



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **MSACMG707A Respond to a major non-conformance**

**Revision Number: 1**

## MSACMG707A Respond to a major non-conformance

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit 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.</p> <p>The unit can be applied to sub-sections of an enterprise such as a team, area or department, or in the case of a small or medium sized manufacturer, to the whole enterprise.</p>
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## Application of the Unit

<p><b>Application of the unit</b></p>	<p>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 chain, 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.</p> <p>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.</p> <p>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.</p> <p>This unit may be also applied to service organisations applying competitive manufacturing principles.</p>
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## Licensing/Regulatory Information

Not applicable.

## Pre-Requisites

<p><b>Prerequisite units</b></p>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## 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.
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## Elements and Performance Criteria

ELEMENT	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	5.1. mine root cause of non-conformance

ELEMENT	PERFORMANCE CRITERIA
conformance	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

<b>REQUIRED SKILLS AND KNOWLEDGE</b>
This section describes the skills and knowledge required for this unit.
<b>Required skills</b>
<ul style="list-style-type: none"> <li>• decision making</li> <li>• communication at all levels</li> <li>• prioritisation</li> <li>• negotiation</li> <li>• problem solving including root cause analysis</li> <li>• situation analysis</li> <li>• speed</li> </ul>
<b>Required knowledge</b>
<ul style="list-style-type: none"> <li>• the importance of standardisation in production processes</li> <li>• customer needs as distinct from wants</li> <li>• communication methods</li> <li>• sources of additional resources</li> </ul>

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
<p>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>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Demonstrates skills and knowledge required to:</p> <ul style="list-style-type: none"> <li>recognise and deal effectively with a major non-conformance.</li> </ul> <p>In particular look for evidence of:</p> <ul style="list-style-type: none"> <li>defining the impact of the non-conformance</li> <li>developing and prioritising appropriate responses to contain the impacts of the non-conformance</li> <li>implementation, monitoring and modifying responses.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment may occur on the job or in an appropriately simulated environment. Access is required to real or appropriately simulated situations, including work areas, materials and equipment, and to information on workplace practices and OHS practices.</p> <p>Where applicable, reasonable adjustment must be made to work environments and training situations to accommodate ethnicity, age, gender, demographics and disability.</p> <p>Access must be provided to appropriate learning and/or assessment support when required. Where applicable, physical resources should include equipment modified for people with disabilities.</p>
<b>Method of assessment</b>	<ul style="list-style-type: none"> <li>Assessment must satisfy the endorsed assessment guidelines of the Manufacturing Training Package.</li> <li>Assessment methods must confirm consistency and accuracy of performance (over time and in a range of workplace relevant contexts) together with application of underpinning knowledge.</li> <li>Assessment methods must be by direct observation of tasks and include questioning on underpinning knowledge to ensure its correct interpretation and application.</li> <li>Assessment may be applied under project related conditions (real or simulated) and require evidence of</li> </ul>

<b>EVIDENCE GUIDE</b>	
	<p>process.</p> <ul style="list-style-type: none"><li>• Assessment must confirm a reasonable inference that competency is able not only to be satisfied under the particular circumstance, but is able to be transferred to other circumstances.</li><li>• Assessment may be in conjunction with assessment of other units of competency where required.</li></ul>
<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

### 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.

#### Codes of practice/standards

Where reference is made to industry codes of practice, and/or Australian/international standards, the latest version must be used

#### Major non-conformance

A major non-conformance may be:

- a failure to receive a delivery
- receiving a delivery which is out of specification
- a failure of the transport system to make deliveries to customers or from suppliers
- a problem in the process which fails to produce product or only produces non-conforming product
- a major incident such as a fire or loss of containment
- a breakdown of critical plant/equipment
- a commercial or legal problem which affects the ability to produce to requirements
- excessive absences of key personnel due illness, or transport breakdown
- a security situation preventing key personnel from performing their duties and/or deliveries being made
- a major supply shortage or price increase

#### Business impacts

Business impacts may include:

- sudden increase in defect rates
- loss of supply of materials or components
- loss or severe restriction of process capability
- loss of transport from process
- increases in fuel energy costs
- increases in the cost of finance/capital.

#### Performance

Performance includes:

- the production volume, quality, cost, HSE and

<b>RANGE STATEMENT</b>	
	similar measures as appropriate at the team level
<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>
<b>Timing of responses</b>	<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>Health, safety and environment (HSE)</b>	All changes implemented are expected to be at least neutral, or preferably beneficial, in their impact on health, safety and environment

<b>RANGE STATEMENT</b>	
<b>Stakeholders</b>	Stakeholders include: <ul style="list-style-type: none"> <li>work team members, value chain 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>

### Unit Sector(s)

<b>Unit sector</b>	CM Graduate
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### Competency field

<b>Competency field</b>	
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### Co-requisite units

<b>Co-requisite units</b>		