurisdiction over money claims of workers when such claims have some reasonable connection with the employer-employee relationship. For sure, the money claims of workers referred to in par. 4, Art. 217 of the Labor Code are those arising out of or in connection with the employer-employee relationship or some aspect or incident of such relationship.

Clearly, the jurisdiction of the Labor Arbiter is not limited to money claims arising out of an illegal dismissal case, but all money claims arising out of employer-employee relationships. In the instant case, as found by both the Labor Arbiter and the NLRC, De la Paz was treated unfairly. Thus, as aptly pointed out by the Solicitor-General —

The records reveal that prior to private respondent's receipt of his reclassification from Officer-In-Charge/Station Manager to that of a radio announcer, his reclassification was the subject of a verbal tirade by one of DXRB's announcers, Mr. Jay Solis. Mr. Jay Solis was later appointed as DXRB's Officer-In-Charge, replacing private respondent. This act of petitioner through Mr. Solis, "did not only cause great embarrassment to private

respondent but caused him to be confined in the hospital because of hypertension and chest pains resulting from his emotional reaction to the radio announcement (Labor Arbiter's Decision, p. 21). Worst, petitioner through DXRB's new Officer-In-Charge, Mr. Jay Solis, repeatedly required private respondent through a series of memoranda to report to his work schedule as radio announcer despite prior permission to be on sick leave due to his confinement in the hospital (Annex "T," Records, p. 196).

After private respondent's failure to report to his work, he was given another memorandum assigning him to a different announcing schedule which was found by public respondent to be unreasonable and unbearable (NLRC Decision, p. 8). These acts taken together, show petitioners' abuse of their rights and prerogative to manage its employees, constituting an act oppressive to labor.^[9]

Obviously, the acts complained of arose out of an employer-employee relationship which is within the jurisdiction and competence of the Labor Arbiter and, on appeal, the NLRC. For, petitioner NBC would not have any reason at all to assail respondent De la Paz over its air lanes and send the latter unpleasant memoranda were it not for the fact that the latter was an unappreciated employee. Most certainly his prayer for damages was anchored on the termination of his services. Verily, Labor Arbiter Marissa Macaraig-Guillen was well within her jurisdiction in the instant case when she awarded moral and exemplary damages and attorney's fees.

With regard to the issue of reinstatement or payment of separation pay, we sustain the view of the Solicitor General that —

Petitioners cannot object to private respondent's reinstatement or payment of separation pay since it does not carry with it payment of back wages. This is in contrast to an award of an illegal dismissal which results in the twin reliefs of reinstatement and payment of back wages. The order of reinstatement or payment of separation pay can be granted in the concept of equitable remedy which is in consonance with the purpose of the State Policies explicitly provided in Article II of the 1987 Constitution, thus: 'Section 9. The State shall

promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and improved quality of life for all. Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.’^[10]

After all, it is on record that petitioner NBC has manifested that it was willing to accept De la Paz back to his old position as radio announcer of the same programs he used to hold. 11 We therefore see no grave abuse of discretion on the part of the NLRC that will prejudice the welfare of private respondent Douglas de la Paz.

WHEREFORE, there being no grave abuse of discretion committed by public respondent National Labor Relations Commission, the petition is **DISMISSED**.

SO ORDERED.

Davide, Jr., Vitug, Kapunan and Hermosisima, Jr., JJ., concur.

[1] Sub-Regional Arbitration Branch No. X, Butuan City.

[2] Decision of Labor Arbiter Marissa Macaraig-Guillen, p. 22; Rollo, p. 50.

[3] Id., pp. 24-25; Id., pp. 52-53.

[4] Fifth Division, Cagayan de Oro City; Resolution penned by Presiding Commissioner Musib M. Buat and concurred in by Commissioners Oscar N. Abella and Leon G. Gonzaga, Jr.

[5] Resolution of the NLRC, p. 9; Rollo, p. 62.

[6] Petition for Certiorari, p. 7; Rollo, p. 8.

[7] Resolution of the NLRC, p. 9; id., p. 62.

[8] G.R. No. 111870, 30 June 1994, 233 SCRA 592.

[9] Comment of the Solicitor General, p. 9; Rollo, p. 103.

[10] Id., p. 10; id., p. 104.

[11] Decision of the Labor Arbiter, p. 18; id., p. 46.