

**REV. FR. EMMANUEL LABAJO, PERSONALLY AND IN HIS CAPACITY
AS DIRECTOR OF SAN ANDRES HIGH SCHOOL, MARAMAG,
BUKIDNON, AND, SAN ANDRES HIGH SCHOOL OF MARAMAG,
INCORPORATED, PETITION...**

G.R. No. 80383. September 26, 1988

Ponente: FELICIANO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-80383/>

FELICIANO, J.:

The present "Petition for Certiorari with Preliminary Injunction and/or Restraining Order" is directed at: (a) the Resolution of the National Labor Relations Commission dated 8 May 1987 which affirmed the 18 November 1985 Decision of the Labor Arbiter in NLRC RAB X Case No. 5-0410-85; and (b) the Commission's Resolution dated 17 July 1987 denying petitioners' Motion for Reconsideration.

The background facts are as follows:

The six (6) private respondents had all been contracted by petitioners to work as classroom teachers at the San Andres High School, a private learning institution situated in Maramag, Bukidnon. Private respondents Pureza V. Alejandro and Rolando T. Amar were assigned to handle petitioner High School's regular day classes; private respondents Zenaida S. Dahilan, Josephine A. Chan, Hernani C. Miague and Ophelia M. Miague, upon the other hand, were assigned to handle the school's special evening classes.

On 3 June 1985, private respondents filed a Complaint[1] (docketed as NLRC RAB X Case No. 5-0410-85) with Regional Arbitration Branch No. 10 (Cagayan de Oro City) of the then Ministry of Labor and Employment, alleging that they had each received on 29 March 1985 from petitioner Fr. Emmanuel Labajo, Director of the San Andres High School, a copy of the following letter:

"March 13, 1985

(Name omitted)

Maramag, Bukidnon

Dear (Name omitted):

Please be informed that your service at the San Andres High School will be terminated effective March 31,

1985.

Thank you for all services you have rendered to the school.

Very truly yours,

(Sgd.) Fr. Emmanuel Labajo

Director"

Private respondents alleged that their dismissal by petitioner High School was without justifiable cause and in violation of their rights to due process and security of tenure. It was also alleged that petitioners had failed to pay private respondents the full amounts corresponding to certain employment benefits (i.e., daily wages, basic pay, service incentive leave, sick leave, and cost of living allowance) granted to the latter under labor laws. Prayers for reinstatement and payment of the stated differentials, including moral and exemplary damages, attorney's fees, and litigation expenses, closed out the complaint. In a subsequent Position Paper[2] dated 21 June 1985, private respondents set out the total amount of monetary claims against petitioners at P177,831.39, plus 10% thereof.

Petitioners filed their own Position Paper[3] where it was admitted that private respondents had not been paid in full the employment benefits enumerated by the latter in their complaint. It was alleged, however, that private respondents, prior to their acceptance of teaching jobs at the San Andres High School, "were already made aware that the school could not give them everything due them under existing laws" and, hence, were estopped from claiming such benefits. Petitioners, further, denied having dismissed illegally any of the six (6) private respondents and, in turn, alleged that each of the latter were, at the time of their dismissal, merely probationary employees of the San Andres High School whose services thereat were terminated for just cause -- i.e., upon expiration on 31 March 1985 of their respective contracts of employment with petitioner High School -- and before any of them had achieved regular or permanent status in their jobs. With respect to private respondents Amar and Alejandro, allegations of estafa committed by the two against a number of their pupils were raised as additional grounds for their dismissal. Finally, petitioners, while they acknowledged an indebtedness of P52,173.67 to private respondents, interposed a counterclaim for moral and exemplary damages, attorney's fees, and litigation expenses, in the aggregate amount of P64,000.00.

On 18 November 1985, the Labor Arbiter rendered a Decision,[4] the dispositive portion of which read:

"WHEREFORE, premises considered, judgment is hereby entered in favor of Complainants and against Respondent:

(1) Ordering Respondent to reinstate Complainants to their former positions with three (3) months backwages without qualification and deduction;

(2) Ordering Respondents to pay Complainants the sum of P52,173.67.

The claim for moral and exemplary damages [is] dismissed for lack of merits.

The counterclaim filed by Respondent is dismissed for lack of jurisdiction.

SO ORDERED."

The Labor Arbiter held that dismissal of the six (6) private respondents in this case "was violative of the Constitution which guarantees security of tenure of employment and a provision of Batas Pambansa Blg. 130 which requires notice and investigation before outright termination from the service." The Labor Arbiter also held that, contrary to the claim of petitioners, private respondents were not under probation at the time of their dismissal; even assuming that private respondents were then merely probationary employees of and under contract with petitioner High School, nevertheless, they could only be dismissed for cause and only after having been accorded due process. Finally, the Labor Arbiter cited a letter,[5] dated 9 April 1985, addressed to the private respondents and written by Mr. Jose M. Veloso, Regional Supervisor for Private Schools (Regional Office No. 10, Cagayan de Oro City) of the then Ministry of Education, Culture and Sports, stating, among other things, that "the Ministry sees no ground for your [private respondents'] termination, suspension or separation."

In a Resolution[6] dated 8 May 1987, public respondent National Labor Relations Commission, affirmed on appeal the decision of the Labor Arbiter.[7] A Motion for Reconsideration filed by petitioners was denied by the Commission.[8]

The petitioners are now before this Court on Petition for Certiorari. On 14 October 1987, the Court issued a temporary restraining order in this case,[9] and on 6 January 1988, gave due course to the Petition and required the parties to submit their respective Memoranda.[10]

The two (2) main issues presented for consideration are: (1) whether or not the private respondents were illegally dismissed by petitioners; and (2) whether or not reinstatement of all six (6) private respondents is proper in this case.

Petitioners deny having illegally dismissed any of the private respondents. In their Petition, it is contended once more that private respondents were all probationary employees of the San Andres High School at the time of their separation therefrom; that private respondents' right to due process had not been violated; and that there existed in this case justifiable cause for private respondents' separation from petitioner High School.

Considering first the nature of private respondents' employment, we note that the applicability in this case of paragraph 75 of the Manual of Regulations for Private Schools is not disputed by the parties. That provision reads:

"(75) Full-time teachers who have rendered three years of satisfactory service shall be considered permanent."
(Underscoring supplied)

The three (3)-year period of service mentioned in paragraph 75 above is of course the maximum period or upper limit, so to speak, of probationary employment allowed in the case of private school teachers. This necessarily implies that a regular or permanent employment status may, under certain conditions, be attained in less than three (3) years. By and large, however, whether or not one has indeed attained permanent status in one's employment, before the passage of three (3) years, is a matter of proof.

The evidence of record shows that none of the six (6) private respondents had been able to accumulate at least three (3) years of service with the San Andres High School at the time of their separation therefrom. Private respondents Zenaida S. Dahilan, Josephine A. Chan, Ophelia M. Miague and Hernani C. Miague openly admitted in their own Position Paper filed with the Labor Arbiter that, as of 31 March 1985, they were actually then still probationary employees of petitioner High School. Private respondents Rolando T. Amar and Pureza V. Alejandro, however, asserted that they had both been made regular employees of petitioner High School prior to dismissal therefrom and, hence, enjoyed security of tenure. On this point, private respondent Amar argued that the twelve (12) years of teaching experience he had accumulated prior to his acceptance of employment at petitioner High School in June of 1982, qualified him as a regular employee thereof. For her part, private respondent

Alejandro asserted in the main that her appointment on 27 April 1984 as "Night Principal" of the San Andres High School -- after having served a year thereat as a non-regular full-time teacher -- amounted to a promotion which raised her status to that of a regular employee at petitioner High School.

The contention of private respondent Amar is not persuasive. First of all, aside from the assertions of private respondents in their own pleadings, the record is bereft of evidence of Mr. Amar's supposed extensive prior teaching experience. Second, it is the length of time Mr. Amar has been teaching at petitioner High School that is material in determining whether or not he in fact qualified as a regular employee thereof. Third, as already mentioned, at the time of receipt by him of Fr. Labajo's letter, private respondent Amar had been employed by the San Andres High School for less than three (3) years. Private respondents have not shown, and the record is bare of evidence to show that petitioner High School had otherwise extended to Mr. Amar a regular and permanent appointment prior to Fr. Labajo's letter.

The contention of private respondent Alejandro is likewise not persuasive. As previously stated, Ms. Alejandro lacked the requisite number of years of service to qualify as a regular employee of petitioner High School: Ms. Alejandro had taught there for at most only two (2) years. Furthermore, mere appointment as "Night Principal" is not, by itself and absent any additional evidence, sufficient proof that her employment status had in fact been upgraded from probationary to regular. What appears clearly from the record, therefore, is that all of the six (6) private respondents in this case were at the time they received the disputed letter of Fr. Labajo, non-permanent, contractual employees of the San Andres High School.

The Court notes that the contracts of employment entered into by the San Andres High School separately with each of the six (6) private respondents stipulated, among others: (a) that employment of the individual concerned took effect at the beginning of the school year, or sometime in the month of June; and (b) that payment of that individual's salary would be made "every month for 10 months."^[11] We read these stipulations together to mean that such contracts each had an effective term of ten (10) months, i.e., from June until either March or April of the following year, excluding the two-month summer holiday period between school years. New contracts for another period of ten (10) months were negotiated between petitioner High School and private respondents at the beginning of each school year. It does not appear from the record or from the stipulations in those contracts, however, that renewal was obligatory upon either party. In this case, between 1982 and 1985, petitioner High School gave Mr. Amar three (3) consecutive and Ms. Alejandro two (2) consecutive ten-month contracts; Mr. Miague and Ms. Miague, upon the other hand, were each given two (2) non-consecutive ten-month contracts during that same period of time while Ms. Dahilan was contracted only for school year 1984-1985. With the exception possibly of private respondent Chan, who taught at petitioner High School merely on a part-time basis and only for a few months in 1984 and 1985, private respondents' employment contracts for the school year 1984-1985 provided a term of ten (10) months and took effect on 1 June 1984; those contracts were thus due to expire on 31 March 1985.

We note that private respondents were informed in writing^[12] by petitioner Fr. Labajo that their services at the San Andres High School would be "terminated" effective 31 March 1985. Private respondents claim that this allegedly "unusual antedated letter of termination" did not sufficiently inform them of the reasons for their dismissal, nor did the same satisfy the due process requirements in termination cases. These contentions, however, appear to ignore the fact that private respondents' employment at petitioner High School was on a contractual basis and for a stipulated period of time: both parties knew beforehand that the employment relation would come to an end on 31 March 1985. In view of these circumstances, Fr. Labajo's letter cannot properly be regarded as one of termination. The use of the word "terminated" was inept and unfortunate but need not preclude recognition of the real nature of that letter. Such letter was either a formal reminder to private respondents that their respective

contracts of employment with petitioners for school year 1984-1985 were due to expire on 31 March 1985, or advance notice that such contracts would no longer be renewed for school year 1985-1986, or both. Assuming (though merely arguendo) that prior notice of expiration of the contractual term was necessary in this case, we consider that Fr. Labajo's letter substantially complied with that requirement.

Coming now to the matter of the existence of justifiable grounds for the disputed separation, we find applicable here *Biboso vs. Victorias Milling Company, Inc.*,^[13] a case which also involved the separation of private school teachers, probationary employees who had been covered similarly by corresponding contracts of employment. The Court, speaking through then Mr. Justice Fernando, stated in that case:

"2. This is by no means to assert that the security of tenure protection of the Constitution does not apply to probationary employees. The Labor Code has wisely provided for such a case thus: 'The termination of employment of probationary employees and those employed with a fixed period shall be subject to such regulations as the Secretary of Labor may prescribe to prevent the circumvention of the right of the employees to be secured in their employment as provided herein.' There is no question here, as noted in the assailed order of Presidential Executive Assistant Clave, that petitioners did not enjoy a permanent status. During such period they could remain in their positions and any circumvention of their rights, in accordance with the statutory scheme, subject to inquiry and thereafter correction by the Department of Labor. Thus there was the safeguard as to the duration of their employment being respected. To that extent, their tenure was secure. The moment, however, the period expired in accordance with contracts freely entered into, they could no longer invoke the constitutional protection. x x x"^[14] (Underscoring supplied)

In view of all the foregoing, we hold that none of the six (6) private respondents in this case, at the time of their separation, had achieved permanent status in their employment as teachers at the San Andres High School. As probationary and contractual employees, private respondents enjoyed security of tenure, but only to a limited extent -- i.e., they remained secure in their employment during the period of time their respective contracts of employment remained in effect. That temporary security of tenure, however, ended the moment their employment contracts expired on 31 March 1985 and petitioners declined to renew the same for the next succeeding school year. Consequently, as petitioners were not under obligation to renew those contracts of employment, the separation of private respondents in this case cannot be said to have been without justifiable cause, much less illegal.

Since the six (6) private respondents were not illegally dismissed, the twin remedies of reinstatement and backwages are not available to them. Finally, the Court notes that petitioners had willingly acknowledged an indebtedness of P52,173.67 in favor of private respondents, although they interposed in turn a counterclaim against the six (6) for P64,000.00 for moral and exemplary damages and litigation expenses which public respondent Commission, however, subsequently dismissed for lack of merit. In respect of the latter, we note that petitioners have not shown here any grave abuse of discretion on the part of public respondent Commission. Thus, the Court affirms the decision appealed from to the extent that such decision: (a) holds petitioners liable to private respondents in the amount of P52,173.67; and (b) dismisses petitioners' counterclaim.

WHEREFORE, the Resolution of the public respondent National Labor Relations Commission dated 8 May 1987 in NLRC RAB X Case No. 5-0410-85 is hereby SET ASIDE, except for the portion thereof ordering the dismissal of petitioners' counterclaim, and directing petitioners to pay the amount of P52,173.67 in favor of private respondents. No pronouncement as to costs.

SO ORDERED.

Fernan, C. J., Bidin, and Cortes, JJ., concur.

Gutierrez, Jr., J., in the result.

[1] NLRC Records, pp. 1-11.

[2] Id., pp. 117-126.

[3] Id., pp. 149-164.

[4] Id., pp. 265-274.

[5] Id., p. 26.

[6] Id., pp. 740-744.

[7] Public Respondent Commission, however, assumed jurisdiction over petitioners' counterclaim, except that it denied the same for lack of merit.

[8] Id., p. 50.

[9] Rollo, p. 167.

[10] Id., p. 203.

[11] NLRC Records, pp. 165, 171 and 172.

[12] Letter dated 13 March 1985, quoted supra, p. 2.

[13] 76 SCRA 250 (1977).

[14] 76 SCRA at 254-255.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.