



Australian Government

Department of Education, Employment and Workplace Relations

MSS403005A Facilitate use of a Balanced Scorecard for performance improvement

Release: 1

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Modification History

New unit, superseding MSACMS405A Lead a manufacturing team using a balanced score card approach - Equivalent

Unit Descriptor

This unit of competency covers the skills and knowledge required to encourage and facilitate others in using a Balanced Scorecard approach to assist in performance improvement.

Application of the Unit

This unit applies in organisations using a Balanced Scorecard approach to performance improvement. In these organisations the unit applies to individuals in a team or workgroup who facilitate the use of the Balanced Scorecard through leading, assisting and/or motivating others in using the Balance Scorecard approach.

This unit requires the application of skills associated with communication, teamwork, problem solving, initiative, enterprise, and planning and organising in order to provide leadership in the interpretation, review and strategic response to Balanced Scorecard results. This unit has a strong emphasis on identifying and reviewing required performance measures and requires an ability to use new information to improve performance.

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	Interpret Balanced Scorecard results	1.1	Identify patterns of performance shown on strategy map
		1.2	Identify actions indicated by Balanced Scorecard results
		1.3	Discuss results with fellow employees and other relevant stakeholders
		1.4	Facilitate the selection of required actions with employees and other stakeholders
		1.5	Facilitate the development of implementation plans for team or individuals
		1.6	Facilitate the implementation of required actions from developed plans
		1.7	Follow up on implementation to ensure it occurs as planned
2	Review key performance indicators (KPIs) in the Balanced Scorecard for the organisation and work area	2.1	Relate area and other KPIs to strategy map/strategic objective
		2.2	Review the actions required by self and others to meet each KPI
		2.3	Compare current actions to the optimal actions to achieve strategy
		2.4	Discuss with employees and other stakeholders any

- modifications to KPIs which will better meet strategy
- 2.5 Recommend amendments to KPIs to relevant personnel
- 3 Review reporting systems for Balanced Scorecard information
- 3.1 Review reporting systems to ensure information needed by self, other employees in area and organisation is available
- 3.2 Review the mix of operational and strategic information to ensure it is appropriate for work area
- 3.3 Review information provided for relevance and currency, and that it is meaningful and not excessive
- 3.4 Recommend improvements to reports and reporting system, as appropriate
- 4 Lead improvement to work area total performance
- 4.1 Compare actual performance of teams, work areas or individuals with desired total performance using KPIs and other Balanced Scorecard information
- 4.2 Discuss with team ways of improving total performance
- 4.3 Lead processes for improvement in total performance

Required Skills and Knowledge

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

Required skills

Required skills include:

- identifying KPIs and their application to own work and the work of other employees
- analysing Balanced Scorecard results and determining implications for a work area
- solving problems associated with use or interpretation of Balanced Scorecard
- planning strategies for use of Balanced Scorecard, including:
 - required communication with others
 - negotiations if any required with internal and external suppliers, customers and delegates
 - analysis of any skill gaps in self and others
 - required training
 - data collection
 - work organisation and procedure changes
 - risk identification and contingency measures
- communicating effectively in informal and formal meetings, and with personnel at all levels
- providing effective feedback

Required knowledge

Required knowledge includes:

- components of the Balanced Scorecard, including perspectives, feedback loops, targets and metrics, and reporting systems
- responsibilities of self and others in a Balanced Scorecard strategy
- health, safety and environment (HSE) principles and requirements for area of responsibility
- change implementation contacts and procedures relevant to work area
- employee assistance mechanisms in 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.

Critical aspects for assessment and evidence required to demonstrate competency in this unit	<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"> • interpret Balanced Scorecard results • review KPIs in the Balanced Scorecard • review related reporting systems • lead improvement to team performance.
Context of and specific resources for assessment	<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"> • workplace procedures and plans relevant to work area • specifications and documentation relating to planned, currently being implemented, or implemented changes to work processes and procedures relevant to the assessee • documentation and information in relation to production, waste, overheads and hazard control/management • reports from supervisors/managers • case study and scenarios to assess responses to contingencies
Method of assessment	<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"> • demonstration in the workplace • workplace projects • suitable simulation • case studies/scenarios (particularly for assessment of contingencies, improvement scenarios, and so on) • targeted questioning • reports from supervisors, peers and colleagues (third-party reports) • portfolio of evidence. <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>
Guidance information for	Assessment processes and techniques must be culturally

assessment	appropriate and appropriate to the oracy, language and literacy capacity of the candidate and the work being performed.
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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.

Competitive systems and practices	<p>Competitive systems and practices may include, but are not limited to:</p> <ul style="list-style-type: none"> • lean operations • agile operations • preventative and predictive maintenance approaches • 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 • statistical process control systems ,including six sigma and three sigma • Just in Time (JIT), kanban and other pull-related operations control systems • supply, value, and demand chain monitoring and analysis • 5S • continuous improvement (kaizen) • breakthrough improvement (kaizen blitz) • cause/effect diagrams • overall equipment effectiveness (OEE) • takt time • process mapping • problem solving • run charts • standard procedures • current reality tree <p>Competitive systems and practices should be interpreted so as to take into account:</p>
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	<ul style="list-style-type: none"> the stage of implementation of competitive systems and practices the size of the enterprise the work organisation, culture, regulatory environment and the industry sector
Team	<p>Team includes:</p> <ul style="list-style-type: none"> all individuals in the target work area who are involved in the implementation and use of the Balanced Scorecard <p>The team may or may not be a formally designated team working to a team leader</p>
Balanced Scorecard	<p>The Balanced Scorecard refers to:</p> <ul style="list-style-type: none"> an approach to competitive systems and practices that sets out an organisations vision and strategy by establishing and measuring enterprise activity in a number of different perspectives in addition to the normal financial perspective <p>Perspective areas include:</p> <ul style="list-style-type: none"> customer environmental internal business process learning and growth <p>For each perspective area the Balanced Scorecard emphasises establishing and measuring performance (metrics)</p>
KPIs	<p>KPIs may include:</p> <ul style="list-style-type: none"> financial and non-financial performance measures against targets within the Balanced Scorecard other performance indicators not contained with the Balanced Scorecard for the team but relevant for informing the teams activities (e.g. performance indicators for other areas or sections, suppliers or customers)
Actions indicated	<p>Actions indicated may include:</p> <ul style="list-style-type: none"> corrective action for poor results confirming action for acceptable results taking steps to ensure actions for good results are consistently maintained changes to performance indicators or performance measurement

Unit Sector(s)

Unit sector Competitive systems and practices

Custom Content Section

Not applicable.