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THIRD DIVISION

[G.R. No. 121071, December 11, 1998]

PHIL. FEDERATION OF CREDIT COOPERATIVES, INC. (PECCI) AND FR. BENEDICTO JAYOMA, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (FIRST DIVISION) AND VICTORIA ABRIL, RESPONDENTS.

D E C I S I O N

ROMERO, J.:

It is an elementary rule in the law on labor relations that a probationary employee who is engaged to work beyond the probationary period of six months, as provided under Art. 281 of the Labor Code, as amended, or for any length of time set forth by the employer, shall be considered a regular employee.

Sometime in September 1982, private respondent Victoria Abril was employed by petitioner Philippine Federation of Credit Cooperatives, Inc. (PFCCI), a corporation engaged in organizing services to credit and cooperative entities, as Junior Auditor/Field Examiner and thereafter held positions in different capacities, to wit: as office secretary in 1985 and as cashier-designate for four (4) months ending in April 1988. Respondent, shortly after resuming her position as office secretary, subsequently went on leave until she gave birth to a baby girl. Upon her return sometime in November 1989, however, she discovered that a certain Vangie Santos had been permanently appointed to her former position. She, nevertheless, accepted the position of Regional Field Officer as evidenced by a contract which stipulated, among other things, that respondent's employment status shall be probationary for a period of six (6) months. Said period having elapsed, respondent was allowed to work until PFCCI presented to her another employment contract for a period of one year commencing on January 2, 1991 until December 31, 1991, after which period, her employment was terminated.

In a complaint for illegal dismissal filed by respondent against PFCCI on April 1, 1992, Labor Arbiter Cornelio L. Linsangan rendered a decision on March 10, 1993 dismissing the same for lack of merit but ordered PFCCI to reimburse her the amount of P2,500.00 which had been deducted from her salary.

On appeal, however, the said decision was reversed by the National Labor Relations Commission (NLRC), the dispositive portion of which reads:

> "WHEREFORE, the appealed decision is hereby set aside. The respondents are hereby directed to reinstate complainant to her position last held, which is that of a Regional Field Officer, or to an equivalent position if such is no longer feasible, with full backwages computed from January 1, 1992 until she is actually reinstated.
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> SO ORDERED."

We find no merit in the petition.

Article 281 of the Labor Code, as amended, allows the employer to secure the services of an employee on a probationary basis which allows him to terminate the latter for just cause or upon failure to qualify in accordance with reasonable standards set forth by the employer at the time of his engagement. As defined in the case of *International Catholic Migration v. NLRC,*[1] "a probationary employee is one who is on trial by an employer during which the employer determines whether or not he is qualified for permanent employment. A probationary employment is made to afford the employer an opportunity to observe the fitness of a probationer while at work, and to ascertain whether he will become a proper and efficient employee."

Probationary employees, notwithstanding their limited tenure, are also entitled to security of tenure. Thus, except for just cause as provided by law,[2] or under the employment contract, a probationary employee cannot be terminated.[3]

In the instant case, petitioner refutes the findings of the NLRC arguing that, after respondent had allegedly abandoned her secretarial position for eight (8) months, she applied for the position of Regional Field Officer for Region IV, which appointment, as petitioner would aptly put it, "had been fixed for a specific project or undertaking the completion or termination of which had been determined at the time of the engagement of said private respondent and therefore considered as a casual or contractual employment under Article 280 of the Labor Code."[4]

The contention that respondent could either be classified as a casual or contractual employee is utterly misplaced; thus, it is imperative for the Court to elucidate on the kinds of employment recognized in this jurisdiction. The pertinent provision of the Labor Code, as amended, states:

> "Art. 280. *Regular and casual employment.* - The provisions of written agreement to the contrary notwithstanding and regardless of the oral agreement of the parties, an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or services to be performed is seasonal in nature and the employment is for the duration of the season.
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> An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That, any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists."

This provision of law comprehends three kinds of employees: (a) regular employees or those whose work is necessary or desirable to the usual business of the employer; (b) project employees or those whose employment has been fixed for a specific project or undertaking the completion or termination of which has been