



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

DE LA SALLE ARANETA  
UNIVERSITY, INC.,

G.R. No. 224319

Petitioner,

Present:

- versus -

DR. ELOISA G.  
MAGDURULANG,  
Respondent.

CARPIO, J., Chairperson,  
PERALTA,  
PERLAS-BERNABE,  
CAGUIOA, and  
REYES, JR., \* JJ.

Promulgated:

20 NOV 2017

*[Handwritten signature]*

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated November 9, 2015 and the Resolution<sup>3</sup> dated April 22, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 123219, which modified the Decision<sup>4</sup> dated July 15, 2011 and the Resolution<sup>5</sup> dated December 12, 2011 of the National Labor Relations Commission (NLRC) in NLRC Case No. NCR-08-11300-10, and accordingly, ordered petitioner De La Salle Araneta University, Inc. (petitioner) to pay respondent Dr. Eloisa G. Magdurulang (respondent) backwages corresponding to her full monthly salaries for three

\* On Official Leave.

<sup>1</sup> *Rollo*, pp. 12-27.

<sup>2</sup> Id. at 28-46. Penned by Associate Justice Leoncia Real-Dimagiba with Associate Justices Ramon R. Garcia and Victoria Isabel A. Paredes concurring.

<sup>3</sup> Id. at 47-48.

<sup>4</sup> Id. at 70-83. Penned by Presiding Commissioner Gerardo C. Nograles with Commissioners Perlita B. Velasco and Romeo L. Go concurring.

<sup>5</sup> Id. at 85-87.

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(3) semesters, *i.e.*, first and second semesters of school year (SY) 2010-2011 and first semester of SY 2011-2012, as well as pro-rated 13<sup>th</sup> month pay.

### The Facts

This case stemmed from an amended complaint<sup>6</sup> for constructive dismissal with prayer for reinstatement and payment of salaries and other benefits filed by respondent against petitioner.<sup>7</sup> Respondent alleged that petitioner initially hired her as a part-time faculty member for the latter's College of Business for the second semester of SY 2007-2008 (November 5, 2007-March 18, 2008), as well as the summer semester of 2008 (March 31, 2008-May 13, 2008).<sup>8</sup> For the second semester of SY 2008-2009 (October 13, 2008-May 31, 2009), she was then appointed as a full-time faculty member/BSBA Program Coordinator,<sup>9</sup> with such designation being renewed for the first and second semesters of SY 2009-2010 (June 1, 2009-May 31, 2010).<sup>10</sup> During the pendency of respondent's contract for SY 2009-2010, the University's Acting Assistant Dean recommended to the University President that respondent be already accorded a permanent status, effective the second semester of SY 2009-2010.<sup>11</sup> While the University President initially acceded to such recommendation, he ended up not extending a permanent appointment to respondent, pursuant to Section 117 of the Manual of Regulations for Private Higher Education (MORPHE) which provides that "[t]he probationary employment of academic teaching personnel shall not be more than a period of six (6) consecutive semesters or nine (9) consecutive trimesters of satisfactory service, as the case may be."<sup>12</sup> Thus, on November 4, 2009, the University President instead issued a re-appointment to respondent as full-time faculty member/BSBA Program Coordinator for the first and second semesters of SY 2010-2011 (June 1, 2010-May 31, 2011), with a re-classified ranking of Assistant Professor 4 and on contractual basis.<sup>13</sup>

As a result, respondent wrote a letter<sup>14</sup> dated January 18, 2010 to the University President, asking clarification as to why: (a) her rank was changed from Associate Professor 2 to Assistant Professor 4 in her re-appointment for SY 2010-2011, resulting in diminution of salaries and benefits; and (b) she was not extended a permanent appointment despite the favorable recommendation from the Acting Assistant Dean.<sup>15</sup> In response thereto, the University President wrote respondent a letter<sup>16</sup> dated February

<sup>6</sup> Dated September 22, 2010; records, pp. 8-10.

<sup>7</sup> *Rollo*, p. 32.

<sup>8</sup> Records, p. 49. See also Contracts for Part-Time Faculty Member; *id.* at 63-64.

<sup>9</sup> See letter re: Administrative Appointment dated September 23, 2008; *id.* at 37.

<sup>10</sup> See letter re: Administrative Appointment dated May 26, 2009; *id.* at 38.

<sup>11</sup> See letter dated June 4, 2009; *id.* at 69.

<sup>12</sup> See *rollo*, p. 30. See also letter dated February 23, 2010; records, pp. 43-44.

<sup>13</sup> See letter re: Administrative Appointment dated November 4, 2009; records, p. 39.

<sup>14</sup> *Id.* at 40-42.

<sup>15</sup> *Id.* at 41.

<sup>16</sup> *Id.* at 43-44.

23, 2010, explaining to her, among others, that she cannot be extended a regular and permanent appointment as of the moment as she has yet to finish the probationary period of six (6) straight semesters, as provided under Section 3.1.3 of the 2009 DLSAU Personnel Handbook,<sup>17</sup> which in turn, expressly adopts Section 117 of the MORPHE.<sup>18</sup> On July 20, 2010, respondent wrote another letter<sup>19</sup> reiterating her concerns, this time addressed to the new University President. However, before the new University President could answer, respondent filed the instant complaint,<sup>20</sup> claiming that despite her re-appointment for SY 2010-2011, she was no longer given any teaching load and that her academic administrative position as BSBA Program Coordinator was likewise discontinued.<sup>21</sup> Respondent also insisted that she had already attained the status of a regular employee since she has been teaching for about three (3) years beginning in 2007,<sup>22</sup> and considering too that the Acting Assistant Dean already recommended her permanent appointment.<sup>23</sup>

In its defense,<sup>24</sup> petitioner countered that it neither constructively nor actually dismissed respondent, maintaining that it could not appoint respondent to a regular and permanent position as she has yet to complete the probationary period of six (6) consecutive semesters, as laid down in the MORPHE, as well as in the 2009 DLSAU Personnel Handbook.<sup>25</sup> In this regard, petitioner pointed out that respondent's appointments all throughout her probationary employment were on a fixed-term basis, which she voluntarily and freely accepted.<sup>26</sup> As such, it is within the university's prerogative to re-hire her or not at the end of such contracts.<sup>27</sup>

### **The Labor Arbiter's (LA) Ruling**

In a Decision<sup>28</sup> dated February 16, 2011, the LA dismissed the complaint for lack of merit.<sup>29</sup> The LA found that since petitioner is a private educational institution for higher education, respondent's employment status therein is covered not only by the MORPHE but also the 2009 DLSAU Personnel Handbook.<sup>30</sup> Since respondent has not held a full time academic teaching position for a period of six (6) consecutive semesters or nine (9) straight trimesters, she is not eligible for permanent appointment. Moreover,

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<sup>17</sup> Id. at 100-124.

<sup>18</sup> Id. at 43-44.

<sup>19</sup> Id. at 45-47.

<sup>20</sup> Dated August 12, 2010. Id. at 1-3.

<sup>21</sup> Id. at 28.

<sup>22</sup> Id. at 30.

<sup>23</sup> Id. at 69.

<sup>24</sup> See Position Paper dated December 15, 2010; id. at 48-60.

<sup>25</sup> See id. at 53-54.

<sup>26</sup> See id. at 55-56.

<sup>27</sup> See id. at 57.

<sup>28</sup> *Rollo*, pp. 64-69. Penned by Labor Arbiter Lutricia F. Quitevis-Alconcel.

<sup>29</sup> Id. at 69.

<sup>30</sup> Id. at 68.

considering that respondent's employment contracts were on a fixed-term basis, her services may be subject to termination.<sup>31</sup>

Aggrieved, respondent appealed<sup>32</sup> to the NLRC.

### **The NLRC Ruling**

In a Decision<sup>33</sup> dated July 15, 2011, the NLRC reversed and set aside the LA ruling, and accordingly, declared respondent to have been constructively dismissed.<sup>34</sup> Consequently, it ordered petitioner to reinstate her to the position of Associate Professor with full backwages reckoned from the first semester of SY 2010-2011 up to her actual reinstatement, and to pay her all other monetary benefits which inure to such position during the time she was not given any teaching load, as well as the honorarium for the position of BSBA Program Director until the end of her term on May 31, 2011.<sup>35</sup>

The NLRC held that while petitioner has yet to complete the probationary period of six (6) consecutive semesters, such period was effectively shortened when the Acting Assistant Dean recommended her for a permanent status, which was initially formally acted upon by the University President.<sup>36</sup> In this regard, petitioner's act of voluntary shortening respondent's probationary period effectively accorded the latter the status of a regular employee. Perforce, for not having been given any teaching load, as well as discontinuing her appointment as BSBA Program Coordinator, respondent was deemed to have been constructively dismissed.<sup>37</sup>

Petitioner moved for reconsideration,<sup>38</sup> which was, however, denied in a Resolution<sup>39</sup> dated December 12, 2011. Dissatisfied, it filed a petition for *certiorari*<sup>40</sup> before the CA.

### **The CA Ruling**

In a Decision<sup>41</sup> dated November 9, 2015, the CA modified the NLRC ruling, deleting respondent's reinstatement. In lieu thereof, it ordered petitioner to pay respondent backwages corresponding to her full monthly

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<sup>31</sup> Id.

<sup>32</sup> See Notice and Memorandum of Appeal dated March 28, 2011; records, pp. 167-177.

<sup>33</sup> *Rollo*, pp. 70-83.

<sup>34</sup> See *id.* at 81.

<sup>35</sup> *Id.* at 82.

<sup>36</sup> *Id.* at 80-81.

<sup>37</sup> *Id.* at 81.

<sup>38</sup> See Motion for Partial Reconsideration dated September 13, 2011; records, pp. 323-332.

<sup>39</sup> *Rollo*, pp. 85-87.

<sup>40</sup> Dated February 6, 2012. *CA rollo*, pp. 3-30.

<sup>41</sup> *Rollo*, pp. 28-46.

salaries for three (3) semesters, *i.e.*, the first and second semester of school year (SY) 2010-2011 and the first semester of SY 2011-2012, as well as pro-rated 13<sup>th</sup> month pay.<sup>42</sup>

Contrary to the NLRC's ruling, the CA held that respondent has no vested right to a permanent appointment since she had not completed the pre-requisite six (6) consecutive semesters necessary to be eligible for the same. Nonetheless, as a probationary employee, respondent still enjoys a limited security of tenure, and therefore, cannot be terminated except for just or authorized causes, or if she fails to qualify in accordance with the reasonable standards set by petitioner.<sup>43</sup> As respondent was not given any teaching load for SY 2010-2011 and her services as BSBA Program Coordinator were discontinued without any justifiable reason, she was deemed to have been constructively dismissed. As such, respondent is entitled to receive the benefits appurtenant to the remainder of her probationary period, namely, both semesters of SY 2010-2011 and the first semester of SY 2011-2012. However, the CA pointed out that due to the dispute of the litigating parties in this case, it may be inferred with certainty that petitioner had already opted not to retain respondent in its employ beyond her probationary period.<sup>44</sup>

Undaunted, petitioner moved for reconsideration,<sup>45</sup> but the same was denied in a Resolution<sup>46</sup> dated April 22, 2016; hence, this petition.<sup>47</sup>

### **The Issue Before the Court**

The issue for the Court's resolution is whether or not the CA correctly ruled that respondent was: (a) a probationary employee; and (b) constructively dismissed by petitioner, thereby entitling her to the benefits appurtenant to the remainder of her probationary period.

### **The Court's Ruling**

Preliminarily, the Court stresses the distinct approach in reviewing a CA's ruling in a labor case. In a Rule 45 review, the Court examines the correctness of the CA's Decision in contrast to the review of jurisdictional errors under Rule 65. Furthermore, Rule 45 limits the review to questions of law. In ruling for legal correctness, the Court views the CA Decision in the same context that the petition for *certiorari* was presented to the CA. Hence, the Court has to examine the CA's Decision from the prism of whether the

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<sup>42</sup> Id. at 45.

<sup>43</sup> Id.

<sup>44</sup> Id.

<sup>45</sup> See Motion for Partial Reconsideration dated December 7, 2015; CA *rollo*, pp. 414-423.

<sup>46</sup> *Rollo*, pp. 47-48.

<sup>47</sup> Id. at 12-27.

CA correctly determined the presence or absence of grave abuse of discretion in the NLRC decision.<sup>48</sup>

Case law states that grave abuse of discretion connotes a capricious and whimsical exercise of judgment, done in a despotic manner by reason of passion or personal hostility, the character of which being so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.<sup>49</sup>

In labor cases, grave abuse of discretion may be ascribed to the NLRC when its findings and conclusions are not supported by substantial evidence, which refers to that amount of relevant evidence that a reasonable mind might accept as adequate to justify a conclusion. Thus, if the NLRC's ruling has basis in the evidence and the applicable law and jurisprudence, then no grave abuse of discretion exists and the CA should so declare, and accordingly, dismiss the petition.<sup>50</sup>

Guided by the foregoing considerations and as will be explained hereunder, the Court finds that the CA correctly ascribed grave abuse of discretion on the part of the NLRC, as the latter's finding that respondent had attained a regular status patently deviates from the evidence on record, as well as settled legal principles of labor law. Further, while the CA correctly ruled that petitioner constructively dismissed respondent, it erred in holding that respondent is entitled to the benefits pertaining to the remainder of her probationary period *i.e.*, both semesters of SY 2010-2011 and the first semester of SY 2011-2012.

A probationary employee or probationer is one who is on trial for an employer, during which the latter determines whether or not the former is qualified for permanent employment. During this period, the employer, on the one hand, is given the opportunity to observe the fitness of an employee while at work in order to ascertain the latter's efficiency and productivity; on the other hand, the employee seeks to prove to his employer that he has the qualifications to meet the reasonable standards for permanent employment. As used to describe such phase of employment, the word "probationary" implies the purpose of such term or period, and not necessarily its length.<sup>51</sup>

Indeed, the employer has the right, or is at liberty, to choose who will be hired and who will be declined. As a component of this right to select his employees, the employer may set or fix a probationary period within which the latter may test and observe the conduct of the former before hiring him

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<sup>48</sup> See *Quebral v. Angbus Construction, Inc.*, G.R. No. 221897, November 7, 2016, citing *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 707 (2009).

<sup>49</sup> See *id.*, citing *Gadia v. Sykes Asia, Inc.*, 752 Phil. 413, 419-420 (2015).

<sup>50</sup> See *id.*; citations omitted.

<sup>51</sup> See *St. Paul College Quezon City v. Ancheta*, 672 Phil. 497, 508 (2011); citations omitted.

permanently.<sup>52</sup> Notably, the exercise of such right is regulated by law insofar as it sets a maximum allowable period within which the employer may subject an employee to a probationary period. As a general rule, such limit is set under Article 296<sup>53</sup> of the Labor Code,<sup>54</sup> as amended:

Article 296. [281] *Probationary Employment.* – Probationary employment shall not exceed six (6) months from the date the employee started working, unless it is covered by an apprenticeship agreement stipulating a longer period. The services of an employee who has been engaged on a probationary basis may be terminated for a just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. An employee who is allowed to work after a probationary period shall be considered a regular employee.

As an exception, however, case law has provided that the probationary period of employment of academic personnel such as professors, instructors, and teachers – including the determination as to whether they have attained regular or permanent status – shall not be governed by the Labor Code but by the standards established by the Department of Education and the Commission on Higher Education, as the case may be.<sup>55</sup> In this regard, Section 92 of the 1992 Revised Manual of Regulations for Private Schools (8<sup>th</sup> Edition) explicitly provides that: (a) for those in elementary and secondary levels, the probationary period shall not be more than three (3) consecutive years of satisfactory service; and (b) for those in the tertiary level, such period shall be six (6) consecutive semesters or nine (9) consecutive trimesters, as the case may be.<sup>56</sup>

The rule on the probationary employment of elementary and secondary academic personnel is reiterated in Section 63 of the 2010 Manual of Regulations for Private Schools in Basic Education, which reads:

Section 63. *Probationary Period; Regular or Permanent Status.* – A probationary period of not more than three (3) years in the case of the school teaching personnel and not more than six (6) months for non-teaching personnel shall be required for employment in all private schools. A school personnel who has successfully undergone the probationary

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<sup>52</sup> *Magis Young Achievers' Learning Center v. Manalo*, 598 Phil. 886, 898 (2009), citing *Grand Motor Parts Corporation v. Minister of Labor*, 215 Phil. 383, 398 (1984).

<sup>53</sup> Formerly Article 281. As renumbered pursuant to Section 5 of Republic Act No. 10151, entitled "AN ACT ALLOWING THE EMPLOYMENT OF NIGHT WORKERS, THEREBY REPEALING ARTICLES 130 AND 131 OF PRESIDENTIAL DECREE NUMBER FOUR HUNDRED FORTY-TWO, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES," approved on June 21, 2011.

<sup>54</sup> Presidential Decree No. 442 entitled "A DECREE INSTITUTING A LABOR CODE THEREBY REVISING AND CONSOLIDATING LABOR AND SOCIAL LAWS TO AFFORD PROTECTION TO LABOR, PROMOTE EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT AND INSURE INDUSTRIAL PEACE BASED ON SOCIAL JUSTICE," approved on May 1, 1974.

<sup>55</sup> See *Lacuesta v. Ateneo de Manila University*, 513 Phil. 329, 335 (2005), citing *University of Santo Tomas v. NLRC*, 261 Phil. 483, 488-489 (1990).

<sup>56</sup> See also *Colegio Del Santisimo Rosario v. Rojo*, 717 Phil. 265, 274-275 (2013), citing *Mercado v. AMA Computer College-Parañaque City, Inc.*, 632 Phil. 228, 249 (2010).

period herein specified and who is fully qualified under the existing rules and standards of the school shall be considered permanent.

The rule relative to private higher education institutions<sup>57</sup> is likewise reiterated in Sections 117 and 118 of the MORPHE:

Section 117. *Probationary Period.* – An academic teaching personnel who does not possess the minimum academic qualifications prescribed under Sections 35 and 36 of this Manual shall be considered as part-time employee, and therefore cannot avail of the status and privileges of a probationary employment. A part-time employee cannot acquire regular permanent status, and hence, may be terminated when a qualified teacher becomes available.

The probationary employment of academic teaching personnel shall not be more than a period of six (6) consecutive semesters or nine (9) consecutive trimesters of satisfactory service, as the case may be.

Section 118. *Regular or Permanent Status.* – A full-time academic teaching personnel who has satisfactorily completed his/her probationary employment, and who possesses the minimum qualifications required by the Commission and the institution, shall acquire a regular or permanent status if she/she is re-hired or re-appointed immediately after the end of his/her probationary employment. However, a regular or permanent academic teaching personnel who requests a teaching load equivalent to a part-time load, shall be considered resigned, and hence, may forfeit his/her regular or permanent status at the discretion of the management of the higher education institution and shall thereby be covered by a term-contract employment.

Thus, for an academic personnel to acquire a regular and permanent employment status, it is required that: (a) he is considered a full-time employee; (b) he has completed the required probationary period; and (c) his service must have been satisfactory.<sup>58</sup> However, it must be emphasized that mere completion of the probationary period does not, *ipso facto*, make the employee a permanent employee of the educational institution, as he could only qualify as such upon fulfilling the reasonable standards for permanent employment as faculty member. This is especially true in the case of institutions of higher education which, consistent with academic freedom and constitutional autonomy, has the prerogative to provide standards for its academic personnel and determine whether the same have been met. Thus, at the end of the probation period, the decision to re-hire a probationary employee, and thus, vest upon him a regular and permanent status, belongs to the educational institution as the employer alone.<sup>59</sup> Otherwise stated, upon the expiration of their contract of employment, academic personnel on probation cannot automatically claim security of tenure and compel their

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<sup>57</sup> See Section 3 of the MORPHE.

<sup>58</sup> *Lacuesta v. Ateneo de Manila University*, supra note 55 at 336, citing *Saint Mary's University v. CA*, 493 Phil. 232, 237 (2005).

<sup>59</sup> *Id.* at 337.

employers to renew their employment contracts which would then transform them into regular and permanent employees.<sup>60</sup>

A judicious perusal of the records in this case reveals that while the respondent complied with the first and third requisites, as she is a full-time professor and has consistently received satisfactory ratings for her services, the second requisite is noticeably absent. As aptly pointed out by the CA: (a) respondent's appointments for the second semester of SY 2007-2008 and the summer semester of SY 2008 were on a part-time basis only, and thus, cannot be counted for purposes of regularization; (b) her full-time appointments for the second semester of SY 2008-2009 and both semesters of SY 2009-2010, where she was actually given teaching loads and an administrative function as BSBA Program Coordinator, only consist of three (3) consecutive semesters; and (c) even if her full-time appointment for both semesters of SY 2010-2011 – the time when she was no longer given a teaching load and her administrative function was discontinued – were to be counted in her favor, she would only have a total of five (5) consecutive semesters as a full-time professor, and thus, would not have made her eligible for regular and permanent appointment. Hence, the CA correctly declared that respondent failed to acquire a regular and permanent status.

To be sure, the Court finds the NLRC's conclusion that respondent's probationary period was effectively shortened when the Acting Assistant Dean recommended her for a permanent appointment effective the second semester of SY 2009-2010 to be untenable.<sup>61</sup> Suffice it to say that while there was indeed such recommendation and that the University President was initially inclined to approve the same, the latter ended up not going through with such recommendation and instead renewed respondent's appointment for both semesters of SY 2010-2011. While the period of probation may be reduced if the employer voluntarily extends a permanent appointment even before the end of such period, it must be pointed out that absent circumstances which unmistakably show that an abbreviated probationary period has been agreed upon, the default probationary term still governs,<sup>62</sup> as in this case.

Nonetheless, as a probationary employee, respondent still enjoys limited security of tenure during the period of her probation—that is, she cannot be terminated except for just or authorized causes, or if she fails to qualify in accordance with reasonable standards prescribed by petitioner for the acquisition of permanent status of its teaching personnel.<sup>63</sup> Hence, the CA was also correct in ruling that petitioner's unjustified acts of depriving her of teaching loads, as well as her functions as BSBA Program Coordinator during the pendency of her appointment for both semesters of

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<sup>60</sup> Id., citing *Escorpizo v. University of Baguio*, 366 Phil. 166, 179 (1999).

<sup>61</sup> See letter dated June 4, 2009; records, p. 69.

<sup>62</sup> See *Magis Young Achievers' Learning Center v. Manalo*, supra note 52 at 906; citations omitted.

<sup>63</sup> See *Universidad De Sta. Isabel v. Sambajon, Jr.*, 731 Phil. 235, 261 (2014).

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SY 2010-2011, constitute constructive dismissal,<sup>64</sup> for which it should be made liable to respondent for the latter's benefits appurtenant thereto.

However, the CA erred in holding that respondent is entitled to complete her final three (3) semesters of probationary employment, considering that at the time of her constructive dismissal, her existing contract with petitioner was only fixed for both semesters of SY 2010-2011, or the fourth and fifth semesters of her probationary employment.<sup>65</sup> In *Magis Young Achievers' Learning Center v. Manalo*,<sup>66</sup> the Court held that it is an accepted practice among educational institutions that the probationary employment is split into numerous fixed-term contracts so that the employer will be given the flexibility to no longer continue with the employee's probationary employment should it become apparent that the latter does not meet the former's standards; and that it is only when the probationary contract does not indicate any period that it will be assumed that the employee was hired for the entire duration of the probationary employment, viz.:

The common practice is for the employer and the teacher to enter into a contract, effective for one school year. At the end of the school year, the employer has the option not to renew the contract, particularly considering the teacher's performance. If the contract is not renewed, the employment relationship terminates. If the contract is renewed, usually for another school year, the probationary employment continues. Again, at the end of that period, the parties may opt to renew or not to renew the contract. If renewed, this second renewal of the contract for another school year would then be the last year — since it would be the third school year — of probationary employment. At the end of this third year, the employer may now decide whether to extend a permanent appointment to the employee, primarily on the basis of the employee having met the reasonable standards of competence and efficiency set by the employer. For the entire duration of this three-year period, the teacher remains under probation. Upon the expiration of his contract of employment, being simply on probation, he cannot automatically claim security of tenure and compel the employer to renew his employment contract. x x x

**It is important that the contract of probationary employment specify the period or term of its effectivity. The failure to stipulate its precise duration could lead to the inference that the contract is**

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<sup>64</sup> “In a plethora of cases, we have defined constructive dismissal as a cessation of work because continued employment is rendered impossible, unreasonable or unlikely; when there is a demotion in rank or diminution in pay or both; or when a clear discrimination, insensibility, or disdain by an employer becomes unbearable to the employee.

The test of constructive dismissal is whether a reasonable person in the employee's position would have felt compelled to give up his position under the circumstances. It is an act amounting to dismissal but made to appear as if it were not. Constructive dismissal is, therefore, a dismissal in disguise. As such, the law recognizes and resolves this situation in favor of employees in order to protect their rights and interests from the coercive acts of the employer. In fact, the employee who is constructively dismissed may be allowed to keep on coming to work.” (*McMer Corporation, Inc. v. NLRC*, 735 Phil. 204, 213-214; citations omitted).

<sup>65</sup> See records, p. 39.

<sup>66</sup> *Supra* note 52.

**binding for the full three-year probationary period.**<sup>67</sup> (Emphasis and underscoring supplied)

Records show that petitioner did not hire respondent for the entire duration of the latter's probationary period. In fact, respondent's probationary employment with petitioner lasting five (5) semesters was split into three (3) separate fixed-term contracts, to wit: (a) Appointment<sup>68</sup> dated September 23, 2008 for the second semester of SY 2008-2009; (b) Appointment<sup>69</sup> dated May 26, 2009 for both semesters of SY 2009-2010; and (c) Appointment<sup>70</sup> dated November 4, 2009 for both semesters of SY 2010-2011. Since respondent's constructive dismissal occurred during the effectivity of her last contract, she is entitled only to the benefits arising from such. Consequently, petitioner cannot be made to pay her benefits corresponding to respondent's last semester of probationary employment as there is simply no contract covering the same.

In sum, the CA correctly ruled that respondent is a probationary employee who was constructively dismissed by petitioner during the course of her probationary employment. However, the CA erred in awarding respondent benefits pertaining to the remainder of her probationary employment spanning three (3) semesters as the duration of her last contract with petitioner only lasts for two (2) semesters. As such, respondent is only entitled to the benefits sourced therefrom.

Finally, as a result of the foregoing proceedings, the CA aptly inferred that respondent's employment no longer ripened into a regular and permanent status, and as such, petitioner is no longer bound to reinstate her.

**WHEREFORE**, the petition is **PARTLY GRANTED**. Accordingly, the Decision dated November 9, 2015 and the Resolution dated April 22, 2016 of the Court of Appeals in CA-G.R. SP No. 123219 are **AFFIRMED** with **MODIFICATION**, in that the order of backwages corresponding to respondent Dr. Eloisa G. Magdurulang's supposed salaries and benefits for the first semester of school year 2011-2012 is hereby **DELETED**. The rest of the ruling **STANDS**.

**SO ORDERED.**

  
**ESTELA M. BERLAS-BERNABE**  
Associate Justice

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<sup>67</sup> Id. at 901-902.

<sup>68</sup> Records, p. 37.

<sup>69</sup> Id. at 38.

<sup>70</sup> Id. at 39.

**WE CONCUR:**



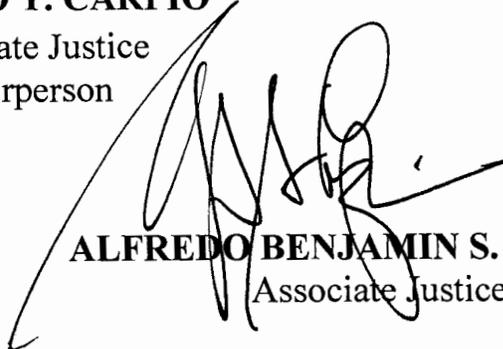
**ANTONIO T. CARPIO**

Associate Justice  
Chairperson



**DIOSDADO M. PERALTA**

Associate Justice



**ALFREDO BENJAMIN S. CAGUIOA**

Associate Justice

**On Official Leave  
ANDRES B. REYES, JR.**

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

**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.



**MARIA LOURDES P. A. SERENO**

Chief Justice