

THIRD DIVISION

[G.R. No. 219916, February 10, 2021]

**ARLENE PALGAN, PETITIONER, VS. HOLY NAME UNIVERSITY
AND/OR FR. FRANCISCO ESTEPA, SVD/FR. ERNESTO LAGURA,
SVD, RESPONDENTS.**

DECISION

HERNANDO, J.:

This Petition for Review on *Certiorari*^[1] seeks to set aside the February 26, 2015 Decision^[2] and July 15, 2015 Resolution^[3] of the Court of Appeals (CA) in CA-G.R. SP No. 07820 finding petitioner Arlene Palkan not to have been illegally terminated by respondent Holy Name University (HNU).

The factual antecedents:

Arlene filed a complaint for illegal dismissal against HNU. She alleged that even though she was already a regular employee, HNU did not renew her contract of employment without due process. She sought moral and exemplary damages in her complaint.^[4]

Petitioner started working as a Casual or Assistant Clinical Instructor for two semesters for school year (S.Y.) 1992-1993 in HNU's College of Nursing while awaiting the results of her Nursing Board Examination.^[5] She alleged that upon her hiring, HNU did not inform her of the standards for the evaluation of her satisfactory completion of her probationary period.^[6]

In the second semester of S.Y. 1994-1995, she was hired as a full-time Clinical Instructor until S.Y. 1998-1999, and was assigned at the Medical Ward.^[7] During the second semester of S.Y. 1998-1999, she was transferred to the Guidance Center as a Nursing Guidance Instructor handling guidance, education, and graduate school courses.^[8] At this time, she was elected as Municipal Councilor of Carmen, Bohol.^[9] Upon her reelection as Municipal Councilor for the 2001-2004 term, she took a leave of absence from HNU.^[10]

Sometime in the year 2004, petitioner rejoined HNU and was given a full-time load for the S.Y. 2004-2005.^[11] For S.Y. 2005-2006 and 2006-2007, petitioner signed contracts for term/semestral employment.^[12] However, in a notice dated February 28, 2007, HNU informed Arlene that her contract of employment, which would have expired on March 31, 2007, will no longer be renewed.^[13]

Arlene argued that since she taught at HNU for more than six consecutive regular semesters,^[14] she already attained the status of a regular employee pursuant to

the Manual of Regulations for Private School Teachers.^[15] There having been no valid or justifiable cause for her dismissal as she was not guilty of any infractions under the Labor Code or the Manual of Regulations for Private School Teachers, petitioner claimed that her employment was illegally terminated.^[16]

On the other hand, respondents contended that in S.Y. 2004-2005, 2005-2006 and 2006-2007, Arlene remained a probationary employee.^[17] The completion of her probationary period did not automatically make her a permanent employee since she failed to comply with all the conditions of her probationary employment satisfactorily. Respondents insisted that petitioner was not dismissed; rather, her contract of employment merely expired on March 31, 2007.^[18]

For S.Y. 1995-1996, 1996-1997 and 1997-1998, Arlene received letters of appointment for each and every semester,^[19] with definite dates of commencement and end of her employment.^[20] Thus, when her probationary appointment for the period June 1, 1997 until March 31, 1998 expired, HNU is not obliged to renew her contract.^[21]

Ruling of the Labor Arbiter (Arbiter):

The Arbiter dismissed Arlene's complaint for lack of merit.^[22] Since her employment was probationary in nature, she has no vested right yet to a permanent appointment until after the completion of the pre-requisite three-year period for the acquisition of a permanent status.^[23]

Ruling of the National Labor Relations Commission (NLRC):

The NLRC denied Arlene's appeal and affirmed the ruling of the Arbiter, *viz.*:

WHEREFORE, premises considered, complainant's appeal is DISMISSED as We find no compelling reason to deviate from the findings of the Labor Arbiter. The decision appealed from is hereby AFFIRMED IN TOTO.

SO ORDERED.^[24]

However, on reconsideration, the NLRC reversed its earlier pronouncement. In a Resolution dated March 27, 2013,^[25] the NLRC resolved, to wit:

WHEREFORE, premises considered, complainant's motion for reconsideration is GRANTED. Our Decision, dated 29 November 2012, is SET ASIDE and a NEW ONE ENTERED declaring complainant to have been illegally dismissed and DIRECTING Respondent HOLY NAME UNIVERSITY to immediately reinstate complainant to her previous or equivalent position, without loss of seniority rights and benefits, and to pay her backwages and attorney's fees in the sum of PESOS: ONE MILLION FIVE HUNDRED SEVENTY-TWO THOUSAND THIRTY-ONE & 62/100 (PhP

1,572,031.62). The same respondent is, likewise, DIRECTED to report compliance of this directive within ten (10) days from receipt hereof.

SO ORDERED.^[26]

Respondents assailed the NLRC's March 27, 2013 Resolution through a Motion for Reconsideration^[27] but it was denied by the NLRC in its Resolution dated May 31, 2013.^[28] This denial prompted the respondents to file a Petition for *Certiorari* under Rule 65 of the Rules before the CA.^[29]

Ruling of the Court of Appeals:

On February 26, 2015, the appellate court issued the assailed Decision reversing the May 23, 2013 Resolution of the NLRC, to wit:

WHEREFORE, premises considered, the instant petition for certiorari is hereby GRANTED. The decision of the NLRC declaring the private respondent to have been illegally dismissed is REVERSED AND SET ASIDE. Accordingly, the February 27, 2012 Decision of the Labor Arbiter is hereby REINSTATED.

SO ORDERED.^[30]

Petitioner filed a motion for reconsideration but this was denied by the appellate court in its Resolution dated July 15, 2015.^[31]

Hence, the instant Petition for Review on *Certiorari*.

Issues:

1. Whether or not the Court of Appeals has shown bias in favor of [respondents] and decided it in a way probably not in accord with law or with the applicable decisions of the Supreme Court;
2. Whether or not the Court of Appeals' findings of fact and conclusion was grounded entirely on speculation, surmise and conjecture;
3. Whether or not the Court of Appeals committed grave abuse of discretion; and
4. Whether or not the Court of Appeals' findings of fact are premised on the supposed evidence, but are contradicted by the evidence on record.

Our Ruling

We deny the petition for lack of merit.

The governing law for the employment status of teachers/professors/instructors are the manuals of regulations for private schools.

Batas Pambansa Bilang 232, or The Education Act of 1982, delegated the administration of the education system and the supervision and regulation of educational institutions to the Ministry of Education, Culture and Sports, which eventually became known as the Department of Education, Culture and Sports (DECS), now known as the Department of Education (DepEd).

In 1992, the then DECS issued the Revised Manual of Regulations for Private Schools (1992 Manual), which covered all employees in all levels of private educational institutions. However, as part of the broad agenda of reforms on the country's education system at that time, the education sector was trifocalized into three governing bodies: the Commission on Higher Education (CHED) for tertiary and graduate education, the Department of Education (DepEd) for basic education, and the Technical Education and Skills Development Authority (TESDA) for technical-vocational and middle-level education. The CHED was created in 1994 through the passage of Republic Act No. 7722 (RA 7722), or the Higher Education Act of 1994, and in its charter, the CHED was authorized to set minimum standards for programs and institutions of higher education.

In *Lacuesta v. Ateneo de Manila University (Lacuesta)*,^[32] We held that the Manual of Regulations for Private Schools and not the Labor Code determines whether or not a faculty member in a private educational institution has attained a permanent or regular status, to wit:

The Manual of Regulations for Private Schools, and not the Labor Code, determines whether or not a faculty member in an educational institution has attained regular or permanent status. In *University of Santo Tomas v. National Labor Relations Commission* the Court *en banc* said that under Policy Instructions No. 11 issued by the Department of Labor and Employment, "the probationary employment of professors, instructors and teachers shall be subject to the standards established by the Department of Education and Culture." Said standards are embodied in paragraph 75 (now Section 93) of the Manual of Regulations for Private Schools.^[33]

Petitioner did not meet all the criteria required to be considered as a permanent employee.

We have laid down in *Lacuesta* the following requisites before a private school teacher acquires permanent status, namely: 1) The teacher serves full-time; 2) he/she must have rendered three consecutive years of service; and 3) such service must have been satisfactory.^[34]

These requisites find basis in Sections 92 and 93 of the 1992 Manual, which provide:

Section 92. *Probationary Period*. Subject in all instances to compliance with 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 the trimester basis.

Section 93. *Regular or Permanent Status*. Those who have served the probationary period shall be made regular or permanent. Full-time teachers who have satisfactorily completed their probationary period shall be considered regular or permanent.

While petitioner has rendered three consecutive years of satisfactory service, she was, however, not a full-time teacher at the College of Nursing of HNU.

It must be stressed that only a full-time teaching personnel can acquire regular or permanent status. This rule has been reiterated in a long line of cases, one of which is *Herrera-Manaois v. St. Scholastica's College*,^[35] where We held:

In the light of the failure of Manaois to satisfy the academic requirements for the position, she may only be considered as a part-time instructor pursuant to Section 45 of the 1992 Manual. In turn, as we have enunciated in a line of cases, a part-time member of the academic personnel cannot acquire permanence of employment and security of tenure under the Manual of Regulations in relation to the Labor Code. We thus quote the ruling of this Court in *Lacuesta*, viz.:

Section 93 of the 1992 Manual of Regulations for Private Schools provides that full-time teachers who have satisfactorily completed their probationary period shall be considered regular or permanent. Moreover, for those teaching in the tertiary level, the probationary period shall not be more than six consecutive regular semesters of satisfactory service. The requisites to acquire permanent employment, or security of tenure, are (1) the teacher is a full-time teacher; (2) the teacher must have rendered three consecutive years of service; and (3) such service must have been satisfactory.

As previously held, a part-time teacher cannot acquire permanent status. Only when one has served as a full-time teacher can he acquire permanent or regular status. The petitioner was a part-time lecturer before she was appointed as a full-time instructor on probation. As a part-time lecturer, her employment as such had ended when her contract expired. Thus, the three semesters she served as part-time lecturer could not be credited to her in computing the number of years she has served to qualify her for permanent status.

^[36] (Underscoring supplied)

Thus, given that petitioner was not a full-time teaching personnel as will be explained in detail hereafter, she could not have acquired permanent status no