

****Title:**** Exocet Security and Allied Services Corporation vs. Armando D. Serrano (G.R. No. 113251)

****Facts:****

1. ****Employment and Initial Assignment****:

- Armando D. Serrano was assigned by Exocet as 'close-in' security for JG Summit's corporate officer Johnson Robert L. Go starting on September 24, 1994.
- After eight years, Serrano reassigned to other key figures in JG Summit, receiving a monthly salary of P11,274.30.

2. ****Relief from Duties and Floating Status****:

- On August 15, 2006, Serrano was relieved from his duties due to client JG Summit's decision.
- Serrano reported back to Exocet but remained without reassignment for over six months.

3. ****Complaint for Illegal Dismissal****:

- On March 15, 2007, Serrano filed a complaint for illegal dismissal against Exocet at the National Labor Relations Commission (NLRC).

4. ****Exocet's Defense****:

- Exocet claimed Serrano did not report for duty post-August 15, 2006, and demanded a VIP security detail that was unavailable.
- Serrano refused an offered general security service assignment.

5. ****Labor Arbiter's Decision****:

- On June 30, 2008, the Arbiter ruled Serrano was constructively dismissed due to placement on floating status for more than six months and ordered separation pay payment.

6. ****NLRC's Rulings****:

- On March 5, 2009, NLRC affirmed the Arbiter's ruling but added backwages.
- On reconsideration, September 2, 2009, NLRC removed the backwages as Serrano was found not constructively dismissed.

7. ****Court of Appeals (CA)'s Decision****:

- On March 31, 2011, the CA reversed the NLRC's decision, affirming constructive dismissal, and ordered separation pay plus backwages.

8. ****Supreme Court Petition****:

- Exocet filed a petition to the Supreme Court challenging the CA's ruling.

****Issues:****

1. ****Constructive Dismissal****:

- Was Serrano constructively dismissed by Exocet upon the lapse of the six-month floating period?

****Court's Decision:****

1. ****Floating Status and Management Prerogative****:

- The Court acknowledged that while the floating status should not last beyond six months, Exocet did not act in bad faith and had offered Serrano a general security assignment.
- The offer to Serrano was refused not because it was inappropriate, but because it did not meet his preference.

2. ****Agency vs. Serrano's Conduct****:

- The responsibility for the lack of a VIP security assignment lay with Serrano's refusal of a general security role.
- The failure to assign Serrano a VIP security post was not under Exocet's control, hence not deemed dismissal.

3. ****Conclusion****:

- The Court ruled Serrano was not constructively dismissed as his refusal to accept the general position prevented his reassignment.
- Petitioner Exocet was ordered to find Serrano an assignment, failing which, Exocet would then comply with severance protocols including written notice and separation pay as per labor law guidelines.

****Doctrine:****

1. ****Floating Status Duration****:

- Security guards' "floating status" should not exceed six months; beyond this period, either reassignment or severance must follow.

2. ****Management Prerogative****:

- Employers can reassign employees given no demotion or salary reduction, provided the reassignment is done in good faith.

****Class Notes:****

1. ****Key Elements****:

- Constructive dismissal occurs when working conditions compel an employee to resign.
- Floating status periods should not exceed 6 months.
- Employee refusal to accept re-assignments can negate claims of constructive dismissal.

2. ****Relevant Legal Statutes****:

- Article 292 of the Labor Code: Deals with employment suspension periods.
- Article 287 (now 292) and DOLE Department Order No. 14: Address termination protocols, including written notices and severance calculations.

3. ****Application****:

- Temporary layoffs must not exceed six months, after which regular employment or severance applies.
- Employer's good faith in offering appropriate, though not preferred, reassignments suffices to negate claims of constructive dismissal.

****Historical Background:****

The case underscores the balance between employees' right to security of tenure and employers' business prerogatives. Amidst the intricacies of labor relationships, particularly in the private security industry, this ruling reinforces regulations governing employment suspensions and constructive dismissals, reflecting a protective yet balanced approach toward labor welfare and management rights.