



Republic of the Philippines
 Supreme Court
 Baguio City

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

JOSE ANTONIO PAULO I. REYES,
 Petitioner,

G.R. No. 258269

Present:

- versus -

LEONEN, *SAJ.*, Chairperson,
 LAZARO-JAVIER,
 LOPEZ, M.,
 LOPEZ, J., and
 KHO, JR., *JJ.*

**SAMSUNG ELECTRONIC PHILS.
 CORP., KEVIN LEE, MINSU CHU,
 AND SILVER FUNGO,**
 Respondents.

Promulgated:

APR 15 2024

X-----X

DECISION

LOPEZ, J., J.:

This Court resolves the Petition for Review on *Certiorari*¹ filed by Jose Antonio Paolo I. Reyes (Reyes) assailing the Decision² and the Resolution³ of the Court of Appeals (CA). These dispositions upheld the Decision⁴ and the

¹ *Rollo*, pp. 31–82.

² *Id.* at 12–25. The August 26, 2020 Decision in CA G.R. SP No. 159808 was penned by Associate Justice Alfredo D. Ampuan and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Pedro B. Corales of the Fifth Division, Court of Appeals, Manila.

³ *Id.* at 27–28. The July 28, 2021 in CA G.R. SP No. 159808 was penned by Associate Justice Alfredo D. Ampuan and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Pedro B. Corales of the Former Fifth Division, Court of Appeals, Manila.

⁴ *Id.* at 150–174. The October 22, 2018 Decision in NLRC NCR Case No. 09-13915-17 [NLRC LAC No. 08-003027-18] was penned by Presiding Commissioner Joseph Gerard E. Mabilog and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Agnes Alexis A. Lucero-De Grano of the Sixth Division, National Labor Relations Commission, Quezon City.

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Resolution⁵ of the National Labor Relations Commission (NLRC), which affirmed the Labor Arbiter (LA)'s Decision⁶ declaring Reyes to have been validly dismissed from his probationary employment.

Reyes was the country manager of Ruckus Wireless, a company specializing in wireless networking solutions. On December 29, 2016, Reyes was asked by Samsung Electronic Philippines Corporation (Samsung) to consider joining its Wireless Local Area Network (WLAN) Division. He was personally invited by Samsung President and/or Managing Director Kevin Lee (Lee).⁷ Through a letter,⁸ Samsung formally offered Reyes the position of WLAN Head/National Sales Manager albeit subject to a probationary period.

Reyes eventually decided to join Samsung and was to receive a monthly compensation that matched his previous salary at Ruckus Wireless, amounting to PHP 470,000.00.⁹ Reyes then signed the Probationary Contract of Employment¹⁰ and Contract of Employment: Side Agreement Benefits.¹¹

After a few months, Samsung informed Reyes in a letter¹² through its IT and Mobile Team (IMT) Acting Head, Rhinn Piczon (Piczon), that he failed to meet the standards for regularization and that his probationary employment would be terminated effective September 27, 2017. Attached to the letter was Reyes' Performance Evaluation Form,¹³ which revealed that his overall assessment yielded a score of 4.08—with 5 being the lowest—or a “needs improvement” rating.¹⁴

Reyes subsequently filed a Complaint before the LA against Samsung for illegal dismissal, nonpayment of 13th month pay, regularization, moral and exemplary damages, and attorney's fees. He also impleaded Lee, Senior Business Director Minsu Chu (Chu), and Director for Human Relations Silver Fungo (Fungo), as officers of Samsung (Samsung et al.).¹⁵

Reyes mainly asserted that he was not informed of the performance standards to qualify as a regular employee at the time of his engagement. After signing the employment contract, he allegedly sought clarification from Chu

⁵ *Id.* at 176–177. The December 17, 2018 Resolution in NLRC NCR Case No. 09-13915-17 [NLRC LAC No. 08-003027-18] was penned by Presiding Commissioner Joseph Gerard E. Mabilog and concurred in by Commissioners Isabel G. Panganiban-Ortiguerra and Agnes Alexis A. Lucero-De Grano of the Sixth Division, National Labor Relations Commission, Quezon City.

⁶ *Id.* at 282–292. The June 14, 2018 Decision in NLRC NCR Case No. 09-13915-17 was penned by Labor Arbiter Augusto L. Villanueva, National Labor Relations Commission, Quezon City.

⁷ *Id.* at 229.

⁸ *Id.* at 199. Dated February 15, 2017.

⁹ *Id.* at 283.

¹⁰ *Id.* at 232–234.

¹¹ *Id.* at 230–231.

¹² *Id.* at 241. Dated August 23, 2017.

¹³ *Id.* at 242–244.

¹⁴ *Id.* at 152.

¹⁵ *Id.*

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regarding the employment standards, but the latter purportedly gave him vague responses such as “do what you think is right” and that Reyes must perform the job based on his own assessment. He was also supposedly assured by Fungo that the probationary period was just a formality.¹⁶

On the other hand, Samsung et al. asserted that Reyes was apprised of the standards and qualifications at the time of his employment. They also claimed to have regularly reinforced these standards in their weekly leadership team, supply chain management, and consensus meetings.¹⁷

Samsung et al. further contended that since Reyes held the position of National Sales Manager, it was implied that he should adhere to certain expectations for someone in that role. Stated differently, Reyes had certain responsibilities and expectations that were implied and should have been understood by someone in that role. These expectations included avoiding conflicts with team members, familiarizing oneself with the company’s internal procedures and work to be done, and maintaining a professional demeanor in the workplace. Reyes failed to observe all of these.¹⁸

Samsung et al. claimed that they expected Reyes, as National Sales Manager, to be more aware of his role as a leader among the sales personnel and to act accordingly, but Reyes did not meet these expectations. Consequently, Samsung et al. held performance feedback discussions with Reyes on June 26 and 27, 2017 to give him the opportunity to address his deficiencies, but these attempts were also unsuccessful.¹⁹

Essentially, Samsung et al. argued that Reyes failed to meet the reasonable standards set for him to qualify as a regular employee, and that even if he became one, he was still validly dismissed due to Samsung’s loss of trust and confidence in him.²⁰

In its Decision,²¹ the LA dismissed Reyes’ Complaint and ruled that he failed to achieve regular status. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered, the instant complaint against the respondents **SAMSUNG ELECTRONIC PHILS., CORP., KEVIN LEE, MINSU CHU** and **SILVER FUNGO** is hereby **DISMISSED** for lack of merit. However, **SAMSUNG ELECTRONIC PHILS., CORP.** is hereby **ORDERED** to pay complainant **JOSE ANTONIO PAULO IGNACIO REYES** his proportionate 13th month pay in the amount of P235,000.00.

¹⁶ *Id.* at 153.

¹⁷ *Id.* at 154.

¹⁸ *Id.* at 157.

¹⁹ *Id.*

²⁰ *Id.* at 157–158.

²¹ *Id.* at 282–292.

All other claims are dismissed for lack of merit.²² (Emphasis in the original)

The LA pointed out that Reyes had acknowledged in the employment contract that during his probationary employment period, the required performance standards were made known and thoroughly explained to him at the commencement of the period of his employment.²³

Further, the statement made by Chu—“do what you think is right”—was construed by the LA to pertain to Reyes’ discretion in performing his duties and obligations and did not imply the absence of reasonable standards.²⁴ Citing the case of *Abbott Laboratories, Phils. v. Alcaraz*,²⁵ the LA underscored that the adequate performance of one’s duties serves as an inherent and implied standard for a probationary employee to be regularized. Hence, such standards need not be enumerated or specified in every case.²⁶

Accordingly, the LA reasoned that Reyes was fully aware that his probationary status of employment was contingent upon his compliance with the basic requirements mandated in his position as the national sales manager. The LA concluded that his inability to meet these standards constituted a sufficient cause for his nonregularization. Hence, Reyes was properly dismissed during his probationary employment.²⁷

The LA also denied Reyes’ monetary claims. However, the LA awarded Reyes his proportionate 13th month pay as it was specifically provided in his employment contract.²⁸

Aggrieved, Reyes appealed to the NLRC.

The NLRC, in its Decision,²⁹ affirmed the ruling of the LA, viz.:

WHEREFORE, premises considered, the Appeal is hereby denied and the assailed Decision of Labor Arbiter Villanueva dated 14 June 2018 is **AFFIRMED** in its entirety. Respondent Samsung is hereby ordered to pay Reyes the sum of Two Hundred Thirty-Five Thousand Pesos (Php 235,000.00) corresponding to his proportionate 13th month pay:

SO ORDERED.³⁰ (Emphasis in the original)

²² *Id.* at 292.

²³ *Id.* at 289.

²⁴ *Id.*

²⁵ 714 Phil. 510 (2013) [Per J. Perlas-Bernabe, *En Banc*].

²⁶ *Rollo*, p. 291.

²⁷ *Id.*

²⁸ *Id.* at 291–292.

²⁹ *Id.* at 150–174.

³⁰ *Id.* at 174.

The NLRC noted that Reyes failed to specifically deny the allegations in the affidavits of Chu³¹ and Piczon³² that: (1) the targets and expectations were relayed to Reyes at the start of his employment and were repeated during the weekly leadership team, supply chain management, and consensus meetings during his probationary period; (2) there were both qualitative and quantitative expectations; (3) he was made aware that his qualification for regular employment would be based on his achievement of these targets and expectations; and (4) performance feedback discussions were held on June 26 and 27, 2017 where his conduct, performance, knowledge of business processes, and internal procedures were relayed.³³

The NLRC held that “the detailed narrative contained [in the affidavits] were based on the personal knowledge of affiants Chu and Piczon of events surrounding Reyes’ probationary employment at Samsung.”³⁴ As a result, these were not considered as hearsay and were admitted by the NLRC.³⁵

The NLRC further ruled that it was highly unlikely that someone with Reyes’s level of experience, who previously held the position of Country Manager at Ruckus Wireless, would accept a new position without fully understanding the offer and expectations placed on him. It declared that such is not in line with ordinary human behavior and experience.³⁶

Reyes sought reconsideration, but the NLRC denied it in a Resolution.³⁷

Dissatisfied, Reyes filed a Petition for *Certiorari* before the CA. However, the CA denied his Petition in its Decision,³⁸ as follows:

WHEREFORE, the Petition is **DENIED**. The Decision dated 22 October 2018 and Resolution dated 17 December 2018 issued by the NLRC in NLRC LAC No. 08-003027-18 are hereby **AFFIRMED**.

IT IS SO ORDERED.³⁹ (Emphasis in the original)

The CA affirmed the finding that Reyes failed to qualify as a regular employee. It reiterated the NLRC’s observations that he failed to specifically deny the allegations in the affidavits of Chua and Piczon.⁴⁰ It also upheld the remarks of the NLRC that Reyes’s conduct of working for five months without

³¹ *Id.* at 236–238.

³² *Id.* at 239–240.

³³ *Id.* at 161.

³⁴ *Id.* at 162.

³⁵ *Id.*

³⁶ *Id.* at 163.

³⁷ *Id.* at 176–177.

³⁸ *Id.* at 12–25.

³⁹ *Id.* at 25.

⁴⁰ *Id.* at 22.

even knowing the goals and expectations upon him was contrary to human experience.⁴¹

In a similar vein, the CA denied Reyes's Motion for Reconsideration in its Resolution.⁴²

Hence, this Petition.

Accordingly, the core issue for this Court's resolution is whether the CA erred in declaring that the NLRC did not commit grave abuse of discretion when it ruled that petitioner Jose Antonio Paulo I. Reyes was not a regular employee of Samsung.

This Court's Ruling

The Petition is bereft of merit.

Prefatorily, in labor cases, a petition for review on *certiorari* under Rule 45 is limited to reviewing whether the CA correctly determined the presence or absence of grave abuse of discretion as well as other jurisdictional errors committed by the NLRC.⁴³ "As such, when a decision of the CA under a Rule 65 petition is brought to this Court by way of a petition for review under Rule 45, *only questions of law* may be entertained. [After all,] [t]his Court is not a trier of facts."⁴⁴ Our ruling in *Montoya v. Transmed*⁴⁵ is instructive in explaining this limitation, thus:

In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for *certiorari* it ruled upon was presented to it; we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct. In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it. This is the approach that should be basic in a Rule 45 review of a CA ruling in a labor case. In question form, the question to ask is: *Did the CA correctly determine whether the NLRC committed*

⁴¹ *Id.* at 23.

⁴² *Id.* at 27-28.

⁴³ *Abella v. Abosta Shipmanagement Corp.*, G.R. No. 249358, April 28, 2021 [Per J. Caguioa, First Division].

⁴⁴ *ABS-CBN Broadcasting Corp. v. Tajanlangit*, G.R. No. 219508, September 14, 2021 [Per J. J. Lopez, First Division]. (Emphasis supplied)

⁴⁵ 613 Phil. 696 (2009) [Per J. Brion, Second Division].

*grave abuse of discretion in ruling on the case?*⁴⁶ (Citations omitted, emphasis supplied)

While there exist exceptions to this rule,⁴⁷ none of these are applicable to the case at hand.

Here, the crux of the controversy lies in the question of whether petitioner was made aware of the reasonable standards for regularization at the time of his engagement—which is clearly a question of fact.

This Court notes that the findings of the LA, the NLRC, and the CA are one in that petitioner was adequately informed of the regularization standards. Settled is the principle that “findings of fact of administrative agencies and quasi-judicial bodies, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect, but finality when affirmed by the CA.”⁴⁸ These findings merit full respect and should not be altered, modified, or reversed without justifiable grounds.⁴⁹ Here, We find no cogent reason to depart from the court *a quo*’s findings.

Regardless, even after perusing the records, the CA correctly ruled that the NLRC did not commit any grave abuse of discretion.

“A probationary employee is one who is placed on trial by an employer, during which the latter determines [whether] the former is qualified for permanent employment.”⁵⁰ Accordingly, an employer is given an opportunity to observe the fitness and competency of a probationary employee. During the probationary period, an employer has the prerogative to decide who will be

⁴⁶ *Id.* at 707.

⁴⁷ *Ditangkin v. Lazada E-Services Philippines, Inc.*, G.R. No. 246892, September 21, 2022 [Per J. Leonen, Second Division].

Thus, this Court generally will not reevaluate the sufficiency of evidence before the labor tribunals. However, this rule admits certain exceptions:

- (1) when the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) when the conclusion is a finding grounded entirely on speculation, surmises, or conjectures;
- (3) when the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd, or impossible;
- (4) when there is a grave abuse of discretion in the appreciation of facts;
- (5) when the Appellate Court, in making its findings, went beyond the issues of the case and such findings are contrary to the admissions of both appellant and appellee;
- (6) when the judgment of the Court of Appeals is premised on a misapprehension of facts;
- (7) when the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;
- (8) when the findings of fact are themselves conflicting;
- (9) when the findings of fact are conclusions without citation of the specific evidence on which they are based; and
- (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record. (Citations omitted)

⁴⁸ *Sarona v. National Labor Relations Commission*, 679 Phil. 394, 414 (2012) [Per J. Reyes, Second Division].

⁴⁹ *Reyes v. National Labor Relations Commission*, 556 Phil 317, 331 (2007) [Per J. Ynares-Santiago, Third Division].

⁵⁰ *Moral v. Momentum Properties Management Corp.*, 848 Phil. 621, 634 (2019) [Per J. Carpio, Second Division].

hired or not.⁵¹ However, it must be emphasized that a probationary employee still enjoys security of tenure, though not to the same extent accorded to a permanent employee. Consequently, the termination of a probationary employee's services may be warranted only for the following grounds: (1) just causes; (2) authorized causes; and (3) failure to meet the employer's reasonable standards for becoming a regular employee.⁵²

Pertinently, Article 296 of the Labor Code provides for the basis of probationary employment, which reads:

ARTICLE 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.

In addition, Section 6(d) of Book VI, Rule I of the Omnibus Rules Implementing the Labor Code specifically provides that if the employer fails to inform the probationary employee of the reasonable standards for regularization at the time of the engagement, then such employee shall be deemed a regular employee, thus:

(d) In all cases of probationary employment, the employer shall make known to the employee the standards under which [they] will qualify as a regular employee at the time of [their] engagement. *Where no standards are made known to the employee at that time, [they] shall be deemed a regular employee.* (Emphasis supplied)

Based on these considerations, probationary employment is only considered valid if the following requisites are fulfilled: *first*, the employer must communicate the reasonable standard for regularization; and *second*, the employer shall inform the employee of the reasonable standard at the time of his or her engagement. If either one or both requisites are not met, then he or she would be considered a regular employee from engagement.⁵³

Corollarily, "an employer is deemed to have made known the standards that would qualify a probationary employee to be a regular employee when it has exerted reasonable efforts to apprise the employee of what [they are] expected to do or accomplish during the trial period of probation."⁵⁴ Implicit

⁵¹ *Oyster Plaza Hotel et al. v. Melivo et al.*, 796 Phil. 800, 813 (2016) [Per J. Mendoza, Second Division].

⁵² *Univac Development, Inc. v. Soriano*, 711 Phil. 516, 526 (2013) [Per J. Peralta, Third Division].

⁵³ *Philippine National Oil Company-Energy Development Corp. v. Buenviaje*, 788 Phil. 508, 529 (2016) [Per J. Jardeleza, Third Division].

⁵⁴ *Abbott Laboratories, Phils. v. Alcaraz*, 714 Phil. 510, 533 (2013) [Per J. Perlas-Bernabe, *En Banc*].

in this assumption is that the employee is adequately informed of both their probationary status and its duration.⁵⁵ Verily, strict adherence is not necessary. The real measure of compliance with the legal requirements is fundamentally a matter of reasonableness. As long as the probationary employee is accorded ample time and opportunity to fully comprehend the expectations in the initial stages of probation, the legal mandate is deemed satisfied.⁵⁶

Nevertheless, the rule on notice is not without exceptions, e.g., when the job is self-descriptive in nature, such as maids, cooks, drivers, or messengers.⁵⁷ Likewise, We have held that the rule on notifying a probationary employee of the standards of regularization cannot be used to excuse an employee's conduct that goes against basic knowledge and common sense.⁵⁸

Here, it bears repeating that the courts *a quo* unanimously found that petitioner had been duly informed of the performance standards for regularization, after considering the totality of the circumstances such as the offer letter,⁵⁹ the Probationary Contract of Employment,⁶⁰ the petitioner's admission in the Position Paper,⁶¹ and the credibility of petitioner's allegations, among others.⁶² In this regard, We refer to the pertinent ruling of the NLRC:

In his own Position Paper, Reyes admits that he had discussions with Samsung's Edwin Tiotuyco and even with Samsung President himself, Kevin Lee, about a job opportunity in the company. We find it difficult to believe that during these discussions, matters pertaining to the duties, responsibilities, growth targets and expectations and how the position of

⁵⁵ *Id.*

⁵⁶ *Enchanted Kingdom, Inc. v. Verzo*, 775 Phil. 388, 405 (2015) [Per J. Mendoza, Second Division].

⁵⁷ *Robinsons Galleria/Robinsons Supermarket Corp. and/or Manuel v. Sanchez*, 655 Phil 133, 142 (2011) [Per J. Nachura, Second Division].

⁵⁸ *Aberdeen Court Inc. v. Agustin, Jr.*, 495 Phil. 706, 716–717 (2005) [Per J. Azcuna, First Division].

⁵⁹ *Rollo*, p. 199.

Dear Mr. Reyes,

We are pleased to offer you the position of WLAN Head/National Sales Manager, under IT & Mobile Team (IMT). Your annual compensation package will be as follows:

Start Date: March 27, 2017

Status: *Probationary*

Rank: Senior Manager[.] (Emphasis supplied)

⁶⁰ *Id.* at 232–234.

1. The COMPANY hereby engages the services of the EMPLOYEE as WLAN Lead/National Sales Manager under IT & Mobile Team *on a probationary status*, commencing on 27 March 2017.

3. The EMPLOYEE must meet or exceed *the performance standards of the Company during the probationary employment period*, such performance standards to be made known and thoroughly explained to the employee at the commencement of the period, and shall be evaluated on his/her 5th month to determine his qualification to become a regular employee of the COMPANY. (Emphasis supplied)

⁶¹ *Id.* at 181.

Complainant was enticed with the prospect of a long-term career and the benefits of retiring with a multinational corporation. Thus, in view of these pretenses, Complainant decided to join Respondent Samsung even if it simply matched the compensation that he was already deriving from Ruckus and even if it stated that he will begin his employment *on a probationary status*. (Emphasis supplied)

⁶² *Id.* at 23.

National Sales Manager/WLAN Head figures in Samsung's over-all business plans could not have been taken up and discussed. It bears mentioning that by his own assertion, Reyes was not "seeking any other employment at the time as he was already the Country Manager of Ruckus Wireless." *It is highly inconceivable that a person of his position and work experience, who was happy and content in his former job would, without asking questions and having full information and knowledge of Samsung's offer and expectations, blindly accept a position he is totally clueless about.* It is certainly not in accord with ordinary human behavior for a person of Reyes' stature and caliber who was then working as Country Manager at Ruckus Wireless, which position is clearly not merely a low-level managerial position but a top level one, would at the first instance change jobs without first fully knowing what he is getting into. On this point alone, We find it hard to lend credence to Reyes' allegations.⁶³ (Emphasis supplied)

Relevantly, We have held that the adequate discharge of one's duties and responsibilities serves as an inherent and implied standard for regularization.⁶⁴ Stated differently, "if the probationary employee had been fully apprised by [their] employer of these duties and responsibilities, then basic knowledge and common sense dictate that [they] must adequately perform the same; else [they fail] to pass the probationary trial and may therefore be subject to termination."⁶⁵ To expound further:

The determination of "adequate performance" is not, in all cases, measurable by quantitative specification, such as that of a sales quota in Alcaraz's example. It is also hinged on the qualitative assessment of the employee's work; by its nature, this largely rests on the reasonable exercise of the employer's management prerogative. While in some instances the standards used in measuring the quality of work may be conveyed—such as workers who construct tangible products which follow particular metrics, not all standards of quality measurement may be reducible to hard figures or are readily articulable in specific pre-engagement descriptions. A good example would be the case of probationary employees whose tasks involve the application of discretion and intellect, such as—to name a few—lawyers, artists, and journalists. In these kinds of occupation, the best that the employer can do at the time of engagement is to inform the probationary employee of his duties and responsibilities and to orient him on how to properly proceed with the same. The employer cannot bear out in exacting detail at the beginning of the engagement what he deems as "quality work" especially since the probationary employee has yet to submit the required output. In the ultimate analysis, the communication of performance standards should be perceived within the context of the nature of the probationary employee's duties and responsibilities.

The same logic applies to a probationary managerial employee who is tasked to supervise a particular department, as Alcaraz in this case. It is hardly possible for the employer, at the time of the employee's engagement, to map into technical indicators, or convey in precise detail the quality standards by which the latter should effectively manage the department. Factors which gauge the ability of the managerial employee to either deal

⁶³ *Id.* at 162–163.

⁶⁴ *Abbott Laboratories, Phils. v. Alcaraz*, 733 Phil. 637, 653 (2014) [Per J. Perlas-Bernabe, *En Banc*].

⁶⁵ *Id.*

with his subordinates (e.g., how to spur their performance, or command respect and obedience from them), or to organize office policies, are hardly conveyable at the outset of the engagement since the employee has yet to be immersed into the work itself. Given that a managerial role essentially connotes an exercise of discretion, the quality of effective management can only be determined through subsequent assessment. While at the time of engagement, reason dictates that the employer can only inform the probationary managerial employee of his duties and responsibilities as such and provide the allowable parameters for the same. Verily, as stated in the Decision, the adequate performance of such duties and responsibilities is, by and of itself, an implied standard of regularization.⁶⁶

In this case, as correctly observed by the NLRC, among the qualitative standards that respondents have set for a WLAN Head/National Sales Manager are the ability to lead and inspire his team, exercise sound judgment and discretion, make quality decisions, and exhibit professional behavior in all dealings with internal and external customers.⁶⁷ Remarkably, these qualities are inherent to the duties and obligations associated with this position.

At this juncture, We once more adopt the pronouncement of the NLRC:

It cannot be gainsaid that high-level managerial employees such as Reyes are considered by corporate entities as extensions of themselves, if not their alter-egos, as they are the human faces that represent these juridical entities in all their dealings. As such, these top-level managerial employees are held to a higher standard of intellect, professionalism, civility and conduct. Thus, even if not written in clear, bold language, certain qualitative attributes or personality traits are deemed embedded or inherent in managerial positions, especially those at the higher echelons of the corporate ladder such as the one that Reyes occupied.

Records show that it is in these qualitative standards that Reyes was found to be wanting, to wit: (1) he had shallow knowledge of business operations; (2) came into conflict with other LT members; (3) not in sync with the company's business strategy; (4) had difficulty fitting into the Samsung IMT culture; (5) violated the company's confidentiality policy when he disclosed his monthly salary which created unnecessary discord among IMT members; (6) exhibited unprofessional demeanor while meeting external mobile partners and IMT members; (7) used unprofessional language which made female colleagues uncomfortable; and (8) lacked understanding of Samsung's internal rules and processes which caused disappointment among external mobile partners of Samsung when he made unauthorized or, unrealistic commitments which may put the company's IMT business at risk.

All the foregoing findings are contained in the Competencies portion of Reyes' performance evaluation where he got a final rating of 4.20. As clearly stated in the Termination Letter dated 23 August 2017, a 4.2 rating which is equivalent to a "Needs Improvement" rating does not merit a conversion of Reyes' employment from probationary to regular. Our

⁶⁶ *Id.* at 654–655.

⁶⁷ *Rollo*, p. 168.

examination of the records disclosed that Reyes' low rating had ample basis and was not based on flimsy or frivolous grounds.⁶⁸

All told, it is patent that petitioner was unable to fulfill the performance standards prescribed by Samsung for regularization, which validates the termination of his employment. Therefore, there is no illegal dismissal to speak of. Nonetheless, this Court affirms the award of the pro-rated 13th month pay as this was explicitly provided for under his employment contract,⁶⁹ which shall earn legal interest at 6% in line with prevailing jurisprudence.⁷⁰

Regarding the applicability of the two notice rule, it is settled that such rule would not apply in instances where a probationary employee is dismissed for failing to meet the employer's reasonable standards.⁷¹ In the case of *Abbott*,⁷² this Court declared that:

A different procedure is applied when terminating a probationary employee; the usual two-notice rule does not govern. Section 2, Rule I, Book VI of the Implementing Rules of the Labor Code states that "if the termination is brought about by the x x x failure of an employee to meet the standards of the employer in case of probationary employment, it shall be sufficient that a written notice is served the employee, within a reasonable time from the effective date of termination."⁷³ (Citation omitted)

To recap, in this case, the basis for petitioner's dismissal was his inability to meet Samsung's employment standards, and not due to just or authorized causes. As such, the two notice rule is not applicable.

In conclusion, the Constitution's commitment to social justice and the protection of the working class does not guarantee that all labor disputes will always be resolved in favor of labor. The rights of management also carry weight and are entitled to respect and enforcement in the spirit of fair play.⁷⁴

ACCORDINGLY, the Petition is **DENIED**. The August 26, 2020 Decision and the July 28, 2021 Resolution of the Court of Appeals in CA G.R. SP No. 159808 are **AFFIRMED WITH MODIFICATION**. The Complaint for Illegal Dismissal against respondents Samsung Electronic Phils., Corp., Kevin Lee, Minsu Chu, and Silver Fungo is **DISMISSED**. Nonetheless, respondent Samsung Electronic Phils., Corp., is **ORDERED TO PAY** petitioner Jose Antonio Paulo Ignacio Reyes his proportionate 13th month pay of PHP 235,000.00, plus legal interest at the rate of 6% per annum to be computed from the date of finality of this Decision until full payment.

⁶⁸ *Id.* at 168–169.

⁶⁹ *Id.* at 233.

⁷⁰ *See Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc.*, G.R. No. 225433, September 20, 2022 [Per J. Leonen, *En Banc*].

⁷¹ *Jaso v. Metrobank & Trust Co.*, G.R. No. 235794, May 12, 2021 [Per J. Inting, Third Division].

⁷² 714 Phil. 510 (2013) [Per J. Perlas-Bernabe, *En Banc*].

⁷³ *Id.* at 537–538.

⁷⁴ *Enchanted Kingdom, Inc. v. Verzo*, 775 Phil. 388, 409 (2015) [Per J. Mendoza, Second Division].

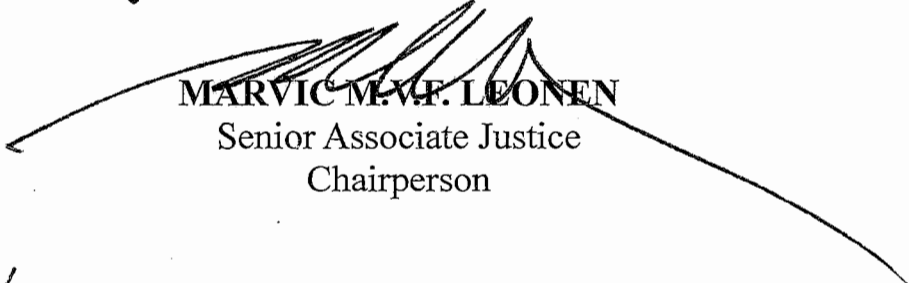
9

SO ORDERED.



JHOSEP V. LOPEZ
Associate Justice

WE CONCUR:

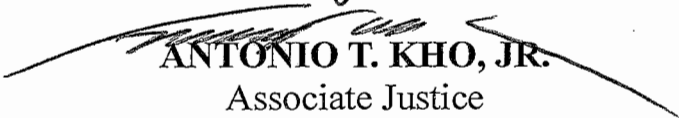
I join the dissent of J. Kho


MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson


AMY C. LAZARO-JAVIER
Associate Justice



MARIQUI LOPEZ
Associate Justice

See Dissenting Opinion


ANTONIO T. KHO, JR.
Associate Justice

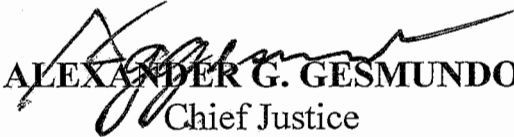
ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of this Court's Division.


MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, 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 this Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice