

Title:

Aberdeen Court, Inc. and Richard Ng vs. Mateo C. Agustin, Jr.: A Study on Due Process in Probationary Employment Termination

Facts:

Mateo C. Agustin Jr. was employed by Aberdeen Court, Inc. on a six-month probationary basis to troubleshoot electrical problems starting September 16, 1996. Disagreement emerged over Agustin's involvement in an exhaust air balancing task, not typically part of an electrical engineer's responsibilities. Upon completion of the task by Centigrade Industries, Inc., Agustin was purportedly instructed by Engineer Abad to sign the report without verifying its correctness. Aberdeen management, later discovering inaccuracies in the report, confronted Agustin on January 15, 1997, which Agustin claims led to his summary dismissal without due process.

Agustin sought help from the Department of Labor and Employment and was advised to report back to work. However, when he attempted to return, he was denied. This prompted him to file a complaint for illegal dismissal (NLRC NCR Case No. 00-01-00466-97).

The Labor Arbiter ruled in favor of Agustin, but the decision was reversed by the NLRC, prompting Agustin to file a petition for certiorari under Rule 65 with the Court of Appeals. The appellate court favored Agustin, reinstating the Labor Arbiter's decision, which led Aberdeen Court, Inc., and Richard Ng to file a petition for review under Rule 45 with the Supreme Court.

Issues:

1. Whether the Court of Appeals erred in reversing the NLRC decision, which accorded finality to the findings of fact.
2. Whether Agustin's probationary employment barely being formalized by performance evaluation standards was legally terminated.
3. Whether the Court of Appeals improperly regularized Agustin's employment despite the probationary status potentially being terminated for just cause.
4. The legality of Agustin's dismissal without due process and the appropriate remedies for such violation.

Court's Decision:

The Supreme Court partly granted the petition, modifying the Court of Appeals' decision. It held that Agustin was dismissed for just cause but recognized that due process was violated

in his dismissal. While acknowledging that Agustin's signing of the report without verification showed a failure to meet reasonable employment standards, the Supreme Court noted a procedural failure due to the lack of proper notice of termination. Consequently, the Court ordered Aberdeen and Ng to pay nominal damages to Agustin for this due process violation.

Doctrine:

This case illustrates the principle that termination of a probationary employee must comply with both substantive and procedural requirements: the dismissal must be for a just cause, and the employee must be afforded due process. In instances where due process is not observed, nominal damages may be awarded to the dismissed employee.

Class Notes:

- Termination of probationary employment requires just cause and proper due process.
- Substantive just cause for termination does not exempt employers from following procedural due process.
- Nominal damages may be awarded for due process violations in employment termination.
- Probationary employment standards must be made known to the employee at the time of engagement.
- Immediate filing of a complaint for illegal dismissal by an employee is inconsistent with voluntary abandonment.

Historical Background:

This case underscores the evolving application of labor law principles in the Philippines, particularly in the context of probationary employment. It reflects the judiciary's stance on balancing employers' rights to terminate employment for just cause and the necessity of procedural due process to protect employees' rights.