

Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
Intramuros, Manila

DEPARTMENT OF LABOR AND EMPLOYMENT	
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DEPARTMENT ORDER NO. 125-13  
Series of 2013

**REVISED GUIDELINES ON THE CONDUCT OF TIME AND MOTION STUDY  
(TMS)**

Pursuant to Administrative Order No. 357, Series of 2010, DOLE Rationalization Plan, Executive Order No. 366, and Article 121 (b) in relation to Article 101 of the Labor Code of the Philippines, as amended by Republic Act No. 6727, this Guidelines shall govern the procedures and standards for the conduct of Time and Motion Study-Work Improvement and Measurement.

**RULE I  
GENERAL PROVISIONS**

**Section 1. Title.** This Guidelines shall be known as the Revised Guidelines on the Conduct of Time and Motion Studies (TMS).

**Section 2. Construction.** This Guidelines shall be liberally construed to carry out the objectives of Administrative Order No. 357, Series of 2010, DOLE Rationalization Plan, Executive Order No. 366, and Articles 101 and 121 (b) of the Labor Code of the Philippines, as amended by Republic Act No. 6727.

**Section 3. Scope.** This Guidelines shall govern the conduct of Time and Motion Study by the Regional Tripartite Wages and Productivity Boards.

**Section 4. Coverage.** This guidelines shall cover workers of micro, small and medium enterprises who are paid by result, including pakyao, piecework and other non-time work pursuant to Article 101 of the Labor Code but shall exclude enterprises where no employer-employee relationship exist. Daily rate workers may also be covered but only for purposes of setting standards for work improvement and productivity.

## **Section 5. Definition of Terms as used in this Guidelines:**

1. "**Basic time**" means the normal time taken to do a job, established by work study.
2. "**DOLE-RO**" means the Department of Labor and Employment- Regional Office.
3. "**Element**" means a distinct part of a specified job selected for convenience of observation, measurement and analysis.
4. "**Employee**" refers to any individual employed by an employer.
5. "**Employer**" refers to any person acting directly or indirectly in the interest of an employer in relation to an employee.
6. "**Establishment**" refers to micro, small and medium business entities engaged in any economic activity whose workers are paid by result including pakyaw, piece work, commission or any other non-time work.
7. "**Micro, small, and medium enterprises (MSMEs)**" refers to any business activity/enterprise engaged in industry, agri-business/services, whether single proprietorship, cooperative, partnership, or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories:

a. By Asset Size

Micro:	Up to P3,000,000
Small:	P3,000,001 - P15,000,000
Medium:	P15,000,001 - P100,000,000
Large:	above P100,000,000

b. Alternatively, they may also be categorized based on the number of employees:

Micro:	1 -- 9 employees
Small:	10 -- 99 employees
Medium:	100 -- 199 employees
Large:	More than 200 employees

8. "**NWPC**" means the National Wages and Productivity Commission.
9. "**Normal Time**" means the average time it takes an average worker to perform the element in an ideal condition.
10. "**Order**" means Piece Rate Order or Production Standard Order issued by the DOLE Regional Director, in his capacity as DOLE Chairperson based on the

recommendation of the Board's Secretariat as a result of TMS conducted in an applicant-firm.

11. "**Piece-Rate**" means the mode of payment whereby an employee is paid on the basis of his production, i.e. on the amount or quantity of work done rather than time employed.
12. "**Production Standard**" means the quality levels relating to production.
13. "**RTWPB**" means the Regional Tripartite Wages and Productivity Board.
14. "**Standard Time**" means the time required by an average worker to perform the prescribed and standardized work in prevailing conditions.
15. "**Time and Motion Study**" means the systematic determination of work methods and time standards using various tools/technologies.
16. "**Wages**" means remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, piece or commission basis or other method of calculating the same, which is payable by an employer to an employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor and Employment, of board, lodging or other facilities customarily furnished by the employer to the employee.
17. "**Work**" means any activity performed for a fee.
18. "**Work Cycle**" means the complete sequence of elements necessary to perform a specified job to yield a unit of output.
19. "**Work Improvement**" means a system of designing a better method of doing work.
20. "**Work Measurement**" means a system of determining the period of time a machine or an average worker needs to perform specific job at a defined level of performance.

**Section 6. Assessment and Accreditation.** The NWPC shall develop a system of assessment and accreditation of those who will conduct time and motion study. Accredited trainers shall comply with the procedural requirements consistent with Rules II and III of this Guidelines. NWPC shall also provide continuous capacity building for its personnel.

**Section 7. Technical Assistance.** The conduct of TMS is a form of technical assistance conducted by the RTWPBs free of charge or at no cost to applicants.

**RULE II**  
**CONDUCT OF TIME AND MOTION STUDY**

**Section 1. Filing of Application for the conduct of time and motion study**

- a. **How filed.** Application may be filed personally or by registered mail using the prescribed form (NWPC-TMS Form-01) and shall be accompanied by the following documentary requirements:
1. Business permit for the current year issued by the appropriate government agency;
  2. List of the company's employees with their corresponding wages;
  3. Job activities with their existing wage rates;
  4. Method of payment of wages (e.g. pakyaw, takay, commission); and
  5. Proof of notice of filing of application for the determination of piece rate or production standard setting.

Applications with incomplete documentary requirements shall not be accepted. If the application was sent through registered mail or e-mail, it shall be returned upon receipt using the Reply Form NWPC-TMS Form-02 with all the submitted documents, indicating the reason/s for denying the application.

- b. **By whom filed.** The application may be filed by the union, a worker or owner/manager or the duly authorized representative of a micro, small, or medium establishments in person or by registered mail. In case the application is filed by a union or worker, mere application will suffice and the RTWPB shall immediately notify the owner/manager who shall be required to submit the documentary requirements.
- c. **Where to file.** The application for the determination or approval of piece rates and/or production standard setting with the appropriate RTWPB having jurisdiction over the workplace using the prescribed form (NWPC-TMS Form-01). Applications filed with the DOLE-RO and field offices shall immediately be forwarded to the appropriate RTWPB.
- d. **When to file.** The application for the determination of piece rates shall be filed before such rates are given effect. Applications for the approval of existing piece rates, on the other hand, may be filed at any time at the discretion of the requesting party, without prejudice to the right of the workers concerned to recover the difference between the amount to which

they are entitled to receive under the standards or rates as determined by the RTWPB and that actually paid to them.

**Section 2. Actions on Application.** The RTWPB secretariat shall, within 30 days from the determination of the completeness of the application, act on the same as follows:

1. Secure Authority to Conduct TMS from the RTWPB Chairperson/ DOLE Regional Director and set the schedule and prepare the agenda for the Initial Conference ensuring the attendance and participation of union/workers' and management's representatives.
2. Conduct the initial conference with the RTWPB Board Secretary as Chair, to discuss the rules of engagement, such as details of the application, terms of reference for the conduct of the TMS and coverage of the study, among others.

The RTWPB Secretariat shall prepare the minutes of the meeting which need to be approved by the representatives present thereat using the NWPC-TMS Form-03 for TMS to be conducted.

3. Conduct of TMS. (NWPC-TMS Forms-04 and 05)
  - a. Observe, obtain and record information about the job, the operator, the operation, the surroundings and working conditions and other factors/observations likely to affect the accomplishment of the work.
  - b. Study the activity/ies which will be the subject of a TMS (Refer to process flow chart, if any).
  - c. Examine the detailed breakdown of the job operation/activity. (classify if cyclical or non cyclical elements).
  - d. Using the tools and timing techniques, measure and record the time taken to perform each "element" of the operation, i.e. average, normal, basic and standard time by using a stop watch, video or any similar device.
  - e. After gathering the necessary information, re-convene the participants in the initial conference to discuss the process conducted and succeeding activities to be undertaken with corresponding timelines.
  - f. Compute and analyze the information gathered from the establishment.

- g. Conduct exit conference to discuss the results of the TMS and corresponding recommendations.
- h. Submit to the DOLE Regional Director as RTWPB Chairman for his consideration and approval, a report to include the agreements and the recommended standard rates as stated in the Time Study Summary Sheet (NWPC-TMS Form-05, whichever is applicable) together with the following documents:
  1. Application or Request Form(NWPC-TMS Form-01)
  2. Initial Conference (NWPC-TMS Form-03)
  3. Time Study Observation Sheet (NWPC-TMS Form-04)
  4. Time Study Summary Sheet (NWPC-TMS Form-05) concurred by the workers' and employers' authorized representatives
  5. Minutes of the pre and post conference and all records pertinent to the narrative report.

### **RULE III**

#### **PIECE RATE AND/OR PRODUCTION STANDARD ORDER**

**Section 1. Issuance of Piece Rate and/or Production Standard Order.** Within five (5) working days from receipt of the RTWPB's resolution, the Regional Director as RTWPB Chairperson shall issue a Piece Rate and/or Production Standard Order.

Any party aggrieved by a Piece Rate and/or Production Standard Order may appeal to the NWPC by filing a verified appeal with the RTWPB therein the grounds relied upon, in two (2) printed and legible copies, within ten (10) days from receipt of the Piece Rate or Production Standard Order. The appeal may be filed based on violations of the procedures set in Rule II, Section 2 hereof.

**Section 2. Contents.** The Piece Rate Order (NWPC-TMS Form-06) or Production Standard Order (NWPC-TMS Form-07) shall include the following:

- a. Recital of facts;
- b. List of job operation or activity studied and the corresponding rate per unit in the company in case of Piece Rate Order or quota per day in case of Production Standard Order; and
- c. Issues involved and discussion where applicable.

**Section 3. Duration of Piece Rate and/or Production Standard Order.** The duration of a Piece Rate and/or Production Standard Order shall remain valid and effective unless sooner revoked or suspended or revised or reviewed.

**Section 4. Posting of Order.** The union/workers and employer shall each be furnished a copy of the Order. The employer shall post a copy of the Order in a bulletin board or in a conspicuous place in its establishment and shall submit a certificate of posting to the RTWPB. The posting shall form part of the monitoring activity of the DOLE RO.

**Section 5. Validation for Large Establishments.** Large establishments with existing piece rates may apply for validation of the same which shall also be the subject of a Piece Rate Order.

#### **RULE IV ENFORCEMENT**

**Section 1. Enforcement of Piece Rate and/or Production Standard Order.** Compliance with the Piece Rate and/or Production Standard Order issued by the RTWPB shall be enforced by the appropriate DOLE-RO, in accordance with enforcement procedures under Art. 128 and 129 of the Labor Code, as amended.

**Section 2.** Any violation of the Order may result in revocation or suspension thereof by the DOLE Regional Director after due process.

#### **RULE V SUBMISSION OF REPORTS**

**Section 1. Submission of Reports.** The RTWPBs shall submit to the NWPC within ten (10) working days after the reference month, a monthly report (NWPC-TMS Form-08) on the conduct of Time and Motion, for purposes of program monitoring and evaluation.

All Orders and their corresponding TMS documentation should be filed at the RTWPB. One complete copy shall be sent to NWPC, who shall maintain a database of all TMS. The NWPC shall conduct random documentation and/or site audits on TMS. Copy of the results of the audit shall be furnished the concerned Board Chairperson.

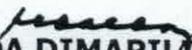
**RULE VI  
REPEAL AND SEPARABILITY**

**Section 1. Repeal and Separability.** All existing rules, regulations or orders or any part thereof inconsistent with this revised Guidelines are hereby amended or modified. If any part or provision of this Guidelines is declared unconstitutional or illegal, the other parts or provisions shall remain valid.

**RULE VII  
EFFECTIVITY**

**Section 1. Effectivity.** This Guidelines shall take effect fifteen (15) days after its publication in one (1) newspaper of general circulation.

Manila, Philippines, 01 April 2013.

  
**ROSALINDA DIMAPILIS-BALDOZ**  
Secretary