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Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

**AUTOMATIC APPLIANCES, INC.,  
SAMSON F. LIM, CORNELIO P.  
BUENAVENTURA and CRISTINE  
M. PONTILLAS,**

Petitioners,

- versus -

**FRANCIA B. DEGUIDOY,**  
Respondent.

**G.R. No. 228088**

Present:

PERLAS-BERNABE,\* J.,  
REYES, A., JR.,  
Acting Chairperson,  
HERNANDO,  
INTING, and  
ZALAMEDA,\*\* JJ.

Promulgated:

04 DEC 2019

X-----X

DECISION

**REYES, A., JR., J.:**

*The management enjoys the discretion to assign and transfer employees to other work stations. The transfer is valid inasmuch as it does not involve a demotion in rank or diminution in pay or benefits, and was carried out in good faith and justified by business exigencies.*

This treats of the petition for review on *certiorari*<sup>1</sup> under Rule 45 of the Revised Rules of Court seeking the reversal of the Decision<sup>2</sup> dated March 31, 2016, and the Resolution<sup>3</sup> dated November 3, 2016, rendered by the Court of Appeals (CA) in CA-G.R. SP No. 138334, which affirmed with modification the ruling of the National Labor Relations Commission

\* On official business.

\*\* Designated additional Member per Special Order No. 2727 dated October 25, 2019; on official leave.

<sup>1</sup> *Rollo*, pp. 10-45.

<sup>2</sup> Penned by Associate Justice Romeo F. Barza, with Associate Justices Ramon A. Cruz and Agnes Reyes-Carpio, concurring; *id.* at 48-63.

<sup>3</sup> *Id.* at 64-68.

Reyes

(NLRC) holding that respondent Francia B. Deguidoy (Deguidoy) was constructively dismissed by petitioner Automatic Appliances, Inc. (AAI).

AAI is a corporation organized and existing under the laws of the Philippines. Petitioners Samson F. Lim, Cornelio P. Buenaventura and Cristine M. Pontillas (Pontillas) are the former President, Vice President for Human Resource and Tutuban Branch Manager, respectively, of said corporation.<sup>4</sup>

The antecedent facts reveal that on June 3, 1998, AAI hired Deguidoy as a regular Sales Coordinator in its Cubao Branch. As a sales coordinator, she was tasked with selling merchandise and was required to maintain a branch sales quota.<sup>5</sup>

Sometime in 2013, AAI suffered a decline in its sales and experienced economic difficulties. Consequently, on March 6, 2013, it implemented cost-cutting measures, which included closing some of its branches. In line with the closure of its branches, AAI issued a Memorandum dated July 1, 2013, informing its employees of their re-shuffling and re-assignment to AAI's various branches. As a result, Deguidoy was re-assigned from the Cubao branch to the Tutuban Branch. She accepted her re-assignment.<sup>6</sup>

While at the Tutuban Branch, Deguidoy failed to reach her sales quota. Worse, the Branch Attendance Time Log Report showed that she incurred 29 days of unexplained absences from March to August 2013. Added to this, her sales performance continued to decline while her co-employees surpassed their sales quotas.<sup>7</sup>

Concerned about Deguidoy's dismal performance at work, on June 14, 2013, the management of AAI urged her to undergo counseling to improve her performance. During the counseling session, Deguidoy explained that her poor performance at work was due to her weight gain, which rendered it difficult to stand and perform her tasks as a Sales Coordinator. In response, AAI suggested a lateral transfer as a receptionist clerk or invoicing clerk, where she could work behind a desk. However, she refused the offer.<sup>8</sup>

Meanwhile, on August 2, 2013, AAI received a letter from the Tutuban Branch Manager Pontillas notifying the management about Deguidoy's poor work performance.<sup>9</sup> Pontillas likewise requested for additional sales personnel at the Tutuban Branch.

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<sup>4</sup> Id. at 12.

<sup>5</sup> Id. at 18-19.

<sup>6</sup> Id. at 20.

<sup>7</sup> Id.

<sup>8</sup> Id. at 21.

<sup>9</sup> Id.

*Meyer*

Hearing this, AAI conducted a review of Deguidoy's records and sales outputs. This led to the discovery that Deguidoy incurred numerous absences and had a low sales output. AAI issued Attendance Infraction Memos dated August 27, 2013 and an Inefficiency and Gross Negligence Memo of even date. Deguidoy was placed under one-month suspension. She accepted the suspension and apologized for her faults.<sup>10</sup>

On October 7, 2013, Deguidoy reported back to work. On even date, AAI verbally informed her of an intended transfer to its Ortigas branch. Dismayed, Deguidoy left during her lunch break, and never returned.<sup>11</sup>

On October 11, 2013, AAI sent Deguidoy a letter requiring her to explain her failure to report for work. Deguidoy ignored the said letter. AAI sent another letter on October 19, 2013. Still, the same was unheeded.<sup>12</sup>

Unknown to AAI, on October 14, 2013, Deguidoy filed a case for illegal dismissal with money claims including 13<sup>th</sup> month pay.<sup>13</sup>

### Ruling of the Labor Arbiter

On February 28, 2014, the Labor Arbiter (LA) rendered a Decision dismissing Deguidoy's complaint for illegal dismissal based on its finding that Deguidoy was not terminated, but was simply being transferred to another branch.<sup>14</sup>

However, the LA ordered the payment of proportionate 13<sup>th</sup> month pay.

The dispositive portion of the LA's decision reads:

*WHEREFORE*, premises considered, judgment is hereby rendered DISMISSING the complaint for lack of merit. However, respondent AUTOMATIC CENTER HOME APPLIANCES, INC., is ordered to pay complainant proportionate 13th month pay.

1/1/13-10/7/13  
476 x 26 x 9.23 = P9,519.20

In the meantime, Mr. Samson Lim, Nel P. Buenaventura and Ms. Cristine M. Pontillas are ordered DROPPED as party respondents.

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<sup>10</sup> Id. at 22.  
<sup>11</sup> Id.  
<sup>12</sup> Id.  
<sup>13</sup> Id.  
<sup>14</sup> Id. at 51.

*Reyes*

SO ORDERED.<sup>15</sup>

In view of the LA decision, AAI sent Deguidoy a notice to report for work. However, instead of reporting back to work, Deguidoy filed a Partial Memorandum of Appeal before the National Labor Relations Commission (NLRC). On appeal, Deguidoy changed her cause of action from actual illegal dismissal to constructive dismissal.

### Ruling of the NLRC

On July 28, 2014, the NLRC reversed and set aside the ruling of the LA, and held that Deguidoy was constructively dismissed. The NLRC theorized that AAI'S acts were calculated to dismiss Deguidoy from employment. Consequently, the NLRC ordered AAI to pay Deguidoy backwages and separation pay in lieu of reinstatement.<sup>16</sup>

The dispositive portion of the NLRC decision reads:

**ACCORDINGLY**, the decision appealed from is set aside and a new one **ENTERED** finding complainant [Deguidoy] illegally constructively dismissed. Respondent-appellees are hereby ordered to pay complainant: the amount already adjudged to her; her full backwages from August 27, 2013 up to the finality hereof; and, in lieu of reinstatement, to pay her separation pay at the rate of one (1) month pay from the date of hire on June 3, 1998 until the finality of this Decision.

**SO ORDERED.**<sup>17</sup> (Emphases in the original)

Dissatisfied with the ruling, AAI filed a Petition for *Certiorari* under Rule 65 of the Rules of Court with the CA.

### Ruling of the CA

On March 31, 2016, the CA rendered the assailed Decision<sup>18</sup> affirming with modification the NLRC's ruling. The CA found that Deguidoy was constructively dismissed by AAI. According to the CA, Deguidoy was being transferred to the Ortigas branch, which was on the verge of being closed. Likewise, the evidence presented by AAI was not sufficient to prove that her transfer was intended to help her achieve a better sales performance. Neither was there sufficient evidence to prove that the Ortigas branch was less frequented by customers as claimed by AAI, and that Deguidoy's weight problem greatly affected her performance at work.<sup>19</sup> Accordingly, the CA

<sup>15</sup> Id.

<sup>16</sup> Id. at 51-52.

<sup>17</sup> Id. at 52.

<sup>18</sup> Id. at 48-63.

<sup>19</sup> Id. at 59.

*Meyer*

ordered Deguidoy's reinstatement without loss of seniority rights and the payment of full backwages, which shall be computed from October 7, 2013 – the date when Deguidoy was notified of the intended transfer until her actual reinstatement.<sup>20</sup>

The dispositive portion of the assailed CA decision reads:

**WHEREFORE**, the foregoing considered, the instant petition is **PARTIALLY GRANTED**. The portion of the *Decision* dated July 28, 2014 of the [NLRC] ordering petitioners to pay private respondent full backwages from August 27, 2013 up to the finality of the decision and separation pay are **ANNULLED** and **SET ASIDE**. Petitioners are hereby ordered to:

(a) **REINSTATE** [Deguidoy] to her former position without loss of seniority rights and other privileges;

(b) **PAY** [Deguidoy] backwages inclusive of allowances and other benefits or their monetary equivalent, computed from the time she was illegally dismissed on October 7, 2013, until her actual reinstatement.

The [LA] is hereby **ORDERED** to make another recomputation of the total monetary benefits due to petitioner in accordance with this Decision.

**SO ORDERED.**<sup>21</sup>

Undeterred, AAI filed the instant petition for review on *certiorari* under Rule 45 of the Revised Rules of Court.

### The Issue

The crux of the instant case rests on whether or not Deguidoy was constructively dismissed by AAI.

AAI points out that Deguidoy's original allegation was that she was actually dismissed from her employment. She cannot conveniently change her theory on appeal, as the same is violative of the essence of due process.<sup>22</sup> As such, the allegation of constructive dismissal should not have been considered by the CA.<sup>23</sup>

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<sup>20</sup> Id. at 62.

<sup>21</sup> Id. at 62-63.

<sup>22</sup> Id. at 28.

<sup>23</sup> Id. at 30.

*Meyer*

Likewise, AAI claims that Deguidoy failed to support her charge of illegal dismissal - both actual and constructive. She was neither given a termination letter nor barred from the work premises. Neither was she constructively dismissed. AAI explains that its decision to transfer her to the Ortigas branch was a valid exercise of its management prerogative to streamline its operations. It was spurred by her poor performance and her inability to reach the sales quota. Moreover, it was Deguidoy who related that her weight gain had rendered it difficult to perform her work.<sup>24</sup>

Furthermore, AAI denies Deguidoy's claim that it wanted to get rid of her services. It points out that they constantly sent Deguidoy notices to report for work. However, the latter refused to comply with the said directives.<sup>25</sup>

In the same vein, AAI rebuts Deguidoy's claim that she was being eased out. It clarifies that at the time of the intended transfer, the Ortigas branch was fully operational and in need of additional personnel.<sup>26</sup>

On the other hand, Deguidoy maintains that her transfer was without any basis and was a ploy to ease her out. She claims that she was forced to leave her work due to the harassment she experienced in her workplace. Her previous work was rendered unreasonable, undesirable and unlikely.<sup>27</sup> She submits that the notices to report for work sent by AAI were a means of "harassing" her.<sup>28</sup>

Similarly, Deguidoy counters that the grounds given by AAI to justify her transfer, such as poor performance, tardiness, and even her weight, were not proven by substantial evidence. She avers that AAI failed to prove that her transfer was due to a genuine business necessity.<sup>29</sup>

### **Ruling of the Court**

*The instant petition is impressed with merit.*

***Management Enjoys the  
Prerogative to Transfer Its  
Employees and Regulate Their  
Work Assignments***

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<sup>24</sup> Id. at 34.

<sup>25</sup> Id. at 36.

<sup>26</sup> Id. at 36-37.

<sup>27</sup> Id. at 126-127.

<sup>28</sup> Id. at 127.

<sup>29</sup> Id.

*Meyer*

Labor laws are not one-sided. Although the law bends over backwards to accommodate the needs of the working class, not every labor dispute shall be decided in favor of labor.<sup>30</sup> Indeed, the Constitutional provisions on social justice as well as labor laws guarantee the protection of the employees' tenurial security. However, this tenurial security shall not grant the employees a vested right to their desired position. Rather, management possesses the right to regulate all aspects of employment relating to the employees' work assignment and working methods.<sup>31</sup>

Particularly, under the doctrine of management prerogative, an employer possesses the inherent right to regulate, according to its "own discretion and judgment, all aspects of employment, including hiring, work assignments, working methods, the time, place and manner of work, work supervision, transfer of employees, lay-off of workers, and discipline, dismissal, and recall of employees."<sup>32</sup> This wide sphere of authority to regulate its own business may only be curbed by the limitations imposed by labor laws and the principles of equity and substantial justice. The importance of discouraging interference is necessary to ensure that the employer may in turn expect good performance, satisfactory work, diligence, good conduct and loyalty from its employees.<sup>33</sup>

Accordingly, the employer may determine, in accordance with its sound business judgment, its employees' work assignments. This discretion to impose work assignments, or corollarily, transfer the employees shall be based on the employer's assessment of the "qualifications, aptitudes and competence of its employees."<sup>34</sup> The employer is allowed to move them around various areas of its business operations to ascertain where they will function with maximum benefit to the company.<sup>35</sup> After all, the employer is in the best position to determine where its employees will thrive for the good of the company.

It is imperative, however, to strike a balance between the employees' tenurial security on the one hand, and the employer's management prerogative, on the other. In *Rural Bank of Cantilan, Inc. v. Julve*,<sup>36</sup> and *Peckson v. Robinsons Supermarket Corporation, et al.*,<sup>37</sup> the Court laid down guidelines to ensure that both rights are protected:

<sup>30</sup> *Paredes v. Feed the Children Philippines, Inc., et al.*, 769 Phil. 418, 442 (2015).

<sup>31</sup> *Peckson v. Robinsons Supermarket Corp., et al.*, 713 Phil. 471, 480 (2013).

<sup>32</sup> *Rural Bank of Cantilan, Inc. v. Julve*, 545 Phil. 619, 624 (2007), citing *Baybay Water District v. Commission on Audit*, 425 Phil. 326, 343-344 (2002).

<sup>33</sup> *Rural Bank of Cantilan, Inc. v. Julve*, id. at 624, citing *Durban Apartments Corporation v. Catacutan*, 514 Phil. 187, 196 (2005).

<sup>34</sup> *Peckson v. Robinsons Supermarket Corp., et al.*, supra note 31, at 481-482, citing *Philippine Japan Active Carbon Corporation v. NLRC*, 253 Phil. 149, 153 (1989).

<sup>35</sup> *Peckson v. Robinsons Supermarket Corp., et al.*, id.

<sup>36</sup> 545 Phil. 619 (2007).

<sup>37</sup> 713 Phil. 471 (2013).

Reyes

Concerning the transfer of employees, these are the following jurisprudential guidelines: (a) a transfer is a movement from one position to another of equivalent rank, level or salary without break in the service or a lateral movement from one position to another of equivalent rank or salary; (b) the employer has the inherent right to transfer or reassign an employee for legitimate business purposes; (c) a transfer becomes unlawful where it is motivated by discrimination or bad faith or is effected as a form of punishment or is a demotion without sufficient cause; (d) the employer must be able to show that the transfer is not unreasonable, inconvenient, or prejudicial to the employee.<sup>38</sup> (Citations omitted)

Accordingly, the Court respects the right of the employer to re-assign its employees to other stations, provided that the transfer is not unreasonable, inconvenient, prejudicial, or involve a demotion in rank or a diminution of salaries, benefits, and other privileges. For as long as said conditions are met, the employee may not complain that the transfer amounts to a constructive dismissal.<sup>39</sup>

***AAI's Decision to Transfer Deguidoy to its Ortigas Branch Was a Valid Exercise of its Management Prerogative. Her Intended Transfer was Not Akin to a Constructive Dismissal***

It must be noted at the outset that Deguidoy was not actually transferred to the Ortigas branch. The facts show that on October 7, 2013, she was verbally informed that management intended to re-assign her at the Ortigas branch. Apparently, this offer did not sit well with her, and she went out of the Tutuban store, and no longer returned. Days after the said conversation, she immediately filed a case for illegal (actual) dismissal on October 14, 2013. Thereafter, she contumaciously ignored all the directives to report back to work.<sup>40</sup> She construed the management's decision to transfer her as a form of dismissal. This was based on her apprehension that the said branch was about to be closed.

**The Court does not agree.**

At any rate, even if the transfer actually took place, said transfer is not tantamount to a constructive dismissal. Essentially, "[c]onstructive dismissal exists where there is cessation of work, because 'continued employment is rendered impossible, unreasonable or unlikely, as an offer involving a demotion in rank or a diminution in pay' and other benefits."<sup>41</sup> It is regarded as a dismissal in disguise or an act amounting to dismissal but

<sup>38</sup> Id. at 481.

<sup>39</sup> Id. at 482-483.

<sup>40</sup> *Rollo*, p. 22.

<sup>41</sup> *Cosue v. Ferritz Integrated Dev't. Corp., et al.*, 814 Phil. 77, 86-87 (2017).

*Meyer*



made to appear as if it were not. It may take place when the employer commits an act of clear discrimination, insensibility, or disdain, such that the employment becomes so unbearable on the part of the employee and leaves him/her no choice except to forego his/her continued employment.<sup>42</sup>

***Deguidoy's Intended Transfer Did Not Involve a Demotion in Rank or A Diminution in Pay. Likewise, The Decision Was Spurred by A Genuine Necessity to Streamline the Business Operations***

Jurisprudence holds that the management's decision to transfer an employee shall not be assailed as a form of constructive dismissal in the absence of proof that the re-assignment involves a demotion in rank, diminution in pay, or was an act of discrimination or disdain.<sup>43</sup>

In the instant case, the intended transfer did not involve a demotion in rank or diminution in pay, salaries and benefits. Deguidoy was simply asked to transfer to a different location where she will be occupying the same position and performing the same functions.

Equally important, the decision to transfer Deguidoy came after a painstaking evaluation of her performance at the Tutuban branch. This was spurred by a letter sent by Pontillas reporting Deguidoy's dismal performance at work. Because of the latter's inability to cope with the demands of her work, Pontillas even requested for additional staff who could carry Deguidoy's load.<sup>44</sup> Surely, an additional complement would have been unnecessary if Deguidoy was able to perform her work adequately.

It bears noting that AAI was engaged in the business of selling appliances and other similar products. Consequently, it had a right to aim for a high volume of sales output, and device of ways and means to achieve a high sales target. In relation thereto, Deguidoy, as a sales coordinator, was tasked to assist the branch in achieving a high output of sales. Unfortunately, however, Deguidoy's sales performance at the Tutuban branch was very meager compared to that of the branch top performer, and consisted of a small contribution to the total branch output. This was based on AAI's records.<sup>45</sup>

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<sup>42</sup> Id.

<sup>43</sup> *Verdadero v. Barney Autolines Group of Companies Transport, Inc., et al.*, 693 Phil. 646, 653 (2012).

<sup>44</sup> *Rollo*, pp. 21-22.

<sup>45</sup> Id. at 20.

*Meyer*

In addition to her low sales output, Deguidoy was found to have incurred numerous unexplained absences. She failed to report for work for a total of 29 days within a six-month period. From 2009 until 2013, AAI issued various notices requiring her to explain, which she ignored.<sup>46</sup>

It becomes all too apparent that AAI's decision to transfer Deguidoy to the Ortigas branch was triggered by the need to streamline its operations. The Tutuban branch needed manpower, whose functions Deguidoy could not fulfill. Meanwhile, the Ortigas branch was frequented by lesser customers, and was in need of additional personnel, for which Deguidoy could adequately respond. In fact, the re-assignment was viewed as a means to aid her increase her sales target.

Similar to the instant case, in *Peckson*,<sup>47</sup> the Court respected the management's decision to transfer its recalcitrant employee who was habitually tardy and inconsistent in attendance to a branch that would be less affected by her laziness. The Court explained:

As a privilege inherent in the employer's right to control and manage its enterprise effectively, its freedom to conduct its business operations to achieve its purpose cannot be denied. We agree with the appellate court that the respondents are justified in moving the petitioner to another equivalent position, which presumably would be less affected by her habitual tardiness or inconsistent attendance than if she continued as a Category Buyer, a "frontline position" in the day-to-day business operations of a supermarket such as Robinsons.<sup>48</sup> (Citations omitted)

Equally important, in *Benguet Electric Cooperative v. Fianza*,<sup>49</sup> the Court emphasized that the management has the discretion to determine where its employees are best suited to work. In this regard, the transfer could not be assailed as a form of constructive dismissal, considering that the management had the prerogative to determine the place where the employee is best qualified to serve the interests of the business given the qualifications, training and performance of the affected employee.<sup>50</sup>

A similar pronouncement was reached in *Chateau Royale Sports and Country Club, Inc. v. Balba, et al.*,<sup>51</sup> where the Court respected the employer's assessment that the transfer would be in the best interest of the employee, despite the latter's protests. The Court further stressed that the employee may not assail the management's decision on the pretext of the inconvenience the transfer may cause. What matters is that the transfer is

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<sup>46</sup> Id. at 19-20.

<sup>47</sup> Supra note 31.

<sup>48</sup> Id. at 482.

<sup>49</sup> 468 Phil. 980 (2004).

<sup>50</sup> Id. at 997.

<sup>51</sup> 803 Phil. 442 (2017).

*Meyer*

not unreasonable or oppressive, and will not lead to a demotion in rank, or diminution of benefits and salaries.<sup>52</sup>

***AAI Did Not Act in Bad Faith in Informing Deguidoy of Her Intended Transfer***

The records are bereft of proof that Deguidoy was discriminated against. In as early as March 6, 2013, AAI undertook a review of its company policies, rules and regulations, and sought to implement cost-cutting measures. This led to a decision to close down certain branches. In line with this, AAI implemented re-assignments and reshuffling of its personnel in its branches.<sup>53</sup> Deguidoy was merely one of the many employees transferred. She was never singled out.

Moreover, neither did AAI act with disdain against Deguidoy. On the contrary, it even sought ways to help improve her performance at the Tutuban branch. The management called Deguidoy's attention to discuss the reasons behind her dismal sales performance. Instead of imposing sanctions, the management even offered to give her counseling. During the counseling sessions, Deguidoy admitted that her poor performance was due to her weight gain which rendered it difficult for her to stand and perform her tasks as a sales coordinator. This was supported by her medical records. Her Medical Certificate dated March 2, 2011 showed that she then weighed 151.8 pounds. A later Medical Examination Report dated June 18, 2014 confirmed that her weight ballooned to 176 pounds. Deguidoy stands at four feet and eight inches (4'8"). As a solution, the management offered her a lateral transfer as a receptionist clerk or invoicing clerk, where she would not need to stand for prolonged periods of time. However, Deguidoy refused the offer and promised to improve her performance.<sup>54</sup>

The aforementioned reports likewise show that the CA erred in opining that there was no truth to AAI's purported claim that Deguidoy's weight gain affected her performance at work. Said documents likewise belie Deguidoy's contention that she was discriminated against because of her weight.

In *Best Wear Garments v. De Lemos, et al.*,<sup>55</sup> the Court stressed that absent any proof of discrimination or disdain on the part of the employer in transferring its employees, it is unfair to charge the former with constructive dismissal simply on the employees' insistence that the transfer to a new work assignment was against their will.<sup>56</sup>

<sup>52</sup> Id. at 451.

<sup>53</sup> *Rollo*, pp. 19-20.

<sup>54</sup> Id. at 21.

<sup>55</sup> 700 Phil. 471 (2012).

<sup>56</sup> Id. at 480.

*Meyer*

***The Intended Transfer Was Not a Scheme to Dismiss Deguidoy***

The Court does not agree with Deguidoy's claim that her transfer was a ploy to "ease her out" of the company.

It bears stressing that although the Ortigas branch closed on November 26, 2013,<sup>57</sup> what matters is that at the time the intended transfer was proposed to Deguidoy, the branch was still fully operational and in need of additional personnel.<sup>58</sup> Interestingly, the 168 branch, where Deguidoy requested to be transferred, likewise closed on February 21, 2014.<sup>59</sup> This just shows that at the time the notice was sent to Deguidoy, there was nothing questionable about AAI's offer.

Furthermore, said allegation that AAI was scheming to rid itself of Deguidoy's services, aside from being unsubstantiated, was disproved by the former's continuous efforts to call Deguidoy back to work. In fact, when the case was dismissed by the LA, AAI immediately issued a Notice to Report on April 11, 2014. This was followed by several directives to report back for work, consisting of a Notices to Return to Work dated April 23, 2014 and May 5, 2014.<sup>60</sup> Subsequently, another notice was sent after the CA decision, to which Deguidoy responded, but intimated that she was not yet ready to return. Instead, she filed for a vacation leave from May 16 to 20, 2016.<sup>61</sup>

Seemingly, it was actually Deguidoy who continuously and contumaciously refused to abide by the notices and orders sent by AAI. Worse, her conduct is not reflective of one who was treated with disdain or discriminated against. Rather, she immediately refused the intended transfer without discussing it further with her branch manager. She was given a notice to explain why she left for work on October 7, 2013. However, instead of taking the opportunity to converse with the management, she opted to immediately file a case for illegal dismissal. Also, during the conferences before the LA, she obstinately insisted on being assigned to the 168 branch.<sup>62</sup>

Based on the foregoing, it is all too apparent that **Deguidoy was not constructively dismissed**. AAI's decision to transfer her to its Ortigas branch was the result of an assiduous review of the latter's work performance balanced alongside the company's business needs. It was backed by evidence consisting of Deguidoy's sales output and attendance

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<sup>57</sup> *Rollo*, pp. 57-58.

<sup>58</sup> *Id.* at 36-37.

<sup>59</sup> *Id.* at 36.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at 40.

<sup>62</sup> *Id.* at 14.

*Reyes*

records. In the same vein, AAI's re-assignments, for which Deguidoy was affected, was not a spur of the moment move. It began as a series of measures to streamline its operations. Deguidoy was not singled out or discriminated against.

Indeed, an employee enjoys the right to be protected against any act of discrimination or disdain which renders his/her continued employment unreasonable or unlikely. However, this should not be used by the employee as a bargaining chip to insist on his/her desired assignment. Management has the right to assign an employee at any station, if it believes that the transfer is best for its business. Absent any bad faith on its part, the Court shall not interfere with the management's prerogative.

Considering that Deguidoy was not constructively dismissed, she shall be reinstated to her former position without any backwages. Deguidoy is ordered to report for work at the Tutuban branch. This is in accord with the Court's ruling in *Claudia's Kitchen, Inc. v. Tanguin*,<sup>63</sup> where it was held that if "the employee was neither found to have been dismissed nor to have abandoned his/her work, the general course of action is for the **Court to dismiss the complaint, direct the employee to return to work, and order the employer to accept the employee.**"<sup>64</sup>

Be that as it may, the Court affirms the LA's award of proportionate 13<sup>th</sup> month pay for the year 2013 in favor of Deguidoy, inasmuch as the same award was not questioned by AAI.

**WHEREFORE**, premises considered, the instant petition is hereby **GRANTED**. The Decision dated March 31, 2016, and the Resolution dated November 3, 2016, rendered by the Court of Appeals in CA-G.R. SP No. 138334 are **REVERSED and SET ASIDE**. Francia B. Deguidoy is hereby ordered to **RETURN TO WORK** within fifteen (15) days from the receipt of this Decision. Automatic Appliances, Inc. is likewise ordered to **ACCEPT** Francia B. Deguidoy.

In addition, Automatic Appliances, Inc. is **ORDERED TO PAY** Francia B. Deguidoy her proportionate 13<sup>th</sup> month pay for the year 2013.

**SO ORDERED.**


*Meyer*  
**ANDRES B. REYES, JR.**  
Associate Justice

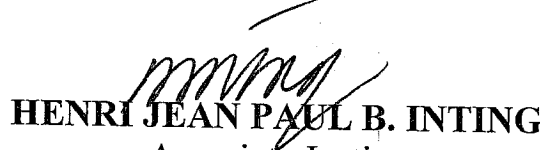
<sup>63</sup> 811 Phil. 784 (2017).

<sup>64</sup> Id. at 799. (Emphasis ours)

**WE CONCUR:**

(On official business)  
**ESTELA M. PERLAS-BERNABE**  
Senior Associate Justice


  
**RAMON PAUL L. HERNANDO**  
Associate Justice

  
**HENRI JEAN PAUL B. INTING**  
Associate Justice

(On official leave)  
**RODIL V. ZALAMEDA**  
Associate Justice

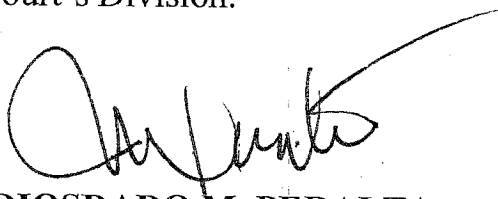
**ATTESTATION**

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 the Court's Division.

  
**ANDRES B. REYES, JR.**  
Associate Justice  
Acting Chairperson, Second Division

**CERTIFICATION**

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

  
**DIOSDADO M. PERALTA**  
Chief Justice