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SHRM-SCP

Practice Questions

Set 2

Answer Key & Explanations

Strategic, senior-leader HR judgment at the SHRM-SCP level

Aligned to the 2026 SHRM BASK • Law and guidance current as of October 2026

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How to Use This Set

Answer each question on your own first, choosing the single BEST answer. The real exam allows 220 minutes for 134 questions, so aim for about 1.6 minutes per question. Then check your work against the separate answer key and read every explanation, including for the questions you got right, because the reasoning is what transfers to new questions on exam day.

SHRM-SCP Practice Set 2 — Answer Key

Quick key first, then a full explanation for every question

1. A	2. A	3. D	4. A	5. D	6. D	7. A	8. D	9. C	10. A
11. C	12. D	13. A	14. B	15. A	16. A	17. B	18. B	19. C	20. A
21. B	22. B	23. B	24. C	25. C	26. C	27. A	28. D	29. D	30. A
31. C	32. D	33. D	34. A	35. A	36. D	37. B	38. D	39. B	40. B
41. D	42. C	43. C	44. B	45. D	46. B	47. A	48. C	49. A	50. A
51. B	52. C	53. B	54. B	55. A	56. B	57. D	58. D	59. C	60. D
61. B	62. C	63. C	64. D	65. A	66. B	67. B	68. B	69. D	70. A
71. A	72. A	73. C	74. C	75. A	76. D	77. D	78. A	79. B	80. A
81. B	82. C	83. D	84. C	85. C	86. A	87. D	88. B	89. B	90. B
91. A	92. C	93. A	94. C	95. C	96. C	97. A	98. A	99. D	100. C
101. B	102. A	103. C	104. A	105. A	106. C	107. D	108. D	109. B	110. B
111. C	112. D	113. B	114. D	115. D	116. B	117. A	118. D	119. C	120. C
121. C	122. B	123. B	124. A	125. B	126. D	127. A	128. A	129. D	130. C
131. D	132. C	133. B	134. B	135. C	136. B	137. C	138. A	139. C	140. B
141. B	142. A	143. C	144. D	145. C	146. A	147. A	148. D	149. A	150. B
151. A	152. C	153. B	154. C	155. D	156. D	157. B	158. B	159. B	160. D
161. A	162. B	163. D	164. C	165. B	166. C	167. C	168. C	169. A	170. B
171. B	172. D	173. A	174. A	175. C	176. C	177. C	178. C	179. A	180. B
181. A	182. B	183. A	184. A	185. D	186. A	187. C	188. D	189. D	190. A
191. D	192. C	193. C	194. A	195. B	196. C	197. D	198. C	199. B	200. C
201. D	202. D	203. B	204. A	205. B	206. D	207. D	208. B	209. D	210. B
211. B	212. B	213. D	214. D	215. B	216. A	217. D	218. B	219. C	220. A
221. B	222. D	223. B	224. A	225. D	226. C	227. C	228. D	229. C	230. D
231. B	232. A	233. A	234. B	235. C	236. A	237. A	238. D	239. D	240. B
241. A	242. A	243. B	244. C	245. D	246. A	247. B	248. B	249. D	250. A
251. C	252. A	253. C	254. C	255. D	256. D	257. A	258. D	259. B	260. B
261. A	262. D	263. B	264. C	265. A	266. C	267. A	268. C	269. A	270. A
271. C	272. C	273. B	274. B	275. B	276. D	277. C	278. D	279. B	280. D
281. D	282. C	283. A	284. B	285. B	286. A	287. D	288. A	289. D	290. A
291. B	292. D	293. C	294. B	295. A	296. A	297. B	298. D	299. B	300. A
301. C	302. C	303. A	304. A	305. B	306. A	307. D	308. B	309. D	310. B
311. D	312. C	313. B	314. C	315. B	316. B	317. D	318. D	319. D	320. B
321. D	322. D	323. A	324. B	325. C	326. D	327. C	328. D	329. A	330. C
331. D	332. A	333. C	334. B	335. D	336. D	337. C	338. A	339. D	340. A
341. D	342. C	343. D	344. A	345. B	346. C	347. A	348. A	349. B	350. B
351. C	352. C	353. B	354. C	355. C	356. A	357. C	358. D	359. D	360. D
361. B	362. C	363. C	364. C	365. D	366. B	367. B	368. D	369. D	370. C
371. D	372. C	373. D	374. A	375. A	376. B	377. B	378. B	379. D	380. A
381. B	382. A	383. C	384. A	385. C	386. D	387. A	388. C	389. A	390. A
391. C	392. C	393. D	394. D	395. B	396. C	397. A	398. D	399. C	400. C

Answers and Explanations

1. Answer: A — 50%

ROI = (net benefits / costs) x 100 = ($1.8M - $1.2M) / $1.2M x 100 = 50%. The 150% figure is the benefit-cost ratio of 1.5 expressed as a percentage, which uses total rather than net benefits, and 33% divides the net benefits by total benefits instead of by costs.

2. Answer: A — Disclosure can boost engagement and retention but may create expectations that the company cannot meet.

Telling employees they are successors can increase commitment and help them focus on development, but it can also create a sense of entitlement, disappoint those not named and lead to departures if the promotion does not happen. Many organizations share development feedback without promising a specific role. There is no general legal requirement to disclose succession status.

3. Answer: D — Portfolio management

Portfolio management selects and prioritizes a collection of projects and programs to best achieve strategic objectives. Program management coordinates a group of related projects to gain benefits not available from managing them separately, and project management delivers a single temporary endeavor.

4. Answer: A — Hold a structured listening tour with leaders and employees across the business

A structured listening tour, with consistent questions across business units, levels and locations, helps a new CHRO understand the business, build relationships and test assumptions before setting priorities. Restarting stalled projects without understanding why they stalled risks repeating failures. Benchmarking and reorganizing may be useful later, but doing them first would put solutions ahead of an understanding of this organization's needs.

5. Answer: D — Quantify fragmented agency spend and quality gaps, then propose preferred vendors with central oversight.

Showing leaders the total cost and quality impact of uncoordinated agency use makes the problem visible, and a preferred-vendor program with negotiated rates and central standards keeps agency flexibility while ending maverick spend. A total ban ignores real capacity needs and invites more workarounds. Quarterly reporting does not change behavior, and budget cuts create conflict without addressing why units went around TA.

6. Answer: D — Inform and consult the works council before the decision is final, under a planned confidential process

Under German law and EU information and consultation rules, works councils must be informed and consulted on major changes such as large job cuts before the decision is implemented, and failure can lead to injunctions, compensation claims for affected employees, or invalid dismissals. The CHRO should plan a confidential but timely process that respects these rights. Announcing a done deal or consulting individuals instead of the council does not meet the legal requirement.

7. Answer: A — 150%

ROI = (benefit - cost) / cost x 100 = ($500,000 - $200,000) / $200,000 = 150%. The 250% figure divides the total benefit by the cost without subtracting the investment, 60% divides the net benefit by the benefit, and 40% divides the cost by the benefit.

8. Answer: D — Confirm with the CEO who the client is, then get the CFO and COO to agree on the outcome both plans must serve.

When executive clients conflict, the consultant first clarifies who the client with decision authority is and then contracts on a shared outcome, such as margin recovery with the right capabilities, that both requests can be tested against. Splitting the difference in a blended plan looks diplomatic but skips that alignment, so neither executive owns the result and the underlying disagreement resurfaces.

9. Answer: C — Engage counsel, switch now to a stand-alone disclosure, and assess class-wide exposure

The FCRA requires a clear and conspicuous disclosure in a document consisting solely of the disclosure, and courts have treated added waivers as violations that can be willful. Continuing to use the form extends the class period, so the company should fix it promptly while counsel evaluates exposure and strategy. A settlement with one plaintiff does not address others, and new waivers repeat the original problem.

10. Answer: A — Measure both groups on a shared metric such as risk-adjusted revenue or net revenue after credit losses.

Conflicting goals drive conflicting behavior, so a shared metric that balances growth against losses gives both groups the same definition of success. Giving the risk team a veto settles disputes but leaves the incentives in conflict. Meetings treat the symptom, and raising volume targets makes the clash worse.

11. Answer: C — Adopt one enterprise standard for audits and notice, applied at every location

Federal discrimination law, including disparate impact liability, applies at every location, so bias testing has value everywhere, not only where a local law requires it. A single enterprise standard set at or above the strictest requirement is simpler to administer and scales as new rules appear. Excluding one city leaves the same adverse impact risk unexamined elsewhere, and region-by-region practices create inconsistency and gaps.

12. Answer: D — The symbolic frame

The symbolic frame focuses on meaning and uses ceremonies, stories, rituals and symbols to help people let go of the past and embrace a new identity. The political frame centers on power and coalitions, the structural frame on roles and coordination, and the human resource frame on aligning the organization with people's needs and skills.

13. Answer: A — Candidates apply more readily and accept offers with a smaller pay premium.

A strong employer brand increases the flow of qualified and referred applicants and raises offer acceptance, which cuts sourcing and agency spending, and research has found such firms can hire without paying as large a wage premium as weaker-brand competitors. Paying above market is a cost lever, not a brand effect, and the benefits extend across levels rather than only executive search.

14. Answer: B — Pre-approve simple changes like extra water, restroom breaks and sitting, with little or no paperwork needed.

Modest changes such as keeping water nearby, extra restroom breaks and sitting are almost always reasonable for pregnant workers, so approving them quickly avoids delay and disputes. Demanding documentation for obvious, low-cost needs is unnecessary and slows the process, and the EEOC's current PWFA rule, which the agency plans to revise, limits when it may be required. The PWFA has no tenure requirement, and waiting for a performance problem invites claims.

15. Answer: A — A board committee with a charter giving it sustainability oversight and regular reports from management

Board accountability is strongest when oversight is formally assigned, for example in a committee charter, and the committee receives regular, substantive reports from management on risks, targets and progress. A sustainability officer who briefs the board once a year gives only occasional visibility. Employee teams and public reports can support the strategy but do not create board-level accountability.

16. Answer: A — The leadership team of peers, which comes before the function the executive leads

Lencioni argues that executives must treat the peer leadership team as their first team and put its collective goals ahead of their own departments. Leaders who see the function they manage as their first team act as representatives lobbying for their area, which produces the silos and turf battles a cohesive leadership team is meant to avoid.

17. Answer: B — A global framework of shared principles and leveling, with local market positions set within defined guardrails

A global-local (glocal) approach sets common philosophy, governance and job leveling while allowing local market positioning within agreed limits, which balances consistency, cost control and local competitiveness. A single uniform percentile ignores real differences in labor supply and practice, and continued full autonomy keeps the unexplained variation that prompted the review. Paying everyone on converted headquarters ranges would badly overpay or underpay against local markets and expose pay to currency swings.

18. Answer: B — Employees raise concerns and near misses early, and leaders respond to them without blame.

Risk culture is about shared behavior: whether people feel safe surfacing bad news and whether leaders act on it constructively. A well-maintained register and completed training show process compliance, not behavior. Falling incident reports are the most tempting choice, but low reporting can signal fear of speaking up rather than lower risk.

19. Answer: C — Objective: Staff both markets for launch. KRs: country leads hired by Q2; 90% of critical roles filled before launch.

An HR OKR aligned with market entry should commit to the talent outcome the strategy needs, with measurable, time-bound key results such as hiring leaders and filling critical roles before launch. Job fairs and postings are activities, not outcomes. Efficiency and engagement goals can be worthwhile, but they do not tie directly to the expansion strategy.

20. Answer: A — 1.6; it earns more revenue per asset dollar, typical of people-intensive firms

Asset turnover = revenue / total assets = $40M / $25M = 1.6. People-intensive firms need few physical assets, so they usually turn over assets faster than capital-intensive firms. For them, workforce productivity matters more to performance than asset utilization. The 0.625 figure inverts the formula.

21. Answer: B — Treat it as a governance risk: retain the CTO, document the architecture and develop successors

Key-person risk calls for a combined response the board can monitor: keep the CTO engaged during the transition, capture critical knowledge, and develop internal or external successors, with an emergency plan in the meantime. A retention package or documentation alone treats only one part of the risk, and hiring a deputy for that sole purpose without a broader plan can unsettle the CTO.

22. Answer: B — Own enterprise themes such as career paths and pay centrally, and have local managers own team-level issues with HR support.

Enterprise issues tied to company-wide systems, like career frameworks and pay policy, need central ownership because local managers cannot change them. Team-specific issues are best owned locally where they arise. Centralizing everything removes manager accountability, and delegating everything leaves systemic issues unaddressed.

23. Answer: B — Facilitate a working session that links competencies to strategy and helps the team reach consensus.

Competencies need to reflect the strategy and have the senior team's ownership to be used, so a facilitated session that ties each candidate competency to strategic priorities and works through trade-offs builds the needed consensus. Relying on the CEO alone or an off-the-shelf model loses buy-in, and including every view produces an unfocused model that cannot guide decisions.

24. Answer: C — Work with legal and investor relations to tell employees at about the time of disclosure

Securities rules limit selective disclosure of material information, so employee and investor communication must be tightly sequenced with legal and investor relations, often on the same day, with employee messages timed just before or alongside the public release. Telling staff weeks early risks leaks and disclosure problems. Waiting a week after the news release repeats the mistake of having employees learn from the media.

25. Answer: C — Report to the board chair or governance committee, recuse the director, investigate independently, and protect the employee.

An employer can be liable for harassment by non-employees when it knows or should know of it and fails to take prompt corrective action, and a director has unusual influence over employees. The complaint should go to board leadership with the accused director recused, be investigated independently, and come with interim protections. Informal handling or closing the case leaves the employee unprotected and the company exposed.

26. Answer: C — Place managers in pro bono teams on real nonprofit problems, with set learning goals and debriefs.

Structured pro bono assignments put leaders on cross-functional teams tackling real nonprofit challenges, which builds strategic, influencing and adaptability skills while delivering valuable work to the nonprofit, especially when paired with clear learning goals, coaching and debriefs. Unstructured board service lacks a development design. A one-time event or fundraising contest provides little skill building or lasting nonprofit value.

27. Answer: A — Govern

The four core functions are Govern, Map, Measure and Manage. Govern is the cross-cutting function that establishes policies, roles, accountability and the mechanisms to inventory AI systems. Map is tempting because it identifies context and risks, but it does so for a specific system; Measure assesses those risks, and Manage prioritizes and responds to them.

28. Answer: D — The nonprofit is a private employer under the NLRA for all its programs, so the public-employee law does not apply.

The NLRA's exclusion of government employers covers states and their subdivisions, not private contractors that serve them, and the NLRB asserts jurisdiction over private employers even when government funding pays for the work. Public-employee bargaining laws govern government employees. The nonprofit therefore follows the NLRA for all its programs, and the funding source does not let it choose a different system.

29. Answer: D — Each month's rate tends to track the prior month's, so the data hold less information

Monthly HR metrics are often autocorrelated: this month's turnover is related to last month's because of shared conditions such as the labor market. Treating such months as independent understates standard errors and overstates significance, so time-series methods are needed. Small rates can still be analyzed, no maximum sample size exists, and normality is an assumption many tests rely on rather than violate.

30. Answer: A — Strategic plans span about three to five years broadly; operational plans cover about a year in detail

Strategic plans set long-term direction, typically over three to five years, at a broad level, while operational plans translate strategy into detailed actions and budgets, usually for about a year. The reversed statement swaps the two, and the other choices misstate either the time horizon or the level of detail.

31. Answer: C — Counsel directs the investigation to provide legal advice, and interviewees receive Upjohn warnings.

Privilege covers communications made to obtain legal advice, so the investigation should be directed by counsel for that purpose, with Upjohn warnings telling employees that counsel represents the company, not them. Sending an HR report to counsel afterward or labeling documents "privileged" does not make an HR-led business investigation privileged. Counsel attending a meeting is not enough.

32. Answer: D — Keep listening, report back what was heard, and show visible actions taken so employees see that speaking up leads to change.

Trust is damaged most when employees feel unheard, and canceling the survey after bad news signals that leadership only wants to listen when results are good. Closing the loop by sharing results and visible actions rebuilds credibility. Delaying results until a full plan exists is tempting but long silence after a survey reinforces the belief that nothing will happen.

33. Answer: D — It builds urgency around an opportunity people want to pursue rather than fear of a threat

In Accelerate, Kotter keeps urgency but anchors it to a big opportunity, a rational and emotional statement that inspires a volunteer army to want to act, rather than relying on fear. Framing change around competitive threats is the tempting choice, but that is the burning-platform approach the concept moves away from. The model also seeks broad participation, not restricted messaging or slower consensus planning.

34. Answer: A — Absorptive capacity, since prior related knowledge lets a unit recognize, absorb and apply new knowledge.

Absorptive capacity holds that a unit's existing related knowledge determines how well it can recognize, assimilate and use new knowledge. The subsidiary with strong data skills had the foundation to benefit; the other needed capability building first. Knowledge stickiness is related but describes how hard certain knowledge is to move, and the absolute claim that tacit knowledge always fails is incorrect.

35. Answer: A — Leader accountability for speak-up climate, visible follow-through on reports, and tracking of retaliation outcomes.

Fear of retaliation is rooted in what employees see leaders do, so lasting change requires holding leaders accountable for speak-up climate, closing the loop visibly on reports and monitoring retaliation outcomes over time. A new hotline or CEO statements without changed behavior do not rebuild trust. Training completion measures activity rather than whether employees feel safe.

36. Answer: D — Fix the payroll process, restore lost earnings to participants, report the late deposits on Form 5500, and weigh a VFCP filing.

Holding participant deferrals too long is a prohibited use of plan assets. Correction requires restoring lost earnings and fixing the cause, and the late deposits must be reported on Form 5500. The DOL's Voluntary Fiduciary Correction Program, not the IRS's EPCRS, is the program for this failure, and using it can provide relief from the related excise tax. Deposits that eventually reached the plan still require lost earnings.

37. Answer: B — Redesign career paths and development milestones to give a clear next step at that tenure

The data point to a specific, structural cause, unclear advancement at a predictable point, so the strategic fix is to redesign career progression, through defined promotion criteria, stretch roles or mobility options, around that tenure. Retention bonuses and broad pay increases may delay some exits, but they do not address the cause and add ongoing cost. Hiring more to replace losses accepts the problem rather than fixing it.

38. Answer: D — Prospector (first mover)

Prospectors constantly seek new products and markets, so they hire experienced talent from outside and favor flexible, decentralized structures. Defenders protect a narrow, stable market and build talent internally. Analyzers combine elements of both, and reactors lack a consistent strategy.

39. Answer: B — Negotiate an exit with an OWBPA-compliant release and a planned transition of duties

Because the gap is about capabilities the role needs for the next strategic phase, not fixable skill deficits, a negotiated exit with a valid release best protects the organization, preserves the VP's dignity and allows an orderly transition. A release from a 54-year-old must meet OWBPA requirements. A PIP for an executive in this situation tends to be a formality that damages the function's leadership credibility while delaying the inevitable, and an abrupt termination without a release leaves avoidable legal and continuity risk.

40. Answer: B — Gain commitment from leaders and the union, train both teams jointly and agree on ground rules.

Interest-based bargaining is an organizational change that requires commitment from both parties, shared skills and agreed ground rules before talks begin. Springing the method on the union or training only one side undermines the trust it depends on. Some continuity of people and knowledge from the last round is often valuable, so replacing the team is not a prerequisite.

41. Answer: D — Psychological safety, meaning members feel safe taking interpersonal risks with one another

Google's Project Aristotle identified five dynamics of effective teams and found psychological safety to be by far the most important, underpinning the others. Dependability and structure and clarity were also among the five but ranked below psychological safety, and the study found team composition, including diversity of members, mattered less than how the team worked together.

42. Answer: C — Propose calibration with guidelines and an adverse impact review instead of quotas, given forced ranking's risks.

Forced distribution can produce disparate impact claims, especially for older workers, and it tends to harm collaboration and trust. Calibration with guidelines and an adverse impact review achieves meaningful differentiation while keeping ratings tied to actual performance. Running forced ranking for a cycle accepts the risk without mitigation, and refusing to differentiate ignores the legitimate goal of funding top performers.

43. Answer: C — Workplace health and safety, employee training, pay practices and labor rights in the supply chain

The social pillar of ESG covers how a company treats people, including its workforce, supply chain workers, customers and communities, so health and safety, training, pay practices and labor rights belong there. Board independence and executive pay governance belong to the governance pillar, and emissions and resource use are environmental topics. Pricing and capital decisions are financial strategy, not ESG pillars.

44. Answer: B — Which individuals act as informal hubs or bottlenecks for information and collaboration

ONA maps actual patterns of communication and collaboration, revealing informal influencers, brokers and overloaded bottlenecks who often do not appear prominently on the org chart. Spans and layers can be read from the formal structure itself, and skills or engagement require assessments or surveys rather than network data.

45. Answer: D — Efficiency, effectiveness and outcome measures

TDRP groups talent development measures into efficiency (volume, cost, utilization), effectiveness (quality, such as learning and application) and outcome (impact on organizational goals) measures, and pairs them with standard statements and reports. The four Kirkpatrick levels form a separate evaluation model; TDRP classifies reaction, learning and application data as effectiveness measures.

46. Answer: B — Hold the leader to the standard all leaders meet, with consequences up to removal if it persists.

Exempting a high performer from conduct standards tells the whole workforce that results excuse exclusionary behavior, and the resignations show the cost is already real. With coaching exhausted, the leader must face the same standard and consequences as anyone else. Moving the targets punishes them instead of the leader, and further coaching or delay repeats an approach that has already failed.

47. Answer: A — Fix IP assignment and confidentiality terms in all contracts and move core development to employees

The immediate risk is that the company may not own code that contractors created, so the contracts need clear assignment and confidentiality terms, and the strategic fix is to keep core, differentiating development in employee hands. Contractors can validly assign IP through written agreements, so converting everyone is unnecessary, and access or location controls do not establish ownership.

48. Answer: C — Cascade customer metrics into goals each role can influence, using team goals where links are weak.

Goals drive behavior only when people can see and influence the link between their work and the metric. Cascading customer measures by role, and using team or shared goals where individual influence is indirect, aligns the workforce without unfair accountability. A single company score for everyone feels arbitrary, excluding most roles misses the strategy's enterprise scope, and replacing all goals ignores other work that still matters.

49. Answer: A — Entry roles no longer build the skills needed for promotion, so new paths to that experience are needed.

Entry-level tasks have served as the training ground for judgment that later roles require. When AI removes those tasks, the firm must deliberately design new ways to build that experience, such as rotations, apprenticeships or supervised client work. Hiring only experienced people is tempting but shifts development costs to others and dries up the firm's own pipeline over time.

50. Answer: A — Show the cost and failure rate of external hires and propose a leader pipeline for critical roles.

The CHRO should use the company's own data on cost and turnover to show the business risk and propose building internal leaders for critical roles, while keeping external hiring where it adds value. An internal-only policy is tempting as a fix, but it overcorrects and can block needed outside perspectives. Changing search firms or raising bonuses treats symptoms and leaves the bench weak.

51. Answer: B — SEC rules call for disclosing pay-related risks reasonably likely to have a material adverse effect on the company

SEC disclosure rules currently require a company to discuss its compensation policies and practices to the extent the risks arising from them are reasonably likely to have a material adverse effect on the company, so committees conduct a compensation risk assessment to support that conclusion and their oversight duties. Say-on-pay votes are advisory, not binding, and federal rules do not impose fixed caps on incentive pay. (A May 2026 SEC proposal would drop this disclosure for non-accelerated filers; it is not final.)

52. Answer: C — Keep assisted channels, test the design with these groups, and add targeted training and access points.

Equitable service means designing for the groups that struggle: keeping assisted options, testing the experience with frontline and older users, and providing training and kiosks or mobile access where computers are lacking. Mandatory training plus removing phone support shuts out those without access, a separate paper process creates a second-class experience, and email campaigns cannot reach workers without computers.

53. Answer: B — 0.95; pay overall sits about 5% below range midpoints

Compa-ratio is actual pay divided by midpoint: $12.4 million / $13.0 million = 0.954, or about 0.95. A ratio below 1.0 means the population is paid below the midpoint on average, which may reflect many employees still progressing through their ranges or a structure that leads actual pay. Dividing midpoint by actual pay gives about 1.05, which inverts the formula, and a ratio below 1.0 cannot mean pay is above midpoint.

54. Answer: B — Decline to commit to any donation and escalate to legal and compliance for an anti-corruption review.

A charitable donation requested by a government official in connection with a pending decision can be a bribe under the FCPA because it offers something of value to influence an official act, even if the money goes to a charity. The request is a red flag that requires compliance review. Booking it as corporate giving would not change its purpose and could also create books-and-records problems.

55. Answer: A — Show new hires the target behaviors through leader stories and early tasks that reward those behaviors.

New hires learn culture from what leaders say and model and from what gets rewarded in their first assignments, so onboarding should make the desired behaviors concrete and reinforce them early. A signed values statement builds awareness but does not shape behavior. Leaving onboarding to each team risks passing on the old culture, and focusing on history can anchor new hires in the traditions the company is moving away from.

56. Answer: B — Net profit margin, asset turnover and the equity multiplier

The DuPont model breaks ROE into net income/revenue (profitability) x revenue/assets (efficiency) x assets/equity (financial leverage). Workforce productivity can raise ROE through the margin and turnover terms. The current ratio measures liquidity and is not part of the formula.

57. Answer: D — As explicit criteria applied with legal and business tests, able to stop a profitable use

Values guide decisions only if they are applied as real criteria with the power to stop a use that is legal and profitable but inconsistent with what the company stands for. Using values as messaging after approval turns them into marketing. Treating them as a rare tiebreaker or as too general to apply makes them irrelevant to the decisions that matter.

58. Answer: D — Proxy discrimination

Proxy discrimination occurs when a facially neutral variable correlated with a protected characteristic lets a model reproduce discrimination without using the characteristic directly. Overfitting is a model learning noise in training data, and sampling bias comes from an unrepresentative dataset; neither explains a neutral input that tracks gender. Survivorship bias involves analyzing only those who remained.

59. Answer: C — Cost per transaction and first-contact resolution rate

Cost per transaction measures efficiency, and first-contact resolution measures effectiveness: whether employees got their issue solved without follow-up. Ticket counts and call volumes measure activity, not outcomes, and short call times can even signal poor resolution. Budget variance and staffing ratios show cost control but say nothing about service quality.

60. Answer: D — Absorptive capacity

Cohen and Levinthal defined absorptive capacity as a firm's ability to recognize the value of new external information, assimilate it and apply it to commercial ends, and they showed that it builds on prior related knowledge, which is why internal R&D helps. Organizational memory refers to knowledge already stored within the firm. Codification is the process of documenting knowledge, not the capacity to absorb it.

61. Answer: B — Show the plan gaps that past exercises exposed and the downtime costs that testing helps avoid.

Framing the exercise in business terms, by showing what prior tests caught and what an untested failure would cost, gives the CFO a basis for comparing cost with risk reduction. Learning during a real event is the costliest way to find gaps. There is no general federal mandate for private employers to run annual continuity exercises, and reading a plan does not test whether it works.

62. Answer: C — Access to the same substantive remedies the employee could obtain in court

The employment due process protocol and leading court decisions require that arbitration not strip statutory rights, so employees must be able to obtain the full remedies available in court, along with a neutral arbitrator and adequate discovery. Shortened deadlines and employer-controlled arbitrator panels are common grounds for finding agreements unconscionable. Severely restricted discovery can likewise prevent employees from proving statutory claims.

63. Answer: C — Agents can facilitate change but lack the authority to legitimize it and commit resources

Change agents help plan, communicate and coach, but legitimacy, resource allocation and the power to resolve conflicts and reinforce the change come from the sponsor's authority, which agents do not have. Their effectiveness does not depend on organization size or prior employee training, and the problem in the scenario is missing authority, not confidentiality.

64. Answer: D — Brief the board on impact and options, then promptly tell staff what is known, what is open and when decisions will come

The board has fiduciary oversight and should hear the financial impact and options first, but staff also need timely, honest updates that separate known facts from open questions. Waiting for a final restructuring plan is tempting, yet the silence would let rumors grow for weeks. Telling staff before the board bypasses governance, and promising no job impact could prove false and destroy credibility.

65. Answer: A — Waivers are generally enforceable, but sexual harassment claims can go to court and mass filings remain a risk.

The Supreme Court has held that employment class waivers in arbitration agreements are generally enforceable, but the 2022 federal law on sexual assault and harassment lets employees choose to take those claims to court instead of arbitration, and mass individual filings can raise employer costs. Employee trust and reputation are also part of the balance. Arbitration does not block EEOC charges, and employers typically bear most arbitration fees.

66. Answer: B — Recruit highly connected and bridging employees as change agents, regardless of their titles

ONA reveals informal influencers, such as central connectors and brokers, whose positions in the network let them spread ideas and surface concerns faster than the formal hierarchy. Enlisting them as change agents puts influence where it actually sits. Using network data in individual performance reviews raises privacy and trust concerns, and relying only on the management chain ignores what the analysis is meant to reveal.

67. Answer: B — Status

In Rock's SCARF model, status is a person's sense of relative importance to others, and reporting to a former peer and losing a leadership seat are classic status threats. Her duties and team are unchanged, which limits the threat to autonomy, and the open, consistent process reduces the fairness threat. Relatedness concerns belonging and trust with others, which the facts do not point to.

68. Answer: B — Keep the core vision and values fixed while local leaders adapt how they are expressed

A global organization needs one shared direction but gains engagement when local leaders adapt the expression, stories and rollout to their culture, a balance often summarized as 'think global, act local.' Requiring identical materials ignores the cultural problem, separate local visions fragment the enterprise, and better translation does not address cultural fit.

69. Answer: D — Define which strategic decisions the data would inform and check whether the index's method and peers fit.

A paid benchmark is worth its cost only if it produces comparable, decision-useful data, so the CHRO should first tie participation to specific strategic questions and check the method, definitions and peer group. Joining because competitors do is reputational herd behavior, and declining outright assumes without evidence that the index adds nothing. Choosing based on the likely rank makes the benchmark a marketing tool rather than a management tool.

70. Answer: A — Show that she shares the CFO's goal of protecting margins and seek a solution that serves both aims

In Crucial Conversations, people feel safe when they believe the other person cares about their goals (mutual purpose) and about them (mutual respect), so committing to a shared goal and inventing a solution that meets both aims restores dialogue. Presenting more evidence is tempting, but piling on data while the CFO feels threatened increases defensiveness. Escalating or giving in avoids the conversation rather than repairing safety.

71. Answer: A — Link the investment to business outcomes and risks, and propose phased funding released as measurable milestones are met.

A skeptical board is most persuaded by a case tied to business outcomes and risks, with stage-gated funding that limits exposure and creates accountability for results. Peer benchmarks show that others invested but say nothing about the value to this company, and vendor ROI projections are rarely seen as objective.

72. Answer: A — Involve sponsors in redesigning key elements, such as business challenges and their teaching roles.

Ownership grows when sponsors help shape a program, for example by choosing real business challenges for participants and taking on teaching or coaching roles. Co-design addresses the root cause, which was little sponsor input. Reports keep sponsors informed but not invested, and mandates or replacements may secure attendance without creating genuine commitment.

73. Answer: C — Decline to seek the information, explain that GINA prohibits it, and add the issue to leadership training.

Family medical history is genetic information, and GINA bars employers from requesting it or using it in employment decisions; 'requesting' includes informal questions likely to draw it out. Pulling data from confidential files to inform a promotion would compound the violation. The CHRO should refuse and add the issue to training so leaders understand the rule.

74. Answer: C — An authenticity gap that breaches new hires' psychological contracts and undermines the employer brand.

When the employee value proposition promises something employees do not experience, new hires feel misled, their psychological contracts are breached and the gap spreads through reviews and word of mouth, harming the employer brand. The facts point to a mismatch between promise and reality, not to pay, sourcing or onboarding capacity. Closing the gap requires either fixing the experience or making the promise accurate.

75. Answer: A — Investigate local labor market drivers in that country, such as pay movement and competitor demand, and tailor the response.

Attrition in one country usually reflects local conditions such as wage inflation, competitor hiring or local management, so the response should be based on local data. A uniform global policy spends money where it is not needed. Matching headquarters pay ignores local markets, and relocating work is a drastic step before diagnosis.

76. Answer: D — Weigh the brand benefit against implied-contract risk and process demands, and adopt it only with defined standards and trained managers.

A just cause promise can be a real differentiator, but it can create enforceable contract rights, so the company needs clear definitions, consistent discipline processes and capable managers before committing. Recruiting statements can support implied-contract claims, so they do change the risk. Rejecting the idea without analysis ignores its strategic value, and pairing a public promise with a contradictory disclaimer creates confusion and credibility problems.

77. Answer: D — Framing should differ, stressing enjoyment in indulgent cultures and health, resilience, and duty in restrained ones.

Indulgence versus restraint reflects how freely a society allows gratification of desires related to enjoying life. Programs framed around fun and leisure may land well in indulgent cultures but seem frivolous in restrained ones, where health, self-discipline and responsibility to family are better hooks. The dimension guides framing, not whether employees deserve benefits, and acceptance of unequal power is the separate power distance dimension.

78. Answer: A — Investigate whether workload is sustainable before treating the gains as lasting

Rising output with falling engagement and more sick days suggests the gains may come from unsustainable workload that leads to burnout, turnover and errors later. Investigating workload drivers lets leaders keep productivity while lowering risk. A recognition campaign treats the symptom without checking the cause, and waiting another cycle lets the risk grow.

79. Answer: B — Only when it affects the conduct of the business, not when coworkers just dislike it

Groff explained that impacts on coworkers matter only to the extent they go on to affect the conduct of the business, such as by causing significant operational problems. Coworkers' resentment, or hostility to religion or to the idea of accommodation, cannot count as an undue hardship. The Court did not say coworker effects are always irrelevant, and complaints alone do not establish hardship.

80. Answer: A — Organization level

A restructuring that changes structure, reporting lines and decision rights for the whole enterprise is an organization-level (technostructural) intervention. Intergroup interventions target the relationships between specific units, group-level interventions such as team building target one team, and individual interventions such as coaching target single people. The restructuring affects groups and individuals, but its target is the organization's overall design.

81. Answer: B — Prepare strategies that hold up across uncertain futures rather than betting on a single forecast

Scenario planning acknowledges deep uncertainty by developing several plausible futures and testing which strategies are robust across them, and which early signals indicate a scenario is unfolding. It is not designed to pick the most likely outcome or to produce precise projections; averaging predictions describes a forecasting method, not scenario planning.

82. Answer: C — Inform and consult the works council early, before decisions are final, and negotiate a social plan with local counsel.

In Germany, works councils have strong information, consultation and co-determination rights in restructurings, and employers usually must negotiate a reconciliation of interests and a social plan before implementing layoffs. Starting early, with local counsel, builds credibility and avoids delays or injunctions. Announcing first or bypassing the council violates these rights, and US WARN doesn't apply to employees in Germany.

83. Answer: D — Lock out their own union-represented employees in a defensive response

In Buffalo Linen, the Supreme Court held that nonstruck members of a multi-employer bargaining unit may lawfully lock out their employees to counter a whipsaw strike and preserve the unit's integrity. Once bargaining has begun, an employer generally cannot withdraw from the association without union consent or unusual circumstances. A strike after the old contract expires is not enjoinable as a contract breach.

84. Answer: C — 1,200 calls

About 97.5% of a normal distribution lies below the mean plus about two standard deviations (1.96). Capacity = 1,000 + 2 x 100 = 1,200 calls. One standard deviation (1,100) covers only about 84% of days, and three (1,300) covers about 99.9%, which overstaffs. The figure of 1,025 applies the 2.5% to the mean rather than using the standard deviation.

85. Answer: C — The tool is the employer's own selection procedure, so using a vendor does not shift Title VII or ADA liability.

Title VII and the ADA apply to the selection procedures an employer uses, whoever built them, and the ADA expressly bars discrimination through contractual relationships. Disparate impact does not require knowledge or intent, so ignorance of the algorithm is no defense. Some courts have also let claims proceed against vendors acting as agents, but that adds liability rather than replacing the employer's.

86. Answer: A — Map critical roles and key-person dependencies for each process, with named backups and cross-training.

A business impact analysis is incomplete without people dependencies: who has the skills, access and authority to restore each critical process, and who backs them up. Detailed procedures help, but many critical tasks still need trained, authorized staff. A contact list and ad hoc reassignment do not reveal single points of failure before a disruption hits.

87. Answer: D — To gain direct control of benefit plans, employee data and internal controls, and scale economics

As a company nears an IPO, it needs control over its benefit plans, payroll data and financial controls to meet public-company reporting and audit expectations, and its scale often makes standalone programs cheaper. No federal law bars public companies from using PEOs, and PEOs serve employers well above 50 employees.

88. Answer: B — A per-day IRS excise tax for each affected beneficiary, plus possible court-imposed daily ERISA penalties

COBRA failures trigger an excise tax under the Internal Revenue Code, assessed per qualified beneficiary for each day of noncompliance, which the employer must self-report. Courts may also impose daily penalties under ERISA against the plan administrator for failing to provide election notices. Employers can also be held liable for medical expenses the individuals incurred, so exposure goes well beyond refunds or a single fine.

89. Answer: B — Whether the two operate as a single entity, such as through shared control and HR policies

Separately incorporated entities are generally treated separately, but a parent and subsidiary can be treated as a single entity based on factors such as common ownership, common officers or directors, day-to-day control by the parent, centralized personnel policies and interdependent operations. Keeping HR policies, management and operations distinct helps limit coverage to the subsidiary. Revenue share, location and the timing of the deal are not the test.

90. Answer: B — Process

LAMP stands for logic, analytics, measures and process. Process covers how measurement results are communicated, how knowledge is transferred and how change is managed so that decision makers actually use the findings. Logic is the framework that connects talent to strategic success, analytics are the tools for drawing valid conclusions from data, and measures are the data and metrics themselves.

91. Answer: A — Allow imaging of company devices as needed, and for BYOD obtain advance consent limited to company data.

Company-owned devices can be imaged under a clear policy because employees have a reduced expectation of privacy in them, but personal devices contain private data, so access should rest on advance written consent (typically in the BYOD agreement) and be limited to company information. Imaging any personal device without consent creates privacy and legal risk, while banning imaging altogether gives up important evidence.

92. Answer: C — Being status-conscious, a risk-taker and individualistic

GLOBE classified attributes such as status-conscious, risk-taker, individualistic, ambitious and cautious as culturally contingent: their value depends on the society. Visionary, trustworthy, motivating, honest, dependable, decisive and team-building attributes were endorsed almost universally. An expatriate leader therefore needs to read local norms most carefully on the contingent attributes.

93. Answer: A — It keeps records as long as the law requires, then supports routine disposal that shrinks breach exposure and discovery volume

A retention schedule sets how long each record type must be kept to meet legal and business needs and then calls for consistent, defensible disposal. Holding less stale data means less to expose in a breach and less to search and produce in litigation. Disposal must stop for anything covered by a litigation hold, so deleting records once litigation is threatened would be spoliation, not a benefit of the schedule.

94. Answer: C — Pay the interns, or redesign the program so the students are the primary beneficiaries.

Under the primary beneficiary test, an unpaid internship is lawful only if the intern, not the employer, is the primary beneficiary, considering factors such as educational ties, training, duration and whether the intern displaces paid workers. Billable client work under light supervision points strongly to the firm benefiting. Academic credit and a limited duration are relevant factors but do not decide the question alone, and employees cannot waive FLSA wages by agreement.

95. Answer: C — Board committee oversight and approval of political spending, with periodic public disclosure

Investors seeking accountability for political spending typically look for a written policy, board-level oversight and approval, and disclosure of direct and indirect spending, including trade association dues used for lobbying. Legal review is necessary but addresses only legality, not alignment with company values or reputational risk. A PAC funded by employees does not cover the company's own indirect spending.

96. Answer: C — Show evidence of how the programs support long-term value and talent, and engage the investor.

Under a stakeholder view of the firm, community programs are justified when they support long-term value, such as talent attraction, retention and the company's license to operate, so the best response engages the investor with evidence. Quietly ending the programs gives up value and credibility. Dismissing shareholder questions or ignoring an activist with a public platform risks escalation and weakens board accountability.

97. Answer: A — Transfer the relationships through planned co-ownership with successors, structured development and a phased transition plan.

The risk is that critical relationships live with one person, so the strongest mitigation is to deliberately share them by pairing successors with the founder on accounts, developing them and phasing the handover while the founder is still active. Key-person insurance offsets financial loss but does not keep customers. Consulting agreements and outside hires delay or replace the transfer rather than building relationships before the founder leaves.

98. Answer: A — Test outputs for pay gaps by protected group, require manager review and rationale for each decision, and audit every cycle.

The employer remains liable under equal pay and anti-discrimination laws for pay decisions made with a vendor's tool, so it needs its own bias testing, meaningful human review and ongoing audits. Removing protected fields does not prevent bias, because inputs such as prior pay or performance ratings can act as proxies. Fully automated pay setting removes the accountability and judgment that governance should preserve.

99. Answer: D — Identify critical knowledge holders, pair them with successors, and offer flexible phased retirement.

The best strategy targets the knowledge that matters most, transfers it through paired work with successors over time, and uses phased retirement to keep experts engaged during the transition. Asking only older workers for exit dates raises age discrimination concerns and does not transfer knowledge. Replacing every eligible worker at once is costly and premature, and a manual captures procedures but not the tacit judgment learned on the job.

100. Answer: C — They require documentation and transfer of operating knowledge so the work can be brought back or moved.

When work is outsourced, critical operating knowledge can migrate to the vendor, leaving the company dependent on it. Knowledge-transfer provisions require documentation, transition support and handover so the company can switch vendors or insource the work. No-hire clauses do not preserve knowledge, and the company generally does not gain ownership of the vendor's proprietary methods.

101. Answer: B — Organizational ambidexterity

Organizational ambidexterity is the ability to exploit existing capabilities efficiently while exploring new opportunities, often through separate units with different structures and cultures linked by senior leadership. Absorptive capacity concerns recognizing and using external knowledge, and strategic drift describes a firm gradually falling out of step with its environment; neither describes balancing exploration and exploitation.

102. Answer: A — Use PIP patterns as a signal to explore manager capability, alongside other leadership data.

PIP volume and outcomes can reveal issues such as poor hiring, weak coaching or PIPs used as an exit formality, but they can also reflect a manager properly addressing problems they inherited. Treating the data as a prompt for deeper review, alongside other indicators, avoids rewarding or punishing managers on a single ambiguous number. Ignoring the data misses a useful signal about leadership quality.

103. Answer: C — Cascade the enterprise objectives so each division picks measures showing its contribution to them.

Alignment comes from cascading: divisions translate enterprise objectives into their own objectives and measures that show how they contribute. A single identical scorecard is tempting because it forces consistency, but it ignores real differences among divisions and weakens local ownership. A summary page or written justifications leave the disconnect in place.

104. Answer: A — Limit confidentiality to settlement terms, keep agency-reporting carve-outs, and refuse terms that shield repeat conduct.

Narrow confidentiality focused on the settlement terms, with carve-outs for agency charges and cooperation, balances legitimate privacy against the cultural and reputational harm of silencing complaints about a repeat offender. The Speak Out Act applies only to predispute clauses, so it does not ban post-dispute settlement confidentiality. Agreements cannot lawfully bar an employee from filing a charge with or assisting a government agency.

105. Answer: A — Align incentives and monitoring by tying part of pay to enterprise goals and improving information flow.

Agency theory sees the subsidiary manager as an agent whose interests and information can differ from the principal's. The standard remedies are incentive alignment, such as linking pay to global as well as local results, and better monitoring and information sharing. Hiring a host-country national does nothing to fix misaligned incentives and may widen the information gap.

106. Answer: C — It need not bargain over the decision itself but must bargain over the effects on affected employees

First National Maintenance (1981) held that a decision to close part of a business purely for economic reasons is not a mandatory subject, because the employer's need to manage outweighs the benefit of bargaining; the duty to bargain over effects remains. Saying no bargaining at all is required wrongly drops the effects obligation, and the union-concession idea reflects the separate analysis used for relocations of unit work, not a partial closure.

107. Answer: D — Keep exemption status a job-level decision based on duties and pay basis, with payroll and timekeeping controls in each band.

Exempt status depends on each job's actual duties and on salary basis and level tests, not on the band where the job sits, so mixed bands need job-level classification plus controls that keep overtime and time records accurate. Classifying by band majority or by band minimum would misclassify jobs that fail the duties test. The FLSA does not forbid mixing statuses within a band; it requires correct classification of each job.

108. Answer: D — Keep 360 feedback mainly for development, since tying it to pay tends to reduce candor and inflate ratings.

Research and practice show that 360 feedback works best for development, because when raters know their scores affect pay, they tend to soften or game ratings and leaders may pressure raters, which undermines the tool's value. Leadership behavior can be rewarded in other ways, such as calibrated manager assessment that is informed by development. Reducing the weight lessens but does not remove the distortion, and dropping multi-rater input loses valuable perspectives.

109. Answer: B — Acknowledge the concerns publicly, investigate the issues raised and report concrete changes made

Credible employer brand repair starts with a professional public response, a genuine investigation and evidence of real change. Soliciting positive reviews can look manipulative and may raise endorsement concerns. Pursuing the reviewer can backfire publicly and may implicate rights under the NLRA. Pushing for removal does not address the culture problems the post describes.

110. Answer: B — Money received later is worth less today, so later benefits are discounted to compare fairly.

Because of the time value of money, $1 of benefit in year three is worth less than $1 today, since funds received today could be invested or used elsewhere. Net present value discounts each year's costs and benefits so programs with different timing are compared on the same basis. Discounting applies to both costs and benefits and is not a tax or participation adjustment.

111. Answer: C — Key-person risk, the exposure from losing an individual whose knowledge the business depends on

Key-person risk is the exposure an organization faces when a single individual holds knowledge, relationships or skills that are critical and not easily replaced. Mitigation includes knowledge transfer, documentation, cross-training and retention measures. Succession risk concerns leadership roles broadly, and turnover risk concerns attrition across groups, while here the risk sits with one specific person.

112. Answer: D — Gainsharing offers clearer line of sight, since payouts depend on results the employees directly control.

Line of sight is the degree to which employees can see how their actions affect a reward. Gainsharing ties payouts to unit-level productivity or cost measures employees can influence, so it tends to motivate specific behavior. Profit sharing depends on company-wide results shaped by many outside factors, so it builds a sense of ownership but has weaker line of sight. The distractor that swaps the two plans' measures reverses the actual difference.

113. Answer: B — Claiming an inability to pay obliges the company to back the claim with financial data on request.

When an employer claims it cannot afford the union's position, the duty to bargain in good faith requires it to substantiate the claim with relevant financial information if the union asks. Transparency also builds the credibility concession bargaining needs. Distress alone does not permit unilateral cuts, and a WARN notice does not satisfy effects bargaining. A decision to close a plant is generally not a mandatory subject, though its effects are.

114. Answer: D — Active use plus internal fill rates, cycle times, profile data quality and business outcomes

Logins show access, not value. Value appears when sustained use changes outcomes: more roles filled internally, faster processes, better data and business results the platform was meant to drive. Session and page-view counts are more detailed activity metrics but still do not show impact, and satisfaction or training completion measure the rollout rather than results.

115. Answer: D — The dollar value gained by using a valid selection procedure, given validity, SDy, and number hired

Utility analysis converts the improvement in job performance from a valid selection procedure into dollars, using the validity coefficient, the standard deviation of performance in dollars (SDy), the number of people hired, their average standardized predictor score, and their tenure, minus testing costs. Pass rates by group relate to adverse impact, score consistency is reliability, and cost per hire leaves out the performance gain.

116. Answer: B — Direct persuasion makes the arrangement publicly reportable, so disclosure and optics must be weighed.

Consultants who persuade employees directly trigger LM-10 and LM-20 reports that are publicly available and often cited by unions and the media, so the CHRO should weigh disclosure and reputational impact against the expected benefit. Consultant meetings are not prohibited, but the content must still be lawful. Persuader activity does not waive privilege for all counsel communications or create a joint-employer relationship.

117. Answer: A — Set periods by the longest applicable legal or limitations period, with a hold process to stop destruction

Retention schedules should meet federal and state recordkeeping minimums and cover the period in which claims could be filed, and a litigation hold must suspend destruction as soon as a claim is reasonably anticipated. Destroying records early can amount to spoliation, and storing investigation notes in personnel files exposes confidential material to wider access.

118. Answer: D — Phase the rollout by site, with trained super-users, verified competency, staffing backfill and safety monitoring.

In high-reliability settings, change speed must be balanced against safety. A phased rollout with super-users, verified competency, backfill so staff can train, and active safety monitoring manages risk while keeping momentum. A same-weekend cutover at every site concentrates risk, voluntary adoption creates unsafe dual systems with no end date, and course completion does not prove clinicians can use the system safely.

119. Answer: C — The neutral zone

Bridges describes the neutral zone as the in-between time after the old way has ended but before the new way feels natural. It brings confusion and lower productivity, and also creativity and openness to new ideas. The ending phase is about letting go of the old system, and the new beginning comes once people have taken on the new identity and ways of working. Acceptance is a stage in the Kubler-Ross curve, not Bridges' model.

120. Answer: C — Set a global minimum safety standard based on best practice and apply it at every site worldwide.

Local law sets a floor, not a ceiling; a global minimum standard protects workers consistently, reduces enterprise risk, and supports the company's reputation, while local law still applies where it is stricter. OSHA does not cover foreign worksites, and nothing prevents a company from exceeding local requirements. Waiting for an injury or audit finding is reactive.

121. Answer: C — Recalculate the company's voluntary rate on the same basis before comparing.

A benchmark comparison is valid only when the metrics share the same definition, so the CHRO should compute the company's voluntary rate (and match other definitional details) before presenting it. Showing mismatched figures overstates the problem. Estimating peers' involuntary turnover adds guesswork, and dropping the benchmark discards useful context that can be made comparable.

122. Answer: B — Explain the cost drivers plainly, state what changes and when, and offer tools to help people adjust

Unwelcome benefit changes are accepted more readily when the reasons are explained honestly, the changes are stated clearly with enough lead time, and employees get tools such as cost calculators and plan comparisons to make choices. Burying or downplaying reductions damages trust when employees discover them. Managers can reinforce the message, but they usually lack the detail to explain the changes accurately as the primary channel.

123. Answer: B — The model may embed historical bias and may not explain individual scores, which could produce unfair or discriminatory decisions

Predictive attrition models trained on past data can reproduce historical patterns tied to protected characteristics, and opaque scores are hard to justify when they shape pay, development or promotion decisions. That creates fairness, legal and trust risks that must be addressed through bias testing, explainability and governance before scores reach managers. Turnover can be predicted with useful accuracy from internal data, and model drift is manageable with monitoring, so neither is the primary concern.

124. Answer: A — Psychological contract breach, the perception that the employer failed to keep implicit promises

The psychological contract consists of employees' beliefs about the mutual obligations between them and the employer, often based on implied promises. When employees perceive that the employer has broken those promises, trust, commitment and performance tend to drop and turnover rises, even with no legal breach. Distributive injustice concerns how outcomes are shared, not unkept promises.

125. Answer: B — Withdrawing offered terms without a legitimate, explained reason can be treated as regressive bargaining that shows bad faith.

Regressive proposals are not unlawful in themselves; the NLRB looks at whether the employer had and explained a legitimate reason, such as changed financial conditions. Pulling back terms with no new justification late in talks can suggest an intent to frustrate agreement and support a bad-faith charge. Offers are not binding until accepted as part of an agreement, and the law does not ban all regressive moves.

126. Answer: D — The pay difference by gender that remains after controlling for legitimate pay factors

A pay equity regression controls for legitimate, job-related factors such as job level, function, location, tenure and performance. The gender coefficient then estimates the unexplained pay difference associated with gender. It is not the raw gap or the variance explained, and an unexplained residual is a flag for review, not proof that bias caused it.

127. Answer: A — Pay electrician rates for hours spent on electrician work, based on duties performed

Davis-Bacon classification follows the work actually performed, not job titles or licensure, so workers must receive at least the electrician rate for time spent on electrician tasks. If they perform work in more than one classification, the employer may pay each rate for the hours worked in it, provided accurate time records are kept. A 50% threshold has no basis, and the error must be corrected on the current project.

128. Answer: A — Redefine success profiles for critical roles from the new strategy and reassess successors against them

Succession plans must be built for the future the strategy requires, so the first step is to redefine what success looks like in each critical role and then reassess the bench against those profiles. That shows where internal successors fit, where development can close gaps and where outside hiring is needed. Adding training to existing plans assumes the current successors are the right ones before the gaps are known.

129. Answer: D — Advise against flagging individuals, since monitoring group pay complaints can chill protected activity.

NLRA Section 7 protects concerted activity about wages and working conditions for nonunion employees too, and surveillance that targets that discussion can violate Section 8(a)(1). It would also badly damage trust. Owning the system may reduce privacy expectations, but it does not cure the labor law problem, and announcing the monitoring does not make targeting protected discussion lawful.

130. Answer: C — Rebalance the recruiter scorecard to include quality-of-hire and early retention measures

Recruiters are optimizing the one metric they are paid on, so the fix is a balanced scorecard that rewards both speed and quality, such as 90-day retention and hiring manager satisfaction. Removing time-to-fill entirely could slow hiring that the business needs. Adding approvals adds a control step but does not change the incentive that is causing the problem.

131. Answer: D — Examine whether the courses are relevant to jobs and whether employees have time and access to finish.

Low completion is a symptom, and course design, relevance and access (here, courses that can be taken only outside working hours) are likely causes. Diagnosing those factors shows whether the issue is the spending or how learning is delivered, and redesigning delivery may raise completion and value. Mandating completion ignores the barriers and may raise wage-and-hour questions about off-shift training time for nonexempt workers. Accepting the cut or reporting only favorable numbers avoids the real issue.

132. Answer: C — Show how returns change at lower claim reductions and where it breaks even

A sensitivity analysis shows how the return changes when a key assumption varies (for example, 5%, 10% and 20% reductions) and where the program breaks even, which directly answers the CFO's question about risk. External studies support plausibility but do not show what happens if the assumption fails here. Cutting the budget does not address the uncertainty, and vendor guarantees usually come with conditions that need their own scrutiny.

133. Answer: B — Halt further payments and engage sanctions counsel to plan a lawful wind-down and weigh disclosure to OFAC.

Comprehensive sanctions generally bar U.S. persons from dealing with people in the sanctioned country, and the acquirer now owns the ongoing conduct, so continuing payments adds new violations. Stopping payments and involving counsel lets the company handle any wind-down lawfully and decide on voluntary self-disclosure, which OFAC treats as a mitigating factor. Shifting the work to a foreign subsidiary does not cure the problem, because U.S. persons who approve or facilitate the arrangement can still violate sanctions rules.

134. Answer: B — Present the finding directly with its data and comments, link it to business risks, and propose specific actions leaders can own.

A CHRO adds value by giving honest, evidence-based counsel and linking difficult findings to business outcomes, along with actions leaders can take. Burying or softening the result protects comfort at the expense of credibility and leaves the real risk unaddressed. A private-only briefing removes the executive team from a problem they share.

135. Answer: C — An emergency plan, a long-term succession plan and ongoing internal candidate development

Sound board oversight covers an emergency plan for sudden departures, a long-term plan for orderly transition, and continual development and assessment of internal candidates against future strategic needs. A single heir, a search firm or a performance review may play a part but do not by themselves provide continuity.

136. Answer: B — A gap this large would be unlikely if, after the controls, there were no real pay difference by gender.

A p-value below 0.05 means the observed gap would be unlikely to arise by chance if there were truly no gender difference in pay after the model's controls, so the result is statistically significant. It does not measure the probability of intentional discrimination or the cause of the gap. How much variation the model explains is measured by R-squared, and practical importance is a separate judgment from statistical significance.

137. Answer: C — Compliance with data privacy laws, multilingual 24/7 intake, and secure case management

A global hotline must comply with local privacy and whistleblowing rules such as the GDPR, be accessible to all employees in their own languages at any time, and support secure tracking of cases. Cost matters but should not outweigh legal compliance and access. Storing all data in one country can conflict with data transfer rules, and the ability to unmask anonymous reporters undermines the program.

138. Answer: A — Sinek's golden circle

Sinek's golden circle argues that leaders inspire by starting with why (purpose and belief), then explaining how and what. Kotter's dual operating system is tempting because it also concerns transformation, but it describes running a network alongside the hierarchy, not message sequencing. Force-field analysis maps driving and restraining forces, and Bridges' model addresses the emotional transition people go through.

139. Answer: C — Revise partner promotion and pay criteria so rewards no longer favor constant availability

Deeply rooted norms persist because the reward and promotion system reinforces them; as long as availability is what gets people promoted, messages and policies will be ignored. Changing what partners are evaluated and paid on aligns incentives with the stated value, while well-being programs treat symptoms, and an email rule or leadership message is easily overridden by the real reward signals.

140. Answer: B — The performance and reward systems, so they recognize innovation rather than cost alone

People do what they are measured and paid for, so if appraisal and bonuses still reward only cost and schedule, every other change will be undercut. Rebranding and onboarding modules raise expectations the systems do not support, which feeds cynicism. A broad reduction and rehire is costly and disruptive, and new hires would face the same cost-only incentives.

141. Answer: B — Use a rolling plan with scenarios and regular reforecasts tied to signals about AI capability and adoption.

AI capability and adoption are moving too unpredictably for a fixed multiyear plan. A rolling plan keeps the long-term view but updates it on a set cadence, using scenarios and leading indicators to adjust hiring, reskilling and redeployment. Dropping long-range scenarios is the tempting overcorrection, because it leaves the company unprepared for skills that take years to build.

142. Answer: A — ISSB serves investors on sustainability risks to the firm; GRI covers the firm's impacts on society.

The ISSB's IFRS Sustainability Disclosure Standards focus on sustainability-related risks and opportunities that could affect a company's prospects, for investors and other providers of capital. GRI Standards focus on a company's impacts on the economy, the environment and people, for a broad set of stakeholders. Neither is tied to a single country, and ISSB standards apply only where a jurisdiction adopts them.

143. Answer: C — Frequent updates, retention for key staff, and employee terms negotiated in the sale agreement

During a divestiture the seller's CHRO should keep employees informed within legal limits, retain the people needed to run the business through closing, and shape employee protections such as pay, benefits and service credit in the purchase agreement. Silence fuels rumors and attrition, promises about the buyer's plans may be impossible to keep, and the seller remains responsible for its employees until closing.

144. Answer: D — Support the platform but pair it with roles, incentives and practices for sharing tacit knowledge

Technology can store explicit knowledge, but much critical knowledge is tacit and moves through people, so a platform succeeds only with clear ownership, a sharing culture, incentives and practices such as mentoring and communities of practice. Opposing the tool outright rejects a useful enabler, and mandated uploads tend to fill a platform with content nobody uses.

145. Answer: C — Balance time to fill with quality of hire and hiring manager satisfaction in recruiter goals.

A single metric invites gaming: recruiters optimized speed at the expense of quality. A balanced set of measures that includes quality of hire and hiring manager satisfaction rewards the outcome the business actually needs. Loosening the time target or adding approvals treats symptoms without changing the incentive, and relying only on manager feedback swaps one narrow measure for another.

146. Answer: A — Each such warehouse must submit Form 300 and 301 case data annually, along with its Form 300A summary.

Under OSHA's electronic recordkeeping rule, establishments with 100 or more employees in designated high-hazard industries must submit information from Forms 300 and 301, plus the Form 300A, each year. The thresholds apply establishment by establishment, not to the company as a whole. Submission is a routine annual duty, not one triggered by an inspection.

147. Answer: A — Assess and fix internal gaps before ranges are published, with a plan for explaining pay to employees.

Posting ranges invites comparison, so employees below range will notice and may raise pay equity or retention issues. Reviewing and remediating gaps first, and preparing managers to explain how pay is set, protects trust and reduces risk. Ranges stretched to hide gaps are less useful and may break state rules requiring good-faith ranges, and telling employees not to discuss pay can violate the NLRA.

148. Answer: D — Leadership sponsorship, capacity for change, history with past change and perceived need

Readiness assessments look at the human conditions for change: whether sponsors are visible and committed, whether units have the capacity to absorb change, how past changes went, and whether people see a real need. The project-management items are tempting but measure plan readiness, not organizational readiness. Workforce metrics and legal factors are useful context, but they do not gauge readiness for change.

149. Answer: A — Data on how few deskless workers use the intranet, tied to the cost of missed safety updates.

A CFO responds to evidence that the current channel fails to reach most of the workforce and that the gap has a measurable cost in safety, compliance, or productivity. Competitor adoption shows a trend but not a return for this company. Preferences of office staff miss the deskless majority the app is meant to serve.

150. Answer: B — Goals are individual and confidential, and many other factors also affect a leader's results

Coaching goals differ from person to person, conversations are confidential, sample sizes are small, and an executive's results are shaped by many factors besides coaching, which makes isolating its effect hard. Practitioners use goal-attainment ratings, pre- and post-360 feedback and stakeholder input. No federal law bars collecting coaching outcome data.

151. Answer: A — Quantify the cost of the conflict, co-design the shared measures with both executives, and pilot them before rollout.

Executives are more likely to commit to a change they helped shape, and quantifying the cost of the conflict builds the business case for changing metrics. A pilot lowers risk and builds evidence. Imposing KPIs through the CEO may win formal approval but invites resistance, and another facilitated session repeats the approach that already failed because the metrics are the cause.

152. Answer: C — Whether narrow spans and excess layers are slowing decisions and information flow

Spans-and-layers analysis measures how many direct reports managers have and how many levels sit between the CEO and front line. Narrow spans and many layers lengthen approval chains and distort information, which matches the symptoms described. The analysis does not test pay competitiveness, overall staffing levels or individual managers' capabilities, although it may prompt later work in those areas.

153. Answer: B — It improves the company's best alternative to a negotiated agreement, which raises its leverage at the table.

Negotiating power comes largely from the quality of each side's best alternative to a negotiated agreement. Spare capacity elsewhere means the company can keep serving customers during a strike, which lowers its cost of not reaching a deal and raises its leverage. The merits of proposals matter, but they do not erase the effect of a stronger alternative, and the money already spent on capacity does not create pressure to settle.

154. Answer: C — Learn the business economics and frame people proposals around the CEO's margin priorities

CEOs bring in executives who help solve the business's most important problems. Showing an understanding of margin drivers and tying people strategy to them is how the CHRO earns influence. A best-practice roadmap shows HR's priorities, not the business's. Asking for a seat based on title does not show value, and HR cost savings alone keep the function in an administrative role.

155. Answer: D — The Speak Out Act covers pre-dispute agreements, so a narrow settlement clause is allowed if it preserves agency rights.

The 2022 Speak Out Act makes pre-dispute nondisclosure and nondisparagement clauses unenforceable for sexual assault and harassment disputes, but it does not ban confidentiality negotiated in a post-dispute settlement. Even so, no agreement can bar cooperation with the EEOC or other agencies, and Section 162(q) of the tax code denies a deduction for such settlements and related attorney fees when they are subject to a nondisclosure agreement. A narrow clause limits reputational harm from looking like a cover-up.

156. Answer: D — $600,000

Total budget = employees x average salary x bonus rate = 25 x $120,000 x 0.20 = 25 x $24,000 = $600,000. The $24,000 figure is the bonus for a single employee, $3,000,000 is the group's total salary, and $2,400,000 applies 80% instead of 20%.

157. Answer: B — Issue a hold, have counsel run a privileged impact analysis, and discuss scope with the EEOC

Before producing data, the company should preserve it and, through counsel, analyze it so leaders understand the risk and can raise legitimate concerns about scope or burden. Producing everything without review gives up the chance to identify problems and correct errors first. Refusing outright or unilaterally limiting production is likely to prompt a subpoena that courts often enforce.

158. Answer: B — Keep the startup's brand and recruiting approach for now, endorsed by the parent, and integrate over time.

The startup's brand is a key source of its talent advantage, so an endorsed approach that keeps its identity while linking it to the parent protects hiring and retention during the transition, with integration paced by evidence. Immediate absorption risks losing the talent the deal was meant to secure, total separation forfeits synergies and control, and a full rebrand adds cost and confusion at a sensitive time.

159. Answer: B — Quantify each program's effect on turnover cost, productivity and key risks, and present it as a return.

To move HR spending from overhead to investment, the CHRO must show the business value and risk reduction it produces, in the financial terms the CFO uses. Benchmarks are tempting, but showing that spending is below average does not show that it creates value. Refusing financial scrutiny undermines the CHRO's credibility, and across-the-board cuts ignore which programs matter most.

160. Answer: D — As a contest over scarce resources that calls for coalition building and negotiated agreements

The political frame sees organizations as arenas where groups with different interests compete for scarce resources, so a stalled allocation is diagnosed as a bargaining problem resolved through coalitions and negotiation. More analysis fails because the issue is interests, not information. The structural, human resource and symbolic options apply the other three Bolman and Deal frames rather than the political one.

161. Answer: A — Near-miss reports filed and safety observations completed

Leading indicators track activities and conditions that come before injuries, such as near-miss reporting and safety observations, so leaders can act before harm occurs. Incident rates, claim costs, citations and days away all count events after they happen, which makes them lagging indicators. A strong dashboard pairs both types, but only leading measures support prevention.

162. Answer: B — Automating the work with technology such as AI tools or robotic process automation.

The framework lists four ways to close a capability gap: build (develop current employees), buy (hire externally), borrow (contractors, alumni, partners, gig talent) and bot (automate tasks with technology). Rehiring retirees on contract is borrowing, an acqui-hire is a form of buying, and apprenticeships are building.

163. Answer: D — Arbitration is the trade-off for the union's promise not to strike

The Supreme Court has treated the agreement to arbitrate grievances as the quid pro quo for the union's agreement not to strike. The Steelworkers Trilogy built on that idea with a strong presumption of arbitrability and deference to awards, and Boys Markets allowed courts to enforce the no-strike side of the bargain. The NLRA does not require arbitration, and arbitration does not remove NLRB jurisdiction or the duty of fair representation.

164. Answer: C — Meet the sponsor privately to reconfirm commitment and settle how decisions get made

Active sponsorship is one of the strongest predictors of project success, so the CHRO should address the gap directly with the sponsor, understand the cause, and agree on how decisions will get made, including a delegate or new sponsor if needed. Escalating first damages the relationship, and HR deciding alone or meeting less often leaves the governance gap open.

165. Answer: B — Make ERG leadership part of formal goals and reviews, with managers agreeing on the time it takes

The problem is that ERG work is invisible and unsupported, and leaders say career recognition matters most. Building the role into formal objectives and reviews, with agreed time allocation, makes the work count and controls workload. A stipend alone keeps the work invisible to promotion decisions, an awards event is a one-time gesture and shorter terms spread the burden without recognizing it.

166. Answer: C — AI literacy is a workforce capability tied to roles, career paths and performance, which HR already manages.

AI literacy goes beyond knowing how to operate a tool: it includes judgment, ethical use and new ways of working, and it needs to be built into job design, competency models, development and performance expectations, which are HR's levers. IT remains an essential partner for tool-specific content. Budget ownership alone is a weak argument, because it says nothing about why the capability belongs with HR.

167. Answer: C — Survivorship bias, because firms that used the same practices and failed were never studied

Studying only winners means there is no way to know whether failed firms used the same practices, so the practices may not distinguish success at all. That survivorship problem undermines the core inference. A small sample would add imprecision, but even a large sample of successful firms only would still suffer the same basic flaw.

168. Answer: C — Full order books and a tight labor market, which raise the firm's cost of a strike

Chamberlain defined a party's bargaining power as the other side's cost of disagreeing with its terms relative to the cost of agreeing. When orders are strong and replacement workers are scarce, a strike would cost the company more, so the union's power rises. High inventory and high unemployment lower the company's cost of disagreeing, and a weak strike fund raises the union's own cost of disagreeing, all of which reduce union power.

169. Answer: A — Allow anonymous intake, aggregate small-unit data, and tailor investigation steps to protect identity

In very small units, standard practices can expose reporters, so the program needs anonymous two-way intake where local law allows, data reporting that hides small groups, and investigation methods such as broader document reviews that do not point to one person. Requiring names or routing concerns through the local manager increases fear of retaliation. Sharing reports locally makes identification almost certain.

170. Answer: B — Stop the unpaid practice at every site and, with counsel, scope back pay for all affected workers.

Required pre-shift huddles are compensable work, so the company should end the practice everywhere at once and work with counsel to calculate and remedy back wages across the affected workforce. Resolving only the one complaint leaves known violations running at 13 sites and builds willfulness exposure. Fixing it going forward without back pay leaves workers unpaid, and blaming site managers ignores that the practice was systemic.

171. Answer: B — Low cost-per-hire reflects efficiency only, so it should be paired with quality-of-hire data.

Cost-per-hire is an efficiency measure: external and internal recruiting costs divided by total hires. It says nothing about whether hires succeed, so a low figure alongside high early turnover may mean the company is underinvesting in sourcing or screening. The standard formula already includes sourcing costs, and turnover costs are not part of it; the right step is to add quality-of-hire and early turnover measures.

172. Answer: D — Satisfied, productive employees deliver better service value, which builds customer satisfaction and loyalty

The service-profit chain runs from internal service quality to employee satisfaction, retention and productivity, then to external service value, customer satisfaction and loyalty, and finally to revenue growth and profit. Employee satisfaction comes earlier in the chain and helps drive customer loyalty. Treating profit or loyalty as the source of employee satisfaction reverses the model's causal order.

173. Answer: A — Concept drift, because the relationship between the inputs and the outcome has changed

Concept drift occurs when the relationship between inputs and the target changes, so the same inputs now predict a different outcome. Data drift is a change in the distribution of the inputs themselves, which the stem says has not happened. Overfitting and sampling bias are training problems that would have existed before the policy change, not changes that arose after deployment.

174. Answer: A — 65%

Deflection rate = inquiries resolved through self-service ÷ total inquiries = 7,800 ÷ 12,000 = 65%. The 35% figure is the share handled by agents (4,200 ÷ 12,000), and 54% comes from dividing agent cases by self-service cases (4,200 ÷ 7,800). 39% results from wrongly adding self-service cases to the total in the denominator (7,800 ÷ 19,800).

175. Answer: C — Engage counsel to set one consistent audit scope for all sites and correct errors per USCIS

A self-audit run under counsel, with a scope applied the same way to every site and corrections made with initialed, dated notations as USCIS guidance directs, reduces penalty exposure and shows good faith. Backdating new forms is falsification. Selecting employees by document type or perceived status can be discriminatory, and waiting leaves known errors in place when an inspection could arrive with only three business days to respond.

176. Answer: C — $850,000

All-external cost = 50 x $40,000 = $2,000,000. Reskilling path = 50 enrolled x $15,000 = $750,000, plus 10 failures (20% of 50) x $40,000 = $400,000, for $1,150,000. Savings = $2,000,000 - $1,150,000 = $850,000. The $1,250,000 figure ignores the failures, $1,000,000 charges training only for the 40 who succeed, and $450,000 compares against external hiring for only 40 roles.

177. Answer: C — Skills assessments validated against role requirements, combined with data on actual AI tool use

A reliable baseline measures what people can actually do against what their roles require, and usage data shows whether skills are being applied. Self-ratings of comfort tend to be inflated and do not measure proficiency, while course completions measure activity rather than capability. Job titles miss the many employees in other roles who already use AI.

178. Answer: C — Track whether scores still predict job success and recheck adverse impact on a regular basis.

Validity and fairness can change over time as applicant pools, jobs and the model itself change. Ongoing monitoring should check that scores still predict job performance (predictive validity) and that selection rates by group have not shifted into adverse impact. Relying on launch results or waiting for complaints leaves the company exposed, and efficiency gains do not show whether the tool selects the right people fairly.

179. Answer: A — 75%

Adoption rate = adopters / targeted users = 1,350 / 1,800 = 0.75, or 75%. The 25% figure is the non-adoption rate (450 / 1,800), 33% divides the 450 non-adopters by the 1,350 adopters, and 133% reverses the formula (1,800 / 1,350).

180. Answer: B — Executives may game the measure; a balanced set of measures reduces that risk

When pay depends on one number, executives can improve it in ways that hurt the business, such as cutting R&D or timing expenses to lift short-term earnings. A balanced set of financial, customer, operational and people measures, often with longer-term components, makes such gaming harder and rewards broader performance. Earnings per share is neither complex nor long-term, and disclosure alone does not change the incentive.

181. Answer: A — Combine targeted retention for key members with knowledge transfer, documentation and successor development.

Concentrating a critical capability in a few people is a key-person risk, which should be managed both by keeping those people and by spreading what they know: documentation, knowledge-sharing routines, and developing successors who work alongside them. A retention bonus alone delays departures without reducing dependence, and broad noncompetes face legal limits and harm trust. Building a parallel team from scratch is costly and does not capture the existing know-how.

182. Answer: B — Recruit well-connected employees across units as change champions, with safeguards on how network data is used.

Organizational network analysis reveals people whose connections let them spread information and shape opinion beyond what the org chart shows, which makes them effective change champions. Clear limits on use protect trust in the data. Tying connection counts to performance reviews invites gaming and misuse, and publishing individual maps raises privacy concerns.

183. Answer: A — It assigns resource costs to each HR activity, revealing the true unit cost of each service.

ABC traces people, technology and other resource costs to the activities that consume them (for example, cost per payroll transaction or per hire), which shows what each service really costs and which ones would gain most from consolidation. Allocating overhead by headcount is the traditional method ABC replaces, and it hides cost differences between services. ABC is a measurement method; it does not change cost behavior or measure satisfaction.

184. Answer: A — The model learns past hiring patterns, so human bias in those decisions is built in.

When the training labels are past human decisions, the model learns to replicate those decisions, including any bias, and can do so at scale. Excluding protected traits does not prevent this, because proxies such as school, ZIP code or activities can carry the same patterns. A model retrained on its own biased selections tends to reinforce, not correct, the bias.

185. Answer: D — Considering several alternatives at once so debate centers on options

Eisenhardt found that effective top teams worked with abundant factual data, developed multiple alternatives, shared common goals, used humor, kept a balanced power structure and used consensus with qualification. Multiple alternatives diffuse polarization because no one is locked into defending a single proposal. Waiting for full agreement, restricting participation and avoiding data were patterns of teams with destructive conflict or slow decisions.

186. Answer: A — The job demands-resources model

The job demands-resources model holds that heavy job demands drain energy and lead to burnout, while job resources such as autonomy, feedback and support drive engagement and buffer the effects of demands. The job characteristics model links five core job dimensions to motivation but does not center on burnout. Effort-reward imbalance attributes strain to high effort paired with low rewards rather than to demands and resources.

187. Answer: C — Announce once the decision is final, with retention incentives and support for non-movers.

A move of this size is hard to keep secret, and a leak or late notice destroys trust; early notice paired with retention incentives keeps people through the transition and gives non-movers time to plan. The WARN Act's 60 days is a legal minimum, not a communication strategy. Telling only some employees invites rumors, and withholding support details makes the relocation decision harder.

188. Answer: D — Decline, since the scores were not built for this use and may cause disparate impact; use documented job-related criteria.

Flight-risk scores predict an employee's likelihood of leaving, not their value to the business, and their inputs may correlate with age or other protected traits, creating disparate impact risk. Layoff selection should rest on documented, job-related criteria reviewed for adverse impact. Keeping the scores confidential hides the problem rather than solving it.

189. Answer: D — EU and national laws give employee representatives consultation rights on major changes

EU directives on information and consultation, together with national laws, require employers to inform and consult employee representatives such as works councils in time for their views to influence significant decisions on restructuring and collective dismissals. The WARN Act does not govern employees working abroad. Works councils generally have consultation rather than general veto rights, although some national laws give them co-determination rights on specific matters, and these rights apply whether or not employees are unionized.

190. Answer: A — 3.0 grievances per 100 employees

Grievance rate = (grievances / bargaining unit employees) x 100 = (36 / 1,200) x 100 = 3.0 per 100 employees. The 0.3 figure drops a factor of 10, and 33.3 comes from dividing employees by grievances. The rate should be read alongside grievance types and outcomes, since a rising rate in one department can point to a supervision problem.

191. Answer: D — Script and review the message so it shares facts and opinions without threats, promises or questions about votes.

Section 8(c) protects an employer's views only when they contain no threat of reprisal or promise of benefit, and an executive's statements carry extra weight with employees. A scripted, counsel-reviewed message keeps the CEO's words lawful and on strategy. Unscripted remarks are the most common source of statements that become objections or charges, and describing improvements if the union loses is an unlawful promise.

192. Answer: C — Set pay ranges with defined rules for placing offers within them and require approval for exceptions.

Noise is reduced by structuring judgment: guidelines that tie placement within the range to defined factors, such as experience, limit arbitrary variation while still allowing differences that are justified. Exception approvals catch outliers. Training may help but leaves the same unstructured judgment in place, and a single midpoint for everyone removes legitimate differentiation. Pay transparency in postings is useful but does not by itself control how managers set offers.

193. Answer: C — Treat pregnancy-related absences, such as prenatal visits, as possible accommodations, not points

The PWFA requires covered employers to provide reasonable accommodations for known limitations related to pregnancy, childbirth or related conditions, absent undue hardship, and time off for prenatal appointments or recovery is a common accommodation. Assessing points for such absences can penalize an employee for needing an accommodation. Demanding a doctor's note before every absence can create an unnecessary barrier, and blanket exemptions go beyond what the law calls for.

194. Answer: A — Critical talent and flight-risk factors such as change-in-control vesting

When talent drives deal value, diligence should identify who is critical and what might cause them to leave, such as vesting acceleration on change in control, engagement data, manager relationships and culture differences. That informs retention agreements and the valuation itself. Pay comparisons, policy reviews and headcount mapping matter but do not directly measure retention risk.

195. Answer: B — A stable, measurable baseline, trust between labor and management, and a participative management style.

Gainsharing works when employees can see and influence a reliable baseline measure, when they trust that management will share gains fairly, and when management invites employee ideas and shares information. Volatile volumes distort the baseline, and individual incentives can work against group cooperation. Top-down control and companywide stock measures weaken the participation and line of sight the plan needs.

196. Answer: C — A shared candidate ID that carries data from sourcing through assessment into the HRIS

Quality-of-hire analytics depend on linking pre-hire data (source, assessment scores) to post-hire outcomes such as performance and retention held in the HRIS, which requires a common identifier and clean data flow across systems. A single-vendor suite may simplify the interface but does not by itself guarantee linked data. Separate reports keep the data in silos, so the pre-hire to post-hire connection is never made.

197. Answer: D — Rescind the warnings, exclude approved leave and accommodated time from metrics, and require human review.

Counting accommodated or protected leave time against an employee can violate the ADA and interfere with FMLA rights, so the warnings should be reversed and the metrics fixed. A policy that requires human review before monitoring data drives discipline prevents repeat problems. Demanding new certification in response looks retaliatory, and exempting accommodated employees entirely treats them differently instead of measuring them fairly.

198. Answer: C — Look for shared drivers such as supervision, voice and fairness gaps instead of treating each drive as isolated.

Root-cause analysis across a network looks for systemic conditions, such as supervisor behavior, perceived unfairness and lack of voice, that the affected plants share and that may exist at other plants. Attributing drives mainly to outside organizers ignores the workplace conditions that make outreach succeed. Pay matters, but assuming it is the sole cause skips the analysis the executives need.

199. Answer: B — Model the cost, turnover and internal equity effects of both options against local labor market data.

An enterprise wage floor is a long-term commitment that affects labor cost, hiring, turnover and pay relationships for every job above the floor, so the decision should rest on modeling both structures against local labor markets. Setting the floor at the highest local minimum may overpay in low-cost markets, while paying only legal minimums can leave stores uncompetitive. Employee preference is useful input but cannot substitute for cost and market analysis.

200. Answer: C — Have leaders meet the organizers, explain how the contract was assessed, and bar any retaliation.

Engaging the organizers directly, explaining the decision criteria and reaffirming that employees will not face retaliation shows respect for employee voice while leaving the business decision with leadership. Dropping the contract under pressure, without review, sets a precedent that every contract is open to a petition. Disciplining organizers risks claims under labor law, which can protect group activity, and a memo shutting down debate is likely to escalate tensions.

201. Answer: D — Confirm the legal position with counsel, then give long notice, transition help and reasons

Courts generally enforce clear reservation-of-rights language for welfare benefits, but past informal promises create legal questions that counsel should review and serious trust damage that communication must address. Long notice, transition support such as an HRA or exchange guidance, and a frank explanation reduce harm. Ending coverage abruptly ignores those risks, verbal statements do not automatically vest a benefit, and a quiet change would be seen as a betrayal.

202. Answer: D — Treat the pattern as a signal to examine those teams' workload, scheduling and management.

Concentrated leave usage is often a symptom of root causes such as burnout, poor scheduling, unsafe conditions or weak supervision, and analytics are most useful when they lead to that diagnosis. Singling out one team's certifications on a presumption of abuse risks interference and retaliation claims and does not fix the underlying problem. Capping FMLA leave is unlawful, and reshuffling employees only hides the signal.

203. Answer: B — Accuracy and fairness can degrade as applicant pools, jobs and data change

Model drift occurs when the data a model sees in use departs from the data it was trained and validated on, so performance and fairness can deteriorate even if the code never changes. Ongoing monitoring of selection rates and accuracy catches problems early. No federal agency revalidates employers' AI tools, and adverse impact can be estimated before launch, though it must be confirmed in use.

204. Answer: A — Informing and consulting employee representative bodies before the decision is final

EU rules and national laws in countries such as Germany and France require employers to inform and consult works councils or other employee representatives on collective redundancies and major changes, early enough to influence the outcome, and German co-determination can require negotiation of a reconciliation of interests and a social plan. This makes the consultation process central to timing and terms. Employee ballots are not required, and although some countries require notice to labor authorities or administrative review of a redundancy plan later in the process, there is no general rule of ministry approval before any announcement. Works councils also exist alongside industry unions.

205. Answer: B — Add identity checks, such as live video verification, and tighter device and access controls.

Fraudulent remote applicants exploit hiring processes that never verify the person in real time, so stronger identity proofing, live interviews, company-managed devices and access monitoring address the gap. Banning remote hiring sacrifices talent access. Relying on an agency does not remove the company's security exposure, and E-Verify confirms that identity data matches records but does not reliably detect someone using another person's valid information.

206. Answer: D — Design services around key employee moments rather than around HR functions

An experience-led model designs services around key employee journeys and moments, such as joining, relocating or becoming a parent, and coordinates work across HR silos to support them. A portal or transaction satisfaction scores may support that design, but they treat symptoms rather than set the organizing principle.

207. Answer: D — Convert to one currency and adjust for local cost levels, such as purchasing power.

Cost metrics from different countries cannot be compared until they are in a common currency, and even then differences in local wage and price levels can make one location look more efficient than it is. Adjusting for purchasing power or comparing against local benchmarks gives a fairer view. Using a single exchange rate from one date can distort a full year of costs when currencies move.

208. Answer: B — A direct threat exclusion needs an individualized assessment of current ability based on objective medical evidence.

The ADA's direct threat defense requires a significant risk of substantial harm, judged by an individualized assessment of the person's present ability using reasonable medical judgment and objective evidence, and considering whether accommodation can reduce the risk. Generalized fears, one incident by a different employee and insurance cost concerns do not meet that standard. A blanket exclusion by diagnosis is exactly what the individualized test is designed to prevent.

209. Answer: D — Faster decisions and lower costs, offset by wider spans of control, fewer promotion steps and manager overload.

Delayering shortens the chain of command, which can speed decisions and cut overhead, but each remaining manager supervises more people, career ladders lose rungs, and managers can become overloaded with less time to coach. The CHRO should plan for span redesign, new career paths and manager capability. The near miss that pairs the benefits with narrower spans reverses the real effect, since removing layers widens spans.

210. Answer: B — Normalization of deviance

Normalization of deviance describes how small departures from rules, repeated without immediate harm, gradually become accepted as the new standard until they no longer seem like violations. The lack of incidents reinforced the shortcut, and newcomers absorbed it as normal practice. Diffusion of responsibility concerns failing to act because others are aware, and groupthink concerns flawed group decision-making driven by pressure for consensus.

211. Answer: B — Have counsel assess exposure under privilege, then reclassify or restructure roles under a plan

These facts point to likely misclassification, so the company should assess its exposure with counsel, ideally under attorney-client privilege, and then fix the arrangements through reclassification or genuine restructuring with a managed plan. A signed agreement does not override how the work is actually performed, abrupt terminations disrupt operations and do not erase past liability, and the absence of complaints does not reduce the risk.

212. Answer: B — Stage-gate governance

Stage-gate governance divides a project into stages separated by gates at which decision-makers make go, kill, hold or recycle decisions. Agile sprints focus on iterative delivery, earned value management measures cost and schedule performance, and the critical path method schedules dependent tasks; none of these is defined by go/kill checkpoints.

213. Answer: D — Meet the longest applicable federal period and suspend deletion for records tied to any charge

Several federal rules set different retention periods; for example, EEOC rules generally require one year, payroll records under the FLSA and ADEA three years, and covered federal contractors longer periods, so the schedule should meet the longest one that applies. Once a charge or lawsuit is filed, relevant records must be kept until final disposition. Routine deletion after a charge exposes the company to sanctions.

214. Answer: D — Claim privilege for counsel-directed studies, and weigh whether relying on the remediation would waive it.

Studies directed by counsel for legal advice may be privileged, while routine compensation reviews usually are not. A company that relies on its analyses to show good faith risks waiving privilege, because it cannot use the findings as a sword and the privilege as a shield. Treating all studies as protected, or none, ignores this distinction and the strategic choice it creates.

215. Answer: B — A loop-back procedure that returns the parties to interest-based negotiation

Loop-back procedures move disputes from rights or power contests back to negotiation; advisory opinions, information about likely outcomes and cooling-off periods are classic examples. Giving parties a realistic preview of the rights outcome narrows the gap so they can settle. Nothing in the step imposes a binding result or dismisses claims, so it is not an escalation or screening device.

216. Answer: A — Management practices, structure, systems, and work unit climate

Burke-Litwin separates transformational factors (external environment, mission and strategy, leadership, and organizational culture) from transactional factors such as structure, management practices, systems, and work unit climate. Changes to the transactional factors drive incremental, continuous improvement. The other choices include one or more transformational factors, such as leadership or culture, which drive fundamental change.

217. Answer: D — Raters may become less candid once ratings affect pay, which weakens the feedback's value

360 feedback works best for development because raters are more honest when they know the results will help the person grow rather than affect pay; when ratings drive rewards, raters tend to inflate or game them and recipients become defensive. No federal law bars using peer input in pay decisions, and 360 instruments are designed specifically to measure leadership behaviors.

218. Answer: B — $1,400,000

Reskilling costs 50 x $12,000 = $600,000, and replacing costs 50 x $40,000 = $2,000,000, so the savings are $2,000,000 - $600,000 = $1,400,000. The $2,000,000 figure is the replacement cost alone, $600,000 is the reskilling cost alone, and $2,600,000 wrongly adds the two. A full analysis would also weigh severance, morale and the risk that some workers cannot be reskilled.

219. Answer: C — Have executives share the results openly, acknowledge the specific concerns, and commit to visible actions with follow-up.

A 25-point drop tied to specific, identifiable causes calls for leaders to own the results, name the issues employees raised and commit to concrete changes that are tracked over time. A values campaign without action reads as spin and can deepen distrust. Relying on managers to defend executive decisions shifts accountability away from the people employees no longer trust, and delaying to re-survey signals that leadership is not listening.

220. Answer: A — Follow the committee's and its counsel's direction, keep information need-to-know, and not brief the CEO

A special committee acts for the board, which oversees the CEO, so in this matter the CHRO's duty runs to the committee and to the company, not to the CEO's personal interests. Alerting the CEO, even in general terms, could compromise the investigation and lead to evidence destruction or retaliation. Declining to help misreads the reporting relationship, since the board's authority outranks the CEO's.

221. Answer: B — The share of critical roles with at least one ready-now successor

The ready-now successor ratio directly measures near-term coverage: how many critical roles could be filled now from inside if the incumbent left. A large high-potential pool may not map to the specific critical roles or be ready now. Tenure of incumbents and training completion are inputs or context, not measures of bench readiness.

222. Answer: D — Steer high-cost procedures to centers of excellence, using claims data and reduced cost sharing.

Centers of excellence deliver better outcomes and lower total cost for specific high-cost procedures, and using claims data to target those conditions with incentives such as reduced cost sharing steers care without removing choice for everyone. A sudden full move to a narrow network risks access gaps and employee backlash. Raising deductibles shifts cost rather than improving value, and blanket prior authorization adds friction without targeting the cost drivers.

223. Answer: B — Redefine the HRBP role around strategic work and build those skills

The model succeeds only if HRBPs move into consulting and strategic work, so the CHRO should clarify the new role, invest in the capability it requires and make its influence visible. Letting HRBPs keep transactions undermines both the shared-services business case and the new role. Replacing people before helping them adapt loses talent, and waiting for unanimous support stalls the change.

224. Answer: A — Rank the most critical roles and show leaders what the unfunded gap puts at risk.

The CHRO should prioritize hires by strategic impact, explore lower-cost alternatives for some needs (internal moves, contractors, automation), and make the trade-off explicit so executives can decide whether to fund more, phase timing or scale back goals. Hiring beyond budget violates financial controls, and even or proportional cuts ignore which roles matter most to the strategy.

225. Answer: D — Assign a named human owner accountable for each agent, with defined limits, logging and the power to halt it.

When agents act without case-by-case approval, accountability must be designed in: a named owner, clear boundaries on what each agent may do, audit logs of its actions, monitoring, and a way to stop it quickly. The employer remains responsible for actions taken on its behalf, so vendor accountability alone is not enough. No federal law bans autonomous AI actions in HR, although offer letters and pay-related actions deserve tighter limits.

226. Answer: C — Bottom-category placements can fall disproportionately on a protected group, such as older workers, without intent.

Forced distribution places a set share of employees in the bottom category, and when those placements, often subjective, fall disproportionately on a protected group, plaintiffs can bring disparate impact claims without proving intent. Lawsuits against several large companies alleged that older workers were overrepresented in the lowest category. No law requires absolute rating scales, and courts do not presume intent from a system's structure.

227. Answer: C — A conjoint analysis of employee choices

Conjoint analysis asks employees to choose among bundles that combine different levels of each reward element, which reveals the relative value they place on each and the trade-offs they would accept. Rating scales let respondents rate everything as important without forcing choices. Market pricing measures what competitors pay, not what employees prefer.

228. Answer: D — Rebuild it around a few strategic questions, each tied to metrics, targets and an owner

A dashboard earns attention when every metric answers a strategic question that leaders must decide on and has a target and an accountable owner. Better formatting of 60 metrics leaves the core problem of no decision link untouched. Letting each executive pick favorites produces a fragmented report shaped by interest rather than strategy, and a self-service tool adds access without adding focus.

229. Answer: C — Audit enforcement, give notice that the rule will be enforced going forward, train supervisors, and track consistency.

Under just cause principles, arbitrators look for consistent enforcement and notice, so after a period of lax enforcement the employer should reannounce the rule before resuming discipline and then track consistency. Courts give arbitration awards great deference, so an appeal based on the merits rarely succeeds. Sudden strict enforcement without notice repeats the same defect, and disciplining supervisors does not fix the system.

230. Answer: D — Hold leaders accountable for responses, show follow-up, monitor retaliation, and survey trust

Speak-up culture rebuilds when employees see that concerns lead to action and that reporters are protected, so the plan must change how leaders respond and measure progress over time. A new hotline brand or training module raises awareness but does not fix the underlying distrust. Replacing leaders may be part of accountability, but on its own it does not change the systems that ignored prior warnings.

231. Answer: B — Evaluate the bid on its staffing merits only and report the offer to procurement and compliance.

Tying a supply decision to the vendor's purchases (reciprocal dealing) undermines objective procurement, can create antitrust and conflict-of-interest concerns, and could result in a weaker staffing provider. The bid should be judged on its staffing merits, and the offer should be disclosed. Asking competitors for similar offers spreads the problem instead of fixing it, and a separate agreement simply hides the link.

232. Answer: A — Employ them at a foreign affiliate for a year, then seek L-1 transfers or other visas

A multinational can keep the talent by employing these engineers at a foreign affiliate or talent hub; after one continuous year abroad, they may qualify for an L-1 intracompany transfer, and some may qualify for other categories. Working in the U.S. as contractors or on visitor status without authorization is unlawful. Treating the lottery as the only path gives up talent unnecessarily.

233. Answer: A — Finding informal influencers whose positions in networks help messages spread

Organizational network analysis maps the informal relationships through which information and influence flow, revealing well-connected people and brokers who are often not senior in the formal hierarchy. Recruiting them as ambassadors helps change messages reach and persuade the organization. Senior approvers are visible from the org chart, and ONA is not designed to sort employees by engagement or to remove likely resisters.

234. Answer: B — Analyze the lost awards for recurring reasons, such as weak investigations or uneven discipline, and fix the causes.

A loss rate this high calls for a root-cause analysis of the awards, which usually show patterns such as inadequate investigations, lack of notice, inconsistent penalties or failure to apply progressive discipline. Fixing those causes, for example through central review of discharges and supervisor training, addresses the problem. Blaming the arbitrators skips the analysis, and assuming documentation is the cause guesses at the answer before looking at the data.

235. Answer: C — Finish plan diligence, and if termination is preferred, have the target's board adopt a termination resolution before closing.

In a stock deal, a 401(k) plan the buyer wants to terminate should be terminated by the target's board effective before closing. Afterward, the buyer's other 401(k) plan is a successor plan, which generally bars distributing the terminated plan's balances. Diligence still matters either way: merging after closing brings the target plan's past defects into the buyer's plan, and terminating a plan does not cure qualification failures.

236. Answer: A — Centralize leave decisions with trained specialists or a vendor for consistent designations.

Centralizing administration with trained specialists, in-house or through a vendor, produces consistent eligibility decisions, designations and notices within required timelines, which are common failure points under manager administration. A checklist does not fix inconsistent judgment across 30 locations, and local procedures increase variation. Short and intermittent leaves are where errors are most common, so leaving them with managers keeps much of the risk.

237. Answer: A — Whether reskilled employees move into roles that use their new skills and add business value

Reskilling pays off when people are actually deployed into roles where new skills create value, such as avoided external hires or higher productivity. Training hours, catalog size and satisfaction ratings measure activity or reaction, not business results. Many programs log heavy training activity yet return little because there is no clear path from learning to redeployment.

238. Answer: D — Redesign roles, career paths, performance management and incentives around persistent product teams and new skills.

Operating model changes stick only when people systems such as roles, career paths, performance management, rewards and skill development are redesigned to support the new way of working. Renaming departments changes labels but not behavior, and keeping individual, project-era performance processes works against team-based accountability. Wholesale replacement is costly, damages morale and discards valuable institutional knowledge.

239. Answer: D — Document that classification decisions rest on counsel's advice or WHD guidance and act promptly on what the review finds.

A court may reduce or deny liquidated damages only if the employer shows it acted in good faith and had reasonable grounds to believe it was complying, and reliance on written WHD rulings or opinion letters can be a complete defense. Documented reliance on legal advice or agency guidance, followed by prompt correction, builds that record. A general statement of intent is not evidence of reasonable grounds, and EPLI policies commonly exclude wage-hour claims and do not reduce the underlying liability.

240. Answer: B — 8.0%

Cost of sales = sales compensation / sales revenue = $6M / $75M = 0.08, or 8.0%, meaning $0.08 of pay per dollar of revenue. The 12.5% figure comes from inverting the ratio ($75M / $6M = 12.5), and 0.8% and 80% are decimal-place errors.

241. Answer: A — Design the process and compile data as staff support, while directors own the assessment and final judgments.

The board owns the CEO's evaluation, and the CHRO reports to the CEO, so the CHRO can design the process, gather input and data and coordinate advisors, but judgments belong to independent directors. Having the CHRO rate the CEO creates a clear conflict of interest. Refusing all involvement is unnecessary, and letting the CEO approve the process undermines the board's independence.

242. Answer: A — To find and fix problem steps early while protecting candid analysis as legal advice

Step-by-step analysis shows where impact arises, such as a screen or interview, so the employer can fix it before it becomes a pattern, and doing the work at counsel's direction helps protect the candid analysis as privileged. No federal rule requires annual adverse impact filings with the EEOC. Privilege protects legal advice and analysis, not the underlying hiring data, which remain discoverable.

243. Answer: B — Use the DOL's VFCP for the late deposits and the IRS's EPCRS for the compensation error.

Late deposits of deferrals are fiduciary breaches and prohibited transactions, which the DOL's Voluntary Fiduciary Correction Program addresses, including restoring lost earnings. Using the wrong compensation definition is an operational failure that threatens tax qualification, which the IRS's Employee Plans Compliance Resolution System corrects through self-correction or a VCP filing. Each error goes to the program built for its type of failure.

244. Answer: C — Recommend claims grounded in the survey data, paired with a clear commitment to the actions underway.

An EVP must match the experience employees actually have, or new hires from the affected groups will see the gap quickly, raising early turnover and eroding trust and brand credibility. Honest claims paired with visible commitments are both authentic and attractive. Candidate testing measures appeal, not accuracy, and dropping inclusion entirely gives up a real message the company can support.

245. Answer: D — Legal, IT and data security, risk and compliance, and the business leaders using the tools

HR AI governance cuts across functions: legal for employment law, IT and security for data and systems, risk and compliance for controls, and business leaders who use the tools and must follow the rules. External vendors and peers are useful sources but not internal governance partners. Finance and procurement matter but are too narrow, and top-level sponsorship alone does not create working governance.

246. Answer: A — Multidomestic approach

In the multidomestic (multinational) approach, subsidiaries operate as a decentralized federation with high autonomy and adapt to local markets, while headquarters exercises mainly financial control. The transnational approach also values local responsiveness, but it pairs that with global integration and shared learning, which this company does not pursue.

247. Answer: B — Derailers often emerge under pressure and can undo a leader with otherwise strong skills

Many senior leaders with strong skills fail because of overused strengths or dark-side traits, such as arrogance or volatility, that surface under stress and damage relationships. Assessing derailers through validated tools, structured references and simulations reduces that risk. These traits are not protected characteristics, do not outpredict cognitive ability for technical work and are often hidden in a standard interview.

248. Answer: B — A rare, high-impact event outside normal expectations that is explained away after the fact

Taleb defines a black swan by three traits: it is an outlier beyond regular expectations, it carries extreme impact, and people construct explanations afterward that make it seem predictable. A visible, likely threat that leaders neglect is sometimes called a gray rhino, and events with known probabilities are measurable risks rather than black swans.

249. Answer: D — Adopt a committee charter, an investment policy and minutes that show regular documented review.

ERISA judges fiduciaries largely on the prudence of their process, so a charter defining membership and duties, an investment policy statement and minutes documenting regular reviews are the core evidence of prudence. Without records, the committee cannot show it acted prudently. Concentrating authority in one person or deferring to a vendor does not remove fiduciary responsibility.

250. Answer: A — Applying a Bonferroni-type correction to the significance level

A Bonferroni-type correction divides the significance level by the number of comparisons (or uses a similar adjustment), which keeps the chance of any false positive across the whole set near the intended level. Larger samples increase power but do not control the multiplied false-positive risk from many tests. One-tailed tests make significance easier to reach, and reporting only the largest differences is selective reporting that increases false positives.

251. Answer: C — Validate the trend, commission an independent review of the region, and brief the board committee on the risk and the response.

A sharp, concentrated rise in retaliation complaints involving the same senior leaders is a culture and legal risk that warrants independent review and board-level visibility. Waiting two more quarters lets possible retaliation continue and increases exposure. Training alone does not address the specific allegations, and handing the matter to the regional president compromises independence if the named leaders report to that executive.

252. Answer: A — To recognize measurement error and let other job-related factors guide choices in a band

Banding recognizes that small score differences may reflect measurement error rather than real differences in ability, so candidates within a band are treated as equivalent and selection among them can rely on other job-related criteria. Adjusting scores by demographic group is race norming, which the Civil Rights Act of 1991 prohibits. Banding does not raise validity, and selecting the top scorer first would defeat its purpose.

253. Answer: C — Executive pay is outside the bargaining unit, so the union must show its relevance, but the company should respond and discuss the request.

Information about bargaining unit employees' terms is presumptively relevant, but for information about nonunit employees, such as executives, the union must show relevance to bargaining or contract administration. The employer should still respond promptly, ask for the basis of relevance and discuss confidentiality accommodations, because ignoring a request can itself violate the duty to bargain. Conditioning a response on withdrawal of other requests is not a lawful basis for refusal.

254. Answer: C — Criteria built on past success may select leaders suited to a strategy the company is leaving behind.

Succession decisions based on the profile of past successful leaders tend to reproduce that profile, which can leave the company with leaders who are not equipped for its new direction. Aligning criteria with future strategy helps ensure successors can execute what the business will need. There is no general legal mandate to revalidate criteria after a strategy change, and the goal is fit with the strategy, not faster promotion.

255. Answer: D — A guiding coalition drawn from many levels steers the network, and its members also hold hierarchy roles that keep the two linked

In Kotter's dual operating system, a volunteer network led by a guiding coalition drawn from across levels works alongside the hierarchy, and people who serve in both keep the two systems connected. Putting the network under a single executive's project approvals simply recreates the hierarchy. A fully separate unit loses the link to the hierarchy that the model depends on, and assigning members undercuts the volunteer, want-to energy that drives the network.

256. Answer: D — Whether the ratings are consistent, job-related and documented, and whether they show adverse impact on protected groups

Ratings used for layoff selection become the employer's main defense, so the CHRO should first confirm they are reliable, job-related and documented, and test them for adverse impact on protected groups. Having managers re-rate employees once a layoff is planned invites claims that ratings were manipulated to target people. Notice and severance matter, but they do not fix flawed selection criteria.

257. Answer: A — Transition, severance and service quality costs, plus effects on knowledge and remaining staff

The CHRO's job is to make sure the decision reflects the full cost and risk, including severance and notice obligations, transition and knowledge-transfer costs, possible customer experience decline and the effect on retained employees, which can erode the projected 40% savings. Offshore wage and recruiting data are mostly the vendor's concern, and communication planning matters only after the decision is made.

258. Answer: D — Accept it, because the IRR is higher than the company's hurdle rate

Under the IRR rule, an investment is acceptable when its IRR exceeds the hurdle rate (the minimum required return, often based on the cost of capital); 14% exceeds 11%. No rule requires IRR to double the hurdle rate. A positive IRR below the hurdle rate would not cover the cost of capital, so a positive IRR alone does not justify approval.

259. Answer: B — Propose strategy-based prioritization criteria and get senior leaders to agree on them before funding.

Transparent criteria linked to strategic impact, agreed by senior leadership, let the CLO allocate scarce resources defensibly and often reveal common needs that one enterprise program can meet. Equal splits and first-come funding ignore strategic value, and handing the whole decision to the CEO abdicates the CLO's role in shaping the investment logic.

260. Answer: B — Consultation must generally occur while the decision can still be shaped, or the plan faces legal delay

European information and consultation rules generally require employers to inform and consult employee representatives in good time, while the proposal can still be shaped, before decisions on substantial changes such as closures are final. Skipping this step can lead to injunctions, penalties and delays, so it must be built into the timeline. Works councils typically cannot veto a closure, although they can negotiate over its effects on employees.

261. Answer: A — Recommend discipline consistent with similar substantiated cases, explaining the legal and cultural cost of an exception.

Treating a high performer more leniently after substantiated harassment undermines the employer's duty to take effective corrective action, invites claims and signals to employees that results excuse misconduct. Consistency with comparable cases is the defensible standard. Moving the victims instead of addressing the harasser can be seen as retaliatory, and delaying action leaves the risk in place.

262. Answer: D — Assumptions and forecasts are refreshed often, so resources can shift with conditions

Rolling plans are updated on a set cadence (often quarterly) and extend the planning horizon each time, which improves responsiveness to change. Fixed targets for the full period describe a static annual plan, not a rolling one. Rolling planning keeps a long-term view; it does not abandon long-term goals, and it usually takes more frequent review, not less.

263. Answer: B — The first is an ego network analysis, and the second is a whole network analysis.

An ego network analysis centers on one focal person and that person's direct contacts, along with the ties among them, while a whole network analysis captures all ties among members of a defined population, such as a division. Reversing the labels is the near miss. Closeness and betweenness are measures calculated within a network, not types of network study, and both methods described map informal ties rather than reporting lines.

264. Answer: C — Hiring manager satisfaction with the quality of new hires

For an HR scorecard, the customer perspective looks at how HR's internal customers, such as managers and employees, view its services, so hiring manager satisfaction fits. HR cost per employee belongs in the financial perspective. Time to fill is an internal process measure, and HR staff training hours belong in learning and growth.

265. Answer: A — Style, meaning how top leaders actually behave and spend their time

In the 7-S framework, style refers to leaders' actual behavior, including how they spend their time and what they pay attention to, and employees read it as the real signal of priorities during change. The gap described is between stated values and leader behavior, so the problem lies in style rather than in the stated shared values. Staff and skills concern the workforce's makeup and capabilities, not executive conduct.

266. Answer: C — Positive, about $15,400

Discount each year's savings: $200,000/1.08 = $185,185; $200,000/1.08^2 = $171,468; $200,000/1.08^3 = $158,766. The total present value is about $515,419, so NPV = $515,419 - $500,000 = about $15,400, which is positive. The $100,000 figure ignores discounting entirely, and the negative result comes from discounting all $600,000 as if it arrived in year three.

267. Answer: A — The relevant expertise and experience of the people who will actually do the work, and their fit with the problem

A consulting engagement's value depends on the expertise of the team assigned and its fit with the specific problem, so the CHRO should evaluate who will staff the work and their relevant track record. Brand reputation can reassure a board, but large firms sometimes staff projects with junior consultants, so brand alone does not ensure quality.

268. Answer: C — Bargain over the effects on employees even when the decision is not bargainable

Under First National Maintenance and related cases, even when an employer need not bargain over a core business decision, it must give the union timely notice and a meaningful chance to bargain over the effects, such as severance, transfer rights, seniority and timing. Notifying the union only afterward can deny it that opportunity. Dealing directly with employees over effects would bypass the exclusive bargaining representative.

269. Answer: A — Tell him an independent investigation is underway and ask him not to discuss it with the SVP

Protocol requires notifying the CEO, but his close relationship with the accused creates a conflict of interest, so the CHRO should share only what he needs, stress the investigation's independence, and ask him not to discuss it with the SVP. Seeking his opinion of the SVP or letting him choose the investigator invites influence over the process, and minimizing a credible complaint prejudges the outcome.

270. Answer: A — Drop age-based retirement assumptions, base flight risk on evidence, and keep all leaders in development talks.

Flagging people as departure risks based on age, and then withholding development, is an age-based assumption that can support ADEA claims and wastes leadership capacity. Risk ratings should rest on evidence, including voluntary career conversations open to leaders of all ages, not on age alone. Requiring only older leaders to name a retirement date singles them out by age.

271. Answer: C — It lets the new unit keep its own culture while senior leaders link it to the core and share key resources.

Structural ambidexterity separates exploratory units so they can develop their own processes and culture, but integration happens at the top: a senior team that manages the tension, shares assets such as customers and brand, and holds a common vision. Full separation forfeits the advantages of the parent, while imposing core processes or blending the cultures smothers the new venture. Total independence is tempting, but the research finds the linkage at the top is what makes separate units succeed.

272. Answer: C — What was supposed to happen, what happened, why it differed and what to change

The after-action review, developed by the U.S. Army, asks what was planned or expected, what actually happened, why there was a difference and what to sustain or change next time. It focuses on learning rather than blame, which is why questions about who caused the problem miss its purpose. The other sets describe a cost review or a planning exercise, not an AAR.

273. Answer: B — Purpose, data sources, affected groups, bias testing, human oversight and a way to appeal results

An AI impact assessment examines how a system could affect people and how risks will be managed: its purpose, data sources, the groups affected, testing for bias and adverse impact, human oversight and the ability to challenge or appeal outcomes. Vendor terms and ROI belong in procurement and business-case reviews, and technical specifications alone do not reveal the system's effects on candidates.

274. Answer: B — Analyze the miss's causes and the long-term cost of cuts, while showing investors a credible plan.

Strategic leaders stay steady under pressure by tying responses to the actual cause. A one-time shipping delay does not justify a permanent loss of capability, and the cost of rehiring, lost knowledge and damaged engagement can exceed the short-term savings. A smaller cut is still a response to panic rather than analysis, and doing nothing ignores the need to show investors a credible plan.

275. Answer: B — Involve the unit leaders in defining measures linked to their goals within a common core

Bringing unit leaders into the design builds ownership and ties metrics to what each business needs, while a small common core keeps enterprise comparisons possible. Forcing the standard set, directly or through the CEO, may win compliance but not use of the data. Dropping all standards gives up the comparability the enterprise needs.

276. Answer: D — Explore what the founder values most and frame a future role that builds on those strengths

Founders often tie their identity to the company, so the conversation should start with what matters to her, such as product, mission or legacy, and connect the new role to those strengths, which makes the shift something she can own. Leading with the board's timeline or blame-oriented data provokes resistance before she is engaged, and deferring for a year ignores the board's concern.

277. Answer: C — Propose span targets that vary by type of work, backed by cost and risk analysis

Appropriate spans depend on the work: routine, similar work supports wide spans, while complex or specialized work needs narrower ones. Offering differentiated targets with clear cost and risk analysis respects the owner's cost goals and protects performance. Owners legitimately set financial goals, and blanket exemptions abandon savings that may be available.

278. Answer: D — Each settlement becomes a floor that the next union tries to exceed

When unions bargain separately, each settlement sets a benchmark that the next union tries to beat, a leapfrogging dynamic that can ratchet costs upward and stagger strike threats across the contract cycle. Employers often aim to align expiration dates or set consistent economic parameters to limit this. Separate units have no legal duty to merge, and contracts do not automatically incorporate each other's terms.

279. Answer: B — Validating accuracy and bias across groups, setting privacy and access rules, and defining how scores may and may not be used.

Individual risk scores can drive decisions about pay, promotion or assignments, so the CHRO must check the model for disparate effects on protected groups, restrict access, protect privacy and set clear rules on permitted uses. High overall accuracy can hide biased errors for particular groups, which is why accuracy alone is not enough. Training and refresh cycles matter but come after the basic question of whether and how the model should be used.

280. Answer: D — A decrease of about 1.4%

Real wage change = (1 + nominal raise) / (1 + inflation) - 1 = 1.03 / 1.045 - 1 = -0.0144, or about a 1.4% decline in purchasing power (the quick approximation 3% - 4.5% gives -1.5%). The raise does not keep pace with prices, so it is a real pay cut, not a 1.5% gain. Ignoring the raise gives -4.5%, and ignoring inflation gives +3%.

281. Answer: D — Treat the role as critical, transfer knowledge now and build a bench before the contracts expire.

Scarce, high-impact expertise is a classic critical role, and the strategic response is to capture bargaining history, relationships and judgment now while developing successors through shadowing and assigned roles. Outside counsel may help in the short term, but relying on it alone leaves the company without internal capability for future rounds. Tenure does not guarantee bargaining skill, and an informal arrangement is not a plan.

282. Answer: C — Strategic network

Ibarra and Hunter's framework distinguishes the operational network (relationships needed to get current work done), the personal network (contacts outside the organization for development and referrals) and the strategic network (relationships that help a leader anticipate future priorities and win stakeholder support). The strategic network is the one aimed at future direction and influence beyond one's own function. The operational network is the common confusion because it also involves internal stakeholders, but its focus is today's tasks.

283. Answer: A — Internal fit, because the HR practices conflict with one another

External (vertical) fit links HR practices to business strategy. Internal (horizontal) fit means the practices reinforce one another. Hiring and training here support the collaboration strategy, but individual-only rewards work against them, so the gap is internal consistency. Fixing it means aligning appraisal and incentives with team outcomes.

284. Answer: B — Test whether the gap holds after controlling for role and performance and tracks protected groups, then fix the process.

A 7% versus 12% promotion rate is a ratio of about 58%. Remote status is not protected, so the 80% rule of thumb does not apply to it directly, but a gap that large warrants testing whether it tracks protected groups, since remote work is often more common among caregivers and people with disabilities. The gap may also signal proximity bias with retention consequences. The CHRO should analyze it with appropriate controls and correct the process, for example with structured criteria and calibration. Dismissing the gap ignores possible disparate impact risk, and quotas or office-time prerequisites create new problems.

285. Answer: B — A self-scheduling system with voluntary shift swaps and central review of any request that swaps cannot cover.

Self-scheduling and voluntary swaps resolve most conflicts at no cost, and central review of the remainder applies one undue hardship standard consistently, which addresses the EEOC exposure. Approving requests first-come until staffing runs out skips the individualized search for alternatives that the law expects. Shifting the whole burden of finding replacements to the employee can fall short of the employer's own duty to accommodate.

286. Answer: A — Growth in how leaders make sense of complexity, rather than adding new skills and knowledge

Vertical development refers to growth in mindset complexity, meaning how leaders interpret situations, hold multiple perspectives and handle ambiguity, while horizontal development adds competencies, skills and knowledge. The terms do not describe promotions, the source of learning or functional depth versus breadth.

287. Answer: D — Rate defined, observable inclusive behaviors and weigh the results in performance and promotion reviews.

Accountability requires specific, observable behaviors (such as inviting dissent or distributing stretch assignments fairly) rated by those who experience them, with results that carry weight in evaluation decisions. A single attitude question is vague and unreliable, attendance counts measure activity rather than behavior, and leader-controlled comments create no accountability.

288. Answer: A — Weigh furloughs, reduced hours and redeployment to training or maintenance against layoffs, with WARN in mind.

The CHRO should balance cost with the need to restart quickly by comparing options such as furloughs, work-sharing, redeployment to maintenance or training, and targeted layoffs. A temporary layoff that runs longer than six months counts as an employment loss under the WARN Act, so a four-to-nine-month estimate requires careful planning and possibly notice. Laying everyone off risks losing skilled operators for good, while full pay with no work is rarely sustainable for months.

289. Answer: D — Disclose metrics that are material to the company's strategy and results, defined consistently so they can be tracked over time.

Principles-based reporting asks companies to describe human capital measures that are material to understanding the business, and consistent definitions make trends credible. Disclosing everything buries material information, and choosing only favorable metrics creates disclosure and credibility risk. Copying a competitor ignores what is material to this company's strategy.

290. Answer: A — Projections are updated often over a fixed horizon, so resources shift quickly

Rolling forecasts are refreshed regularly, often each quarter, and always look a fixed period ahead, such as the next four to six quarters. Leaders can then reallocate headcount and spending as conditions change instead of being bound by a budget set months earlier. They are designed to increase flexibility, not to lock targets in sooner.

291. Answer: B — Offer pay beyond what employees already earned, with group-program timelines and age disclosures built into the template.

A valid OWBPA waiver needs consideration beyond anything the employee is already owed, plain-language terms referring to ADEA rights, advice to consult an attorney and no waiver of future claims. In group programs, employees get 45 days to consider, 7 days to revoke, and the required disclosures. Building these into a standard template ensures consistency, while leaving them to site managers invites errors that void releases.

292. Answer: D — A global code of conduct for core values, with local handbooks that follow local law

A global code sets enterprise-wide principles such as integrity, anti-harassment and anti-corruption, while local handbooks or addenda handle legally specific topics such as leave, working time and termination. One uniform handbook will conflict with local law, and fully separate policies lose a shared culture. A translated headquarters handbook carries the same legal conflicts.

293. Answer: C — Preset promotion criteria, evidence-based cases, cross-unit calibration and audits of decisions by group

Unstructured, undocumented decisions are where bias most easily enters, so the redesign should set job-related criteria before candidates are considered, require evidence for each case, calibrate across units for consistency and audit outcomes to catch disparities. Tying bonuses to representation targets can push decisions based on group membership, and removing unit heads discards the people who know the work best. Training and surveys alone do not change how decisions are made.

294. Answer: B — Collect only data needed for defined purposes, with role-based access, de-identification and retention limits.

Privacy by design builds protections into a system's requirements from the start, centered on purpose limitation, data minimization, access controls, de-identification and retention limits. Collecting everything and deciding uses later is the opposite of purpose limitation. Bolting on controls after a pilot or deferring to vendor defaults leaves the enterprise without requirements it set and can verify.

295. Answer: A — Advise that any exclusion be disclosed with its rationale, and present the full figure alongside the adjusted one.

Silently changing the scope of a published metric to show improvement misleads investors who rely on it, which is an integrity and disclosure risk for a public company. An adjusted figure can be legitimate if its basis is disclosed and the full number is shown, so the CHRO can meet the CEO's legitimate concern without misstatement. Excluding the division because it is unrepresentative is tempting, but doing so without disclosure is exactly what makes the report misleading.

296. Answer: A — Participants move through planned assignments across functions to build broad enterprise perspective

Rotational programs place high-potential employees in a planned sequence of assignments across functions, businesses or regions, building cross-functional understanding, networks and adaptability needed for general management. Shadowing one executive prepares for a single role, and filling vacancies at random lacks the deliberate design that makes rotations developmental.

297. Answer: B — The remote-role coefficient absorbs part of manager quality's effect, overstating remote work's own impact.

Omitted variable bias occurs when a left-out cause of the outcome is correlated with an included predictor. Because weak managers drive turnover and are concentrated among remote employees, the remote coefficient picks up their effect and overstates remote work's impact. A coefficient is unaffected only when the omitted variable is uncorrelated with the predictor, which is not the case here, and dropping a predictor cannot raise R-squared.

298. Answer: D — Thank the ERG, commission a rigorous promotion-rate analysis, gather input from all employees, and report back on actions taken.

Taking the concern seriously, testing it with data and acting on what the data show is the strategic response, and it treats the ERG as a source of input rather than a decision maker. Bargaining over terms of employment with an employer-supported group can raise company-dominated labor organization concerns under Section 8(a)(2) of the NLRA. Adopting the ERG's criteria without analysis skips the diagnosis. Dismissing the memo as outside the charter ignores a possible systemic issue and protected group activity.

299. Answer: B — Overseeing management's risk processes and approving the risk appetite

The board's role is oversight: it approves the organization's risk appetite and holds management accountable for an effective risk management system. Management owns the work of identifying, assessing and controlling risks and of leading crisis response. Directors who take over operational risk tasks blur accountability.

300. Answer: A — The former CEO may undercut the new CEO's authority, so a set term and clear role limits are used

When a former CEO remains as executive chair, employees and directors may still look to that person, which can undercut the new CEO and slow changes to the predecessor's strategy. Boards commonly limit the risk with a defined, short term, a written division of responsibilities, and often a lead independent director. Shareholder approval of the role is not generally required, and an open-ended tenure increases the risk rather than reducing it.

301. Answer: C — $8 million

Estimated loss at the benchmark is $400 million x 0.05 = $20 million. A 40% reduction saves $20 million x 0.40 = $8 million a year. $12 million is the loss that would remain after the reduction, $20 million is the full benchmark loss, and $0.8 million results from a decimal error.

302. Answer: C — Required age disclosures are built on it, and a misdefined unit can invalidate the waivers

Under the OWBPA, a group termination program waiver is valid only if the employer discloses, for the decisional unit, the eligibility factors, time limits, and the job titles and ages of those selected and not selected. An inaccurate or manipulated unit can make the disclosures defective and the releases unenforceable, and it shapes how the statistics will look. Everyone in a group program gets 45 days plus 7 to revoke.

303. Answer: A — Build manager capability at scale and redesign managers' workloads to free time for coaching

Wider spans can work when managers have the skills and the time to lead larger teams, so the enterprise response is to develop coaching and recognition skills and remove administrative tasks that crowd out people leadership. Reversing the delayering abandons the strategy, adding team leads quietly rebuilds the removed layer, and team-by-team action planning does not fix the systemic cause.

304. Answer: A — The rate fell from 37.5% to 30% as volume rose about 41%, so case mix should be reviewed first

Substantiation rate = substantiated / closed: 24 / 64 = 37.5% last year and 27 / 90 = 30% this year. Volume rose (90 - 64) / 64 = about 41%, which often means more people are reporting, including lower-severity or less-documented concerns, so the lower rate does not by itself prove lax investigations. Raw counts ignore volume, and the 33.3% figure comes from using the wrong denominator.

305. Answer: B — Redesign hiring profiles, training and incentives around consultative selling, margin and service quality, not volume.

A premium strategy requires different behaviors, such as consultative selling and longer, higher-quality service interactions, so hiring criteria, training and metrics must shift from volume to margin, customer outcomes and service quality. Higher commissions on units still reward volume over value. Replacing the whole sales force is costly and ignores that many current staff can be developed, and keeping old measures would undercut the strategy.

306. Answer: A — Defined tolerance limits, such as maximum regretted turnover in critical roles

A risk appetite statement sets out how much risk the organization will accept in pursuit of its goals, usually expressed as measurable tolerances that trigger action when breached. Program plans, mission statements and job descriptions describe activities or purpose, not acceptable risk levels.

307. Answer: D — Access barriers may widen existing gaps, leaving frontline and less advantaged groups more exposed to displacement.

Portal access, scheduling flexibility and manager discretion often favor employees who already have advantages, while frontline workers, whose tasks may be most exposed to automation, get less. The result can deepen inequity and raise displacement risk where it is highest. Removing manager approval may help, but the pattern points to broader access barriers such as time, devices and targeting that need a deliberate equity design.

308. Answer: B — Model the multiyear tax increase with severance and other costs, and compare it with options such as attrition or reduced hours.

Experience rating ties the tax rate to benefits charged to the employer's account, so a large layoff can raise unemployment tax costs for several years. Leaders should see that cost next to severance and transition costs and against alternatives. Workers laid off for lack of work are generally eligible, so contesting their claims is unfounded. Moving the date does not help, since rates are based on several years of history.

309. Answer: D — Use an independent facilitator, gather views in advance, and give each director structured turns.

Independent facilitation, pre-work that captures each director's views and structured techniques such as round-robins reduce the chair's dominance and draw out quieter members. Letting the chair lead or keeping discussion unstructured repeats the pattern. Opening with the CEO's proposal anchors the discussion and can suppress alternatives.

310. Answer: B — Measure behavior change and business results against a comparison group

A board wants evidence that the program changes leader behavior and business outcomes, so measuring at the behavior and results levels against a comparison group of nonparticipants gives the most credible case. Satisfaction and headcount trained are reaction and activity measures. Peer spending shows relative cost, not value, and expected application is not observed change.

311. Answer: D — Tighten offboarding access removal, renew confidentiality terms, and share risk signals

HR's role in an insider threat program is to strengthen the people processes around data, such as prompt access removal and exit reminders of confidentiality duties, and to share defined, job-related risk indicators like a pending departure with security under clear privacy rules. Blanket monitoring of personal social media and automatic email reviews are intrusive and create legal and trust risks. Opting out leaves a gap, since HR events often signal risk.

312. Answer: C — Capacity is the most risk the firm can absorb; appetite is the amount it chooses to pursue.

Risk capacity is the maximum loss or volatility an organization could absorb and still survive and meet its obligations. Risk appetite is the amount and type of risk leaders choose to accept in pursuit of strategy, and it should sit well inside capacity. The CEO is treating capacity as if it were appetite, which leaves no buffer. Residual and inherent risk are separate concepts that describe risk after and before controls.

313. Answer: B — Investigate how supervisors are applying the training by reviewing grievances and enforcement practices.

The grievances point to a problem with how the training is being applied rather than with its content alone, so HR should study the grievance details and compare supervisors' practices to find where enforcement differs. Withdrawing the training gives up a possibly sound approach without diagnosis. Disciplining supervisors before investigating is premature, and dismissing the rise as normal ignores a clear warning sign.

314. Answer: C — Model past payouts under each metric mix against strategy and peer practice for the committee to weigh

Objective criteria such as payout modeling, alignment to strategy and peer practice move the debate from positions to evidence and let the committee own its decision. A mechanical split may reward the wrong outcomes and only hides the disagreement. Deferring to the chair or the CEO bypasses the independent judgment the committee is supposed to exercise, and asking the CEO to set his own pay metrics is a governance conflict.

315. Answer: B — OSHA publishes establishment-level submitted data, which media, investors and advocates can analyze.

OSHA posts electronically submitted injury and illness data by establishment, removing personal identifiers, so outside parties can compare a company's sites with peers. That makes recordkeeping quality and injury trends a reputational issue, not only a compliance one. OSHA also uses the data for targeting, but that is not its only use.

316. Answer: B — Analysis of current work and skills, with job families and levels that can be updated as work changes

Job architecture should reflect the work as it is actually done now, so the redesign starts with analysis of tasks and skills and builds families and levels that can adapt. Adding a line about AI to old descriptions misses real changes in work content. Letting each unit set its own titles is tempting for buy-in but deepens the inconsistency the redesign is meant to fix.

317. Answer: D — Propose a limited pilot in a few districts, agree on success measures with him in advance, and share the results with him.

A small pilot with success criteria the CEO helps set lowers the risk of trying something new and produces evidence from his own business, which is more persuasive than abstract research. Going to the board around the CEO damages trust. Implementing across the enterprise without his agreement is a governance problem, even if results later turn out well.

318. Answer: D — Reach agreement with the works council first, since it has co-determination rights here.

Under the German Works Constitution Act, the works council has co-determination rights over technical systems that can monitor employee behavior or performance and over general appraisal principles. The employer cannot implement such a system without agreement or, failing that, a decision by a conciliation board. Treating the process as advisory or informational misstates these rights.

319. Answer: D — Destroying records under a documented retention schedule that is applied consistently

Defensible deletion is the routine disposal of records in line with a documented, consistently applied retention schedule, with legal holds suspending disposal when litigation is anticipated. Because the practice is systematic, the company can show that destruction was not selective or done in bad faith. File-by-file legal review is impractical at scale and is not the defining feature.

320. Answer: B — Distributing critical skills across several sites so no one site is a failure point

The core exposure is concentration: one disruption could halt critical work. Spreading key capabilities and knowledge across multiple locations builds resilience. Moving everything to headquarters simply relocates the concentration and is usually costly, insurance compensates financially but does not keep the platform running, and a longer contract does nothing about the country risk itself.

321. Answer: D — Content lacking enough human authorship may not be copyrightable and may echo third-party material

The U.S. Copyright Office's position, supported by the courts, is that material generated by AI without sufficient human authorship is not protected by copyright, so the company may not own exclusive rights in it. AI output can also reproduce copyrighted third-party material. HR should add meaningful human authorship, review content and follow disclosure policies. Vendor ownership depends on contract terms, and no federal law requires labeling AI-drafted job descriptions.

322. Answer: D — PSUs $150,000; RSUs $90,000; options $60,000

Apply each percentage to the target: $300,000 x 50% = $150,000 in PSUs, $300,000 x 30% = $90,000 in RSUs and $300,000 x 20% = $60,000 in options. The totals must sum to $300,000. Swapping the RSU and option values reverses the mix, and an equal split ignores the stated weights.

323. Answer: A — Cross-functional HR teams own end-to-end employee solutions and refine them from user feedback

In a product-based model, teams with mixed skills own an employee solution such as onboarding or internal mobility from start to finish. They improve it in short cycles based on user feedback, much like a software product team. Business partners, centers of expertise and shared services describe the Ulrich three-legged model, and the other choices describe traditional personnel administration and outsourcing.

324. Answer: B — Pilot with respected franchisees, share their results, and have an owner council refine the rollout

Without direct authority, influence rests on credibility, evidence and participation: results from respected peers and a voice in shaping the rollout persuade independent owners far more than mandates. Contract changes take years and invite conflict, and directing franchise employees bypasses the owners and can blur the lines of control. Creating customer demand before owners are ready risks poor execution and resentment.

325. Answer: C — Apply the same bias audit standard to the tool everywhere, since federal disparate impact liability applies in all states.

Title VII disparate impact rules apply to every U.S. location, so a tool that screens out a protected group in another state creates the same exposure even without a local audit law. Extending the audit standard enterprise-wide gives the company consistent evidence that the tool is fair. Avoiding testing to limit evidence leaves the risk unmanaged, and New York City results may not hold for applicant pools with different demographics elsewhere.

326. Answer: D — Identify the critical talent, communicate what is known, and offer targeted retention awards tied to closing.

During a long, uncertain merger period, retention efforts should focus on the people most critical to the deal's value, with awards tied to milestones such as closing and honest communication about what is and is not known. Across-the-board bonuses spread money thinly and do little for the people recruiters are targeting. Silence feeds rumors, and promising specific post-integration roles creates commitments the company may not be able to keep.

327. Answer: C — An evaluative mediator with wage-hour experience who can reality-test each side's damage estimates

When the gap is about the legal and monetary value of claims, an evaluative mediator with subject-matter expertise can give informed views on liability and damages that move both sides toward a realistic settlement range. Facilitative and transformative styles focus on communication and relationships, which matter less in a class claim between parties with no ongoing relationship to repair. A lack of expertise weakens the mediator's credibility.

328. Answer: D — Supervisor harassment that culminates in a tangible employment action makes the employer strictly liable

Under Faragher and Ellerth, an employer is automatically liable when a supervisor's harassment results in a tangible employment action, such as denial of a promotion. The affirmative defense of reasonable care plus the employee's unreasonable failure to use complaint procedures is available only when no tangible action occurred. Negligence is the standard for coworker harassment, not supervisor harassment, and the defense has no charge-filing prerequisite.

329. Answer: A — Consultation, inviting executives to help shape the strategy

Yukl found that consultation, along with rational persuasion, inspirational appeals, and collaboration, most often produces target commitment, because people who help shape a plan take ownership of it. Pressure and legitimating tactics usually produce compliance or resistance at best, and exchange is only moderately effective and less likely to generate real commitment.

330. Answer: C — Present the attrition risk and its cost, and propose a phased policy with a clear business rationale.

The CHRO's role is to put the cost of attrition in front of the executives and offer a way to reach their goal with less risk, such as phasing and a clear business rationale. Exceptions granted only to those who threaten to quit seem unfair and spread. Employee preference alone does not outweigh legitimate business goals, and waiting six months means losing talent first.

331. Answer: D — 0.50

Parity index = share of leadership / share of workforce = 18% / 36% = 0.50, meaning the group is represented in leadership at half its workforce rate (1.00 would be parity). Inverting the ratio gives 2.00, and 0.18 or 0.82 come from using the leadership share or its complement instead of the ratio.

332. Answer: A — Bargain with each union for its unit, without objecting to who sits on the team

In coordinated bargaining, separately certified unions align their goals and timing, and each may choose who serves on its bargaining committee, including members of other unions. The employer must bargain with each union about its own unit and generally cannot refuse to meet because of the committee's makeup. It is not required to merge units or bargain jointly over all of them, since that would change the established units.

333. Answer: C — Create sanctioned pilots with clear guardrails, reward learning from failed tests, and have leaders model it.

Employees will experiment only when it is psychologically safe, so the CHRO should create bounded pilots, separate learning from punishment, and have leaders show that intelligent failure is acceptable. Mandating projects tied to ratings increases the fear of failure. A contest rewards only winners, and outsourcing experiments builds no internal capability or culture change.

334. Answer: B — Start an independent investigation with oversight from the board or its designee.

Credible allegations against a senior executive call for a prompt, independent investigation, with board-level oversight when the CEO's objectivity is in question. Private counseling before facts are gathered risks a cover-up and further harm, waiting for written complaints ignores the company's notice, and removing him before an investigation is premature.

335. Answer: D — Cynicism is lost faith in leaders after past failures, while resistance targets a particular change

Cynicism about change is a generalized, learned pessimism that future efforts will also fail, rooted in distrust of leaders after past failures, whereas resistance is a response to a specific change and its perceived effects. The distinction matters because cynicism requires rebuilding credibility, while resistance can often be addressed by tackling concerns about the particular change. Neither is limited to one employee level.

336. Answer: D — Diffusion of responsibility

Diffusion of responsibility occurs when many people are aware of a problem and each feels less personal duty to act, assuming someone else will. The executives' statement that they thought compliance or the CEO was handling it is the hallmark of this effect. Countermeasures include assigning clear ownership for raising concerns and making reporting an explicit leadership duty.

337. Answer: C — Keep the few metrics tied to strategy and executive decisions, moving the rest to drill-downs.

An executive dashboard should show a small set of measures linked to strategy and to decisions executives actually make, with detail available for those who want it. Metrics that changed the most may not matter strategically, and ease of updating is a poor test of value. Regrouping all 40 metrics keeps the overload that made the dashboard hard to use.

338. Answer: A — Compare the growth in pay and benefits costs with the growth in output per employee over the same period.

Human capital ROI compares the profit generated from revenue, after non-labor costs, with what is spent on people. If revenue is rising but HCROI is falling, the likely cause is that pay and benefits costs are growing faster than productivity, so comparing those two trends is the logical first analysis. Market-share comparisons do not address the ratio, redefining the metric hides the problem, and engagement may be a factor but is not the first analysis to run.

339. Answer: D — One command structure with named decision owners and escalation paths, plus legal review of actions affecting strikers.

Strike operations move fast and carry legal risk, so clear decision rights, escalation paths and one command structure prevent conflicting actions. Legal review of actions affecting strikers, such as discipline, replacements and surveillance, helps avoid unfair labor practices that could convert the strike. Letting each function act alone creates inconsistent decisions, and placing a single specialist function in charge narrows the team's view of business risk.

340. Answer: A — Turnover, injury rates, training investment and pay equity

Social-pillar frameworks, including SASB standards and the ratings used by major ESG data providers, focus on human capital outcomes such as employee turnover and retention, health and safety performance, training and development, and pay equity and workforce composition. The other sets are administrative or financial measures that raters rarely use to judge human capital management.

341. Answer: D — 21%

The group is 100 / 500 = 20% of managers, so proportional exits remove 50 x 20% = 10, leaving 90. Hires add 50 x 30% = 15, for 105 of 500 managers = 21%. Ignoring exits gives 115 / 500 = 23%, ignoring hires gives 90 / 500 = 18%, and 30% is only the share of new hires.

342. Answer: C — Measure the hours actually freed, redirect capacity to higher-value work, and set staffing from that data.

The CHRO should test the vendor's claim against real workload data, since freed time on some tasks rarely translates one-to-one into fewer people, and then decide how much capacity to reinvest in work such as hiring manager advising and pipeline building, and how much to cut. Accepting a vendor estimate without validation risks underserving the business. Blanket opposition or a long delay ignores real efficiency gains the CFO is right to expect.

343. Answer: D — Experiential methods, such as international assignments and global projects, with reflection

Global mindset develops mainly through direct, sustained exposure to other cultures, such as international assignments, global project teams and cross-border roles, especially when combined with coaching and reflection. Classroom courses, online modules and reading build awareness and knowledge, but on their own they produce less change in how leaders think and act across cultures.

344. Answer: A — As an expense, removed by analysts to gauge ongoing operating performance

Restructuring costs are expensed as the related liabilities are incurred, and they are often shown as a separate line or disclosed in the notes. Analysts frequently remove them from adjusted earnings because they are treated as nonrecurring, which makes comparisons of core performance easier. Executives should know that repeated "one-time" charges draw skepticism from investors.

345. Answer: B — The service is a source of competitive differentiation and involves highly confidential information.

Services that differentiate the organization or require tight control of sensitive information are generally retained in-house, because outsourcing them risks losing capability and control. Standardized transactional work, volatile demand and a mature, competitive vendor market are classic reasons to buy the service instead.

346. Answer: C — Existing standards such as PPE and respiratory protection, plus the general duty clause

There is no comprehensive federal OSHA infectious disease standard for general industry, so preparedness plans rest on existing standards (PPE, respiratory protection, bloodborne pathogens where relevant, recordkeeping) and the general duty clause. The COVID-19 emergency temporary standard covered only health care and is no longer in effect. CDC guidance informs good practice but is not itself an enforceable OSHA standard.

347. Answer: A — Evacuate expatriates and extend support to local staff, such as safe transport, pay continuity, and in-country relocation.

Duty of care extends to all employees, and an equitable response gives local nationals meaningful support suited to their situation, even if it differs from expatriate evacuation. Referring local staff elsewhere or offering only unpaid leave signals that their safety matters less and damages trust long after the crisis. Delaying everyone's evacuation until packages are identical puts expatriates at needless risk without helping local staff.

348. Answer: A — Employee capabilities, information systems and culture that enable future performance

The learning and growth perspective covers the intangible foundations, such as human capital, information capital and organizational culture, that drive the internal process, customer and financial perspectives. HR's strategic contribution is most directly measured here, while process efficiency belongs to the internal process perspective.

349. Answer: B — Define the company's BATNA and limits, weighing how terms could set a pattern for other plants.

First contracts set precedent, and terms granted at one plant can shape expectations and organizing at the others, so the CHRO should define the company's alternatives, priorities and limits with that enterprise view. Opening with a final offer can be seen as bad-faith surface bargaining, and unreasonable delay breaches the duty to meet at reasonable times. Offering the status quo ignores that the union will bargain over many subjects.

350. Answer: B — Decrease by 10, from 30 to 20 HR staff

Current HR staffing is 3,000 / 100 = 30 and the target is 3,000 / 150 = 20, so the change is a reduction of 10. Cutting HR by half wrongly treats the 50% increase in employees per HR person as a 50% cut in staff. Reading the ratio backward turns the change into an increase.

351. Answer: C — Use narrow clauses with clear carve-outs for legally protected speech instead of broad clauses for all staff.

The Speak Out Act makes predispute non-disparagement clauses unenforceable for sexual assault and harassment disputes, and broad clauses for nonsupervisory employees can chill NLRA-protected speech under current Board precedent (McLaren Macomb, which the NLRB General Counsel has asked the Board to revisit), so narrowly tailored terms with explicit carve-outs reduce legal and culture risk. Broad clauses are not enforceable in every case. Selective enforcement adds inconsistency, and severance agreements can raise similar NLRA concerns.

352. Answer: C — Offer her the assignment with a full briefing on the risks and support available, and let her make the decision.

Duty of care means informing and protecting the employee, not deciding for her; in UAW v. Johnson Controls the U.S. Supreme Court rejected paternalistic sex-based exclusions from jobs, holding that such risk decisions belong to the women themselves, and Title VII generally covers U.S. citizens working abroad for U.S.-controlled employers. Giving the role to a man, however well meant, is a sex-based decision that limits her career. Requiring a spouse's sign-off adds a condition other candidates would not face.

353. Answer: B — Bounded ethicality, in which cognitive limits lead people to act unethically without awareness

Bounded ethicality describes systematic, often unconscious limits on ethical awareness, such as framing a decision purely in business terms, that lead well-meaning people to make unethical choices without noticing. The team's sincere lack of awareness points to this concept. Machiavellianism involves knowing, deliberate manipulation, and moral licensing requires prior good deeds that people use to justify a lapse.

354. Answer: C — How it would advance strategic capabilities and culture, weighed against costs and current options.

A corporate university is justified when it advances enterprise strategy and culture in ways current L&D structures cannot, at a cost the expected value supports. Copying a competitor, building a campus or expanding course counts confuses form with purpose; many corporate universities are virtual, and size of catalog says nothing about strategic value.

355. Answer: C — Model the monthly trend and test for a level or slope shift at January, apart from any July shift.

An interrupted time series uses many monthly data points to see whether the trend changed in level or slope at the policy date, and because the wage change came six months later, its separate effect can be tested at its own date. A simple before-and-after average blends both changes together and ignores any trend that was already under way. Surveys add useful context but rely on recall and cannot estimate the size of the effect.

356. Answer: A — Legal holds override migration plans, so held records stay preserved and accessible

A litigation hold requires the company to preserve relevant information in a usable form until the matter ends, regardless of system changes. Legal, IT and HR should identify held data, keep it with its metadata, and confirm it can be retrieved before the old system is shut down. Holds apply to electronic records, and summaries or later requests do not replace the original data.

357. Answer: C — 35

The 10 people named twice account for 20 nominations, leaving 45 - 20 = 25 people named once, so unique successors = 25 + 10 = 35. Equivalently, 45 nominations minus 10 duplicate entries = 35. Reporting 45 overstates bench strength, and subtracting all 20 double-counted nominations gives 25, which drops the 10 people entirely.

358. Answer: D — Remove the restriction and ask candidates lawfully whether they will need sponsorship

The INA's anti-discrimination provision bars citizenship-status discrimination against protected individuals, including permanent residents, refugees and asylees, unless citizenship is required by law, regulation or government contract. An employer may lawfully decline to sponsor and may ask whether a candidate will need sponsorship. Limiting jobs to citizens and green card holders still excludes refugees and asylees, so it remains unlawful.

359. Answer: D — Use broad tiers that reflect confidence ranges and pool small units

With small samples, scores swing widely from chance alone, so exact ranks would reward and punish noise, and tying them to bonuses invites gaming and pressure on respondents. Grouping units into tiers that reflect confidence intervals, and pooling small units, keeps the comparison meaningful. Giving small-unit leaders an automatic average treats them inconsistently, and higher response rates still cannot make a 12-person unit's score precise.

360. Answer: D — Whether the platform supports the skills strategy and can still track mandatory training reliably

A learning investment should be judged first against the business need: building priority skills and meeting compliance requirements that the current LMS handles. A platform that recommends content well but cannot reliably track mandatory training creates real risk. Content volume and interface ratings are tempting signals, but they do not show whether the platform serves the strategy.

361. Answer: B — Adjust the output-per-employee ratio for expected gains, which lowers headcount per unit and shifts the skill mix.

Demand forecasts convert business volume into headcount through productivity ratios, so expected automation gains should change those ratios, reducing labor needed per unit while raising demand for technicians and other new skills. Applying a vendor's rate evenly to every role ignores that automation affects some tasks far more than others and tends to overstate the savings. Keeping the old ratios or holding the forecast steady builds in excess headcount.

362. Answer: C — Have counsel review charges, settlements and complaint records for patterns and repeat accused, and size exposure.

Diligence should look past the count of charges to the underlying patterns, such as repeat accused leaders, weak complaint handling or systemic issues, which drive future liability and culture risk. Findings inform pricing, indemnities, escrow, insurance and integration plans. Settlement terms can usually be shared under a confidentiality agreement or clean-team process, and insurance often has exclusions and retentions.

363. Answer: C — To align talent and organization decisions with the capabilities the strategy requires

Organization and talent reviews examine whether the structure, key roles and people are right for the strategy, and they drive decisions on succession, development, moves and hiring. Rating calibration is tempting because it also involves leaders discussing people, but it focuses on fair pay decisions for past performance rather than on future strategic capability.

364. Answer: C — Have leaders model and reward smart risk-taking, and revise performance criteria to credit learning.

Culture changes when leaders' behavior and the organization's systems, such as performance criteria and rewards, consistently reinforce the new norms. A values campaign is tempting, but messages that conflict with how people are actually judged and rewarded will be ignored. A separate lab leaves the enterprise culture the strategy depends on unchanged, and new hires will conform to existing systems.

365. Answer: D — Advise against termination, explain whistleblower protections, and have counsel investigate the concerns reported.

Sarbanes-Oxley and Dodd-Frank protect employees who report possible securities violations to the SEC, and adverse actions against them create serious retaliation liability. The right response is to protect the employee and have counsel investigate the substance of the concerns. Transfers and unpaid leave are adverse actions that can also be retaliatory, and confidentiality policies cannot bar reports to regulators.

366. Answer: B — Identify key people risks such as succession, critical skills and conduct, with owners and risk indicators.

An enterprise risk register captures risks that could threaten business objectives, each with an owner, an assessment and indicators to monitor. People risks such as leadership succession gaps, critical skill shortages, data privacy and conduct fit that purpose. Compliance lists, budget variances and case counts are operational information rather than assessed enterprise risks.

367. Answer: B — They are brokers who carry information and ideas between groups that would otherwise stay disconnected

In network terms, brokers (or boundary spanners) bridge otherwise separate clusters, so they are critical for moving information, ideas and change across group boundaries, and their loss can cut those links. Central connectors are defined by many ties within a group, not by bridging groups. Nothing indicates the role is formal, which is why ONA is needed to find these people.

368. Answer: D — Show that a flat raise protects buying power broadly but adds fixed cost and dilutes pay-for-performance, and model blended options.

An executive decision needs the trade-offs made explicit: an across-the-board raise compounds into fixed cost and weakens the pay-for-performance message, while a merit-only approach may leave many employees behind inflation. Modeling blends, such as a structure adjustment plus differentiated merit, lets leaders choose with data. A cost-of-living raise creates no legal duty to repeat, and a lump sum does not restore base pay or come without cost.

369. Answer: D — Analyze the grievance data, review the policy for legal and contract issues, and meet with the union to fix them.

A sudden spike concentrated on one issue signals a policy problem, and assessing points for FMLA-protected absences would interfere with FMLA rights. Analyzing the data, fixing the policy and working with the union resolve the root cause and reduce conflict. Defending every grievance is costly and risky, and better explanation doesn't fix a policy that may be unlawful in practice.

370. Answer: C — Build an initial structure from the best local data available, check it with local advisors and revisit it often

With limited data, the leader should assemble the best local information available, such as narrower surveys, local advisors, employer of record or recruiter data and job postings, set a simple initial structure that fits local practice and law, and review it frequently as data improve. Converted U.S. ranges ignore local market levels and expose pay to currency swings. Negotiating each salary without a structure creates early inequities, and another country's data may not reflect the local market.

371. Answer: D — It unites leaders with enough power, credibility and expertise to own the change and influence peers

Kotter's guiding coalition is a group with enough position power, expertise, credibility and leadership to drive change, and including influential executives turns potential resisters into co-owners who influence their peers. Handing change to HR alone lacks the needed power. The CEO already has authority, and replacing executives is not the purpose of the coalition step.

372. Answer: C — $4.5 million

If 90% stay, 250 x 0.90 = 225 employees receive the bonus, and 225 x $20,000 = $4,500,000. The $5.0 million figure assumes everyone is paid, $0.5 million is the cost of the 25 who leave, and $4.05 million applies the 90% factor twice.

373. Answer: D — Some state and local laws require notice, written consent and retention rules for biometric data

A growing number of state and local laws regulate biometric data, and some allow employees to sue for statutory damages when an employer collects data without proper notice, written consent or a published retention and destruction policy. An enterprise rollout needs a privacy assessment, consent process, vendor contract terms and an alternative for employees who object. The FLSA does not ban biometric timekeeping, and an employer's timekeeping data is not HIPAA health information.

374. Answer: A — Limit standards to brand, product and customer experience, and leave scheduling and pay decisions to franchisees.

Control over workers' schedules, hours and pay is central to any joint employment analysis, so direct franchisor involvement in scheduling and overtime approval increases the risk of liability for franchisee violations. Keeping brand standards focused on the product and customer experience reduces that risk. Contract language does not override actual control, and informal control exercised through district managers still counts.

375. Answer: A — Build in joint governance, performance reviews and change rights so the deal can adapt over time.

Over a multiyear term, both the technology and the legal landscape will change, so the most protective priority is a partnership structure, with shared governance, performance reviews and agreed ways to change scope, that lets the relationship adapt. A first-year discount does little for years two through five. Accepting standard terms gives up protections, and trying to specify everything in advance produces a contract that becomes outdated quickly.

376. Answer: B — It shows the results were not found by searching the data for favorable outcomes afterward.

Pre-registering the hypotheses, metrics and analysis plan prevents cherry-picking the metric or analysis that happens to look good, so skeptical executives can trust that a positive result was not manufactured after the fact. It does not guarantee significant results, replace a comparison group or make a sample representative; those depend on the design itself.

377. Answer: B — A labor market assessment comparing talent supply, competition, pay levels and pipelines in each city

Whether the company can actually hire and keep 600 technology workers is a decisive site factor, so the CHRO should bring data on the size of the relevant talent pool, competing employers, market pay and university or training pipelines. Lower wages alone can signal a thin talent market, and a relocation preference survey says little about the local hiring market the center will depend on.

378. Answer: B — Explain that the board owns CEO succession and offer to support it with process, data and assessments

Selecting and planning for the CEO is a core board governance responsibility. HR's role is to design the process, supply talent data and assessments, and coordinate candidate development, while the board, often through a committee, owns decisions. Handing control to the CHRO, the sitting CEO or a search firm weakens board oversight.

379. Answer: D — Validated assessments scored against defined criteria, then reviewed in a calibrated talent panel.

Validated assessments measure job-relevant potential consistently, and calibration checks individual raters' judgments. Informal nominations favor people who already have access to senior leaders, a known source of affinity bias. Prior performance ratings measure current performance rather than potential and can carry bias from the rating process into the program.

380. Answer: A — Report subgroups that meet a minimum group size, combine smaller ones, and explain the confidentiality threshold.

Minimum reporting thresholds let leaders see meaningful subgroup patterns without exposing individuals, which keeps the promise that underpins honest responses. Removing names does not prevent identification in tiny groups defined by several characteristics. Board confidentiality does not change what employees were promised, and refusing all demographic reporting withholds legitimate insight.

381. Answer: B — Lower-cost procedures come first so most disputes resolve before costly steps

Dispute system design arranges procedures in a low-to-high cost sequence, with low-cost rights backups such as advisory arbitration placed ahead of binding processes, so that most disputes are resolved early and cheaply. No federal statute makes mediation a precondition for arbitration, and enforceability does not depend on it unless the agreement itself requires it. Using early steps mainly to build a litigation file would undermine trust in the system.

382. Answer: A — Identify which decisions need local input and shift those to regional leaders

The problem is slow local responsiveness on specific decisions, so the best fix adds regional authority where it is needed while keeping the scale and expertise of the global product lines. A full regional reorganization would sacrifice product scale and regulatory expertise across the whole company. Sales incentives do not fix who decides on product and pricing.

383. Answer: C — Validate the findings with a closer review of each case before taking action on any manager.

Analytics can surface patterns, but a statistical flag is not proof of bias in an individual case. Small team sizes, job mix or legitimate performance differences can drive results. A closer review of each case, with steps such as calibration, coaching or discipline matched to what it shows, is fair and defensible. Acting on the flag alone or dismissing the tool are both premature, and publicizing names harms privacy and due process.

384. Answer: A — The DOL can seek a court order blocking shipment of goods produced in violation, under the hot goods provision.

The FLSA's hot goods provision prohibits shipping goods in interstate commerce that were produced in violation of the minimum wage, overtime or child labor rules, and the DOL can seek injunctions to stop such shipments. That can halt a manufacturer's product flow even when the violator is a contractor. The DOL does not issue state business licenses or seize accounts without court process.

385. Answer: C — With a low base rate, false positives from the large non-risky group outnumber true positives

Positive predictive value depends on the base rate. In 1,000 employees, 20 are risky and 18 are flagged correctly, while 10% of the 980 non-risky employees (98) are flagged wrongly, so only 18 / 116 (about 16%) of flags are true. No universal 95% cutoff exists, and the problem would occur even if the vendor's accuracy transferred perfectly.

386. Answer: D — In stock or asset sales, the seller generally keeps COBRA duties if it still maintains a plan.

IRS COBRA regulations place the obligation on the selling group as long as it continues to maintain a group health plan after the sale, in both stock and asset sales. Only if the selling group stops maintaining any plan does the duty generally shift to the buyer. Parties can allocate the cost by contract, but that does not change who is legally responsible.

387. Answer: A — Weigh fees against claim value, consider settlement, and revise the program with counsel.

Mass arbitration uses the employer's own fee obligations as leverage, so leaders should compare the cost of proceeding with the value of the claims, consider settlement, and update the program, for example with provider rules for mass filings. Refusing to pay fees can be treated as a breach, letting claimants go to court or seek sanctions. Rescinding the agreements does not cancel claims already filed, and seeking class arbitration contradicts the company's own waiver.

388. Answer: C — Fit to the HR technology roadmap, total cost, integration burden, and contract end dates

Consolidation decisions should consider strategic fit, total cost of ownership (not just license fees), the cost and risk of integrations, and contract timing that affects when switching is practical. Preference, discounts or license cost alone can keep poorly aligned tools or retire valuable ones.

389. Answer: A — Set alcohol and venue standards, give reps ways to escalate client misconduct, and hold leaders accountable.

An employer can be liable for harassment by clients and other nonemployees when it knows or should know of the conduct and fails to take prompt corrective action. Standards on alcohol and venues, clear escalation routes and leader accountability reduce the risk while keeping legitimate client relationships. Telling reps the company cannot control clients misstates the employer's duty, and a waiver signed by employees does not remove it.

390. Answer: A — Build scenario-based plans for pay continuity, mobility, safety and a possible exit.

Contingency planning for political risk uses scenarios to prepare responses, such as how to keep paying people under currency controls, how to move staff, how to protect safety, and how to exit lawfully if sanctions require it. Waiting leaves no time to act, and evacuating before any trigger is costly and disruptive. Prepaying salaries creates financial and legal problems and may conflict with sanctions.

391. Answer: C — Announce the departure and interim leader promptly, affirm values, and keep the findings confidential.

Prompt communication about the change and interim leadership reduces uncertainty, and affirming values signals that conduct standards apply to everyone, while confidentiality protects the people involved and limits defamation risk. Sharing detailed findings exposes the company and witnesses, a misleading "other opportunities" message damages credibility when the truth comes out, and silence lets rumors fill the gap.

392. Answer: C — Each added mile is linked to about a 3-point higher chance of leaving, other factors equal

In a linear probability model, a coefficient of 0.03 means each one-mile increase in commute is associated with a 0.03 (3 percentage point) higher probability of leaving, holding other variables constant. It is not the variance explained, which is measured by R-squared. Regression on observational data shows association, not proven causation.

393. Answer: D — Assign trained human oversight, monitor the system's operation, keep its logs and inform the people affected.

The EU AI Act places most design-stage duties on providers and assigns deployers operational duties: using the system according to its instructions, assigning competent human oversight, monitoring operation, keeping automatically generated logs and informing workers and other affected people. Conformity assessment, technical documentation and CE marking are provider obligations. The Act sets no per-use regulator approval, and consent is not the required basis for ranking.

394. Answer: D — Spreading limited resources and attention across many priorities dilutes focus

Strategy execution research consistently finds that organizations can pursue only a few true priorities at once; with 14 competing initiatives and flat budgets, money, talent and management attention are spread too thin, and employees cannot tell what matters most. Sponsor authority may matter, but it would not explain why managers are confused about priorities. The fix is to narrow the list and sequence the rest.

395. Answer: B — To verify billing, data security and contract compliance by examining the vendor's records

Audit rights let the company examine the vendor's records and controls to confirm that fees, data security and service obligations are being met, which supports oversight duties such as ERISA monitoring of plan service providers. They do not give control over the vendor's staff, do not transfer all liability, and termination rights are addressed in separate contract terms.

396. Answer: C — Run a larger test with matched comparison locations and clear success measures before deciding on a full rollout.

Four volunteer sites with no comparison group cannot show whether the program caused the turnover change; enthusiastic managers or local conditions may explain it. A larger, well-designed test with matched comparison sites and defined measures gives leaders evidence worth scaling on. Rolling out immediately risks spending on an unproven program, extending the same biased pilot does not fix its design, and canceling discards a possibly useful idea.

397. Answer: A — Reduce expected returns by the probability-weighted cost of legal and reputational events and of needed controls.

A risk-adjusted return subtracts the expected cost of downside events (likelihood times impact) and the cost of the controls needed to reduce them, such as bias testing and oversight. Deferring risk until after launch overstates the case and leaves the decision uninformed. Reputational harm is hard to measure but can be estimated through proxies such as recruiting costs and attrition, so leaving it out understates exposure.

398. Answer: D — A positive ROI is not enough if another use of the funds would create more value.

Opportunity cost is the value given up by not choosing the best alternative use of resources, so an investment should be judged against what else the money could do, not only against zero. Executives allocate limited capital across competing proposals, and an HR case that shows its return relative to alternatives is more credible. No accounting standard requires this, and it does not change the hurdle rate or the vendor's pricing.

399. Answer: C — Those with fewer sponsors depend more on open internal processes, so blocked moves hit them harder.

Employees with strong sponsors can often move through informal channels even when a manager resists, but those without such networks, who are more often from underrepresented groups, rely on formal posting and application processes. When managers block those processes, the employees with the least informal support lose the most. The other statements are unsupported assumptions that would lead leaders to underestimate the equity impact.

400. Answer: C — Use flexibility as one part of the plan, paired with action on workload and availability norms.

Flexibility can reduce stress by giving employees more control, but burnout is driven largely by excessive workload and always-on expectations. Treating flexibility as one part of a strategy that also addresses workload, staffing and availability norms tackles root causes. Relying only on flexibility leaves those causes in place, and limiting it to top performers undermines a well-being strategy.