

SECOND DIVISION

[G.R. No. 117514, October 04, 1996]

MT. CARMEL COLLEGE, BISHOP JULIO LABAYEN AND SR. MERCEDES SALUD, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION AND MRS. NORMITA A. BAÑEZ, RESPONDENTS.

D E C I S I O N

PUNO, J.:

Petitioner Mt. Carmel College, through its president, Bishop Julio Labayen, and its vice president, Sister Mercedes Salud, assails the portion of the Decision of respondent National Labor Relations Commission in NLRC Case No. RAB-IV-6-4406-92-Q^[1] ordering it to pay private respondent Normita A. Bañez the amount of P10,200.00 representing her salary for the unexpired portion of her probationary employment.

The facts are undisputed:

On June 1, 1989, petitioner school hired private respondent as grade school teacher under a written Contract of Probationary Employment. Paragraph 5 of the contract provides for private respondent's salary and the duration of her employment, thus:

5. That my salary or wage shall be One Thousand Six Hundred Seventy Five Pesos (P1,675.00) per month and until such time as the School decides to retain me in its permanent employ, **my employment therein shall be deemed to run from SY 1989-1990 to SY 1991-1992 (day to day of month to month)** and my service may be terminated at any time after I fail to comply with the foregoing conditions laid down by the School. The School shall have no further liability to me whatsoever, either by way of separation pay or otherwise.^[2] (emphasis supplied)

In March 1992, petitioner school terminated the services of private respondent as she did not pass the National Teacher's Board Examination.^[3]

Private respondent filed a complaint for illegal dismissal against the petitioners.

The Labor Arbiter found petitioners guilty of illegal dismissal and ordered them to reinstate private respondent with full backwages.^[4]

Petitioners appealed to the NLRC.

Public respondent reversed the decision of the Labor Arbiter. It found private respondent's dismissal from service to be legal. Public respondent, however, ordered petitioners to pay private respondent the amount of P10,200.00,