



## NWPC Guidelines No. 02 Series of 2020



### ***Operational Guidelines in the Conduct of Time and Motion Study***

In the exigency of service and pursuant to Department Order No. 125, Series of 2013, this Operational Guidelines is hereby issued to facilitate the conduct of time and motion study (TMS) in enterprises for the purpose of setting fair and reasonable production standards.

#### **I. Coverage**

This Guidelines covers workers of micro, small and medium enterprises (MSMEs) who are paid by result, including *pakyao*, piecework and other non-time work pursuant to Article 101 of the Labor, as amended.

Workers in establishments where no employer-employee relationship exists are not covered by this Guidelines.

Production standards and/or piece rates of large enterprises may be validated by the Regional Tripartite Wages and Productivity Board (RTWPB).

#### **II. Application**

This Guidelines provides an option for the RTWPBs to conduct TMS through electronic or digital means especially when existing circumstances do not permit the conduct of the usual TMS procedures under DO 125-13.

#### **III. Criteria for Prioritization of Applicant-Enterprises**

Applicant enterprises which shall meet any of these criteria, provided it is confirmed by the RTWPB that the applicant enterprise has no underpayment of minimum wages and wage-related benefits, shall be prioritized by the RTWPBs:

- Those whose business activities or operations were suspended due to enhanced or local community quarantines; or

Those which started to engage, reconfigure or upgrade their business processes towards the production of health essential items such as

personal protective equipment (PPE), face masks, disinfectants, alcohol, sanitizers and other medical supplies; or

- Those which belong to an industry/sector severely affected by the health disruption as determined by the concerned government agencies.

#### **IV. Specific Procedures Enhanced**

The use of digital channels or communication platforms shall be maximized by RTWPBs for the following TMS procedures:

##### **A. Filing of TMS Applications**

1. Applications may be filed via RTWPB's electronic mail (e-mail) using the prescribed form along with the scanned certified true copies of these documentary requirements listed under Department Order No. 125-13, Series of 2013:
  - a. Business permit for the current year issued by the appropriate government agency;
  - b. List of the company's employees with their corresponding wages;
  - c. Job activities with their existing wage rates;
  - d. Method of payment of wages (e.g. pakyao, takay, commission); and
  - e. Notice to workers that the enterprise applied for TMS for the determination of production standards and/or piece rates.

In addition, the applicant-enterprise, through its designated human resource or occupational safety and health officer, shall submit a certification to the RTWPB indicating that the enterprise adheres to the existing occupational safety and health standards/protocols and shall extend full support to the RTWPB during the actual conduct of TMS to ensure the safety and health of all concerned. (See Annex A)

2. Within 72 hours from receipt of the e-mail as provided for in the Ease of Doing Business Act, the concerned RTWPB shall inform the applicant enterprise of the initial assessment of its application using the prescribed TMS reply form. While this shall be done via e-mail, other applicable digital channels or communication platforms may also be used.



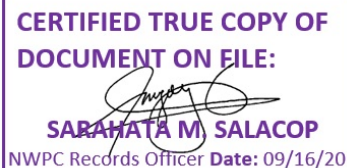
3. The concerned RTWPB shall determine whether the applicant enterprise has the capacity and facilities for online collaboration.
4. The concerned RTWPB that will perform the TMS shall also secure an Authority to Conduct TMS from the DOLE Regional Director.

## **B. Actions on Applications with Complete Requirements**

1. In case the applicant-enterprise has no existing facilities for online collaboration, the concerned RTWPB shall proceed with the procedures under Department Order No. 125-13, Series of 2013 and has to ensure that its assigned staff and those of the applicant enterprise strictly observe the prescribed precautionary health measures. In the case of CoViD-19, for example, wearing of face masks, social distancing procedures, area disinfections and regular hand washing, among other measures, shall be observed at all times.
2. For those with facilities for online collaboration, the concerned RTWPB shall proceed with online initial conference provided that representatives of workers/labor unions and management are equally present (with any of their government issued IDs with photo and signature) and provided the opportunity to participate. The approval of both parties on the agreements shall be secured by the concerned RTWPB before the adjournment of the conference. The same shall apply to exit conferences.

During the initial conference, regardless if conducted on-site or online, the concerned RTWPB should be able to explain to the applicant-enterprise how certain circumstances/precautionary health measures (i.e. social distancing procedures) may affect the results of the TMS. It should ascertain whether the applicant-enterprise would still prefer to pursue the conduct of TMS given this information.

3. The minutes of initial and exit conferences shall be prepared by the concerned RTWPB and shall be routed to the conference participants for their approval and signature. Electronic signatures may be used in the case of online conferences.



### **C. Actual and On-Site Conduct of Time and Motion Studies**

The actual and on-site conduct of TMS shall strictly follow the prescribed precautionary health measures indicated under Section B, item 1.

For applicant-enterprises with digital facilities, the concerned RTWPB may proceed to conduct the TMS online if, at its discretion, the same may be correctly and adequately conducted pursuant to the prescribed procedures under the Department Order.

The concerned RTWPB shall also require the applicant-enterprise to submit the original copies of the documents earlier submitted.

Any of the following circumstances shall constitute sufficient ground to defer the conduct of TMS:

1. Non-adherence by the applicant-enterprise to any of the prescribed health measures indicated under Section B, item 1; or
2. Failure of the applicant enterprise to submit additional/other necessary documents that may be requested by the RTWPB in line with the conduct of TMS; or
3. Absence of available raw materials for use during the actual conduct of TMS; or
4. Enterprises whose management or labor representatives continue to ignore two (2) notices from the concerned RTWPBs; or
5. Enterprises located in areas under enhanced or local community quarantine or similar measures where entry is prohibited; or
6. Other justifiable reasons that may be determined by the RTWPB or the applicant-enterprise in case of events beyond its control.

The period of deferment shall not be treated as part of the 30-day process cycle time commencing from receipt of complete documentary requirements from the applicant-enterprise.

Applications which have been deferred for more than 30 days from the date the application was filed shall be temporarily archived without prejudice to its revival once the ground/s for deferment have been addressed.



#### **D. Recommendations for the Issuance of Production Standard and/or Piece Rate Orders**

The concerned RTWPB that performed the TMS shall endorse the corresponding recommendations including the prescribed standards and/or rates to the DOLE Regional Director for review and/or approval within the period prescribed in Department Order 125-13.

#### **E. Release of the Approved Production Standards and/or Piece Rate Orders**

Copies of the approved Production Standard and/or Piece Rate Orders shall be sent to the applicant enterprises via email or other applicable digital channels or communication platforms as deemed fit by the RTWPBs.

The printed copies of these Orders may be claimed by the concerned enterprises once work in the RTWPBs resumes or upon advice of the RTWPB. The RTWPB may also send the printed copies of these Orders through reliable couriers/mail in the case of enterprises located in distant or remote locations.

#### **V. Effectivity of Production Standard and/or Piece Rate Order**

For first-time applications, the Production Standard and/or Piece Rate Order shall take effect upon approval and issuance of the DOLE Regional Director of such Order. It shall be automatically revoked upon the effectivity of a new Wage Order.

For renewals, the effectivity of the Production Standard and/or Piece Rate Order retroacts to the effectivity of the existing Wage Order. The computation of piece rates should be based on the prevailing minimum wage.

Concerned enterprises with revoked Production Standard and/or Piece Rate Orders shall apply for the adjustment of their production standards and/or piece rates through their respective RTWPBs.

#### **VI. Monitoring the Implementation of Issued Production Standard and/or Piece Rate Orders**

For purposes of monitoring, the RTWPBs are enjoined to develop and maintain a database of enterprises with valid Production Standard/Piece Rate

Orders. This database shall be updated every time an order is issued by the concerned RTWPB. (See Annex B)

The RTWPBs shall provide the DOLE Regional Office with the list of establishments with valid Production Standard/Piece Rate Orders for the guidance of Labor Inspectors.

## **VII. Effectivity**

This operational guidelines shall take effect immediately.

26 May 2020, Manila, Philippines.



**MARIA CRISELDA R. SY**  
Executive Director IV

**CERTIFIED TRUE COPY OF  
DOCUMENT ON FILE:**



**SARAHATA M. SALACOP**  
NWPC Records Officer Date: 09/16/20

## CERTIFICATION

This is to certify that (*name of applicant-enterprise*) located in (*address of applicant-enterprise*) and owned/managed by (*name of owner or manager*) adheres to the existing occupational safety and health standards/protocols prescribed by the Department of Labor and Employment.

The management of the enterprise likewise commits to extend full support to the Regional Tripartite Wages and Productivity Board during the actual conduct of time and motion study to ensure the safety and health of all concerned.

(*date*)(*month*)(*year*).( *place of issue*)

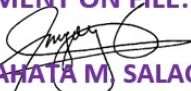
(*Name and Signature*)  
Designated HR or OSH Officer  
of the Applicant-Enterprise



Department of Labor and Employment  
National Wages and Productivity Commission

**Database of Enterprises with  
Valid Production Standard and/or Piece Rate Orders**

<i>Enterprise Name</i>	<i>Address</i>	<i>Owner's Name</i>	<i>Contact Information</i>	<i>Primary Business Activity</i>	<i>Job Operation/Activity with Piece Rate</i>	<i>Corresponding Production Standard and Piece Rate</i>	<i>No. of Workers Covered</i>	<i>Date of Order Issuance</i>

**CERTIFIED TRUE COPY OF  
DOCUMENT ON FILE:**  
  
**SARAHATA M. SALACOP**  
NWPC Records Officer **Date:** 09/16/20