

[DOLE DEPARTMENT ORDER NO. 125-13, April 01, 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
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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