

ST. PAUL COLLEGE QUEZON CITY, SR. LILIA THERESE TOLENTINO, SPC, SR. BERNADETTE RACADIO, SPC, AND SR. SARAH MANAPOL, PETITIONERS, – VERSUS- REMIGIO MICHAEL A. ANCHETA II AND CYNT...

G.R. No. 169905. September 07, 2011

Ponente: PERALTA, J.

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PERALTA, J.:

This resolves the Petition for Review[1] dated November 18, 2005 of petitioners St. Paul College, Quezon City, et al. which seeks to reverse and set aside the Decision[2] dated July 8, 2005 of the Court of Appeals (CA) and its Resolution[3] dated September 29, 2005, reversing the Decision[4] dated February 28, 2003 of the National Labor Relations Commission (NLRC) and the Decision[5] dated November 20, 2000 of the Labor Arbiter.

As culled from the records, the antecedent facts are the following:

Petitioner St. Paul College, Quezon City (SPCQC) is a private Catholic educational institution. It is represented by its President, petitioner Sr. Lilia Therese Tolentino, SPC, the College Dean, Sr. Bernadette Racadio, SPC, and the Mass Communication Program Director, Sr. Sarah Manapol, SPC. The respondents, Spouses Remigio Michael A. Ancheta II and Cynthia A. Ancheta are former teachers of the same school.

Respondent Remigio Michael was hired by the SPCQC as a teacher in the General Education Department with a probationary rank in the School Year (SY) 1996-1997 which was renewed in the following SY 1997-1998. His wife, respondent Cynthia was hired by the same school as a part time teacher of the Mass Communication Department in the second semester of SY 1996-1997 and her appointment was renewed for SY 1997-1998.

On February 13, 1998, respondent Remigio Michael wrote a letter[6] to petitioner Sr. Lilia, signifying his intention to renew his contract with SPCQC for SY 1998-1999. A letter[7] of the same tenor was also written by respondent Cynthia addressed to petitioner Sr. Lilia.

Petitioner Sr. Bernadette, on March 9, 1998, sent two letters[8] with the same contents to the respondent spouses informing them that upon the recommendation of the College Council, the school is extending to them new contracts for SY 1998-1999.

A letter[9] dated April 22, 1998 was sent to petitioner Sr. Bernadette and signed by some of the teachers of SPCQC, including the respondent spouses. The said letter contained the teachers' sentiments regarding two school policies, namely: first, the policy of penalizing the delay in encoding final grades and, second, the policy of withholding salaries of the teachers. Meanwhile, a letter[10] dated April 21, 1998 (the date, later on contested by respondent Remigio Michael to be ante-dated) was written by petitioner Sr. Bernadette to respondent Remigio Michael, reiterating the conversation that took place between them the day before the date of the said letter (April 20, 1998). The letter enumerated the departmental and instructional policies that respondent Remigio Michael failed to comply with, such as the late submission of final grades, failure to submit final test questions to the

Program Coordinator, the giving of tests in the essay form instead of the multiple choice format as mandated by the school and the high number of students with failing grades in the classes that he handled.

Thereafter, petitioner Sr. Bernadette wrote a letter^[11] dated April 30, 1998 to petitioner Sr. Lilia, endorsing the immediate termination of the teaching services of the respondent spouses on the following grounds:

1. Non-compliance with the departmental policy to submit their final test questions to their respective program coordinators for checking/comments (violating par. 7.1, p. 65 of the Faculty Manual).

This policy was formulated to ensure the validity and reliability of test questions of teachers for the good of the students. This in effect can minimize if not prevent unnecessary failure of students.

2. Non-compliance with the standard format (multiple choice) of final test questions as agreed upon in the department. Mr. Ancheta prepared purely essay questions for the students.

Well-prepared multiple choice questions are more objective, and develop critical thinking among students.

3. Failure to encode their modular grade reports as required (violating par. H. 8, p. 66 of our Faculty manual).

4. Failure to submit and update required modules (syllabi) of their subject despite reminders (violating D, 1.5, p. 40 of our Faculty Manual).

5. Both spouses have a gross number of failure in their class.

Mr. Ancheta failed 27 in a class of 44 students, and had a total number of 56 failures in his sections of Philippine History. Mrs. Ancheta failed 11 students in a class of 37, and had a total number of 16 failures in her 2 classes of Communication Theories.

When I talked to each of them to re-examine their bases of failure, they refused saying that they had done this; otherwise, the number of failures would have been more. I gathered data as to the mental ability of the students who failed, and the number of students who incurred more than one failure. In Mr. Ancheta's class of 44 students with 27 failures, majority had average IQ's, 8 were on probation status, and 2 had above-average IQ. Only 7 of his 27 failures were also failing in other subjects.

6. Failure to report to work on time (violating par. 1, 21, p. 63 of our Faculty Manual).

7. Both spouses are not open to suggestions to improve themselves as teachers. They just see their points and their principles.

When I talked to Mr. Ancheta the second time telling him of the data I gathered, including the information that statistics permits only 1 to 2% failures, he still refused to budge in to review his grades and his quality of teaching. He stood firm in his conviction and ground that the students were to blame for their failures, and reiterated his disagreement with several school policies (which he violated) contained in his letter which he had asked his wife to give to the dean's office. Not content on writing down his personal disagreement on some policies, he also asked some faculty members to read his letter and put their signatures on it if they were in favor of one or all of his points.

In other words, said spouses had refused and continue to refuse to evaluate the students' performance on the bases of an established grading system to ensure just and fair appraisal (violating par. 1.4, p. 40 of our Faculty Manual).^[12]

Respondent spouses were given an opportunity to comment on the above letter-recommendation of petitioner Sr. Bernadette.^[13] On May 4, 1998, respondent spouses sent their respective comments^[14] to petitioner Sr. Lilia. Subsequently, the respondent spouses received their respective letters of termination^[15] on May 14, 1998. Respondent spouses sent a letter^[16] for reconsideration to petitioner Sr. Lilia, but was eventually denied.^[17]

Thus, respondent spouses filed a Complaint[18] for illegal dismissal with the NLRC. On November 20, 2000, the Labor Arbiter dismissed the complaint,[19] the dispositive portion of the decision reads:

WHEREFORE, premises considered, judgment is hereby rendered DISMISSING the complaint of illegal dismissal for lack of merit. All other claims are denied for lack of basis.

SO ORDERED.

The decision of the Labor Arbiter was appealed to the NLRC, but was affirmed by the latter on February 28, 2003,[20] disposing the case as follows:

WHEREFORE, premises considered, the appeal is DISMISSED for lack of merit and the Decision appealed from is AFFIRMED en toto.

SO ORDERED.

After the denial of their motion for reconsideration with the NLRC,[21] the respondent spouses filed a petition for certiorari with the CA. In its Decision[22] dated July 8, 2005, the CA granted the petition and reversed the decisions of the Labor Arbiter and the NLRC, thus, it ruled:

WHEREFORE, finding grave abuse of discretion amounting to lack or excess of jurisdiction, the court resolved to SET ASIDE the decision dated February 28, 2003 of public respondent National Labor Relations Commission. Private respondents are hereby ordered to pay, jointly and severally, petitioners the following:

- a) Separation pay equivalent to one (1) month's pay for every year of continuous service;
- b) Deficiency wages to be computed from the unexpired portion of petitioners' employment contract.
- c) Moral damages in the amount of P250,000.00 to each [of the] petitioners;
- d) Exemplary damages also in the amount of P250,000.00 to each [of the] petitioners; and
- e) Attorney's fees.

SO ORDERED.

In its Resolution[23] dated September 29, 2005, the CA denied the motion for reconsideration of the petitioners herein; hence, the present petition.

The petitioners cited the following arguments:

I.

THE HONORABLE COURT OF APPEALS, WITH ALL DUE RESPECT, COMMITTED GRAVE AND REVERSIBLE ERROR IN SETTING ASIDE THE FINDING IN THE DECISION DATED 20 NOVEMBER 2000 OF THE HONORABLE LABOR ARBITER IN NLRC NCR CASE NO. 00-07-06018-98 THAT INDIVIDUAL CONTRACTS OF EMPLOYMENT OF ATTY. REMIGIO MICHAEL A. ANCHETA II AND MS. CYNTHIA A. ANCHETA HAD EXPIRED AT THE END OF SY 1997-1998, I.E., 1 JUNE 1997- 31 MARCH 1998, AND WAS NOT RENEWED FOR SY 1998-1999 AND, ACCORDINGLY, THEY WERE NOT ILLEGALLY TERMINATED BY ST. PAUL COLLEGE QUEZON CITY.

II.

THE HONORABLE COURT OF APPEALS, WITH ALL DUE RESPECT, COMMITTED GRAVE AND REVERSIBLE ERROR IN SETTING ASIDE THE DECISION DATED 28 FEBRUARY 2003 OF THE NATIONAL LABOR RELATIONS COMMISSION IN NLRC NCR CA NO. 02775-01 FINDING THAT

ATTY. REMIGIO MICHAEL A. ANCHETA II AND MS. CYNTHIA A. ANCHETA WERE DISMISSED FOR JUST CAUSE AND AFTER DUE PROCESS.

III.

THE HONORABLE COURT OF APPEALS, WITH ALL DUE RESPECT, COMMITTED GRAVE AND REVERSIBLE ERROR IN RULING THAT ATTY. REMIGIO MICHAEL A. ANCHETA II AND MS. CYNTHIA A. ANCHETA WERE (A) EXTENDED A THIRD APPOINTMENT TO TEACH AS PROBATIONARY TEACHERS FOR SY 1998-1999, (B) ILLEGALLY DISMISSED BY ST. PAUL COLLEGE QUEZON CITY AS AN ACT OF RETALIATION ON THE PART OF SR. BERNADETTE RACADIO, SPC AND (C) ENTITLED TO SEPARATION PAY, DEFICIENCY WAGES, MORAL AND EXEMPLARY DAMAGES AND ATTORNEY'S FEES.[24]

The petition is impressed with merit.

Before this Court delves into the merits of the petition, it deems it necessary to discuss the nature of the employment of the respondents. It is not disputed that respondent Remigio Michael was a full-time probationary employee and his wife, a part-time teacher of the petitioner school.

A reality we have to face in the consideration of employment on probationary status of teaching personnel is that they are not governed purely by the Labor Code.[25] The Labor Code is supplemented with respect to the period of probation by special rules found in the Manual of Regulations for Private Schools.[26] On the matter of probationary period, Section 92 of these regulations provides:

Section 92. Probationary Period. - Subject in all instances to compliance with the Department and school requirements, the probationary period for academic personnel shall not be more than three (3) consecutive years of satisfactory service for those in the elementary and secondary levels, six (6) consecutive regular semesters of satisfactory service for those in the tertiary level, and nine (9) consecutive trimesters of satisfactory service for those in the tertiary level where collegiate courses are offered on a trimester basis.

A probationary employee or probationer is one who is on trial for an employer, during which the latter determines whether or not he is qualified for permanent employment.[27] The probationary employment is intended to afford the employer an opportunity to observe the fitness of a probationary employee while at work, and to ascertain whether he will become an efficient and productive employee.[28] While the employer observes the fitness, propriety and efficiency of a probationer to ascertain whether he is qualified for permanent employment, the probationer, on the other hand, seeks to prove to the employer that he has the qualifications to meet the reasonable standards for permanent employment.[29] Thus, the word probationary, as used to describe the period of employment, implies the purpose of the term or period, not its length.[30]

The common practice is for the employer and the teacher to enter into a contract, effective for one school year.[31] At the end of the school year, the employer has the option not to renew the contract, particularly considering the teacher's performance.[32] If the contract is not renewed, the employment relationship terminates.[33] If the contract is renewed, usually for another school year, the probationary employment continues.[34] Again, at the end of that period, the parties may opt to renew or not to renew the contract.[35] 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.[36] 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.[37] For the entire duration of this three-year period, the teacher remains under probation.[38] 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.[39]

Petitioner school contends that it did not extend the contracts of respondent spouses. It claims that, although, it has sent letters to the spouses informing them that the school is extending to them new contracts for the coming school year, the letters do not constitute as actual employment contracts but merely offers to teach on the said school year. The respondent spouses wrote to the president, petitioner Sr. Lilia:

Respondent Remigio Michael:

Dear Sister,

Peace!

This signifies my intention of renewing my contract of employment with [SPCQC] for SY 1998-1999.

Thank you.[40]

Respondent Cynthia:

Dear Sister,

I wish to continue teaching in St. Paul College Quezon City for school year 1998-99.

Thank you very much.[41]

In response to the above, the college dean, petitioner Sr. Bernadette wrote the respondent spouses letters with the same contents, thus:

This is to acknowledge receipt of your letter of application to teach during the School year of 1998-1999.

Upon the recommendation of the College Council, I am happy to inform you that the school is extending to you a new contract for School year 1998-1999.

I wish to take this opportunity to thank you for the service which you have rendered to our students and to the school during the past School year 1997-1998. I hope you will again go out of your way and cooperate in this apostolate that we are doing.

Congratulations and I look forward to a fruitful and harmonious time with you.[42]

Section 91 of the Manual of Regulations for Private Schools, states that:

Section 91. Employment Contract. Every contract of employment shall specify the designation, qualification, salary rate, the period and nature of service and its date of effectivity, and such other terms and condition of employment as may be consistent with laws and rules, regulations and standards of the school. A copy of the contract shall be furnished the personnel concerned.[43]

It is important that the contract of probationary employment specify the period or term of its effectivity.[44] The failure to stipulate its precise duration could lead to the inference that the contract is binding for the full three-year probationary period.[45] Therefore, the letters sent by petitioner Sr. Racadio, which were void of any specifics cannot be considered as contracts. The closest they can resemble to are that of informal correspondence among the said individuals. As such, petitioner school has the right not to renew the contracts of the respondents, the old ones having been expired at the end of their terms.

Assuming, arguendo, that the employment contracts between the petitioner school and the respondent spouses were renewed, this Court finds that there was a valid and just cause for their dismissal. The Labor Code commands that before an employer may legally dismiss an employee from the service, the requirement of substantial and procedural due process must be complied with.[46] Under the requirement of substantial due

process, the grounds for termination of employment must be based on just^[47] or authorized causes.^[48]

Petitioner school charged respondent Remigio Michael of non-compliance with a school policy regarding the submission of final test questions to his program coordinator for checking or comment. Following due process, the same respondent admitted the charge in his letter,^[49] stating that:

It is true that I failed to submit a copy of my final exam to my program coordinator for checking or comment. But to single me out (and Mrs. Cynthia Ancheta for that matter) and hold me accountable for it would not only defy the basic tenets of fair play and equality. It is a common knowledge that there are many teachers who do not comply with this policy. To impose solely upon me the whole weight of this particular policy, leaving the others who similarly violate the same policy, would put me under the mercy of selective justice and the exercise of gross abuse of discretion by the Dean. If the root cause of this matter - which I will discuss later - had not happened, I know that my attention would never be called to this policy, as what was the case in the past. I plead to you, Sister, to find out how many of us have not complied with this policy and how many were actually called their attention for non-compliance. I do not disagree with the objective of this policy; I am only shocked to find out that while many are non-compliant, only few are punished. So be it, I apologize for my violation.^[50]

Respondent Remigio Michael was further charged with non-compliance with the standard format (multiple choice) of final test questions as agreed upon by the different departments of petitioner school, to which the former replied:

I am not the only one who does not comply with this policy. Many teachers do not give multiple choice exams at all; others do not give a pure multiple choice exam. I urge you, Sister, to kindly do the rounds. x x x

x x x x

Again, I apologize if I did not comply with this policy.^[51]

He was also charged with failure to encode modular grade reports as required by the school. On that charge, respondent Remigio Michael cited a letter dated April 22, 1998 that criticizes the school policy of penalizing the delays in encoding final grades.

On the charge that he had a high failure rate in his classes, respondent Remigio Michael claimed that he did not flunk students, but the latter failed. He further commented that petitioner school did not consciously promote academic excellence.

Finally, as to the charge that he constantly failed to report for work on time, the same respondent admitted such tardiness but only with respect to his 7:30 a.m. classes.

Respondent Remigio Michael's spouse shared the same defenses and admissions as to the charges against her.

The plain admissions of the charges against them were the considerations taken into account by the petitioner school in their decision not to renew the respondent spouses' employment contracts. This is a right of the school that is mandated by law and jurisprudence. It is the prerogative of the school to set high standards of efficiency for its teachers since quality education is a mandate of the Constitution.^[52] As long as the standards fixed are reasonable and not arbitrary, courts are not at liberty to set them aside.^[53] Schools cannot be required to adopt standards which barely satisfy criteria set for government recognition.^[54] The same academic freedom grants the school the autonomy to decide for itself the terms and conditions for hiring its teacher, subject of course to the overarching limitations under the Labor Code.^[55] The authority to hire is likewise covered and protected by its management prerogative - the right of an employer to regulate all aspects of employment, such as hiring, the freedom to prescribe work assignments, working methods, process to be followed, regulation regarding transfer of

employees, supervision of their work, lay-off and discipline, and dismissal and recall of workers.[56]

WHEREFORE, the Petition for Review dated November 18, 2005 of petitioners St. Paul College, Quezon City, et al. is hereby GRANTED and the Decision dated July 8, 2005 of the Court of Appeals and its Resolution dated September 29, 2005 are hereby REVERSED and SET ASIDE. Consequently, the Decision dated February 28, 2003 of the National Labor Relations Commission and the Decision dated November 20, 2000 of the Labor Arbiter are hereby REINSTATED.

SO ORDERED.

Velasco, Jr., (Chairperson), Abad, Villarama, Jr.,[*] and Mendoza, JJ., concur.

[*] Designated additional member in lieu of Associate Justice Maria Lourdes P. A. Sereno, per Special Order No. 1076 dated September 6, 2011.

[1] Rollo, pp. 11-230.

[2] Penned by Associate Justice Eugenio S. Labitoria with Associate Justices Eliezer R. Delos Santos and Arturo D. Brion (now Associate Justice of the Supreme Court), concurring; rollo, pp. 64-84.

[3] Rollo, pp. 86-87.

[4] Id. at 89-103.

[5] Id. at 107-138.

[6] Id. at 139.

[7] Id. at 140.

[8] Id. at 141-142.

[9] Id. at 143-148.

[10] Id. at 149.

[11] Id. at 150-151.

[12] Id.

[13] Id. at 152.

[14] Id. at 153-197.

[15] Id. at 98-199.

[16] Id. at 200-201.

[17] Id. at 202.

[18] Id. at 203-226.

[19] Id. at 107-138.

[20] Id. at 89-103.

[21] Id. at 104-106.

[22] Id. at 64-84.

[23] Id. at 86-87.

[24] Id. at 22-23.

[25] Mercado, et al. v. AMA Computer College-Parañaque City, Inc., G.R. No. 183572, April 13, 2010, 618 SCRA 218, 233.

[26] Id., citing The 1992 Manual of Regulations [being the] applicable Manual as it embodied the pertinent rules at the time of the parties' dispute, but a new Manual has been in place since July 2008; see also Magis Young Achievers' Learning Center v. Manalo, G.R. No. 178835, February 13, 2009, 579 SCRA 421, 431-438.

[27] Magis Young Achievers' Learning Center v. Manalo, supra, at 431.

[28] Id.

[29] Id. at 431-432.

[30] Id. at 432, citing International Catholic Migration Commission v. NLRC, 251 Phil. 560, 567 (1989).

[31] Id. at 435.

[32] Id. at 435-436.

[33] Id.

[34] Id.

[35] Id.

[36] Id.

[37] Id.

[38] Id.

[39] Id., citing Lacuesta v. Ateneo de Manila University, G.R. No. 152777, December 9, 2005, 477 SCRA 217, 225.

[40] Rollo, p. 139.

[41] Id. at 140.

[42] Id. at 141.

[43] Emphasis supplied.

[44] Magis Young Achievers' Learning Center, et al. v. Manalo, supra note 26, at 436.

[45] See Espiritu Santo Parochial School v. NLRC, G.R. No. 82325, September 26, 1989, 177 SCRA 802.

[46] Woodridge School v. Pe Benito, G.R. No. 160240, October 29, 2008, 570 SCRA 164, 806-807, citing National Labor Relations Commission v. Salgarino, G.R. No. 164376, July 31, 2006, 497 SCRA 361, 374.

[47] The following are the just causes of termination of employment, as provided for in Article 282 of the Labor Code, thus:

Art. 282. Termination by Employer. - An employer may terminate an employment for any of the following

causes:

- a) Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;
- b) Gross and habitual neglect by the employee of his duties;
- c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;
- d) Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representative; and
- e) Other causes analogous to the foregoing.

[48] The following are the authorized causes of termination as provided for in Articles 283 and 284 of the Labor Code, viz.:

Art. 283. Closure of Establishment and Reduction of Personnel. - The employer may also terminate the employment of any employee due to the installation of labor-saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of the Title, x x x.

Art. 284. Disease as Ground for Termination. - An employer may terminate the services of an employee who has been found to be suffering from any disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-employees: x x x.

[49] Dated May 4, 1998, rollo, pp. 153-172.

[50] Id. at 153. (Emphasis supplied.)

[51] Id. at 153-155. (Emphasis supplied.)

[52] Peña v. National Labor Relations Commission, 327 Phil. 673, 676 (1996).

[53] Id.

[54] Id.

[55] Mercado, et al. v. AMA Computer College-Parañaque City, Inc., supra note 25, at 237.

[56] Id., citing Baybay Water District v. COA, 425 Phil. 326, 343-344 (2002); see also Consolidated Food Corporation v. NLRC, 373 Phil. 751, 762 (1999).

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