



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

**CENTRAL AZUCARERA DE
BAIS, INC. and ANTONIO
STEVEN L. CHAN,**

Petitioners,

- versus -

JANET T. SIASON,

Respondent.

G.R. No. 215555

Present:

LEONARDO-DE CASTRO, J.,
Acting Chairperson,*

PERALTA,**

BERSAMIN,

PEREZ, and

PERLAS-BERNABE, JJ.

Promulgated:

JUL 29 2015

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated March 14, 2014 and the Resolution³ dated November 25, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 130708, which affirmed the Decision⁴ dated December 26, 2012 and the Resolution⁵ dated April 30, 2013 of the National Labor Relations Commission (NLRC) in NLRC LAC No. 07-001998-12 declaring respondent Janet T. Siason (Siason) to have been constructively dismissed by petitioners Central Azucarera de Bais, Inc. (CABI) and Antonio Steven L. Chan (Chan), the incumbent president of CABI (collectively, petitioners).

* Per Special Order No. 2102 dated July 13, 2015.

** Designated Acting Member per Special Order No. 2103 dated July 13, 2015.

¹ *Rollo*, Vol. I, pp. 8-55.

² *Id.* at 59-67. Penned by Associate Justice Jane Aurora C. Lantion with Associate Justices Vicente S.E. Veloso and Nina G. Antonio-Valenzuela concurring.

³ *Id.* at 69-70.

⁴ *Rollo*, Vol. II, pp. 726-740. Penned by Commissioner Perlita B. Velasco with Presiding Commissioner Gerardo C. Nograles and Commissioner Romeo L. Go concurring.

⁵ *Id.* at 753-755.

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The Facts

The instant case stemmed from a complaint for illegal dismissal, nonpayment of wages, separation pay, service incentive leave pay, retirement benefits, emergency cost of living allowance, with damages and attorney's fees filed by Siason against petitioners before the NLRC, docketed as NLRC-NCR-CASE No. 11-17043-11.⁶

Siason alleged that sometime in July 1988, petitioners hired her as a Purchasing Assistant, and eventually, promoted her to the position of Purchasing Officer.⁷ On October 3, 2011, Chan confronted her on the propriety of the delivery of a machine part *via* air freight in lieu of a previously approved sea freight. She responded by explaining to Chan that such delivery benefited the company, but the latter considered the same as a "big infraction of the rules and regulations of [CABI]."⁸ Later that day, Siason received a letter⁹ signed by Chan informing her that she had been committing various purchasing policy violations over the past 12 months which are very unfavorable to CABI, and that the management could no longer turn a blind eye on such violations; as such, she should tender her immediate resignation from CABI, "rather than [to] force [his] hand."¹⁰ On October 4, 2011, Siason received another letter,¹¹ this time from CABI's legal officer, Atty. Suzette A. Ner-Tiangco (Atty. Ner-Tiangco), following up the former's action regarding Chan's letter. Consequently, Siason wrote a resignation letter,¹² stating that she was tendering her resignation because Chan told her to do so. However, petitioners refused to accept the same,¹³ thus, Siason was constrained to draft another resignation letter¹⁴ which was acceptable to petitioners. On November 14, 2011, Siason filed the instant complaint against petitioners alleging that Chan forced her to resign as shown by his October 3, 2011 letter.¹⁵

⁶ *Rollo*, Vol. I, p. 407.

⁷ *Rollo*, Vol. II, p. 727.

⁸ *Id.* at 729.

⁹ *Rollo*, Vol. I, p. 171.

¹⁰ The letter reads:

Dear Ms. Siason:

Over the last twelve (12) months, several Purchasing Policy violations have been cropping up, with some very serious ones, that have been brought to the Management's attention. Most recent is another series of infractions, which are very unfavorable to the Company.

We do not know how long these incidents have been going on but the Management cannot turn a blind eye on these infractions anymore, and it cannot afford any of these from happening again.

I deeply regret that it has come to this, but I must ask you now to tender your immediate resignation from this Company, rather than force my hand.

(signed)

MR. ANTONIO STEVEN L. CHAN

President

¹¹ *Rollo*, Vol. I, p. 304.

¹² *Id.* at 248.

¹³ *Rollo*, Vol. II, p. 729.

¹⁴ *Rollo*, Vol. I, p. 249.

¹⁵ *Id.* at 61.

In their defense,¹⁶ petitioners claimed that Siason was not constructively dismissed since she voluntarily resigned from CABI.¹⁷ They explained that CABI's accounting department audited the purchases made by Siason and discovered irregularities in the procurement of several supplies, such as when she increased price quotations without the approval of CABI or of the supplier concerned.¹⁸ They then averred that in view of her long tenure in CABI and close relationship with Chan, she was given the option of resigning instead of facing an administrative investigation which would eventually result in her termination.¹⁹ Lastly, they asserted that Siason shredded all company documents in her possession and made unauthorized deletion of files stored in her office-issued computer in order to cover her misdeeds.²⁰

The LA Ruling

In a Decision²¹ dated May 24, 2012, the Labor Arbiter (LA) dismissed Siason's complaint for lack of merit. Nevertheless, Siason was awarded separation pay equivalent to one (1) month pay for every year of service in the amount of ₱923,210.00 in the interest of equity and compassion.²²

In ruling for petitioners, the LA found that petitioners did not constructively dismiss Siason, since the latter voluntarily resigned from her job. In this relation, the LA opined that if Siason really had no intention to resign, no amount of persuasion or instruction shall suffice to compel her to tender her resignation.²³ Her voluntary resignation notwithstanding, the LA opted to award separation pay in Siason's favor in view of her long tenure in CABI as well as her humility, respect, and obedience to the instruction of her superior when she was asked to resign.²⁴

Dissatisfied, both parties appealed²⁵ to the NLRC. Specifically, petitioners questioned the award of separation pay in Siason's favor, while the latter assailed the finding that she voluntarily resigned.²⁶

The NLRC Ruling

In a Decision²⁷ dated December 26, 2012, the NLRC reversed the LA ruling and held that petitioners constructively dismissed Siason.

¹⁶ See Position Paper for Respondents (herein petitioners) dated January 9, 2012; *id.* at 71-92.

¹⁷ See *id.* at 82-87.

¹⁸ *Id.* at 75-77.

¹⁹ See *id.* at 71 and 78.

²⁰ *Id.* at 79-80.

²¹ *Id.* at 407-430. Penned by Labor Arbiter Catalino R. Laderas.

²² *Id.* at 430.

²³ *Id.* at 428.

²⁴ *Id.* at 428-429.

²⁵ See Memorandum for Partial Appeal filed by petitioners dated June 27, 2012; *rollo*, Vol. I, pp. 434-454; and Partial Appeal Memorandum filed by Siason dated July 2, 2012; *rollo*, Vol. II, pp. 666-693.

²⁶ *Rollo*, Vol. II, pp. 731-732.

²⁷ *Id.* at 726-740.

Accordingly, it ordered petitioners to pay Siason the aggregate amount of ₱1,736,041.95 representing backwages, separation pay, and attorney's fees.²⁸

Contrary to the LA's findings, the NLRC found that Chan coerced Siason to resign, as may be gleaned from his October 3, 2011 letter addressed to the latter. Further, the NLRC pointed out that petitioners' disposition to force Siason into resignation became more evident when taken in conjunction with Atty. Ner-Tiangco's October 4, 2011 letter pressuring Siason to tender her immediate resignation.²⁹

Petitioners moved for reconsideration³⁰ which was, however, denied in a Resolution³¹ dated April 30, 2013. Aggrieved, they elevated the case to the CA *via* petition for *certiorari*.³²

The CA Ruling

In a Decision³³ dated March 14, 2014, the CA affirmed the NLRC ruling. It held that petitioners constructively dismissed Siason, considering that the latter would not have resigned from her job had it not been for the pressure exerted by Chan on her.³⁴ The CA added that Siason's filing of a complaint for constructive dismissal right after her severance from office negated the voluntariness of her resignation.³⁵

Petitioners moved for reconsideration,³⁶ which was, however, denied in a Resolution³⁷ dated November 25, 2014; hence, this petition.

The Issue Before the Court

The issue for the Court's resolution is whether or not the CA correctly affirmed the NLRC ruling finding Siason to have been constructively dismissed by petitioners.

Essentially, petitioners contend that there is no constructive dismissal to speak of, given that they merely afforded Siason the option to have a "graceful exit" by tendering her resignation instead of facing administrative investigation and eventual sanctions for the irregularities she committed

²⁸ Id. at 738-739.

²⁹ See id. at 733-737.

³⁰ See Motion for Reconsideration dated January 31, 2013; id. at 741-751.

³¹ Id. at 753-755.

³² Dated June 21, 2013. Id. at 756-785.

³³ *Rollo*, Vol. I, pp. 59-67.

³⁴ Id. at 64.

³⁵ Id.

³⁶ See Motion for Reconsideration dated April 4, 2014; *rollo*, Vol. II, pp. 1109-1134.

³⁷ *Rollo*, Vol. I, pp. 69-70.

regarding the purchase of supplies.³⁸ For her part, Siason maintains that petitioners forced her to resign from CABI, and thus, she was constructively dismissed.³⁹

The Court's Ruling

The appeal is meritorious.

Resignation is the formal pronouncement or relinquishment of a position or office. It is the voluntary act of an employee who is in a situation where he believes that personal reasons cannot be sacrificed in favor of the exigency of the service, and he has then no other choice but to disassociate himself from employment. The intent to relinquish must concur with the overt act of relinquishment; hence, the acts of the employee before and after the alleged resignation must be considered in determining whether he in fact intended to terminate his employment. In illegal dismissal cases, it is a fundamental rule that when an employer interposes the defense of resignation, on him necessarily rests the burden to prove that the employee indeed voluntarily resigned.⁴⁰

In contrast, constructive dismissal exists where there is cessation of work because continued employment is rendered impossible, unreasonable or unlikely, as an offer involving a demotion in rank or a diminution in pay and other benefits. Aptly called a dismissal in disguise or an act amounting to dismissal but made to appear as if it were not, constructive dismissal may, likewise, exist if an act of clear discrimination, insensibility, or disdain by an employer becomes so unbearable on the part of the employee that it could foreclose any choice by him except to forego his continued employment.⁴¹ It must be noted, however, that bare allegations of constructive dismissal, when uncorroborated by the evidence on record, cannot be given credence.⁴²

Guided by the foregoing considerations, the Court finds that the CA erred in affirming the NLRC ruling, which found Siason to have been constructively dismissed by petitioners.

A judicious review of the records reveals that CABI's accounting department indeed made an audit of the purchases made by the company through its Purchasing Officer, Siason. This resulted in the discovery of a number of questionable discrepancies in several purchasing transactions

³⁸ See *id.* at 22-28.

³⁹ See *rollo*, Vol. II, p. 1202.

⁴⁰ See *Mendoza v. HMS Credit Corporation*, G.R. No. 187232, April 17, 2013, 696 SCRA 794, 805, citing *San Miguel Properties Philippines, Inc. v. Gucaban*, 669 Phil. 288, 297 (2011).

⁴¹ *Morales v. Harbour Centre Port Terminal, Inc.*, G.R. No. 174208, January 25, 2012, 664 SCRA 110, 117-118; citations omitted.

⁴² *Hechanova Bugay Vilchez Lawyers v. Matorre*, G.R. No. 198261, October 16, 2013, 707 SCRA 570, 580, citing *Vicente v. CA*, 557 Phil. 777, 787 (2007).

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undertaken by Siason, consisting in different price quotations for identical items contained in various purchase documents prepared by Siason herself.⁴³ Taking into consideration Siason's long tenure at CABI, as well as her close relationship with Chan, the latter sent her the October 3, 2011 letter asking her to resign "rather than [to] force [his] hand"⁴⁴ – which should be construed as Chan telling Siason to resign or be faced with an administrative complaint. On October 4, 2011, Atty. Ner-Tiangco sent Siason another letter, essentially confirming if the latter was going to resign or if she is subjecting herself to an administrative investigation. Ultimately, Siason chose to tender her resignation to save herself from the trouble of besmirching her employment record.

The foregoing facts belie Siason's argument that petitioners constructively dismissed her. These circumstances show that she was given the option to voluntarily resign from CABI, instead of dealing with an investigation which might result in her dismissal. Verily, Chan's decision to give Siason a graceful exit rather than to file an action for redress is perfectly within the discretion of the former; as it is not uncommon that an employee is permitted to resign to avoid the humiliation and embarrassment of being terminated for just cause after the exposure of her malfeasance.⁴⁵ It is settled that there is nothing reprehensible or illegal when the employer grants the employee a chance to resign and save face rather than smear the latter's employment record,⁴⁶ as in this case.

In sum, petitioners did not constructively dismiss Siason; but rather, the latter voluntarily resigned from her job in order to avoid a full-blown administrative trial regarding her misdeeds which could potentially result in her termination for just cause. While it may be said that she did not tender her resignation wholeheartedly, circumstances of her own making did not give her any other option but to voluntarily do so.⁴⁷ Therefore, in view of her voluntary resignation from CABI, she is not entitled to any separation pay in the absence of any agreement with petitioners providing for such.⁴⁸

WHEREFORE, the petition is **GRANTED**. The Decision dated March 14, 2014 and the Resolution dated November 25, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 130708 are hereby **REVERSED** and **SET ASIDE**. Accordingly the Decision dated May 24, 2012 of the Labor Arbiter in NLRC-NCR-CASE No. 11-17043-11 is **REINSTATED** with **MODIFICATION** in that the award of separation pay is **DELETED**.

⁴³ See *rollo*, Vol. 1, pp. 153-170.

⁴⁴ *Id.* at 171.


⁴⁵ See *Willi Hahn Enterprises v. Maghuyop*, 488 Phil. 351, 356 (2004).

⁴⁶ See *Sicangco v. NLRC*, G.R. No. 110261, August 4, 1994, 235 SCRA 96, 101.


⁴⁷ See *Chiang Kai Shek College v. Torres*, G.R. No. 189456, April 2, 2014, 720 SCRA 424, 436.

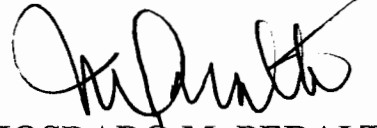
⁴⁸ See *Hanford Philippines, Inc. v. Joseph*, 494 Phil. 729, 734 (2005), citing *Hinatuan Mining Corporation v. NLRC*, 335 Phil. 1090, 1094.


SO ORDERED.



ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Chairperson



DIOSDADO M. PERALTA
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

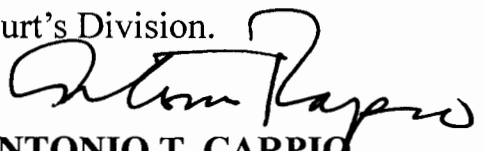
A T T E S T A T I O N

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice
Acting Chairperson, First Division

C E R T I F I C A T I O N

Pursuant to Section 13, Article VIII of the Constitution, and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ANTONIO T. CARPIO
Acting Chief Justice

