



**Australian Government**

# **MSS407007A Respond to a major non-conformance**

**Release 2**

## **MSS407007A Respond to a major non-conformance**

### **Modification History**

Release 2 - Missing text in PCs reinstated

Release 1 - New unit, superseding MSACMG707A Respond to a major non-conformance - Equivalent

### **Unit Descriptor**

This unit of competency covers the skills and knowledge required to lead a response at a team or area level to a major non-conformance which could have severe business impacts.

The unit can be applied to subsections of an organisation, such as a team, area or department, or in the case of a small or medium sized enterprise (SME), to the whole organisation.

### **Application of the Unit**

This unit applies to team leaders and people with a similar sphere of influence and scope of authority and responsibility and covers the skills required to respond to a situation where people, processes, equipment or systems fail to meet requirements (there is a major non-conformance) for whatever reason, and this will have significant business consequences. The non-conformance may be anywhere in the value stream, not necessarily in the team, department or area which needs to respond. Many teams, departments or areas may need to respond. However, this unit applies to the skills needed to lead a single team, department or area response.

This unit is not primarily about identification of the cause of the non-conformance but rather about skills for appropriate responses to contain the situation, including not allowing it to accelerate or cascade. It is also about skills to minimise the adverse consequences while doing what can be done at the team, department or area level to remedy the situation.

This unit does not cover the specialist skills required to contain/remediate an emergency non-conformance such as a fire or explosion. Relevant emergency management skills from other Training Packages should be accessed for these skills.

This unit may be also applied to service organisations applying competitive systems and practices principles.

### **Licensing/Regulatory Information**

Not applicable.

### **Pre-Requisites**

Not applicable.

## Employability Skills Information

This unit contains employability skills.

### Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

### Elements and Performance Criteria

1	Define extent and nature of non-conformance	1.1	Identify target performance prior to non-conformance
		1.2	Determine commencement and expected duration of non-conformance
		1.3	Determine impact of non-conformance on target performance
		1.4	Determine impact of non-conformance with health, safety and environment (HSE) performance
		1.5	Determine impact of non-conformance on maintenance performance
		1.6	Liaise with customers to determine minimum acceptable performance during period of non-conformance
		1.7	Define non-conformance in terms of customer requirements and target performance
2	Determine priorities and actions	2.1	Develop possible responses appropriate to the situation
		2.2	Determine possible timing of possible responses
		2.3	Identify required resources for the responses developed
		2.4	Evaluate possible responses and select or shortlist responses

- 2.5 Select responses and obtain necessary approvals
    - 2.6 Organise resources, as appropriate
- 3 Identify information needs
  - 3.1 Determine the information needs of stakeholders
  - 3.2 Identify the sources of required information
  - 3.3 Arrange to collect required information
  - 3.4 Obtain authorisation to disseminate information
  - 3.5 Report information to stakeholders, as appropriate
- 4 Implement response
  - 4.1 Initiate response and establish data and information collection procedures
  - 4.2 Analyse data and other information as it comes to hand
  - 4.3 Determine progress of response to achieving required outcomes
  - 4.4 Modify response, including deployment of resources, as required, to better achieve desired outcomes
- 5 Establish plan to return to normal conformance
  - 5.1 Determine root cause of non-conformance and analyse to determine likely preventative measures
  - 5.2 Develop remedial plan to eliminate root cause
  - 5.3 Obtain sign-off from process/system owner for planned action
  - 5.4 Implement remedial plan and establish normal conformance
- 6 Conclude and review response
  - 6.1 Conduct a debrief and complete reports as required
  - 6.2 Evaluate and review response and procedures
  - 6.3 Evaluate and document effectiveness of the response function and its interaction/communication with stakeholders

- 6.4 Recommend improvements to prevent a recurrence and improve response for other non-conformances
- 6.5 Communicate reports in accordance with company procedures

## Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

### Required skills

Required skills include:

- undertaking self-directed problem solving and decision-making
- communicating across all levels in an organisation
- identifying obvious and not obvious non-conformances based on analyses of team or area key performance indicators (KPIs)
- determining and prioritising business impacts of non-conformance based on analysis of key indicators, such as:
  - effect on error rates and defects
  - loss of or delay in supply of materials or components
  - loss or severe restriction of process capability
  - loss of transport from or to operational centre or process facility
  - unplanned increases in costs of materials or services
  - increases in the cost of finance/capital
  - sudden change in regulatory requirements
- determining and prioritising responses based on:
  - customer requirements
  - the philosophies and strategies of the organisation
  - HSE requirements
  - delivery, statutory and contractual requirements
- negotiating formally and informally in highly varied and/or highly specialised contexts and while under time constraints and pressure from others
- solving problems to root cause, including analysis of implications of root cause
- establishing HSE environment of the team or area and determine HSE impact of a non-conformance

### Required knowledge

Required knowledge includes:

- the importance of standardisation in competitive systems and practices
- organisation processes and products
- customer needs as distinct from wants
- communication using a variety of media and formats methods
- sources of additional assistance and resources within the organisation

- approvals and delegations within the organisation

## Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

<p><b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b></p>	<p>A person who demonstrates competency in this unit must be able to provide evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• recognise extent and nature of a major non-conformance and deal effectively with a</li> <li>• define the impact of the non-conformance on operations and customers</li> <li>• develop and prioritise appropriate responses to contain the impacts of the non-conformance</li> <li>• implement, monitor and modify responses.</li> </ul>
<p><b>Context of and specific resources for assessment</b></p>	<p>Assessment of performance must be undertaken in a workplace using or implementing one or more competitive systems and practices.</p> <p>Access may be required to:</p> <ul style="list-style-type: none"> <li>• workplace procedures and plans relevant to work area</li> <li>• specifications and documentation relating to planned, currently being implemented, or implemented changes to work processes and procedures relevant to the assessee</li> <li>• documentation and information in relation to production, waste, overheads and hazard control/management</li> <li>• reports from supervisors/managers</li> <li>• case studies and scenarios to assess responses to contingencies.</li> </ul>
<p><b>Method of assessment</b></p>	<p>A holistic approach should be taken to the assessment.</p> <p>Competence in this unit may be assessed by using a combination of the following to generate evidence:</p> <ul style="list-style-type: none"> <li>• demonstration in the workplace</li> <li>• workplace projects</li> <li>• suitable simulation</li> <li>• case studies/scenarios (particularly for assessment of contingencies, improvement scenarios, and so on)</li> </ul>

	<ul style="list-style-type: none"> <li>• targeted questioning</li> <li>• reports from supervisors, peers and colleagues (third-party reports)</li> <li>• portfolio of evidence.</li> </ul> <p>In all cases it is expected that practical assessment will be combined with targeted questioning to assess underpinning knowledge.</p> <p>Where applicable, reasonable adjustment must be made to work environments and training situations to accommodate ethnicity, age, gender, demographics and disability.</p>
<b>Guidance information for assessment</b>	Assessment processes and techniques must be culturally appropriate and appropriate to the language and literacy capacity of the candidate and the work being performed.

## Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<b>Competitive systems and practices</b>	<p>Competitive systems and practices may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• lean operations</li> <li>• agile operations</li> <li>• preventative and predictive maintenance approaches</li> <li>• monitoring and data gathering systems, such as Systems Control and Data Acquisition (SCADA) software, Enterprise Resource Planning (ERP) systems, Materials Resource Planning (MRP) and proprietary systems</li> <li>• statistical process control systems, including six sigma and three sigma</li> <li>• Just in Time (JIT), kanban and other pull-related operations control systems</li> <li>• supply, value, and demand chain monitoring and analysis</li> <li>• 5S</li> <li>• continuous improvement (kaizen)</li> </ul>
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	<ul style="list-style-type: none"> <li>• breakthrough improvement (kaizen blitz)</li> <li>• cause/effect diagrams</li> <li>• overall equipment effectiveness (OEE)</li> <li>• takt time</li> <li>• process mapping</li> <li>• problem solving</li> <li>• run charts</li> <li>• standard procedures</li> <li>• current reality tree</li> </ul> <p>Competitive systems and practices should be interpreted so as to take into account:</p> <ul style="list-style-type: none"> <li>• the stage of implementation of competitive systems and practices</li> <li>• the size of the enterprise</li> <li>• the work organisation, culture, regulatory environment and the industry sector</li> </ul>
<b>Codes of practice/standards</b>	Where reference is made to industry codes of practice, and/or Australian/international standards, the latest version must be used
<b>Major non-conformance</b>	<p>A major non-conformance may be:</p> <ul style="list-style-type: none"> <li>• a failure to receive a delivery</li> <li>• receiving a delivery which is out of specification</li> <li>• a failure of the transport system to make deliveries to customers or from suppliers</li> <li>• a problem in the process which fails to produce product or only produces non-conforming product</li> <li>• a major incident, such as a fire or loss of containment</li> <li>• a breakdown of critical plant/equipment</li> <li>• a commercial or legal problem which affects the ability to produce to requirements</li> <li>• excessive absences of key personnel due to illness or transport breakdown</li> <li>• a security situation preventing key personnel from performing their duties and/or deliveries being made</li> <li>• a major supply shortage or price increase</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Business impacts</b></li> </ul>	<p><b>Business impacts may include:</b></p> <ul style="list-style-type: none"> <li>• sudden increase in defect rates</li> <li>• loss of supply of materials or components</li> <li>• loss or severe restriction of operational capability</li> <li>• loss of transport from process</li> <li>• increases in fuel energy costs</li> </ul>

	<ul style="list-style-type: none"> <li>• increases in the cost of finance/capital</li> </ul>
<b>Performance</b>	<p>Performance includes:</p> <ul style="list-style-type: none"> <li>• the production volume, quality, cost, HSE and similar measures as appropriate at the team level</li> </ul>
<b>Response</b>	<p>Response includes all those strategies which will minimise the impact of the non-conformance on the customer and must be consistent with:</p> <ul style="list-style-type: none"> <li>• the philosophies and strategies of the organisation</li> <li>• HSE requirements</li> <li>• delivery, statutory and contractual requirements</li> </ul> <p>Response may include:</p> <ul style="list-style-type: none"> <li>• supply from another source</li> <li>• production from other areas</li> <li>• agreements for reduced supply</li> <li>• agreements to accept different quality</li> </ul> <p>Response duration may include:</p> <ul style="list-style-type: none"> <li>• short term response to cover immediate situation</li> <li>• different long and medium term response</li> <li>• transition strategies where there are different strategies at different phases of the response</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Timing of responses</b></li> </ul>	<p>Timing of response may be controlled by the nature of the non-conformance and may include:</p> <ul style="list-style-type: none"> <li>• implementation following initial containment/stabilisation of situation (e.g. where the non-conformance is a major incident, such as a fire or loss of containment)</li> <li>• immediate initiation but delayed implementation (e.g. where the non-conformance is a breakdown of critical plant/equipment which will require repair/replacement before implementation)</li> <li>• immediate implementation (e.g. when the non-conformance does not prevent the response from starting or there is an alternative which bypasses the non-conformance)</li> </ul>
<b>HSE</b>	All changes implemented are expected to be at least neutral, or preferably beneficial, in their impact on HSE
<b>Stakeholders</b>	<p>Stakeholders may include:</p> <ul style="list-style-type: none"> <li>• work team members, value stream members as well as other stakeholders and may be internal and external to the team and possibly the organisation</li> </ul>

<b>Team leader</b>	Team leader may include: <ul style="list-style-type: none"><li>• any person who may have either a permanent or an ad hoc role in facilitating the function of a team in a workplace</li></ul>
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## Unit Sector(s)

Unit sector

Competitive systems and practices

## Custom Content Section

Not applicable.