Republic of the Philippines
Supreme Court
Baguio City

EN BANC

C.P. REYES HOSPITAL and ANGELINE M. REYES,
Petitioners,

- versus -

GERALDINE M. BARBOSA,
Respondent.

G.R. No. 228357

Present:

GESMUNDO, *C.J.*,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.,
GAERLAN,*
ROSARIO,
LOPEZ, J.,
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH, *JJ.*

Promulgated:

April 16, 2024

x----------x

D E C I S I O N

KHO, JR., *J.*:

* No part.

This resolves the Petition for Review on *Certiorari*[1] filed by petitioners C.P. Reyes Hospital (C.P. Reyes Hospital) and Angeline M. Reyes[2] (Reyes; collectively, C.P. Reyes Hospital et al.) assailing the Decision[3] dated April 18, 2016 and the Resolution[4] dated November 17, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 139468, which reversed and set aside the Decision[5] of the National Labor Relations Commission (NLRC) dated September 30, 2014 in NLRC LAC No. 08-002077-14, and accordingly, declared respondent Geraldine M. Barbosa (Barbosa) to have been illegally dismissed by C.P. Reyes Hospital. In turn, the NLRC reversed the Decision[6] of the Labor Arbiter (LA) dated June 24, 2014 in NLRC NCR Case No. RAB IV-01-00097-14-B, which found Barbosa to have been illegally dismissed.

The Facts

On January 22, 2014, Barbosa filed a Complaint[7] for illegal dismissal against C.P. Reyes Hospital et al., praying for reinstatement with full backwages and the award of moral and exemplary damages, as well as attorney's fees.

In her Position Paper,[8] Barbosa alleged that she applied for the position of Training Supervisor with C.P. Reyes Hospital. In September 2013, she was instructed to sign a probationary employment contract[9] for a period of six months, from September 4, 2013 to March 4, 2014. Under the contract, Barbosa would train as a Staff Nurse for the first two months; as Ward Head Nurse and Supervisor for the next two months; and finally, as Training Supervisor for the last two months. The contract required Barbosa to "get or maintain an average of a passing score equivalent to 80% (Satisfactory)."[10] The contract also provided that "[f]ailure to meet the reasonable standard set by this Hospital may warrant the penalty of termination of [Barbosa's] employment."[11]

On October 25, 2013, Barbosa alleged that Human Resource Manager Reyes and Nursing Director Joel M. Lirio (Lirio) told her that she would not be made Training Supervisor because the Intensive Care Unit (ICU) Head

---

1 *Rollo*, pp. 10–37.

2 Reyes is C.P. Reyes Hospital's Human Resources Manager and was referred to as "Co-owner" in the Complaint; *see* CA *rollo*, p. 50.

3 *Rollo*, pp. 39–55. Penned by Associate Justice Normandie B. Pizarro and concurred in by Associate Justices Samuel H. Gaerlan (now a Member of the Court) and Ma. Luisa C. Quijano-Padilla of the Thirteenth Division, Court of Appeals, Manila.

4 *Id.* at 57–58.

5 CA *rollo*, pp. 28–36. Penned by Commissioner Romeo L. Go and concurred in by Presiding Commissioner Gerardo C. Nograles and Commissioner Perlita B. Velasco of the National Labor Relations Commission.

6 *Id.* at 39–48. Penned by Labor Arbiter Enrico Angelo C. Portillo.

7 *Id.* at 50–52.

8 *Rollo*, pp. 79–92.

9 *Id.* at 234–236. Entitled "Terms and Conditions of Employment."

10 *Id.* at 234.

11 *Id.*

Nurse had also applied for the position and was supposedly more qualified than her.[12]

On November 27, 2013, Barbosa received a Notice to Explain[13] from Lirio directing her to explain why no disciplinary action should be taken against her for being absent without official leave (AWOL) on November 4, 7, and 8, 2013. On the same day, Reyes told Barbosa that she will not be made a regular employee.[14]

In a Letter[15] dated November 28, 2013, Barbosa explained that she was able to notify the supervisor on duty regarding her November 4 absence, and that for the absences on November 7 and 8, she submitted a medical certificate, as well as the requisite leave forms.[16]

On November 29, 2013, Barbosa received a Letter[17] from Reyes formally terminating her probationary employment. The Letter stated:

> MS. GERALDINE M. BARBOSA
> Staff Nurse – Probationary
>
> As stated on your Probationary Contract, continuous employment shall ripen only upon showing of satisfactory performance during your training period. Unfortunately, the negative performance feedback received by this office due to attitude including the attendance records reflects [sic] that you have failed to meet the reasonable standards set by the Hospital. In this regard, please be informed that your probationary contract shall end on the stated date, without renewal or regularization.
>
> Contract Period: September 4, 2013 – March 3, 2014[18]
>
> End Contract: December 30, 2013
>
> . . . .
>
> (signed)
> ANGELINE M. REYES
> HR Manager
>
> (signed)
> PAUL ADRIAN M. REYES, MHA
> Hospital Administrator[19]

---

12 *Id.* at 82.
13 *Id.* at 269.
14 *Id.* at 83.
15 *Id.* at 270.
16 *Id.*
17 *Id.* at 274.
18 The employment contract signed by Barbosa denotes the period of employment as September 4, 2013 to March 4, 2014; *see id.* at 234.
19 *Id.* at 274.

C.P. Reyes Hospital confirmed that it hired Barbosa on a probationary basis as Training Supervisor. During her employment, Barbosa's evaluators noted that while she gained passing marks,[20] she "lacked initiative, demonstrated poor time management, needed improvement with documentation[,] and more familiarization with common nursing procedure."[21] C.P. Reyes Hospital also alleged that Barbosa was very unreceptive of her performance evaluations and that she even accused her evaluators of deliberately giving her low marks, apparently influenced by a certain "[Ma'am] Flor."[22] Further, they claim that due process was complied with in Barbosa's termination because her employment was probationary, and that the two-notice rule does not apply to probationary employees.[23] Finally, C.P. Reyes Hospital alleged that Barbosa had 13[24] absences in the course of her employment, some of which were unauthorized. Thus, C.P. Reyes Hospital deemed it proper to terminate the employment of Barbosa.[25]

The LA Ruling

In a Decision[26] dated June 24, 2014, the LA ruled that Barbosa was illegally dismissed, and accordingly, awarded her the amounts of PHP 60,000.00 as backwages and PHP 10,000.00 as separation pay. All other claims were dismissed for lack of basis.[27] The LA considered the passing marks of Barbosa as proof that she successfully met C.P. Reyes Hospital's standards and ruled that she sufficiently explained her alleged unauthorized absences.

Consequently, C.P. Reyes Hospital appealed[28] to the NLRC.

The NLRC Ruling

In a Decision[29] dated September 30, 2014, the NLRC reversed the LA Decision and dismissed the Complaint for lack of merit.[30]

---

20 Barbosa received the following grades from her evaluators (*id.* at 148):
a. For the first month: 80.95% from Nurse Abegail Gonzales (*id.* at 241–243); and 82.40% from Nurse Emmanuel Elloso (*id.* at 244–246), for an average of 81.68%;
b. For the second month: 85.42% from Nurse Mark Anthony Cosico (*id.* at 247–249); and 79.76% from Nurse Rica N. Robles (*id.* at 250–252), for an average of 82.59%.

21 *Id.* at 16.

22 *Id.* at 68.

23 *Id.* at 96.

24 *Id.* at 74. This was changed to 12 absences in the Petition, *see id.* at 17.

25 *Id.*

26 CA *rollo*, pp. 39–48.

27 *Id.* at 48.

28 *Id.* at 182–199. Memorandum of Appeal filed on July 11, 2014.

29 *Id.* at 28–36.

30 *Id.* at 36.

The NLRC held that the LA erred in considering only the numerical grades given to Barbosa and not the feedback and comments from her evaluators, especially the summary of the evaluations written by Lirio. It also ruled that the termination was done properly as the law requires only a written notice of termination served on the employee within a reasonable time from the effective date of termination.[31]

Barbosa filed a Motion for Reconsideration,[32] which was denied in a Resolution[33] dated November 28, 2014. She then filed a Petition for *Certiorari*[34] under Rule 65 of the Rules of Court before the CA.

The CA Ruling

In a Decision[35] dated April 18, 2016, the CA granted the Petition for *Certiorari* and reversed the ruling of the NLRC. It reinstated the LA Decision with the following modifications on the monetary awards:

(a) Separation pay was awarded in lieu of reinstatement, equivalent to one month pay;
(b) Backwages was awarded, computed from the time of Barbosa's illegal dismissal on November 29, 2013 up to the finality of the Decision; and
(c) The monetary awards shall earn legal interest at the rate of 6% per annum computed from November 29, 2013 until fully paid.[36]

The CA found that C.P. Reyes Hospital deviated from its own policy of evaluating probationary employees on their first, third, and fifth month of employment when it terminated Barbosa only two months into her employment. It also noted that Barbosa's evaluators, despite their negative feedbacks, saw it fit to give her satisfactory marks for her performance.[37]

On the issue of Barbosa's absences, the CA held that some of them should not be counted against her as they occurred before the start of her probationary employment. At any rate, the CA ruled that these absences were not substantial enough to be considered habitual or proof of gross neglect of duty.[38]

---

31 *Id.* at 34, *citing Abbott Laboratories, Philippines v. Alcaraz*, 714 Phil. 510, 537 (2013) [Per J. Perlas-Bernabe, *En Banc*].
32 *Id.* at 276–283.
33 *Id.* at 25–26.
34 *Id.* at 3–24.
35 *Rollo*, pp. 39–55.
36 *Id.* at 54–55.
37 *Id.* at 48–50.
38 *Id.* at 51–53.

In a Resolution[39] dated November 17, 2016, the CA denied C.P. Reyes Hospital et al.'s Motion for Reconsideration for lack of merit.

Hence, this Petition.

The Issues Before the Court

The core issues for the Court's resolution are whether the CA: (a) correctly ascribed grave abuse of discretion on the part of the NLRC, and accordingly, declared Barbosa's dismissal to be illegal; and (b) correctly awarded backwages computed from the time of Barbosa's illegal dismissal up to finality of the Decision, with legal interest of 6% per annum from the time of illegal dismissal until fully paid.

The Court's Ruling

The Petition is denied.

"[T]o justify the grant of the extraordinary remedy of *certiorari*, petitioners must satisfactorily show that the court or quasi-judicial authority gravely abused the discretion conferred upon it. Grave abuse of discretion connotes judgment exercised in a capricious and whimsical manner that is tantamount to lack of jurisdiction. To be considered 'grave,' discretion must be exercised in a despotic manner by reason of passion or personal hostility, and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law."[40]

Thus, case law instructs that "[i]n labor cases, grave abuse of discretion may be ascribed to the NLRC when its findings and conclusions are not supported by substantial evidence, which refers to that amount of relevant evidence that a reasonable mind might accept as adequate to justify a conclusion. Thus, if the NLRC's ruling has basis in the evidence and the applicable law and jurisprudence, then no grave abuse of discretion exists and the CA should so declare and, accordingly, dismiss the petition."[41]

Guided by the foregoing considerations, the Court finds that the CA correctly ruled that the *NLRC committed grave abuse of discretion* when it

---

39 *Id.* at 57–58.

40 *Jolo's Kiddie Carts v. Caballa*, 821 Phil. 1101, 1109 (2017) [Per J. Perlas-Bernabe, Second Division], *citing Gadia v. Sykes Asia, Inc.*, 752 Phil. 413, 420 (2015) [Per J. Perlas-Bernabe, First Division].

41 *Jolo's Kiddie Carts v. Caballa*, 821 Phil. 1101, 1109–1110 (2017) [Per J. Perlas-Bernabe, Second Division], *citing University of Santo Tomas (UST) v. Samahang Manggagawa ng UST*, 809 Phil. 212, 220 (2017) [Per J. Perlas-Bernabe, First Division].

held that C.P. Reyes Hospital validly terminated Barbosa's employment. Hence, its reversal of the NLRC's ruling is proper.

I. Barbosa was a probationary employee

The Labor Code,[42] as amended, permits the hiring of employees on a probationary basis, *viz.*:

> ART. 296. [281] *Probationary Employment.* — Probationary employment shall not exceed six (6) months from the date the employee started working, unless it is covered by an apprenticeship agreement stipulating a longer period. The services of an employee who has been engaged on a probationary basis may be terminated for a just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. An employee who is allowed to work after a probationary period shall be considered a regular employee.

Probationary employment exists where the employee, upon their engagement, is made to undergo a trial period. During said period, the employer determines the employee's fitness to qualify for regular employment based on reasonable standards, which are made known to the employee at the time of engagement.[43]

In her submissions to the LA,[44] the NLRC,[45] the CA,[46] and to this Court,[47] Barbosa consistently maintained that she was a regular employee of C.P. Reyes Hospital who was "confronted with a contract requiring her to undergo training."[48] Nevertheless, she admitted to proceeding with her employment, as evidenced by her signature on the employment contract.[49]

C.P. Reyes Hospital, on the other hand, argued that Barbosa's employment remained probationary up to her dismissal and never ripened into regularization. The status of Barbosa's employment as probationary was upheld by the labor tribunals and the CA. On this score, the Court agrees with their factual findings.

The relevant provision in Barbosa's employment contract states:

---

42 Presidential Decree No. 442 (1974), as amended and renumbered in 2015.

43 *Agustin v. Alphaland Corporation*, 883 Phil. 177, 186 (2020) [Per J. Carandang, Third Division], *citing* LABOR CODE, OMNIBUS RULES IMPLEMENTING THE LABOR CODE, Book VI, Rule I, sec. 6.

44 *Rollo*, p. 104. Barbosa's Reply (to Respondent's) Position Paper with the LA.

45 CA *rollo*, pp. 258–259. Barbosa's Reply (to Respondents-Appellants' Memorandum of Appeal) with the NLRC.

46 *Id.* at 12. Barbosa's Petition for *Certiorari* with the CA.

47 *Rollo*, p. 283. Barbosa's Comment to the Petition for Review on *Certiorari*.

48 *Id.* at 104.

49 *Id.* at 234–236.

> Dear Ms. Barbosa,
>
> As a standard Hospital procedure, we present you with these terms and conditions of your employment, for your information and conformity:
>
> 1. ***PROBATIONARY PERIOD*** – your employment shall commence on a probationary status, beginning as of **September 4, 2013** for a period of [s]ix (6) months thereafter, and subject to regularization review at the end of the [s]ix (6) months or on or before **March 4, 2014** . . .[50] (Emphases in the original)

Barbosa assented to these terms by signing the employment contract. While she insists on her regular status as an employee, she nonetheless conceded that she was "required to undergo probationary employment despite the fact that it was not part of the *oral agreement* between the parties,"[51] and that she "decided to push through with the employment" even though she was "[a]ghast [at] what happened and unmindful of the rationale behind undergoing such trainings."[52]

There is no doubt from the wordings of the contract that there is a six-month trial period to which Barbosa acceded. During that period, Barbosa's employment was clearly probationary in nature.

II. Barbosa was illegally dismissed from her employment

The termination of probationary employment must be for any of the following grounds: (1) just and authorized causes, or (2) failure to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of engagement.[53]

In this case, C.P. Reyes Hospital insists that Barbosa's probationary employment was validly terminated, contending that not only did Barbosa fail to meet the standards for regularization but her "frequent absenteeism" also constituted a just cause for dismissal.

C.P. Reyes Hospital's contentions are without merit.

a. The CA correctly ruled that the NLRC committed grave

---

50 *Id.* at 234.

51 *Id.* at 202.

52 CA *rollo*, p. 12.

53 *See Moral v. Momentum Properties Management Corporation*, 848 Phil. 621, 635 (2019) [Per J. Carpio, Second Division], *citing Abbott Laboratories, Philippines v. Alcaraz*, 714 Phil. 510, 533 (2013) [Per J. Perlas-Bernabe, *En Banc*].

abuse of discretion when it found that Barbosa failed to meet the standards for regularization

The NLRC and the CA differed in their conclusions on the legality of Barbosa's dismissal.

The NLRC held that the dismissal is valid and that the LA "failed to appreciate the numerical result of the evaluations together with the comments and explanations of the evaluators."[54] The NLRC relied on the December 10, 2013 evaluation[55] made by Lirio as proof that Barbosa failed to qualify for regularization.

On the other hand, the CA found that Barbosa was illegally dismissed. It cited Barbosa's passing grades as proof that she qualified to move on to the next stage of her probationary employment. It gave more weight to the numerical results of the evaluations over the comments and explanations of the evaluators because the Staff Nurse Performance Evaluation forms they filled out are "comprehensive enough to include all aspects of performance for which a trainee should be evaluated on."[56]

The Court agrees with the CA's factual findings.

Section 7 of Barbosa's employment contract states:

> 7. ***TRAINING AND EVALUATION*** – you are required to maintain a satisfactory performance based on performance evaluation. You should get or maintain an average of a passing score equivalent to 80% (Satisfactory). Failure to meet the reasonable standard set by this Hospital may warrant the penalty of termination of your employment.[57]

C.P. Reyes Hospital argues that dismissal due to failure to meet the 80% grade requirement is merely a possibility, as the contract states that it *may* warrant the penalty of dismissal. From there, C.P. Reyes Hospital concludes that it may also consider "other factors apart from the performance evaluation in determining whether a probationary employee is to be terminated."[58] These "other factors," as earlier stated, are those set out in Lirio's evaluation, the routine written examination on the generic names of drugs, and Barbosa's absences.

---

54 CA *rollo*, pp. 34–35.
55 *Id.* at 35. *See rollo*, p. 273 for Nursing Director Lirio's full evaluation.
56 *Rollo*, p. 50.
57 *Id.* at 234.
58 *Id.* at 21.

C.P. Reyes Hospital's reasoning is without merit.

To reiterate, probationary employment may be terminated, among other grounds, when the employee fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of engagement.

If an employer opts to dismiss an employee on the ground of failure to qualify, the law requires that the reasonable standards for qualification must have been communicated to the employee at the time of engagement.[59] This is to apprise them of what they need to accomplish and how they need to perform their job, failing at which, they will not be regularized.

However, there are exceptions to the rule requiring the communication of reasonable standards to a probationary employee: *first*, in occupations that are self-descriptive in nature, such as maids, cooks, drivers, and messengers;[60] and *second*, the Court has ruled that standards of basic knowledge and common sense need not be spelled out to the employee, and the rule on communication should not be used to exculpate employees who act in a manner contrary to either.[61] In these cases, the Court ruled that there was no need to explicitly communicate the reasonable standards that the employees failed to meet.

C.P. Reyes Hospital claims it is allowed to terminate its probationary employees based on factors outside of the reasonable performance standards communicated to Barbosa.[62] The Court finds this argument erroneous. Unless these other factors constitute just or authorized causes—themselves allowable grounds for termination—or constitute an exception to the rule laid out by jurisprudence as stated in the previous paragraph, such that there is no need for the C.P. Reyes Hospital et al. to inform Barbosa of them, then they may not be considered as valid grounds for termination.

Relevantly, C.P. Reyes Hospital may not take refuge in these jurisprudential exceptions since Barbosa's position as Training Supervisor is not self-descriptive in nature, governed as it was by a detailed Job Description[63] and subject to evaluation on several competencies and qualities as provided by C.P. Reyes Hospital, as will be discussed. At the same time, the factors that C.P. Reyes Hospital cited as grounds for dismissal are not matters of basic knowledge or common sense. Rather, they refer to Barbosa's

---

59 *Abbott Laboratories, Philippines v. Alcaraz*, 714 Phil. 510, 552 (2013) [Per J. Perlas-Bernabe, *En Banc*].

60 *Moral v. Momentum Properties Management Corporation*, 848 Phil. 621, 636 (2019) [Per J. Carpio, Second Division], *citing Abbott Laboratories, Philippines v. Alcaraz*, *id.* at 534.

61 *Aberdeen Court, Inc. v. Agustin, Jr.*, 495 Phil. 706, 716–717 (2005) [Per J. Azcuna, First Division].

62 *Rollo*, pp. 20–21.

63 *Id.* at 237–240.

interpersonal relationships with her co-workers and her professional competence.

At any rate, this Court finds that the "other factors" C.P. Reyes Hospital cited are actually not outside the standards communicated to Barbosa. The CA correctly found that the Staff Nurse Performance Evaluation forms[64] filled out by Barbosa's evaluators *were comprehensive enough* to include the concerns addressed by Lirio. Relevantly, these standards are also set out in the employment contract and the accompanying Job Description.

The Staff Nurse Performance Evaluation forms have three major components: (I) Personal Qualifications and Attributes, comprising 14 items on which Barbosa was evaluated using a score from 1 to 3, 3 being the highest; (II) Standards of Clinical Nursing Practice, comprising 35 items; and (III) Professionalism and Documentation, comprising 9 items.

C.P. Reyes Hospital quotes the following portion of Lirio's evaluation, which it claims are "other factors" aside from the standards communicated to Barbosa:

> Evaluations were made based on our Nursing Service Protocols which comprises [sic] skills, knowledge and work attitude. To summarize the evaluation report: skill-wise she needs to give more attention that [sic] she should have an [sic] initiative and time management in doing the task of routine nursing care. It was also a recommendation that she refamiliarize herself in doing routine and common nursing procedure which she ignored by reading the patient's chart unnecessarily repeatedly and noticing other things in the area time after time despite constantly being reminded by her senior nurses of the time and the task that needs to be done. Peer evaluation on work attitude showed that she lacks points on certain nursing care aspects such as not giving the medications and feeding the patient thru the NGT on time because she needs to be kept told over and over again by her senior nurses of the time or letting the other nurses do the work for her; not taking the patient's vital sign[s] just because she said to her senior nurse that she is tired; unable to carry out the doctor's orders completely and on time because she cannot prioritize her work and instead she depends on the other nurses on duty to do the task for her, and if it's not complete, she even blames them for not completing the task when it was her patient's chart in the first place thus it is her responsibility to complete the task. She failed to establish trust and respect for her superiors and co[-]workers because she uses her seniority on the younger nurses and that she kept on implying that she knows already everything because she was an affiliated clinical instructor in our institution placing her on insubordination.[65]

Carefully reading and comparing the evaluation forms and Lirio's evaluation quoted above, the Court finds that the concerns raised in the latter are indeed *already part of the standards* set out in the former.

---

64 *Id.* at 241--252.
65 *Id.* at 273.

For instance, Lirio's evaluation stated that Barbosa failed to establish trust and respect for her superiors. However, Part I, Item 4(c) of the evaluation form rates Barbosa on her "ability to develop and maintain satisfactory interpersonal and inter-professional relationships with clients and co-workers."[66] Item 4(1) also rates her ability to be "respectful to patients, superiors, and co-workers."[67] Thus, trust and respect for one's co-workers form part of one's interpersonal and interprofessional relationship with them.

Further, Lirio's evaluation recommended that Barbosa refamiliarize herself with routine and common nursing procedures. Part I, Item 4(a) of the evaluation forms rates Barbosa on her possession of clinical competencies.[68] Also, the entire Part II rates her application of standard clinical practices.[69] Thus, Barbosa's knowledge of generic names of certain drug brands, notwithstanding the examination given to her, is included in the clinical competencies for which she was evaluated.

In short, Barbosa's evaluators gave her *passing marks* on the very same concerns raised by Lirio. The records indisputably show that Barbosa's average scores in the two months of her evaluation were *81.68% for the first month* and *82.59% for the second month.* In fact, Barbosa's average score improved from the first month to the second month.

The Court, in *Tamson's Enterprises, Inc. v. Court of Appeals*,[70] proclaimed that an employer's power to terminate probationary employment is subject to certain limitations, to wit:

> First, this power must be exercised in accordance with the specific requirements of the contract. Second, the dissatisfaction on the part of the employer must be real and in good faith, not feigned so as to circumvent the contract or the law; and third, there must be no unlawful discrimination in the dismissal. In termination cases, the burden of proving just or valid cause for dismissing an employee rests on the employer.[71]

The fact that C.P. Reyes Hospital, through its evaluators, gave satisfactory marks to Barbosa then proceeded to dismiss her based on factors that it claims to be outside the reasonable standards made known to her, leads this Court to conclude that C.P. Reyes Hospital's dissatisfaction *is not genuine.* This is highlighted by the fact that Lirio's evaluation dated December 10, 2013, which embodies C.P. Reyes Hospital's basis for

---

66 *Id.* at 241, 244, 247, and 250.
67 *Id.*
68 *Id.*
69 *Id.* at 241–242, 244–245, 247–248, and 250–251.
70 676 Phil. 384 (2011) [Per J. Mendoza, Third Division].
71 *Id.* at 400, *citing Dusit Hotel Nikko v. Gatbonton*, 523 Phil. 338, 344 (2006) [Per J. Quisumbing, Third Division].

dismissing Barbosa, was issued *almost two weeks after* Barbosa was dismissed on November 29, 2013. The CA put it correctly:

> In addition, [John] Malabanan's[72] and Lirio's explanation letters, dated December 2 and 10, 2013, respectively, cannot likewise be considered because no performance evaluation accompanied them and *they were made subsequent to [Barbosa's] receipt of her termination letter*. Accordingly, their evaluations cannot be used as determining factors to validate [C.P. Reyes Hospital's] claim of unsatisfactory performance on account of the negative comments on her attitude. These are obviously *mere afterthoughts* to give a semblance of truth to the alleged negative attitude of [Barbosa].[73] (Emphasis supplied)

The clear fact remains that Barbosa's evaluators, tasked by C.P. Reyes Hospital with evaluating her performance during the probationary period, *saw it fit to give her satisfactory marks* despite any misgivings they or C.P. Reyes Hospital might have about her performance thus far.

Even if the Court sets aside the numerical grades given by Barbosa's evaluators and reads their explanations,[74] each of them had given no statement or indication that would justify giving Barbosa a failing grade. This is the reason why the evaluators each gave her a passing grade, except for one, who gave Barbosa a grade of 79.76%. *At any rate, for purposes of regularization, an average score of at least 80% is required by C.P. Reyes Hospital, which she obtained.*

Thus, the CA was correct in ascribing grave abuse of discretion on the part of the NLRC in holding that Barbosa failed to meet the standards for regularization. Her dismissal on this ground is factually baseless.

b. The CA correctly ruled that the NLRC committed grave abuse of discretion when it ruled that the supposed absences of Barbosa were a just cause to terminate her employment

C.P. Reyes Hospital relies on another ground to justify the dismissal of Barbosa—her supposed absenteeism. It argues that Barbosa was absent for 12 days during her probationary employment, or one-sixth of her two-month

---

72 An ICU staff nurse who evaluated Barbosa for three days. No numerical rating given.

73 *Rollo*, p. 51.

74 *See* Letter from evaluator Abegail R. Gonzales, RN (*id.* at 257–258); Letter from evaluator Emmanuel C. Elloso, RN (*Id.* at 259); and Letter from evaluator John Malabanan, RN (*id.* at 260).

probationary employment.[75] This, to C.P. Reyes Hospital, is a just cause for dismissal.[76]

The Court finds that C.P. Reyes Hospital's claim of Barbosa's absenteeism *is not supported by the records.* On this issue, the CA's discussion in its Decision is worth reproducing here:

> Record shows that there is no truth to [C.P. Reyes Hospital et al.'s] claim that [Barbosa] incurred twelve (12) absences in four (4) months. [Barbosa's] alleged absences on September 1 to 3 should not be counted as the probationary period started only on September 4. For November 1 and 2, [Barbosa] was part of the ICU's skeletal force, per the November 27, 2013 minutes. [Barbosa] was AWOL on November 4, 7, and 8 and on sick leave from November 14 to 17. Verily, [Barbosa] was only absent eight times (8x), one (1) in October with no reason provided, three (3) AWOL in November, and four (4) with approved sick leaves.
>
> [Barbosa] cannot now be penalized for her absence in October as she was never given a notice to explain when the same occurred, thereby giving the impression that [C.P. Reyes Hospital et al.] condoned the said infraction. The same is true with her four (4) absences for they were accompanied by sick leave forms and were never mentioned in the November 27, 2013 Notice to Explain. The only issue the [C.P. Reyes Hospital et al.] had with her alleged poor attendance record was the three (3)-day AWOL mentioned in the Notice to Explain. To reiterate, [Barbosa] had already satisfactorily explained the circumstances surrounding her absences. Moreover, the penalty of dismissal is indubitably too harsh and disproportionate to the infraction she committed. There is also no allegation in the Staff Nurse Performance Evaluation forms that her supposed absences have affected her work to the point that she has grossly neglected her duties. Absent such evidence of gross and habitual neglect of her duties, [Barbosa's] dismissal from her probationary employment due to poor attendance record has no leg to stand on.[77]

The CA ruled that Barbosa was able to explain her three-day absence on November 4, 7, and 8. Further, the CA also pointed to C.P. Reyes Hospital's Code of Conduct to show that the penalty of dismissal in this case was too severe. In the Code of Conduct, the penalty for being AWOL is a written warning on the first offense, a two-day suspension on the second offense, and dismissal only upon the *fifth* offense. Finally, the CA held that Barbosa's alleged absences on September 1 and 2 could not be attributed to her as they happened when she was not yet even employed by C.P. Reyes Hospital. In the November 1 and 2 absences, it was shown that she was not absent at all but was instead part of the skeleton workforce. Only one absence went unexplained (in October) for which no notice to explain was issued to Barbosa.[78]

---

75 *Id.* at 17–18.
76 *Id.* at 23.
77 *Id.* at 52–53.
78 *Id.* at 51–53.

Thus, this Court sustains the findings of the CA that these supposed absences cannot be considered a just cause to terminate Barbosa's employment.

III. In dismissing Barbosa on the ground of her supposed absenteeism, C.P. Reyes Hospital grossly violated her right to due process

a. Requirement of due process in cases of termination for just cause

The standards of due process for termination of regular employees (or the "two-notice rule") equally apply to probationary employees in cases of termination for just cause.[79] Thus, the rules state:

> SECTION 2. *Security of Tenure.* — . . . .
>
> For termination of employment based on just causes as defined in Article [288] of the Labor Code:
>
> (i) A written notice served on the employee specifying the ground or grounds for termination, and giving said employee reasonable opportunity within which to explain his side.
>
> (ii) A hearing or conference during which the employee concerned, with the assistance of counsel if he so desires, is given opportunity to respond to the charge, present his evidence, or rebut the evidence presented against him.
>
> (iii) A written notice of termination served on the employee, indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.[80]

The evidence on record shows that C.P. Reyes Hospital served Barbosa a written notice[81] dated November 27, 2013, or the first notice, directing her to explain her absences without leave on November 4, 7, and 8, 2013. Barbosa, on the other hand, immediately sent her explanation the following day.[82] *No notices were served regarding the absences on the other dates.*

---

79 *Abbott Laboratories, Philippines v. Alcaraz*, 714 Phil. 510, 537 (2013) [Per J. Perlas-Bernabe, *En Banc*], *citing* LABOR CODE, OMNIBUS RULES IMPLEMENTING THE LABOR CODE, Book VI, Rule I, sec. 2, as amended by DOLE Department Order No. 147-15 (2015).

80 LABOR CODE, OMNIBUS RULES IMPLEMENTING THE LABOR CODE, Book VI, rule I, sec. 2, as amended by DOLE Department Order No. 147-15 (2015).

81 *Rollo*, p. 269.

82 *Id.* at 270.

The November 29, 2013 termination Letter issued to Barbosa referred to her "attendance records"[83] as one of the grounds for her termination, with no specific dates of absences mentioned. Thus, as regards her November 4, 7, and 8 absences, it appears that a second notice, the termination notice, was served on her. However, as found by the CA, Barbosa was able to satisfactorily explain her absence on those dates.

Regarding Barbosa's other absences alleged by C.P. Reyes Hospital, given the fact that *no first notice* was served, it appears to this Court that the ground was used by C.P. Reyes Hospital merely as an afterthought, at the very least, in order to strengthen its position as regards Barbosa's termination. It bears emphasizing that C.P. Reyes Hospital relied on the *total number* of Barbosa's absences in claiming that she was guilty of frequent absenteeism. It argued that she was absent 12 days out of the 72 days she worked.[84] Thus, for failing to issue a first notice on the other absences of Barbosa, *C.P. Reyes Hospital failed to observe procedural due process* in terminating her employment. To reiterate, in case the dismissal of the probationary employee is for a just cause, the employer is required to serve two notices: the first, specifying the ground/s for termination and giving the employee the opportunity to explain, and the second, informing the employee of the decision of the employer to terminate their employment. In this case, C.P. Reyes Hospital clearly *did not issue a first notice* regarding Barbosa's absences, except for the November 4, 7, and 8 absences, which Barbosa was able to satisfactorily explain.

Thus, not only was Barbosa's dismissal on this ground (absenteeism) procedurally defective, but it was also without substantive basis, as explained earlier. C.P. Reyes Hospital clearly failed to observe substantive and procedural due process in dismissing Barbosa due to her supposed absences. Thus, her termination on this ground is illegal.

IV. Monetary awards due to Barbosa

An illegally dismissed employee is entitled to reinstatement without loss of seniority rights and other privileges, full backwages inclusive of allowances, and other benefits or their monetary equivalent computed from the time their compensation was withheld from them up to the time of their actual reinstatement.[85]

---

83 *Id.* at 274.

84 *Id.* at 17–18.

85 LABOR CODE, as renumbered in 2015, art. 294 [279], as amended by Republic Act No. 6715 (1989), sec. 34.

Backwages pertain to "compensation that should have been earned but were not collected because of the unjust dismissal."[86] Stated differently, backwages represent "reparation for the illegal dismissal of an employee based on earnings which the employee would have obtained, either by virtue of a lawful decree or order, as in the case of a wage increase under a wage order, or by rightful expectation, as in the case of one's salary or wage."[87] The law provides that the award of backwages is reckoned from the date of illegal or constructive dismissal until the employee's actual reinstatement.

The CA awarded Barbosa "*separation pay*, in lieu of reinstatement, equivalent to one (1) month pay, and *backwages computed from the time of her illegal dismissal on November 29, 2013 up to the finality of this decision*, with *legal interest of six percent (6%) per annum on the monetary awards computed from November 29, 2013 until fully paid.*"[88]

It is on this issue where the C.P. Reyes Hospital, on one hand, and the CA, as well as Barbosa, on the other, diverge in their application and understanding of the law.

In awarding backwages from November 29, 2013 *up to the finality of its Decision*, the CA, recognizing that reinstatement is no longer possible due to the strained relations between Barbosa and C.P. Reyes Hospital,[89] relied on the rulings of the Court in *Univac Development, Inc. v. Soriano*,[90] *Aliling v. Feliciano*,[91] and in *Lopez v. Hon. Javier*.[92] Barbosa, in her Comment[93] to the Petition, also relied on the Court's ruling in *Univac*.[94]

C.P. Reyes Hospital et al., on the other hand, also recognizing that reinstatement is no longer possible, invoked the Court's ruling in *Robinsons Galleria/Robinsons Supermarket Corporation v. Ranchez*,[95] where the Court awarded backwages only *up to the end date of the probationary employment contract.*

a. Conflicting reckoning periods in computing backwages of illegally

---

86 *St. Joseph Academy of Valenzuela Faculty Association (SJA VFA)-FUR Chapter-TUCP v. St. Joseph Academy of Valenzuela*, 711 Phil. 46, 53 (2013) [Per J. Reyes, First Division], *citing Aliling v. Feliciano*, 686 Phil. 889, 916 (2012) [Per J. Velasco, Jr., Third Division].

87 *Philippine Spring Water Resources, Inc. v. CA*, 736 Phil. 305, 321 (2014) [Per J. Mendoza, Third Division].

88 *Rollo*, pp. 54–55.

89 *Id.* at 54.

90 711 Phil. 516 (2013) [Per J. Peralta, Third Division]

91 686 Phil. 889 (2012) [Per J. Velasco, Jr., Third Division].

92 322 Phil. 70 (1996) [Per J. Romero, Second Division].

93 *Rollo*, pp. 282–287.

94 *Id.* at 283.

95 655 Phil. 133 (2011) [Per J. Nachura, Second Division].

dismissed probationary employees

As stated earlier, the CA invoked the Court's rulings in *Univac*, *Aliling*, and *Lopez* when it ruled that Barbosa's backwages must be awarded up to the finality of the Decision. Preliminarily, the Court finds *Aliling* and *Univac* to be inapplicable here because in those cases, the respective employments were ultimately held to be regular, whereas in this case, it is undisputed that Barbosa's employment status was and remained probationary.

On the other hand, the factual milieu in *Lopez* is similar to this case. Macario Lopez (Macario) was appointed General Manager of La Union Transport Services Cooperative on a probationary basis. The NLRC found that he was illegally dismissed but limited the award of backwages to the unexpired portion of his probationary employment contract, finding that "[h]ad he not been dismissed[,] [Macario] would have completed his probationary period."[96]

The Court upheld the finding of illegal dismissal *but ruled that* Macario *was entitled to backwages up to the finality of its Decision.* The Court arrived at this conclusion by holding, *first*, that the constitutional guarantee of security of tenure[97] is extended to employees regardless of whether they are regular or probationary, and *second*, that the Labor Code provision awarding backwages from the time compensation was withheld up to the time of actual reinstatement applies to probationary employees. The provision, as amended by Republic Act No. 6715, states:

> SEC. 34. Article 279 of the Labor Code is hereby amended to read as follows:
>
> "ART. 279. *Security of Tenure*. – In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An Employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement."

Noting that Macario's reinstatement "would not be conducive to industrial harmony,"[98] the Court then ruled that backwages must be awarded up to the finality of its Decision instead.

---

96 *Lopez v. Hon. Javier*, 322 Phil. 70, 78 (1996) [Per J. Romero, Second Division].
97 CONST., art. XIII, sec. 3.
98 *Lopez v. Hon. Javier*, 322 Phil. 70, 81–82 (1996) [Per J. Romero, Second Division].

In its 2003 Decision in *Cebu Marine Beach Resort v. NLRC*,[99] the Court affirmed *Lopez*. The employer in that case assailed the CA's award of backwages up to the finality of its Decision, arguing that by such award, the appellate court unilaterally extended the employees' probationary contracts. The Court rejected this argument, citing the "quite explicit" ruling in *Lopez* that probationary employees are entitled to their full backwages up to their actual reinstatement. It then affirmed the CA's award of backwages up to the finality of the Decision in view of the infeasibility of reinstatement.[100]

In 2010, the Court once again cited and affirmed *Lopez* in the case of *SHS Perforated Materials, Inc. v. Diaz*,[101] ruling that "probationary employees who are unjustly dismissed during the probationary period are entitled to reinstatement and payment of full backwages and other benefits and privileges from the time they were dismissed up to their actual reinstatement."[102] Since the employee's reinstatement was no longer feasible, it upheld the CA Decision awarding backwages up to the date of the employee's "supposed actual reinstatement."[103]

A year later, the Court decided differently in *Robinsons Galleria*, which C.P. Reyes Hospital cited as its basis in assailing the CA's award of backwages. The Court ruled that backwages for an illegally or constructively dismissed probationary employee must be computed only up to the end of their probationary employment contract, and not the employee's actual reinstatement, *viz.*:

> In this case, since respondent was a probationary employee at the time she was constructively dismissed by petitioners, she is entitled to separation pay and backwages. Reinstatement of respondent is no longer viable considering the circumstances.
>
> However, the backwages that should be awarded to respondent shall be reckoned from the time of her constructive dismissal until the date of the termination of her employment, *i.e.*, from October 30, 1997 to March 14, 1998. *The computation should not cover the entire period from the time her compensation was withheld up to the time of her actual reinstatement. This is because respondent was a probationary employee, and the lapse of her probationary employment without her appointment as a regular employee of petitioner Supermarket effectively severed the employer-employee relationship between the parties.*[104] (Emphasis supplied)

---

[99] 460 Phil. 301 (2003) [Per J. Sandoval-Gutierrez, Third Division].
[100] *Id.* at 309–310.
[101] 647 Phil. 580 (2010) [Per J. Mendoza, Second Division].
[102] *Id.* at 600.
[103] *Id.* at 591.
[104] *Robinsons Galleria/Robinsons Supermarket Corporation v. Ranchez*, 655 Phil. 133, 142 (2011) [Per J. Nachura, Second Division].

In *Woodridge School v. Pe Benito*[105] and *Magis Young Achievers' Learning Center v. Manalo*,[106] decided in 2008 and 2009, respectively, the Court also limited the award of backwages due several illegally dismissed probationary teachers only to the unexpired portion of their probationary period and not until reinstatement or finality of the Decision.

In the face of this jurisprudential conflict, the Court deems it necessary to state explicitly that illegally dismissed probationary employees, like regular employees, ***are entitled to backwages up to their actual reinstatement.*** *In case reinstatement is proven to be infeasible due to strained relations between the employer and the employee and other analogous causes,* ***backwages shall be computed from the time compensation was withheld up to the finality of the Decision.***

This ruling is more in keeping with constitutional and statutory guarantees in favor of labor. As the Court held in *Lopez*, the Constitution did not distinguish between regular and probationary employees in guaranteeing the right to security of tenure. Similarly, the Labor Code, as amended by Republic Act No. 6715, made no such distinction in providing that an illegally dismissed employee is entitled to "reinstatement without loss of seniority rights and other privileges and to [their] full backwages, inclusive of allowances, and to [their] other benefits or their monetary equivalent computed from the time [their]compensation was withheld from [them] up to the time of [their] actual reinstatement."[107] As the Constitution and the law did not distinguish, the Court should not as well.

Further, contrary to the findings in *Robinsons Galleria*, the lapse of the probationary contract without an appointment as regular employee does not sever the employer-employee relationship. In fact, a probationary employee who is allowed to work beyond the probationary period is, by force of law, considered a regular employee.[108] In one case, the Court has held that absent any grounds to terminate a probationary employee, there is no reason to sever the employment and, consequently, the employee is entitled to continued employment "even beyond the probationary period."[109]

Significantly, the rulings in *Woodridge* and *Magis* cannot be applied to *all* probationary employees as the probationary employees in those cases were teaching personnel whose probationary periods are not solely governed by the Labor Code but also by the Manual of Regulations for Private Schools or the

---

105 591 Phil. 154 (2008) [Per J. Nachura, Third Division].

106 598 Phil. 886 (2009) [Per J. Nachura, Third Division].

107 LABOR CODE, as renumbered in 2015, art. 294 [279], as amended by Republic Act No. 6715 (1989), sec. 34.

108 LABOR CODE, as renumbered in 2015, art. 296 [281].

109 *Philippine Manpower Services, Inc. v. NLRC*, 296 Phil. 596, 607 (1993) [Per J. Romero, Third Division].

Manual of Regulations for Private Higher Education.[110] Thus, in *De La Salle Araneta University, Inc. v. Magdurulang*,[111] the Court held that in probationary employment of academic personnel, the mere completion of the probationary period does not automatically make the employee a permanent employee of the educational institution.[112] This is markedly different from probationary employment in other industries, where the lapse of the probationary period without a valid termination *ipso facto* renders the employment regular. In contrast with the facts in *Robinsons Galleria*, it is in *Woodridge* and *Magis* where the effective severance of the employer-employee relationship upon the lapse of the probationary period is clear.

Chief Justice Alexander G. Gesmundo concurred with the *ponencia* that Barbosa is entitled to full backwages from the time that compensation was withheld *(i.e., January 1, 2014)* until the finality of the Decision and that this ruling is in keeping with the constitutional and statutory guarantees in favor of labor. The Chief Justice stated that the computation of the backwages until the finality of the Decision is consistent with the mandate under Article 294 of the Labor Code that "'full backwages' shall be computed from the time the 'compensation was withheld' from the employee up to the time of 'actual reinstatement,' and the jurisprudential pronouncement that if reinstatement is no longer feasible, it would be up to the finality of the decision. This reckoning period applies to regular and probationary employees alike."[113] Further, Chief Justice Gesmundo explained:

> Article 296 of the Labor Code states that a probationary employee who *"**is allowed to work after**"* a probationary period shall be considered a *regular* employee. In the present case, Barbosa, a probationary employee, was found to have been illegally dismissed from work. Had she not been illegally dismissed, she would have continued with performing her tasks and therefore *"allowed to work"* after the probationary period. She would have become a *regular* employee, and earned compensation as such. Therefore, she is entitled to backwages similar to an illegally dismissed regular employee. This interpretation is more consistent with the State's policy in favor of labor.
>
> Besides, to construe "allowed to work" as purely within the control of the employer would mean that an employer can remove an employee during the probationary period arbitrarily or without any valid ground, and in consequence, the employer would only need to pay backwages for a short duration (*i.e.* up to the end of the probationary period). The statutorily mandated transition from probationary to regular employee when the reasonable standard are achieved would be rendered futile. This would effectively circumvent the security of tenure protection given to probationary employees. Moreover, in *Equitable Banking Corporation v. Sadac*, full backwages was characterized as "the price or *penalty that the employer must pay"* for illegally dismissing the employee. If the Court

---

110 *Mercado v. AMA Computer College-Parañaque City, Inc.*, 632 Phil. 228, 248–249 (2010) [Per J. Brion, Second Division].

111 820 Phil. 1133 (2017) [Per J. Perlas-Bernabe, Second Division].

112 *Id.* at 1149.

113 *See* Chief Justice Gesmundo's Reflections, p. 7.

> would limit the backwages to cover the probationary period only, then the penalty rationale for backwages would not be served to the same extent as that for illegally dismissed regular employees.[114] (Emphasis in the original)

On the other hand, Justices Alfredo Benjamin S. Caguioa and Amy C. Lazaro-Javier are of the opinion that backwages for illegally dismissed probationary employees must be computed only until the end of the probationary period, as laid down in *Robinsons Galleria.* Justice Caguioa argues that since the security of tenure enjoyed by probationary employees is limited, such that they cannot earn wages beyond the probationary period without actually qualifying for regularization, there is no reason to extend backwages beyond such period.[115]

Justice Lazaro-Javier pointed out that backwages should correspond to the life of the employment relationship. Probationary employees, akin to project and fixed-term employees, should be entitled to backwages only for the unexpired portion of their employment. They also enjoy a limited tenure, one that is not on the same plane as regular employees'; hence, they are not entitled to backwages beyond the probationary period. Further, while probationary employment is not automatically severed upon the lapse of the probationary period, it does not mean that employment is automatically continued; acquiescence of the employer is needed to continue the employment. Without the employer's acquiescence, to award backwages beyond the probationary period would mean deeming the employment regular without the employee actually qualifying for regularization.[116]

As a rule, all illegally dismissed employees are entitled to backwages from the time compensation was unlawfully withheld until their actual reinstatement. However, Justices Caguioa and Lazaro-Javier also opined that in case reinstatement of probationary employment is infeasible, backwages of the probationary employee must be limited to the unexpired portion of the probationary period because the lapse of the period without the employee qualifying for regular employment necessarily severed the employment.

As previously explained, this is not accurate.

The Court points out two things: *First*, the mere lapse of the probationary employment without regularization does *not*, and should *not*, by itself, sever the employment relationship. In fact, Art. 296 of the Labor Code specifically stated that a probationary employee who is "allowed to work after" the probationary period—that they were not validly dismissed prior to the expiration of the probationary period—*shall be considered* a regular employee. The change in the status, from probationary to regular, happens

---

[114] *Id.* at 7–8; citations omitted

[115] *See* Justice Caguioa's Reflections, pp. 2–5.

[116] *See* Justice Lazaro-Javier's Reflections, pp. 5–8.

ipso facto, or by force and operation of law, without any further act or deed on the part of the employer and the employee. The lapse of the period, to truly sever the employer-employee relationship, must be coupled with a showing that the employee is either validly dismissed for just or authorized causes or has failed to qualify for regularization. Specifically, where there are no valid grounds to terminate a probationary employment, the Court, in *Philippine Manpower Services, Inc. v. NLRC*[117] held that there is no reason to sever the employment and that the probationary employee in that case is entitled to work even beyond the probationary period.

Second, in this case, the lapse of the probationary period was caused by C.P. Reyes Hospital, who decided to dismiss Barbosa *well before the period lapsed* on specious and unlawful grounds. This fact makes it more crucial for the Court to rule that when the employer illegally dismissed the probationary employee, the mere lapse of probationary employment will not automatically sever the employment relationship as to allow the employer to limit the backwages to which a probationary employee is entitled. The Court will not permit an employer to prematurely unshackle itself from the employment relationship and its monetary consequences by the mere expedient of illegally terminating a probationary employee.

Therefore, Barbosa should be entitled to backwages from the time compensation was withheld up to her actual reinstatement. In this case, however, both the LA[118] and the CA[119] recognized that reinstatement was no longer feasible due to the strained relations between the parties, which this Court respects. Hence, backwages must be awarded up to the finality of the Court's Decision.

However, the Court does not agree with the CA that the award must be reckoned from the date of notice of Barbosa's dismissal, November 29, 2013. Rather, it must be computed from the time compensation was withheld. The evidence on record shows that the effective date of the termination is December 30, 2013.[120] Accordingly, substantial evidence was presented—which Barbosa did not rebut—that she *received her final salary*, covering December 16 to 31, 2013, and pro-rated 13th month pay, totaling PHP 5,135.86.[121] This pay was reflected in Check Voucher No. 43285[122] signed by Barbosa.

Thus, backwages should be computed from January 1, 2014, when compensation was withheld from Barbosa, until finality of the Court's Decision.

---

117 296 Phil. 596 (1993) [Per J. Romero, Third Division].
118 CA *rollo*, p. 48.
119 *Rollo*, p. 54.
120 *Id.* at 274.
121 *Id.* at 275.
122 *Id.* at 276.

Further, the Court affirms the CA's award of separation pay, equivalent to one month pay, in lieu of reinstatement, which is deemed proper when reinstatement is no longer practical or in the best interest of the parties, such as when the filing of the illegal dismissal case resulted in strained relations between the parties.[123]

Additionally, pursuant to prevailing jurisprudence, the monetary awards due to Barbosa shall earn interest at the rate of 6% per annum from the finality of this Decision until full payment.[124]

Notably, Barbosa named both C.P. Reyes Hospital and Reyes as respondents in the Complaint for illegal dismissal. Under prevailing case law, Reyes, as a corporate officer, should only be held solidarily liable if there is a finding of bad faith or malice on her part in the illegal dismissal.[125] There being none in this case, the Court affirms the CA's ruling finding only C.P. Reyes Hospital liable for Barbosa's illegal dismissal.

ACCORDINGLY, the Petition is **DENIED**. The Decision dated April 18, 2016 and the Resolution dated November 17, 2016 of the Court of Appeals in CA-G.R. SP No. 139468 are hereby **AFFIRMED** with the following **MODIFICATIONS:** (a) the backwages awarded to respondent Geraldine M. Barbosa shall be computed from January 1, 2014, the time her compensation was withheld, up to the finality of this Decision, and (b) legal interest at the rate of 6% per annum is hereby imposed on the monetary awards, computed from the finality of this Decision until fully paid. The rest of the ruling **STANDS.**

Let a copy of the Decision in this case be furnished to the House of Representatives and the Senate of the Philippines for their reference.

SO ORDERED.

ANTONIO T. KHO, JR.
Associate Justice

---

123 *Aliling v. Feliciano*, 686 Phil. 889, 916 (2012) [Per J. Velasco, Jr., Third Division].

124 *See Lara's Gifts & Decors v. Midtown*, 860 Phil. 744 (2019) [Per J. Carpio, *En Banc*].

125 *Ever Electrical Manufacturing, Inc. (EEMI) v. Samahang Manggagawa ng Ever Electrical/ NAMAWU LOCAL 224*, 687 Phil. 529, 540 (2012) [Per J. Mendoza, Third Division], *citing Wensha Spa Center and/or Xu Zhi Jie v. Yung*, 642 Phil. 460, 475 (2010) [Per J. Mendoza, Second Division].

WE CONCUR:

See Concurring Opinion

ALEXANDER G. GESMUNDO
Chief Justice

I concur. See separate opinion

MARVIC M.V.F. LEONEN
Senior Associate Justice

See Concurring & Dissenting

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

I join Concurring and Dissenting Opinion of J. Caguioa.

RAMON PAUL L. HERNANDO
Associate Justice

See Concurrence and Dissent

AMY C. LAZARO-JAVIER
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

I join the Concurring and Dissenting Opinion of J. Caguioa

RODIL V. ZALAMEDA
Associate Justice

MARIO V. LOPEZ
Associate Justice

No Part

SAMUEL H. GAERLAN
Associate Justice

I join the concurring & dissenting opinion of J. Caguioa

RICARDO R. ROSARIO
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

JAPAR B. DIMAAMPAO
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court.

ALEXANDER G. GESMUNDO
Chief Justice