Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

COCA-COLA BOTTLERS PHILIPPINES, INC., Petitioner,	**G.R. No. 195297** Present:
- versus -	CARPIO, *J.*, *Chairperson,* PERLAS-BERNABE, CAGUIOA, A. REYES, JR., and CARANDANG, *JJ.*
ILOILO COCA-COLA PLANT EMPLOYEES LABOR UNION (ICCPELU), as represented by WILFREDO L. AGUIRRE, Respondent.	Promulgated: 05 DEC 2018

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DECISION

REYES, A., JR., *J.*:

Challenged before this Court *via* this Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court is the Decision[2] dated June 23, 2010 of the Court of Appeals (CA), and its Resolution[3] dated October 19, 2010 which reversed the Decision[4] dated September 7, 2006 of the National Conciliation and Mediation Board (NCMB), Regional Branch No. 6, Iloilo City, in Case No. PAC-613-RB6-02-01-06-2006.

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1 *Rollo*, pp. 20-61.

2 Penned by Associate Justice Socorro B. Inting, with Associate Justices Edwin D. Sorongon and Eduardo B. Peralta, Jr. concurring; id. at 70-78.

3 Id. at 80-81.

4 Rendered by Atty. Mateo A. Valenzuela as Chairman, with Attys. Inocencio Ferrer, Jr. and Gloria Arriola as members; id. at 179-206.

The Antecedent Facts

Petitioner Coca-Cola Bottlers Philippines, Inc. (CCBPI) is a domestic corporation engaged in the business of manufacturing and selling of leading non-alcoholic products and other beverages.[5] It operates a manufacturing plant in Ungka, Pavia, Iloilo City, where the aggrieved former employees herein, as represented by respondent Iloilo Coca-Cola Plant Employees Labor Union (respondent), worked as regular route drivers and helpers.[6]

The conflict arose due to the CCBPI's policy involving Saturday work. In the said policy, several of CCBPI's employees were required to report for work on certain Saturdays to perform a host of activities, usually involving maintenance of the facilities. This prerogative was supposedly consistent with the pertinent provisions[7] in the Collective Bargaining Agreement (CBA) between CCBPI and its employees, which stated that management had the sole option to schedule work on Saturdays on the basis of operational necessity.[8]

CCBPI later on informed the respondent that, starting July 2, 2005, Saturday work would no longer be scheduled, with CCBPI citing operational necessity as the reason for the decision.[9] Specifically, the discontinuance was done with the purpose of saving on operating expenses and compensating for the anticipated decreased revenues. As Saturday work involved maintenance-related activities, CCBPI would then only schedule the day's work as the need arose for these particular undertakings, particularly on some Saturdays from September to December 2005.[10]

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5 Id. at 24.

6 Id. at 25.

7 Id. at 143-145.

ARTICLE 10
HOURS OF WORK

SECTION 1. Work Week. For daily paid workers the normal work week shall consist of five (5) consecutive days (Monday to Friday) of eight (8) hours each and one (1) day (Saturday) of four (4) hours. Provided, however, that any worker required to work on Saturday must complete the scheduled shift for the day and shall be entitled to the premium pay provided in Article IX hereof.

SECTION 2. Changes in Work Schedule. The present regular working hours shall be maintained for the duration of this Agreement. However, it is hereby agreed that the COMPANY may change the prevailing working hours, if in its judgment, it shall find such change or changes advisable or necessary either as a permanent or temporary measure, provided at least twelve (12) hours notice in advance is given of such change or changes, and provided, further, that they are in accordance with law.

ARTICLE 11
OVERTIME, NIGHT DIFFERENTIAL, SATURDAY, SUNDAY AND HOLIDAY PAY

SECTION 1. Definitions

(a) An "Ordinary Day" is one that is neither a regular holiday, a special holiday, a Saturday nor the worker's scheduled rest day.

x x x x

(b) Saturdays. Saturday is a premium day but shall not be considered as a rest day or equivalent to a Sunday. It is further agreed that management has the option to schedule work on Saturdays on the basis of operational necessity.

8 Id. at 26.

9 Id. at 87.

10 Id.

On July 1, 2005, the parties met, with CCBPI's Manufacturing Manager setting forth the official proposal to stop the work schedule during Saturdays.[11] This proposal was opposed and rejected by the officers and members of the respondent who were present at the meeting. Despite this opposition, CCBPI pushed through with the non-scheduling of work on the following Saturday, July 2, 2005.

As a result of the foregoing, the respondent submitted to CCBPI its written grievance, stating therein that CCBPI's act of disallowing its employees to report during Saturday is a violation of the CBA provisions, specifically Section 1, Article 10 thereof.[12] Along with the submission of the written grievance, the respondent also requested a meeting with CCBPI to discuss the issue. CCBPI response to the request, however, was to merely send a letter reiterating to the respondent that under the set of facts, management has the option to schedule work on Saturday on the basis of operational necessity.[13] Further letters on the part of the respondent were responded to in the same way by CCBPI.

Respondent thus brought its grievances to the office of the NCMB, and on June 9, 2006, the parties pursuant to the provisions of their CBA submitted the case for voluntary arbitration.[14] The panel comprised of three (3) voluntary arbitrators (the Panel of Arbitrators), was charged with resolving two issues: First, whether or not members of the respondent were entitled to receive their basic pay during Saturdays under the CBA even if they would not report for work, and second, whether or not CCBPI could be compelled by the respondent to provide work to its members during Saturdays under the CBA.[15]

After the presentation of evidence and the subsequent deliberations, the Panel of Arbitrators ruled in favor of CCBPI, the dispositive part of the decision reading:

> IN VIEW OF THE FOREGOING, the Panel of Arbitrators, rules on the first issue, that the Complainant's Union members are nary entitled to receive their Basic Pay during Saturdays under the CBA if they are not reporting for work, under Section I Article 10, and Sections 1(c) and 3(c) Article II of the CBA.
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> On the second issue, the PANEL rules that [CCBPI] cannot be compelled by the Complainant Union to provide works to its members during Saturdays under the CBA, for lack of legal and factual basis.
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> SO ORDERED.[16]

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11 Id. at 182.
12 Id.
13 Id.
14 Id. at 179.
15 Id.
16 Id. at 206.

Respondent's Motion for Reconsideration to the Panel of Arbitrators' ruling was denied for lack of merit on October 24, 2006.[17]

Unwilling to accept the findings of the Panel of Arbitrators, the respondent elevated its case to the CA *via* a Petition for Review under Rule 43 of the Rules of Court. After a review of the same, the CA subsequently rendered a Decision[18] dated June 23, 2010 granting the respondent's Petition for Review and reversing the decision of the Panel of Arbitrators. The dispositive portion of the CA decision reads, to wit:

> WHEREFORE, premises considered, the petition is GRANTED. The assailed Decision, dated 07 September 2006, and, Order, dated 24 October 2006, respectively, by the panel of voluntary arbitrators, namely: Atty. Mateo A. Valenzuela, Atty. Inocencio Ferrer, Jr., and Gloria Arriola, of the NCMB, Regional Branch No. 6, Iloilo City, are REVERSED and SET ASIDE. A NEW judgment is rendered ORDERING CCBPI to:
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> 1. COMPLY with the CBA provisions respecting its normal work week, that is, from Monday to Friday for eight (8) hours a day and on Saturdays for four (4) hours;
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> 2. ALLOW the concerned union members to render work for four (4) hours on Saturdays; and
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> 3. PAY the corresponding wage for the Saturdays work which were not performed pursuant to its order to do so commencing on 02 July 2005, the date when it actually refused the concerned union members to report for work, until the finality of this decision. The rate for work rendered on a Saturday is composed of the whole daily rate (not the amount equivalent to one-half day rate) plus the corresponding premium.
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> No Costs.
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> SO ORDERED.[19]

CCBPI's Motion for Reconsideration was denied by the CA in a Resolution[20] dated October 19, 2010 received on January 28, 2011. On appeal to this Court, on February 11, 2011, CCBPI filed Motion for Extension and requested for an additional period of 30 days from February 12, 2011, or until March 14, 2014, within which to file its Petition for *Certiorari*, which was granted by this Court in a Resolution[21] dated February 21, 2011.

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17 Id. at 223-224.
18 Id. at 70-78.
19 Id. at 35.
20 Id. at 80-81.
21 Id. at 17.

Reyes

Hence, this Petition, to which the respondent filed a Comment[22] to on June 11, 2011, the latter pleading responded to by CCBPI *via* Reply[23] on September 6, 2011.

The Issues of the Case

A perusal of the parties' pleadings will show the following issues and points of contention:

> **First**, whether or not the CA erred in ruling that under the CBA between the parties, scheduling Saturday work for CCBPI's employees is mandatory on the part of the Company.
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> **Second**, whether scheduling Saturday work has ripened into a company practice, the removal of which constituted a diminution of benefits, to which CCBPI is likewise liable to the affected employees for, including the corresponding wage for the Saturday work which was not performed pursuant to the policy of the Company to remove Saturday work based on operational necessity.

The Arguments of the Parties

It is the contention of CCBPI that the CA erred in reversing the decision of the Panel of Arbitrators and finding that the CBA gave the employees the right to compel CCBPI to give work on Saturdays, that the scheduling of work on a Saturday had ripened into a company practice, and that the subsequent withdrawal of Saturday work constituted a prohibited diminution of wages. CCBPI states that this ruling is contrary to fact and law and unduly prejudiced CCBPI as the company was ordered to allow the affected employees to render work for four hours on Saturdays. CCBPI was also ordered to pay the corresponding wage for the Saturday work which were not performed pursuant to its order to do so, the said amount corresponding to the date when the company actually refused the affected employees to report for work, until the finality of this decision.[24]

CCBPI argues that based on the provisions of its CBA, specifically Article 10, Section 1, in relation with, Article 11, Section 1(c) and Section 2(c), it is clear that work on a Saturday is optional on the part of management,[25] and constitutes a legitimate management prerogative that is entitled to respect and enforcement in the interest of simple fair play.[26]

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22 Id. at 316-327.
23 Id. at 339-354.
24 Id. at 78.
25 Id. at 27.
26 Id. at 46, citing *Sosito v. Aguinaldo Development Corporation*, 240 Phil. 373, 377 (1987).

CCBPI likewise posits that the option to schedule work necessarily includes the prerogative not to schedule it. And, as the provisions in the CBA are unmistakable and unambiguous, the terms therein are to be understood literal'y just as they appear on the face of the contract.[27]

For CCBPI, permitting the workers to suffer work on a Saturday would render the phrase "required to work" in Article 10, Section 1 and Article II, Section 2(c) meaningless and superfluous, as while the scheduling of Saturday work would be optional on the part of management, the workers would still be required to render service even if no Saturday work was scheduled.[28]

Aside from the clear and unambiguous provisions of the CBA, CCBPI states that the evidence on record negates the finding that Saturday work is mandatory.[29] The evidence shows that only some, and not all the same daily-paid employees reported for work on a Saturday, and the number of the daily-paid employees who reported for work on a Saturday always depended on the CCBPI's operational necessity.[30] The optional nature of the work on the Saturday is also highlighted by the fact that, subject to the fulfillment of certain conditions, the employees who were permitted to suffer work on such day are compensated with a premium pay.[31] This means that work on a Saturday is part of the normal work week, as there would be no reason why employees who reported for work on such date should be given additional compensation or premium pay.

CCBPI also disagrees with the CA that the scheduling of work on a Saturday had ripened into a company practice and that the withdrawal of Saturday work constitutes a prohibited diminution of wages.[32] CCBPI maintains that work on a Saturday does not amount to a benefit as a result of a long-established practice. CCBPI states that in several analogous cases involving overtime work, *Manila Jockey Club Employees Labor-Union-PTGWO v. Manila Jockey Club, Inc.*[33] and *San Miguel Corporation v. Layoc, Jr.*,[34] the Court has already ruled that the work given in excess of the regular work hours is not a "benefit" and the previous grant thereof cannot amount to a "company practice." CCBPI particularly cites the *Layoc* case which held that there is no violation of the rule on non-diminution of benefits as the nature of overtime work of the supervisory employees would show that these are not freely given by the employer, and that on the contrary, the payment of overtime pay is made as

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27 *Rollo*, p. 43, citing *Gaisano Cagayan, Inc. v. Insurance Company of North America*, 523 Phil. 677, 689 (2006).
28 *Rollo*, id.
29 Id. at 44.
30 Id. at 383.
31 Id.
32 Id. at 48.
33 546 Phil. 531 (2007).
34 562 Phil. 670 (2007).

a means of compensation for services rendered in addition to the regular hours of work.[35]

CCBPI likewise cites several cases involving overtime work, there the Court ruled that the work given in excess of the regular work hours is not a "benefit" and the previous grant thereof cannot amount to a "company practice."[36] As a premium day, that Saturday would have the effect of being a holiday wherein the employees are entitled to receive their pay whether they reported for work or not.[37]

For CCBPI, the previous grant of Saturday work cannot amount to a benefit that cannot be withdrawn by the Company. Contrary to the nature of "benefits" under the law, CCBPI did not freely give payment for Saturday work, instead paying the employees the corresponding wage and premium pay as compensation for services rendered in addition to the regular work of eight (8) hours per day from Mondays to Fridays.[38]

On the other hand, the respondents argue that CCBPI failed to regard the express provision of the CBA which delineates CCBPI's normal work-week which consists of five (5) consecutive days (Monday to Friday) or eight (8) hours each and one (1) day (Saturday) of four (4) hours.[39] The highlighted provision reads as follows:

ARTICLE 10
HOURS OF WORK

> **SECTION 1**. *Work Week.* For daily paid workers the normal work week shall consist of five (5) consecutive days (Monday to Friday) of eight (8) hours each and one (1) day (Saturday) of four (4) hours. Provided, however, that any worker required to work on Saturday must complete the scheduled shift for the day and shall be entitled to the premium pay provided in Article IX hereof.

As such, the respondent advocates that the various stipulations of a contract shall be interpreted together, and that assuming there is any ambiguity in the CBA, this ambiguity should not prejudice respondents under the principle that any doubt in all labor legislation and all labor contracts shall be construed in favor of the safety and decent living for the laborer.[40] According to the respondent, Article 11, Section 1(c) merely grants to CCBPI the option to schedule work on Saturdays on the basis of operational necessity, and by contrast nothing in the CBA allegedly allows

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35 *Rollo*, p. 387.

36 Id., citing *Manila Jockey Club Employees Labor Union-PTGWO v. Manila Jockey Club, Inc.*, supra note 33, at 638 and *San Miguel Corporation v. Layoc, Jr.*, supra note 34, at 679 (2007).

37 *Rollo*, p. 184.

38 Id. at 389.

39 Id. at 323.

40 Id.

or grants CCBPI the right or prerogative to unilaterally amend the duly established work week by eliminating Saturday work.[41]

Respondent also alleges that CCBPI was obliged to provide work on Saturday, not only due to the apparent mandate in the CBA, but also as the same ripened into an established company practice, as CCBPI's practice of providing Saturday work had been observed for several years.[42] Respondent thus contends that the unilateral abrogation of the same would squarely tantamount to diminution of benefits, especially as the CBA itself expressly provides that Saturday is part of CCBPI's normal work week, hence the same cannot be unilaterally eliminated by CCBPI,[43] and that the option granted by the CBA to CCBPI is merely to schedule Saturday work, not eliminate it entirely. Thus, to eliminate the Saturday work allegedly would amount to diminution of benefits because the affected employees are ultimately deprived of their supposed salaries or income for that day.[44]

In its Reply[45] to the counter-arguments posited by the respondent in its Comment, CCBPI alleges that if indeed Saturday work is mandatory under the CBA and all the workers are obliged to render work on a Saturday, then the phrase "required to work" under Article 10, Section 1 and Article 11, Section 2(c) would be meaningless and superfluous.[46] Also, CCBPI takes stock in the fact that the compensation for work on Saturday is not freely given. Under the scheme followed by the parties under the CBA, *i.e.*, if the daily-paid employees were permitted to suffer work on a Saturday, they are given additional compensation or premium pay amounting to 50% of their hourly rate for the first eight (8) hours, and 75% of their hourly rate for the work rendered in excess thereof under Article 11, Section 2(c) of the CBA.[47]

Ruling of the Court

The petition is impressed with merit.

As to whether or not the CBA between the parties mandates that CCBPI schedule Saturday work for its employees.

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41 Id. at 335.
42 Id.
43 Id. at 326.
44 Id.
45 Id. at 339-351.
46 Id. at 341.
47 Id. at 345.

A CBA is the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work, and all other terms and conditions of employment in a bargaining unit.[48] It incorporates the agreement reached after negotiations between the employer and the bargaining agent with respect to terms and conditions of employment.[49]

It is axiomatic that the CBA comprises the law between the contracting parties, and compliance therewith is mandated by the express policy of the law.[50] The literal meaning of the stipulations of the CBA, as with every other contract, control if they are clear and leave no doubt upon the intention of the contracting parties. Thus, where the CBA is clear and unambiguous, it becomes the law between the parties and compliance therewith is mandated by the express policy of the law.[51] Moreover, it is a familiar rule in interpretation of contracts that the various stipulations of a contract shall be interpreted together, attributing to the doubtful ones that sense which may result from all of them taken jointly.[52]

Consequently, in this case, recourse to the CBA between CCBPI and the respondent as regards the hours of work is essential. In Article 10 of the CBA, the company work week is elaborated while also defining how a Saturday is treated and in fact delineating the same from the other days of the work week:

> ARTICLE 10
> Hours of Work
>
> **SECTION 1.** *Work Week.* For daily paid workers, the normal work week shall consist of five (5) consecutive days (Monday to Friday) of eight (8) hours and each and one (1) day (Saturday) of four (4) hours, provided, however, that any worker required to work on Saturday must complete the scheduled shift for the day and shall be entitled to the premium pay provided in Article IX hereof.
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> (c) Saturdays. Saturday is a premium day but shall not be considered as a rest day or equivalent to a Sunday. It is further agreed that management has the option to schedule work on Saturdays on the basis of operational necessity.

Section 5 of Article 9 of the CBA, explicitly referred to in Article 10 states:

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48 *Benson Industries Employees Union-ALU-TUCP, et al. v. Benson Industries, Inc.*, 740 Phil. 670, 679 (2014).

49 *Pantranco North Express, Inc. v. NLRC*, 328 Phil. 470, 483-484 (1996).

50 *Marcopper Mining Corporation v. NLRC*, 325 Phil. 618, 632 (1996).

51 *Philippine Journalists, Inc. v. Journal Employees Union*, 710 Phil. 94, 103 (2013).

52 CIVIL CODE OF THE PHILIPPINES, Article 1374.

> **SECTION 5**. *Special Bonus*. When a regular employee goes out on his route on a Saturday, Sunday, or Legal Holiday, either because he is so required by District Sale Supervisor or because, after securing approval from the District Sales Supervisor, he voluntarily chooses to do so, he shall be entitled to a special bonus of P280.00.

In making its decision, the CA reasoned that had it really been the intention that Saturday work, by itself, is optional on CCBPI's part, then there would have been no need to state under the CBA that Saturday is part of the normal work week together with the Monday to Friday schedule, and that if Saturday work is indeed optional, then it would have expressly stipulated the same.[53] According to the CA's interpretation, the provision wherein CCBPI had the option to schedule work on Saturdays on the basis of operational necessity, simply meant that CCBPI could schedule the mandated four (4) hours work any time within the 24-hour period on that day, but not remove the hours entirely.[54]

For the CA, to interpret the phrase "option to schedule" as limited merely to scheduling the **time** of work on Saturdays and not the option to allow or disallow or to grant or not to grant the Saturday work itself, is more consistent with the idea candidly stated in the CBA regarding the work week which is comprised of five (5) consecutive days (Monday to Friday) of eight (8) hours each and one (1) day (Saturday) of four (4) hours. The foregoing interpretation, as held by the CA, is in harmony with the context and the established practice in which the CBA is negotiated,[55] and that, based on the foregoing, CCBPI should comply with the provisions respecting its normal work week, that is, from Monday to Friday of eight (8) hours a day and on Saturdays for four (4) hours. CCBPI thus should allow the concerned union members to render work for four (4) hours on Saturday.[56]

The Court disagrees with the interpretation of the CA. In the perusal of the same, the Court finds that a more logical and harmonious interpretation of the CBA provisions wherein Saturday work is optional and not mandatory keeps more with the agreement between the parties.

To note, the CBA under Article 11, Section 1(c), clearly provides that CCBPI has the option to schedule work on Saturdays based on operational necessity. There is no ambiguity to the provision, and no other interpretation of the word "work" other than the work itself and not the working hours. If the parties had truly intended that the option would be to change only the working hours, then it would have so specified that whole term "working hours" be used, as was done in other provisions of the CBA. By comparison, there is a provision in Article 10 that states:

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53 *Rollo*, p. 74.
54 Id. at 75.
55 Id.
56 Id. at 77.

> **SECTION 2.** *Changes in Work Schedule.* The present regular working hours shall be maintained for the duration of this Agreement. However, it is hereby agreed that the COMPANY may change the prevailing working hours, if in its judgment, it shall find such change or changes advisable or necessary either as a permanent or temporary measure, provided at least twelve (12) hours' notice in advance is given of such change or changes, and provided, further, that they are in accordance with law.

Here, hours are specified as that which can be changed regarding the work schedule. The Court compares this to Article 11, where it is expressly stated that management has the option to schedule **work** on Saturdays on the basis of operational necessity. To emphasize, if it is only the hours that management may amend, then it would have been so stated, with that specific term used instead of just merely "work," a more general term.

Also, as correctly pointed out by CCBPI, if Saturday work is indeed mandatory under the CBA, the phrase "required to work on a Saturday" in Article 10, Section 1 would be superfluous. The same phrase is also found in Article 11, Section 2(c) which provides that "a worker paid on daily basis required to work on a Saturday shall be paid his basic hourly rate plus fifty (50%) percent thereof."

For the Court, the phrase "schedule work on Saturdays based on operational necessity," by itself, is union recognition that there are times when exigencies of the business will arise requiring a manning complement to suffer work for four additional hours per week. Necessarily, when no such exigencies exist, the additional hours of work need not be rendered.

As such, the provisions' tenor and plain meaning give company management the right to compel its employees to suffer work on Saturdays. This necessarily includes the prerogative not to schedule work. Whether or not work will be scheduled on a given Saturday is made to depend on operational necessity. The CBA therefore gives CCBPI the management prerogative to provide its employees with Saturday work depending on the exigencies of the business.

This reading of the CBA is made even more apparent by the fact that workers who are required to work on Saturdays are paid a premium for such work. Notably, in the section on Premium Pay, it is stated:

> (c) Saturdays. Even though Saturday is not his rest day – A worker paid on daily basis required to work on a Saturday shall be paid his basic hourly rate plus fifty (50%) percent thereof for each hour worked not in excess of eight hours; if he is required to work more than eight (8) hours, he shall be paid his basic hourly rate plus seventy-five (75%) thereof for each hour worked in excess of eight (8) hours.

Reyes

If Saturday was part of the regular work week and not dependent on management's decision to schedule work, there would be no need to give additional compensation to employees who report to work on that day. The CA erred in taking into account that employees required to work on that day but who would fail to report, would be marked down as having gone on leave.[57] The Court agrees with CCBPI that such conclusion is *non sequitur* and that the markings merely indicated the fact that they did not report for work (even if required) and the reasons for their absence, whether legitimate or not.[58] This understanding is bolstered by the fact that not all daily-paid workers were required to report for work, which and if indeed Saturday was to be considered a regular work day, all these employees should have been required to report for work.[59]

In sum, by not taking these provisions into account, the CA ignored the well-settled rule that the various stipulations of a contract must be interpreted together. The Court finds that relying on the interpretation of the CA would result in the patent absurdity that the company would have to look for work for the employees to do even if there is none, on the Saturday as stated. Even if one were to downplay the lack of logic with this assertion, as mentioned the CBA provisions are clear and unambiguous, leaving no need for a separate interpretation of the same.

As to whether scheduling Saturday work has ripened into a company practice, the removal of which constituted a diminution of benefits.

In the decision of the CA, it was held that the fact that CCBPI had been providing work to its employees every Saturday for several years, a circumstance that proved Saturday was part of the regular work week, made the grant of Saturday work ripen into company practice.

In asking the Court to reverse the ruling of the CA, CCBPI argues that work on a Saturday is akin to overtime work because employees who are required to perform such work are given additional compensation or premium in the CBA.[60] Citing *Layoc*,[61] CCBPI stresses that since overtime work does not fall within the definition of benefits, the same is not protected by Article 100 of the Labor Code which proscribes the diminution of benefits. To wit:

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57 Id. at 390.
58 Id.
59 Id. at 391.
60 Id. at 50.
61 Supra note 34.

Reyes

> First, respondents assert that Article 100 of the Labor Code prohibits the elimination or diminution of benefits. However, contrary to the nature of benefits, petitioners did not freely give the payment for overtime work to respondents. Petitioners paid respondents overtime pay as **compensation** for services rendered in addition to the regular work hours. Respondents rendered overtime work only when their services were needed after their regular working hours and only upon the instructions of their superiors. Respondents even differ as to the amount of overtime pay received on account of the difference in the additional hours of services rendered.
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> Aside from their allegations, respondents were not able to present anything to prove that petitioners were obliged to permit respondents to render overtime work and give them the corresponding overtime pay. Even if petitioners did not institute a "no time card policy," respondents could not demand overtime pay from petitioners if respondents did not render overtime work. The requirement of rendering additional service differentiates overtime pay from benefits such as thirteenth month pay or yearly merit increase. These benefits do not require any additional service from their beneficiaries. Thus, overtime pay does not fall within the definition of benefits under Article 100 of the Labor Code.[62]

The Court does not agree with the argument of CCBPI. CCBPI overlooks the fact that the term overtime work has an established and technical meaning under our labor laws, to wit:

> **Article 87**. *Overtime work.* Work may be performed beyond eight (8) hours a day provided that the employee is paid for the overtime work, an additional compensation equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work performed beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%) thereof.

It can be deduced from the foregoing provision that overtime work is work exceeding eight hours within the worker's 24-hour workday.[63] What is involved in this case is work undertaken within the normal hours of work on Saturdays and not work performed beyond eight hours in one day. Under Article 83 of the Labor Code:

> **Article. 83**. *Normal hours of work.* The normal hours of work of any employee shall not exceed eight (8) hours a day.

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62 Id. at 685-686.

63 Department of Labor Manual, Section 4323-01.

Despite the mistaken notion of CCBPI that Saturday work is synonymous to overtime work, the Court still disagrees with the CA ruling that the previous practice of instituting Saturday work by CCBPI had ripened into a company practice covered by Article 100 of the Labor Code.

To note, it is not Saturday work *per se* which constitutes a benefit to the company's employees. Rather, the benefit involved in this case is the premium which the company pays its employees above and beyond the minimum requirements set by law. The CBA between CCBPI and the respondent guarantees the employees that they will be paid their regular wage plus an additional 50% thereof for the first eight (8) hours of work performed on Saturdays. Therefore, the benefit, if ever there is one, is the premium pay given by reason of Saturday work, and not the grant of Saturday work itself.

In *Royal Plant Workers Union v. Coca-Cola Bottlers Philippines, Inc.-Cebu Plant,*[64] the Court had the occasion to rule that the term "benefits" mentioned in the non-diminution rule refers to monetary benefits or privileges given to the employee with monetary equivalents. Stated otherwise, the employee benefits contemplated by Article 100 are those which are capable of being measured in terms of money. Thus, it can be readily concluded from past jurisprudential pronouncements that these privileges constituted money in themselves or were convertible into monetary equivalents.[65]

In order for there to be proscribed diminution of benefits that prejudiced the affected employees, CCBPI should have unilaterally withdrawn the 50% premium pay without abolishing Saturday work. These are not the facts of the case at bar. CCBPI withdrew the Saturday work itself, pursuant, as already held, to its management prerogative. In fact, this management prerogative highlights the fact that the scheduling of the Saturday work was actually made subject to a condition, *i.e.*, the prerogative to provide the company's employees with Saturday work based on the existence of operational necessity.

In *Eastern Telecommunications Philippines, Inc. v. Eastern Telecoms Employees Union*,[66] the company therein allegedly postponed the payment of the 14th, 15th, and 16th month bonuses contained in the CBA, and unilaterally made the payment subject to availability of funds. Because of its severe financial condition, the company refused to pay the subject bonuses. The Court, in holding that such act violated the proscription against diminution of benefits, observed that the CBA provided for the subject bonuses without qualification—their grant was not made to depend on the existence of profits. Since no conditions were specified in the CBA

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64 709 Phil. 350 (2013).
65 Id. at 357-358.
66 681 Phil. 519 (2012).

for the grant of the subject benefits, the company could not use its dire financial straits to justify the omission.

As compared to the factual milieu in the *Eastern Telecommunications* case, the CBA between CCBPI and the respondent has no analogous provision which grants that the 50% premium pay would have to be paid regardless of the occurrence of Saturday work. Thus, the non-payment of the same would not constitute a violation of the diminution of benefits rule.

Also, even assuming *arguendo* that the Saturday work involved in this case falls within the definition of a "benefit" protected by law, the fact that it was made subject to a condition (*i.e.*, the existence of operational necessity) negates the application of Article 100 pursuant to the established doctrine that when the grant of a benefit is made subject to a condition and such condition prevails, the rule on non-diminution finds no application. Otherwise stated, if Saturday work and its corresponding premium pay were granted to CCBPI's employees without qualification, then the company's policy of permitting its employees to suffer work on Saturdays could have perhaps ripened into company practice protected by the non-diminution rule.

Lastly, the Court agrees with the assertion of CCBPI that since the affected employees are daily-paid employees, they should be given their wages and corresponding premiums for Saturday work only if they are permitted to suffer work. Invoking the time-honored rule of "a fair day's work for a fair day's pay," the CCBPI argues that the CA's ruling that such unworked Saturdays should be compensated is contrary to law and the evidence on record.

The CA, for its part, ruled that the principle of "a fair day's work for a fair day's pay" was irrelevant to the instant case. According to the appellate court, since CCBPI's employees are daily-paid workers, they should be paid their whole daily rate plus the corresponding premium pay in the absence of a specific CBA provision that directed wages to be paid on a different rate on Saturdays. This was notwithstanding the fact that the duration of Saturday work lasted only for four hours or half the time spent on other workdays.

The CA erred in this pronouncement. The age-old rule governing the relation between labor and capital, or management and employee, of a "fair day's wage for a fair day's labor" remains the basic factor in determining employees' wages.[67] If there is no work performed by the employee, there can be no wage.[68] In cases where the employee's failure to work was occasioned neither by his abandonment nor by termination, the burden of economic loss is not rightfully shifted to the employer; each party must bear

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67 *Navarro v. P.V. Pajarillo Liner, Inc.*, 604 Phil. 383, 391 (2009).

68 *Aklan Electric Cooperative Incorporated v. NLRC*, 380 Phil. 225, 244-245 (2000).

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his own loss.[69] In other words, where the employee is willing and able to work and is not illegally prevented from doing so, no wage is due to him. To hold otherwise would be to grant to the employee that which he did not earn at the prejudice of the employer.

In the case at bar, CCBPI's employees were not illegally prevented from working on Saturdays. The company was simply exercising its option not to schedule work pursuant to the CBA provision which gave it the prerogative to do so. It therefore follows that the principle of "no work, no pay" finds application in the instant case.

Having disposed of the issue on wages for unworked Saturdays in consonance with the well-settled rule of "no work, no pay," this Court deems it unnecessary to belabor on the CA ruling that the concerned employees should be paid their whole daily rate, and not the amount equivalent to one-half day's wage, plus corresponding premium.

On a final note, the Court cannot emphasize enough that its primary role as the vanguard of constitutional guaranties charges it with the solemn duty of affording full protection to labor.[70] It is, in fact, well-entrenched in the deluge of our jurisprudence on labor law and social legislation that the scales of justice usually tilt in favor of the workingman.[71] Such favoritism, however, has not blinded the Court to the rule that justice is, in every case for the deserving, to be dispensed in the light of the established facts and applicable law and doctrine.[72] The law does not authorize the oppression or self-destruction of the employer.[73] Management also has its own rights, which, as such, are entitled to respect and enforcement in the interest of simple fair play.[74] After all, social justice is, in the eloquent words of Associate Justice Jose P. Laurel, "the humanization of laws and the equalization of social and economic forces by the State so that justice in its rational and objectively secular conception may at least be approximated."[75]

WHEREFORE, the Decision of the Court of Appeals dated June 23, 2010, and the Resolution dated October 19, 2010 are **REVERSED** and **SET ASIDE**. The Decision of the National Conciliation and Mediation Board, Regional Branch No. 6, Iloilo City dated September 7, 2006, in Case No. PAC-013-RB6-02-01-06-2006 is **AFFIRMED.**

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69 *Tri-C General Services v. Matuto, et al.*, 770 Phil. 251, 264 (2015), citing *MZR Industries, et. al v. Colambot*, 716 Phil. 617, 628 (2013).

70 1987 CONSTITUTION, Article XIII, Section 3.

71 *Ilaw Buklod ng Manggagawa (IBM) Nestle Philippines, Inc. Chapter, et al. v. Nestle Phils., Inc.*, 770 Phil. 266, 278 (2015).

72 *Mercury Drug Corporation v. NLRC*, 258 Phil. 384, 391 (1989).

73 *Paredes v. Feed the Children Philippines, Inc.*, 769 Phil. 418, 442 (2015).

74 *Phil. Long Distance Telephone Company v. Honrado*, 652 Phil. 331, 334 (2010).

75 *Calalang v. Williams, et al.*, 70 Phil. 726, 734-735 (1940).

SO ORDERED.

ANDRES B. REYES, JR.
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ESTELA M. PERLAS-BERNABE
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

ROSMARI D. CARANDANG
Associate Justice

ATTESTATION

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.

ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division 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.

LUCAS P. BERSAMIN
Chief Justice