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SHRM-SCP

Practice Questions

Set 3

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 3 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: A — Strengths that drove earlier success are overused under pressure, like confidence becoming arrogance

Derailment research (for example, from the Center for Creative Leadership and Hogan's work on derailers) finds that senior leaders more often fail because of interpersonal and behavioral issues, especially strengths overused under stress, than because of technical gaps. Senior roles rely less on deep functional expertise, and credentials or metric habits are not the typical drivers of derailment.

2. Answer: B — Measure lost market value, customer churn and higher recruiting costs tied to the scandal

Reputational damage can be expressed in business terms: declines in market value relative to peers after the news broke, lost customers or revenue, and higher costs to recruit and retain talent such as longer time to fill or higher offer premiums. Legal costs are direct costs rather than reputational ones. Media counts and employee surveys are useful indicators but do not translate the damage into financial terms.

3. Answer: D — The company stays liable, so it must oversee the vendor and contract for audits and indemnity.

The FMLA's obligations run to the employer, so an employer remains liable for interference or retaliation even when a vendor makes the mistake. Outsourcing can improve consistency, but the company needs oversight, audit rights and contractual indemnity to manage the risk. A leave vendor is not a joint employer, and fiduciary labels from benefits law do not transfer FMLA liability.

4. Answer: D — Investigate promptly with the agency, discipline the supervisors as warranted, and protect the temps from retaliation or removal.

A company that directs temporary workers can be liable under Title VII for harassment by its own supervisors that it knew of and failed to correct, regardless of contract labels, so it must investigate and correct its supervisors' conduct while coordinating with the agency. Referring the matter away or waiting for the agency delays the prompt action the law expects. Removing the complainants instead of the problem can look like retaliation.

5. Answer: C — Treating it as an operational risk with critical-role mapping, knowledge transfer and talent pipelines

With a three-year qualification time, the retirement wave is an enterprise risk to reliability, so the board needs a coordinated plan: identify the most critical roles and knowledge, transfer knowledge through mentoring and phased retirement, and build pipelines with schools and apprenticeships. Blanket bonuses and a single hiring push address only part of the problem, and local replacement lists lack the enterprise view and long-term pipeline the risk requires.

6. Answer: D — It is protected as bona fide unless it was adopted with intent to discriminate

Section 703(h) shields bona fide seniority systems even when they perpetuate past disparities, as long as they were not adopted or maintained with intent to discriminate, as the Supreme Court confirmed in Teamsters v. United States. A disparate effect alone does not make such a system unlawful. The employer does not have to show the system is the least discriminatory option.

7. Answer: A — Local legal review and translation, works council consultation where required, and certification

A global code must be understood and enforceable everywhere, so it needs professional translation with local legal review, consultation with works councils where local law requires it, training with relevant local examples and a documented certification. One English version undermines comprehension and enforceability. Untrained translators and optional training lead to inconsistency, and requiring signatures before employees can read the code in their language is meaningless.

8. Answer: C — Other services that the consultant's firm provides to the company

The listing rules require the committee to weigh six independence factors, including other services the adviser's firm provides to the company, fees as a share of the firm's revenue, conflict policies, relationships with committee members or executives, and company stock the adviser owns. Fees relative to other advisers and industry experience are not on the list. CEO approval of the engagement would cut against independence rather than show it.

9. Answer: D — The company must bargain in good faith over effects, such as severance and timing, on request

Under First National Maintenance, a decision to close part of a business for economic reasons is generally not a mandatory subject of bargaining, but the employer must bargain over the effects of that decision, such as severance, benefits, transfers and timing. Effects bargaining must occur at a meaningful time, before the closure is carried out. WARN notice is a separate obligation and does not satisfy the duty to bargain.

10. Answer: B — Weigh the documented facts with counsel, apply a consistent standard and record the rationale.

COBRA does not define gross misconduct, and courts read the exception narrowly, so a denial should rest on well-documented facts, legal review and a standard applied consistently. Admitted embezzlement may well qualify, but the decision and its basis must be recorded because a wrongful denial can lead to penalties and medical-expense liability. Ordinary for-cause terminations do not automatically qualify, and the 150% premium applies only to disability extensions.

11. Answer: A — Leadership brand, where leaders' identity and behavior reflect what customers expect from the firm

Ulrich and Smallwood define leadership brand as a shared leadership identity across the organization that links what leaders know and do to customer expectations, so that the firm's external promise shows up in internal leadership behavior. The leadership pipeline describes career transitions, a generic competency model lacks the customer link, and charisma is an individual trait rather than an organizational identity.

12. Answer: D — Bridges addresses the inner process people go through; Kotter addresses leading the change.

Bridges distinguishes the external change from the psychological transition people experience through endings, the neutral zone, and new beginnings. Kotter's model is a sequence of leadership actions for driving the change, from creating urgency to anchoring it in the culture. Reversing the two models is the most common confusion.

13. Answer: D — Frontline-suited flexibility, such as self-scheduling, shift swaps and set schedules

Frontline workers cannot work remotely, but they can gain meaningful control over when they work through self-scheduling, shift-swap tools, compressed schedules and advance notice. Revoking hybrid work for office staff lowers everyone's experience, an explanation alone does not address fairness, and a one-time bonus does not change the ongoing flexibility gap.

14. Answer: D — Propose the system with clear exclusions for legally protected leave, progressive steps and data showing the absenteeism problem.

Attendance and discipline systems are mandatory subjects, so the company should bargain them, and a proposal backed by data with progressive steps is more likely to be accepted and upheld by arbitrators under just-cause standards. Absences protected by the FMLA, ADA, USERRA and similar laws must not generate points. Counting every absence equally would create legal violations rather than prevent them, and relying on supervisor discretion invites inconsistent treatment.

15. Answer: D — About 5.3 to 1

The benefit-cost ratio is benefit divided by cost: $8 million / $1.5 million = about 5.3 to 1. A ratio of 4.3 is the return on investment, (8 - 1.5) / 1.5, and 6.5 is the net benefit in millions, not a ratio. A ratio of 0.19 inverts the formula.

16. Answer: C — Ranges track market movement for jobs, while merit budgets also fund individual progression through ranges

Structure movement reflects how the market rate for jobs is changing, while merit budgets must cover both market movement and employees' progression through their ranges as they gain skill and performance. Setting structures below merit keeps ranges aligned with the market while allowing employees to move up within them. No law requires the relationship, merit budgets usually fund increases across the workforce, and structures are commonly reviewed every year.

17. Answer: A — She links groups that have few direct ties, so much information flows through her.

Betweenness centrality measures how often a person sits on the shortest paths between others, which makes her a broker or bridge between otherwise weakly connected groups. Losing her or overloading her would disrupt information flow, so the reorganization should treat her as a key connector and a possible bottleneck. The number of direct ties is degree centrality, reaching everyone in few steps is closeness centrality, and being named the go-to expert reflects incoming ties in an advice network, all different measures.

18. Answer: D — Coordinate employee notices and support, such as credit monitoring and a help line, with legal guiding their timing and content

In a breach plan, HR owns the employee-facing side: coordinating notices to affected current and former employees, arranging support such as credit monitoring and a help line, and handling workforce questions, with legal directing notification timing and content. Forensics belong to IT security and outside experts. Sending a detailed account before facts are confirmed and counsel has reviewed it can spread inaccurate information and create legal exposure.

19. Answer: B — Incentives shape behavior, showing whether the company makes compliance part of how it rewards people

DOJ's Evaluation of Corporate Compliance Programs asks whether a company's incentive and discipline systems reinforce compliance: whether compliance factors into pay and promotion, whether misconduct leads to consequences such as clawbacks, and whether discipline is consistent at senior levels. A program that pays people to hit targets regardless of how they get there signals that compliance is not truly valued.

20. Answer: A — Selectively sharing material nonpublic information risks insider trading and leaks

Information about an unannounced acquisition is likely material and nonpublic. Sharing it with a large group before public release increases the risk of leaks and insider trading, and if the news reaches investors or market professionals early, it becomes a selective-disclosure problem under Regulation FD, which calls for broad public release. A briefing does not by itself create a bargaining duty, WARN notice depends on layoffs or closings rather than meetings, and EEO-1 reports do not cover transactions.

21. Answer: A — Separate medical recovery leave for birth parents from bonding leave equal for all parents.

Leave for pregnancy-related medical recovery can lawfully be limited to people who gave birth, but bonding leave must be offered on the same terms to similarly situated parents regardless of sex. Presuming mothers are primary caregivers applies a sex stereotype and has led to EEOC settlements. Limiting all 16 weeks to birth mothers treats bonding time as medical leave and excludes fathers and adoptive parents unlawfully.

22. Answer: D — Model downsizing and exit costs and shape the entry plan, such as a phased or partner-led launch.

The CHRO's role is to quantify the workforce risk and help design an entry structure, such as phased hiring, partners or local employer-of-record arrangements, that fits the uncertainty. Hiring a full workforce up front maximizes exposure if demand falls short. Contractor classification is likely to be treated as misclassification, and rejecting the market outright ignores ways to manage the risk.

23. Answer: D — Show that keeping him after a final warning raises liability and punitive damage risk and undercuts consistency.

Keeping a repeat harasser after a final warning invites negligent retention and punitive damages claims and tells employees that top performers are exempt, which hurts reporting, retention and reputation. Pairing that risk with the policy's consistent-discipline principle makes the business case. Moving him or delaying action leaves the risk in place, and costs of future claims often exceed short-term revenue.

24. Answer: B — Basic underlying assumptions

Schein describes three levels of culture: artifacts (visible structures such as posters and office design), espoused values (stated beliefs such as "collaboration"), and basic underlying assumptions (deeply held, often unspoken beliefs that actually drive behavior). The managers' belief that individual results are what count is an underlying assumption that overrides the espoused value. Culture messaging that changes only artifacts and slogans rarely shifts these assumptions.

25. Answer: C — Set business-linked goals with sponsors, measure behavior change, and compare outcomes with a similar uncoached group.

A credible ROI case needs agreed business objectives, evidence of behavior change (for example, pre- and post-coaching 360 feedback) and a way to isolate the coaching's effect, such as a comparison group, before outcomes are converted to monetary value. Satisfaction data, activity counts and testimonials describe reactions or inputs but cannot show business impact.

26. Answer: C — A tiered model in which HR handles routine cases and outside investigators handle high-risk or executive matters.

A tiered model matches cost and independence to risk: in-house teams handle volume efficiently, while independent investigators or counsel are used for senior leaders, conflicts and matters that need privilege. Privilege is not automatic and is often waived when the employer relies on the investigation as a defense, so full outsourcing may not deliver the protection expected while sharply raising costs. Keeping everything in HR ignores conflict risks, and complainant preference is not a sound way to allocate cases.

27. Answer: A — Key-person exposure, succession coverage for critical roles and skill gaps

A risk dashboard should show exposure: dependence on key individuals, the share of critical roles with ready successors and gaps in skills the strategy depends on, ideally with trends and mitigation owners. Headcount and training hours are activity metrics. Engagement is useful but is only one input, and HR budget and project status describe HR operations rather than enterprise risk.

28. Answer: C — Propose criteria based on the unit's strategy, assess both VPs against them, and set a decision date.

A power struggle is best defused by moving the decision from lobbying to a transparent, strategy-based process with a clear timeline, which also ends the damaging uncertainty for both teams. Co-leadership usually prolongs the conflict and blurs accountability. Mediation does not resolve the underlying contest for the role, and choosing on recent results alone may not fit the unit's future needs.

29. Answer: C — Model headcount, skills, timing and cost under win, loss and partial outcomes

Scenario planning prepares leaders for each plausible outcome, showing the lead times, costs and trigger points for actions such as building a cleared candidate pipeline or arranging contingent labor. Planning for a single outcome leaves the company exposed if events differ. Hiring all 600 before the award risks large costs and layoffs, while waiting wastes the lead time that cleared hiring requires.

30. Answer: B — Disclosures in mediation cannot shape the award, since it was written before mediation began

Because the award is decided and sealed first, parties can be candid in mediation without fear that private disclosures will shape the ruling, and they know a binding outcome is guaranteed if talks fail. That removes a key weakness of med-arb, where confidences may leak into the decision. The award is not revised during mediation and is not appealable to the mediator, and the hearing makes the process costlier than mediation alone.

31. Answer: B — It can build trust and retention but creates a contract claim if terminations lack cause

A just-cause commitment can signal fairness, support engagement and reduce the appeal of organizing, but it changes the at-will relationship into a contractual one, so terminations without adequate cause can lead to breach of contract claims. It also demands strong documentation and manager discipline skills. Discrimination claims remain possible, and employer promises can modify at-will status.

32. Answer: C — $0, because the turnover savings exactly offset the program cost

Departures fall from 500 x 40% = 200 to 500 x 30% = 150, so 50 fewer replacements save 50 x $6,000 = $300,000. Subtracting the $300,000 program cost leaves a net benefit of $0, a break-even result. Reporting $300,000 ignores the program cost, and multiplying 500 by the new 30% rate instead of the 10-point reduction gives the inflated $600,000.

33. Answer: D — FMLA can run with comp leave, and refusing light duty may end comp benefits but not FMLA rights.

FMLA leave can run concurrently with a workers' compensation absence if the employer designates it. An employee cannot be required to accept light duty in place of FMLA leave, so refusing it may end wage-replacement benefits under workers' compensation while he keeps his remaining FMLA leave. The ADA applies throughout, so medical inquiries must stay job-related and consistent with business necessity.

34. Answer: C — A council of HR, IT security, legal and privacy with clear ownership of policies

Remote data risk spans technology controls, legal and privacy obligations, and employee policies, training and discipline, so it needs cross-functional governance with defined roles. IT alone cannot own behavior and policy, an HR-only policy lacks technical controls, and unit-by-unit rules create gaps and inconsistent protection.

35. Answer: A — Present claim, settlement and turnover cost data, and show the risks of each funding level for a joint decision.

A strategic CHRO frames the decision in business terms: avoided legal costs, settlement trends, investigation timeliness and turnover costs, and shows what each funding level would risk so leaders decide with full information. Accepting the cut without analysis gives up the CHRO's advisory role. An unsupported refusal is not persuasive, and splitting the difference without data does not show which capabilities the business can afford to lose.

36. Answer: C — Psychological contract breach

A psychological contract is the set of unwritten beliefs employees hold about what they and the employer owe each other. When people perceive that those implicit promises were broken, trust, commitment and effort fall. An implied employment contract is a legal concept that requires specific assurances; here nothing was promised, and the reaction is about perceived obligations, not legal rights.

37. Answer: C — That the transfer has a lawful GDPR basis and transfer mechanism, and that only necessary data is collected.

Under the GDPR, the company needs a lawful basis for processing (such as legitimate interests), must limit collection to what is necessary, and needs a valid mechanism for transferring personal data to the U.S. (such as standard contractual clauses or the EU-U.S. Data Privacy Framework if the recipient is certified). Employee consent is generally not considered freely given in employment, and owning the email system does not remove data protection obligations.

38. Answer: B — Show the CEO the trend's link to retention and adoption risk, and propose visible actions to address it.

A near doubling of fear is a meaningful signal, and the CHRO's job is to translate it into business terms the CEO values, such as retention and AI adoption, and to offer practical responses. Dropping the issue fails the CHRO's advisory role. Going around the CEO to the board damages the relationship before persuasion has been tried, and resurveying delays action on a clear trend.

39. Answer: D — The charge triggers a duty to preserve relevant messages, and losing them can lead to sanctions

The duty to preserve arises when litigation is reasonably anticipated, which includes when a charge is filed. Messages relevant to the claim, including chats, must be preserved, so auto-deletion should be suspended for relevant custodians. If relevant data are lost, a court may order remedies, and if the loss was intentional it may instruct the jury to presume the evidence was unfavorable.

40. Answer: D — Review terms and exclusions with the broker, seek clarifying coverage, and require vendor insurance.

Coverage depends on policy definitions and exclusions, so the safest course is to confirm with the broker how the policy treats claims tied to automated tools, negotiate clarifying language if needed and require vendors to carry their own coverage. Assuming coverage risks an unpleasant surprise if an exclusion applies. Cyber policies generally address data breaches rather than discrimination claims, and the insurance market does offer ways to address this exposure.

41. Answer: C — Pin down the service gaps, then offer dedicated division HRBPs backed by shared enterprise services

The best response weighs the trade-off: the president's real need is responsiveness, which dedicated business partners and faster service can meet, while shared services and enterprise policy keep consistency, compliance and scale. A fully independent team would duplicate cost and fragment policy and legal risk management. A flat refusal ignores a legitimate service problem, and escalating to the CEO skips the CHRO's own job of solving it.

42. Answer: A — Human, structural and relational capital

Intellectual capital is commonly divided into human capital (employees' knowledge and skills), structural capital (processes, systems and intellectual property that stay when people leave) and relational capital (relationships with customers, suppliers and partners). Financial and physical capital are tangible assets, tacit and explicit describe types of knowledge rather than capital, and social, cultural, symbolic and economic capital are sociological concepts.

43. Answer: B — Total talent management

Total talent management treats all sources of work, including employees, contingent workers, freelancers, service providers and automation, as one integrated workforce with shared planning, analytics and governance. Contingent labor management covers only the non-employee portion, typically through procurement. Strategic staffing usually focuses on employee headcount.

44. Answer: C — About 16.7%

Total cash = $9M + $1.8M = $10.8M, and variable pay share = $1.8M / $10.8M = about 16.7%. The 20% figure divides incentives by base pay instead of by total cash, 83.3% is the base pay share, and 10.8% mistakes the $10.8M total for a percentage. Leaders use this pay-mix figure to judge whether the amount of pay at risk fits the roles and the pay strategy.

45. Answer: B — It catches actions that may look retaliatory in advance, but overly broad triggers can stall legitimate decisions.

A pre-action review lets HR test whether the reason is legitimate, documented and consistent before close timing invites an inference of retaliation. If the triggers are too broad, however, reviews can bottleneck routine management and make managers reluctant to address real performance issues. HR approval is evidence of a sound process, not a legal safe harbor, and no statute mandates a specific review window.

46. Answer: D — Sensitivity analysis

Sensitivity analysis changes one input at a time (for example, wage inflation of 3% versus 5%) while holding the others constant, showing which assumption drives the largest swing in projected cost. Trend extrapolation projects past patterns forward but does not isolate drivers. Benchmarking and ratio analysis describe current cost but do not test how the forecast responds to changing assumptions.

47. Answer: B — As a pipeline for hard-to-fill technical roles, with skills mapping and retention targets

The CEO is more likely to fund a program that solves a business problem, here the technician shortage, with measurable results such as time to fill, quality of hire and retention. Mapping military skills to civilian roles is what makes veterans a usable pipeline. Framing it only as compliance or charity undersells its value, and a blanket hiring preference is not required and could create legal risk.

48. Answer: D — Net operating profit after taxes minus the cost of capital, divided by headcount

EVA is net operating profit after taxes (NOPAT) minus a charge for the capital used to produce it. Dividing by headcount (or FTEs) shows the economic value each employee creates above the cost of capital. Revenue minus operating expense per head is operating profit per employee, which ignores taxes and capital cost.

49. Answer: A — Protected data may be used to audit outcomes, but using it as an input to individual scores is disparate treatment.

Title VII bars using race or sex as a factor in individual decisions and specifically bars adjusting test scores or cutoffs by protected group. Aggregate analysis of outcomes by group, kept separate from the decision process, is how employers find and fix adverse impact. Testing does not require the model to use those traits as inputs, and employee consent does not make disparate treatment lawful.

50. Answer: D — Research what data scientists value, then shape and deliver an EVP the company can actually back up.

An effective EVP rests on research into what the target talent values (such as meaningful problems, modern tools and autonomy) and on real changes the company is willing to make, so the promise matches the experience. Copying startup messaging that the culture cannot deliver leads to early turnover, the current EVP does not address the target segment, and pay alone does not fix the perception problem.

51. Answer: B — The project is expected to earn more than the minimum required return, so it meets the financial threshold

IRR is the discount rate at which a project's NPV equals zero. When IRR exceeds the hurdle rate (the minimum acceptable return, often tied to the cost of capital), NPV at the hurdle rate is positive and the project meets the financial threshold. IRR is not a payback period, a probability of failure or a first-year cash comparison.

52. Answer: A — Meet with him privately, review the data together, and agree on joint fixes and progress reporting.

Engaging the critic directly with facts, and turning the complaint into a shared problem with joint accountability, fixes the hiring delays and builds HR's credibility without public confrontation. Exposing his managers in front of peers invites defensiveness and escalates the rivalry. Asking the CEO to intervene looks weak, and adding recruiters spends money without fixing the actual cause.

53. Answer: D — They rise by $1.6 million, a 50% increase

Employees now pay 20% x $16M = $3.2M; after the change they pay 30% x $16M = $4.8M. The $1.6M shift is a ($4.8M - $3.2M) / $3.2M = 50% increase in what employees pay, a large cut in the value of total rewards. The 10% figure confuses the 10-point change in share with the percentage change, and 12.5% is the drop in the employer's cost, not the rise in the employees' cost.

54. Answer: A — Whether the buyer knew of the claim, whether operations continue largely unchanged, and whether the seller can pay.

Under the federal successor liability doctrine applied to Title VII, courts look mainly at notice of the claim, substantial continuity of business operations and the predecessor's ability to provide relief. Here all three point toward liability. Structuring the deal as an asset purchase or allocating liability in the contract does not by itself defeat a federal claim, and workforce continuity is only one part of the continuity factor.

55. Answer: D — A majority of its workforce in the unit came from the predecessor and the business continues substantially unchanged

Under Burns and Fall River Dyeing, a buyer is a successor obligated to recognize and bargain with the union when there is substantial continuity of operations and a majority of its employees in an appropriate unit (once a representative complement is hired) were employed by the predecessor. Assuming the predecessor's contract is not what triggers the bargaining duty, a new election is unnecessary, and one-third is not the legal threshold.

56. Answer: C — The percentage of intended users regularly completing key tasks in the system

Value from an HR system depends on people using it for the work it was meant to support, so active usage rate among intended users is the best indicator of adoption. On-time, on-budget delivery measures project management, not business value. License counts and resolved tickets show purchase and support activity but not whether managers and employees actually use the platform.

57. Answer: D — Humane orientation

The GLOBE study defines humane orientation as the degree to which a society encourages and rewards fairness, altruism, generosity and caring. In-group collectivism concerns pride, loyalty and cohesiveness within families and organizations, which is the most tempting near miss because both involve concern for others. Performance orientation concerns rewarding improvement and excellence, and gender egalitarianism concerns minimizing gender role differences.

58. Answer: A — Accept likely turnover, keep standard retention practices, and ensure that backfill and knowledge transfer plans exist.

The matrix directs costly, individualized retention efforts to employees whose loss would be high impact. For low-impact, high-risk employees, the efficient response is to accept some turnover while making sure work continues through backfill planning. High risk alone does not justify premium spending, and likelihood of leaving is not evidence of poor performance.

59. Answer: A — Map affected workers' skills to emerging roles, reskill them, and limit outside hiring for roles they could fill.

A multi-year timeline lets the CHRO match displaced workers to growing roles, invest in reskilling, use natural attrition, and hold external requisitions open for internal candidates, which preserves knowledge and goodwill and lowers severance and hiring costs. Hiring outside first and deciding later wastes the lead time and can leave both surplus staff and new hires on payroll. An early mass layoff discards workers who could fill new roles, and secrecy damages trust.

60. Answer: A — Have senior leaders model the values, admit past failures, and act on violations at any rank.

Employees judge values by what leaders do, especially how they handle mistakes and misconduct by powerful people. Consistent role modeling and accountability at the top are what rebuild credibility. Campaigns and training support the effort but feel hollow without visible leader behavior, and blaming a few individuals ignores the incentives and culture that allowed the fraud.

61. Answer: A — Plan coverage, such as shifting the task or temporary help, and suspend it while she can resume soon

Under the PWFA, an employee is still qualified if her inability to perform an essential function is temporary, she could perform it in the near future, and the inability can be reasonably accommodated. Leaders should plan workable coverage, such as shifting the lifting task to coworkers or temporary staff, unless that causes undue hardship. Forcing leave when another accommodation works is prohibited by the statute, and the law sets no 30-day rule.

62. Answer: D — Pivotal talent pools, where improved performance yields the greatest strategic return

Pivotal roles are those in which a change in the quality or quantity of talent most changes the organization's strategic success, so reward dollars spent there produce the greatest return. Internal equity aligns pay with relative job value, not with performance variability. Market pricing describes how pay levels are set externally, and seniority-based pay rewards tenure rather than strategic impact.

63. Answer: C — Replace verified forfeited value with similar vesting and a similar performance-based mix, and disclose the rationale.

Investors accept make-whole awards that replace documented forfeited value with similar timing and similar performance conditions, explained in the proxy. Up-front cash and oversized time-based grants pay without performance and invite say-on-pay criticism. Refusing any make-whole is not required and may cost the company its preferred candidate.

64. Answer: B — Outsourcing moves tasks but not plan liability, so select the vendor prudently and monitor it.

A third-party administrator can improve accuracy and timeliness, but the plan administrator and employer remain responsible under COBRA and ERISA. The decision should rest on due diligence, clear service agreements with performance standards and indemnification, and ongoing monitoring such as audits of notice timing. A contract can allocate costs between the parties but does not remove statutory liability.

65. Answer: D — Agree on criteria first, then weigh candidate readiness and strategic risk against them

A structured process that sets criteria (strategy needs, risk tolerance, candidate readiness, market signals) before debating dates turns a positional deadlock into an evidence-based board decision. Recommending either date without that process takes a side rather than resolving the conflict. Succession is a board responsibility, and handing timing to the sitting CEO creates a conflict of interest.

66. Answer: D — Collaborative

Gelfand and colleagues found that collaborative conflict cultures, in which people openly discuss disagreements and seek mutually acceptable solutions, are associated with greater cohesion and lower burnout. In the same research, dominating cultures were linked to poorer customer service and avoidant cultures to lower creativity, and a passive-aggressive pattern suppresses open problem solving rather than building cohesion.

67. Answer: D — Communicate early, pay transition retention bonuses, and offer redeployment and severance

Early, honest communication preserves trust, retention bonuses tied to transition milestones protect payroll continuity, and redeployment and severance treat displaced staff fairly. Withholding the news risks leaks and broken trust, encouraging early exits endangers payroll accuracy, and the vendor may not want or be able to hire everyone.

68. Answer: C — Personal mastery, mental models, shared vision, team learning and systems thinking

In The Fifth Discipline, Senge describes five disciplines of the learning organization: personal mastery, mental models, shared vision, team learning and systems thinking, which integrates the others. Double-loop learning comes from Argyris, unfreezing and refreezing come from Lewin's change model, and strategic planning, coaching and knowledge management are management practices rather than Senge's disciplines.

69. Answer: A — Naming benefit owners, setting baselines and targets, and tracking after go-live

Benefits realization management makes named owners accountable for specific benefits, measures against a pre-project baseline and tracks results after go-live, when most benefits occur. On-time, on-budget delivery and successful testing show the project was completed, not that it produced the promised value.

70. Answer: A — Run a gap analysis, keep required state terms in a supplement, and phase changes to protect retention.

A gap analysis identifies legal requirements and the policies that matter most to retention, a state supplement keeps required local terms, and phased changes with clear communication limit attrition of key talent. Switching handbooks immediately risks legal gaps and departures. Keeping two handbooks forever blocks integration, and manager-by-manager adoption creates inconsistency.

71. Answer: D — Option A, scoring 3.70 versus 3.50 for Option B

Weighted score = sum of weight times rating. Option A: 0.5(5) + 0.3(2) + 0.2(3) = 2.5 + 0.6 + 0.6 = 3.70. Option B: 0.5(3) + 0.3(4) + 0.2(4) = 1.5 + 1.2 + 0.8 = 3.50. Averaging the ratings without weights (3.33 vs 3.67) or simply adding them (10 vs 11) favors B, and applying the weights in reverse order gives 3.10 vs 3.80, but only the correctly weighted totals reflect the agreed stakeholder priorities.

72. Answer: C — Remove layers and widen spans where work is routine and teams are experienced.

Many layers with narrow spans mean decisions pass through more approval points, which adds delay and management cost. Removing layers and widening spans where the work and the team allow pushes decisions closer to the work. Adding layers, narrowing spans or centralizing approvals would add more handoffs and slow decisions further.

73. Answer: A — Do not monitor or join the server to track participants, and keep policies from restricting talk about work terms.

Watching or logging employees' organizing activity can be unlawful surveillance or create the impression of surveillance, even when the forum is public, and remote employees have the same Section 7 rights as on-site staff. Communication policies must not prohibit employees from discussing pay and working conditions with each other. Requiring that all work discussion occur on company channels would restrict protected activity.

74. Answer: B — First-year sales rep turnover is 40%, costing about $2 million a year and slowing growth.

An insight answers "so what?" by tying the metric to business impact that executives care about, here cost and growth, which signals that action is needed. Trend data and internal comparisons add context but still leave executives to work out why the number matters. Promising to keep monitoring describes an HR activity, not an insight.

75. Answer: C — Set offer ranges from market data and stress the full value proposition, with clear limits

A sustainable strategy positions offers competitively using market data, sells the whole package (growth, mission, flexibility, equity) and sets clear walk-away limits so pay decisions stay consistent. Unlimited matching creates compression and rewards bidding. Withdrawing offers loses good candidates, and an across-the-board 25% increase is costly without evidence that pay level is the only issue.

76. Answer: C — No ZOPA exists on wages, so the parties must add issues or change limits to avoid impasse

Because the union's minimum exceeds the company's maximum, the bargaining zone is negative and no wage-only deal is possible. Agreement requires adding value through other terms (such as lump sums, contract length or benefits design) or a change in one side's limits; otherwise the parties face impasse. Declaring impasse right away is premature and legally risky, and firm positions alone are not evidence of bad faith.

77. Answer: C — Tie each part of the model to business outcomes, service levels, cost and risk

The CEO is asking for business impact, so the CHRO should show how business partners, centers of excellence and shared services will improve outcomes for the business, what service levels and costs to expect, and how transition risks will be managed. Org charts and theory describe the structure but not its value. Peer examples may help, but they do not answer what changes for this company.

78. Answer: D — Adopt a rolling plan reviewed quarterly, updating assumptions and workforce actions

A rolling plan regularly revisits assumptions and extends the horizon, so strategy and workforce actions can adjust when conditions change. Writing a new fixed three-year plan solves the immediate gap but recreates the same rigidity that caused the problem. Waiting for the next cycle or dropping strategic planning leaves the company without direction during the period it most needs it.

79. Answer: A — The annualized value of active recurring subscription contracts

ARR annualizes the recurring subscription revenue under contract and excludes one-time fees such as implementation services. Because churn and downgrades reduce ARR directly, staff who drive renewals and adoption protect the company's main value driver. Signed but unrecognized revenue is backlog (remaining performance obligations), which is a different metric.

80. Answer: D — Fund in-person kickoffs for highly interdependent teams, then sustain ties with structured virtual contact

When members come from relationship-based trust cultures, early face-to-face time builds trust faster, and the payoff is greatest for teams that depend heavily on one another. Targeting kickoffs to those teams, then maintaining connection virtually, balances cost and benefit. Relying only on task delivery ignores how half the team builds trust, funding every team wastes money and waiting for conflict is reactive.

81. Answer: C — Add equity checks against peer comparators at offer, merit and promotion decisions, with exceptions documented.

Gaps form at the points where pay is set or changed, so preventive controls at offer, merit and promotion decisions, with peer comparisons and documented reasons for exceptions, stop gaps at their source. More frequent audits and a standing fund still fix problems after they occur. Bias training can support good decisions but, without decision-point controls, does not reliably prevent disparities.

82. Answer: C — Issue a prompt, specific written repudiation to affected employees, with assurances, coordinated with counsel.

An effective repudiation can reduce or eliminate remedies, but only if it is timely, specific about the unlawful statement, communicated to the affected employees and paired with assurances against future interference. Quiet discipline does not undo the coercive effect on employees, and a generic compliance notice is not specific enough. Waiting for the region loses the timeliness the repudiation depends on.

83. Answer: C — To assess necessity and proportionality and to find and reduce risks to employees before processing.

Under the GDPR, a data protection impact assessment is required before processing likely to create high risk, such as systematic profiling of employees, and it evaluates whether the processing is necessary and proportionate and how its risks will be mitigated. Consent is generally a weak basis in employment because of the power imbalance and is not what the assessment produces. Consulting the supervisory authority is required only if high risk remains after mitigation, not in every case.

84. Answer: B — Do not use it to judge credibility; consider it only for transcription and organizing evidence under review.

Credibility findings are a human judgment that rests on corroboration, consistency and context, and investigators must be able to explain and defend them. Algorithmic credibility scores are hard to explain, may embed bias, and would undermine the fairness of findings. An accuracy audit sounds reassuring, but a 10% error rate on credibility could still change outcomes in many cases, and the tool still could not explain its conclusions.

85. Answer: B — Split the two appointments between partners, using agreed criteria and joint board approval.

In equal joint ventures, a common and durable solution is to divide key appointments, often one partner naming the general manager and the other the finance head, with shared selection criteria and board approval so both partners keep oversight. Giving one partner both roles upsets the balance of a 50/50 venture, and an outside search with no partner input ignores the control concerns that drive the dispute. Prolonged interim staffing leaves the venture without stable leadership.

86. Answer: D — Test over several periods whether changes in engagement precede changes in retention.

Strategy map links are hypotheses that should be tested with data. Tracking both measures over time and checking whether changes in the driver come before changes in the outcome gives the strongest evidence of a causal link. A single-quarter comparison across centers is tempting, but it shows only a correlation at one point in time and cannot show which change came first.

87. Answer: A — Conduct it under counsel's direction, limit the detailed report, and share remediation steps broadly.

Running the audit at counsel's direction helps protect the detailed analysis under attorney-client privilege, and limiting its circulation preserves that protection. The company can still be transparent by announcing its commitment and the corrective actions. Circulating the full report to all managers can waive privilege and create discoverable evidence, and delaying the analysis leaves the gaps and the legal exposure in place.

88. Answer: C — An accounting restatement for material noncompliance, regardless of executive fault

Under Rule 10D-1 and the listing standards, a required restatement due to material noncompliance with financial reporting requirements, including smaller restatements, triggers recovery of erroneously awarded incentive compensation received by current and former executive officers during the three completed fiscal years before the restatement date. Recovery is on a no-fault basis. Many companies add misconduct-based clawbacks voluntarily, but misconduct is not what the rule requires.

89. Answer: B — To compare the skills and experience the strategy needs with those current members have and show gaps

A skills matrix lists the competencies and experience the organization needs, such as finance, technology, risk or international markets, and maps current members against them. The resulting gaps guide recruitment and succession, which can broaden the search beyond traditional networks. It is not a performance-rating tool, and while some organizations show demographic data alongside it, its core purpose is skills alignment rather than diversity reporting.

90. Answer: D — It will select and develop leaders for the business the company is leaving, not the one ahead

Competency models built only on past success profiles describe what worked under the old strategy. When the strategy changes, the model should be built from future business needs, or leaders will be hired, promoted and developed for capabilities the company no longer needs most. No federal rule requires revalidating competency models on a fixed three-year cycle.

91. Answer: D — Show the cost of leadership gaps and propose targeted cuts instead.

The CHRO should quantify the long-term cost of thin succession benches, such as external hiring premiums, vacancy risk in critical roles and higher turnover, and offer a middle path that trims lower-value spending while protecting pipeline programs for critical roles. Total elimination trades future capability for a small short-term gain, a flat refusal ignores real constraints, and deferring avoids the decision.

92. Answer: D — Advise against monitoring and listing critics, since it risks NLRA violations and chills legitimate employee speech.

Employees' posts about pay and staffing decisions can be protected concerted activity under NLRA Section 7, and tracking critics can itself be unlawful surveillance or create the impression of surveillance, as well as damage trust. HR should instead address the underlying concerns through legitimate channels. A list kept only for awareness still identifies employees for their protected speech and invites later retaliation.

93. Answer: C — Name key workforce risks, rate them on the same likelihood and impact scale, and assign owners

Integrating human capital risk into enterprise risk management means identifying the material workforce risks, such as key-person dependency, skill gaps or culture failures, and assessing them with the same criteria used for other enterprise risks, with owners and mitigation plans. A separate register keeps people risks out of board view, a compliance checklist is not a risk assessment, and focusing only on current incidents ignores emerging risks.

94. Answer: A — Candidly present each candidate's gaps, the emergency coverage risk, and development and external options.

Boards own CEO succession and need an honest view of readiness, risk exposure and mitigation, including an emergency plan and development or external options. Overstating readiness misleads the board on a major enterprise risk. Narrowing to one candidate limits the board's choices, and launching an external search immediately overreacts when development timelines and interim coverage can address the gap.

95. Answer: A — Advise against firing them, since group challenges about pay can be protected and firing would harm the culture.

Employees acting together to challenge pay decisions are likely engaged in protected concerted activity under NLRA Section 7, which covers nonunion workplaces, so firing or warning them creates unfair labor practice risk. It would also signal that speaking up is punished, damaging trust. Final warnings are adverse actions with the same legal problem, and who made the decision does not change the protection.

96. Answer: C — Advanced analytics that examines drivers and causes of outcomes

Common maturity models move from operational reporting to advanced reporting with benchmarking and dashboards, then to analytics that explain why outcomes occur, and finally to predictive and prescriptive analytics. This function has mastered reporting and benchmarking, so the next step is diagnostic analysis of drivers. Jumping straight to prediction or prescription skips the understanding of causes those models depend on, and operational reporting is a stage it has already passed.

97. Answer: C — Quickly gather the facts and, if the reports hold up, file timely objections with supporting evidence.

A union's offer to waive fees only for employees who sign up before the election is a recognized ground for setting aside the result, and with a two-vote margin the conduct could have affected the outcome. Objections must be filed within a short deadline after the tally, so facts must be gathered promptly. Union conduct can be objectionable, and asking employees how they voted is unlawful interrogation.

98. Answer: B — Set enterprise guardrails and principles, then let teams build agreements within them

Work varies enough across these groups that a single rule fits poorly, but full team autonomy risks inconsistency and perceived unfairness. Enterprise guardrails (such as core collaboration expectations, equity principles and accommodation processes) combined with team agreements balance consistency with fit to the work. Treating some groups differently without a framework invites inequity concerns.

99. Answer: C — Widen the talent pool by redefining role criteria around future needs and using structured, calibrated reviews.

Homogeneous slates usually stem from narrow criteria and informal sponsorship, so the lasting fix is to define success on future capabilities, look across functions and levels, and use structured, calibrated assessment that reduces similarity bias. Demographic quotas for selection decisions create legal risk under Title VII. A one-off nomination request or a burst of external hiring does not change the process that produces narrow slates.

100. Answer: C — Explain the method and coder agreement, and show where themes match survey and exit data.

Structured qualitative research with a set protocol and independent coding is systematic evidence, not anecdote, and showing where it converges with quantitative sources strengthens the case. Shelving the interviews wastes valid evidence and delays the decision. Turning themes into percentages misrepresents a purposive sample as statistically representative, and leading with vivid quotes reinforces the CFO's objection.

101. Answer: C — Build team skill in collaborating and competing when stakes call for it, using agreed norms for surfacing issues

The TKI measures preferred modes, not fixed traits, and its premise is that every mode fits some situations, so development should widen the range leaders use and set team norms that bring issues forward. Treating styles as fixed is inconsistent with the instrument. Sharing individual results without consent erodes trust, and calling heavy avoidance a strength ignores the evidence of stalled issues.

102. Answer: B — The CEO or board, for administrative purposes only, outside the management chain

Organizational ombuds standards call for independence, neutrality, confidentiality and informality, so the office should report at the highest level for administration only and stay outside line management, HR, legal and compliance. Reporting to the general counsel or compliance can make the ombuds look like an agent of the company's legal defense or a channel that puts the company on notice. Reporting to the CHRO ties the office to the function it may need to raise concerns about.

103. Answer: C — When the assignee is expected to remain in the host country indefinitely and no return is planned

Localization moves an assignee onto local pay and benefits, which makes sense when the move becomes permanent or open-ended, such as when the employee chooses to stay or the role is converted to a local position. Short assignments are usually handled with home-based pay and per diems. A housing request is not a reason to change the pay basis, and a higher-cost host country is exactly when home-based allowances matter most.

104. Answer: D — Redesign the program to strengthen on-the-job application and transfer, then re-evaluate its impact

The data locate the breakdown at Level 3: learning occurs but is not applied, so the best response targets transfer (manager involvement, action projects, follow-up) and measures again. Cancelling discards a program that produces learning and has sponsor support, while keeping it unchanged ignores evidence. Simply cutting cost may improve the ratio without fixing the reason for weak impact.

105. Answer: B — $3,360,000

Annual cost = employees x days per employee x cost per day = 2,000 x 6 x $280 = 12,000 days x $280 = $3,360,000. The $560,000 figure multiplies employees by cost per day and omits the days, $336,000 misplaces a decimal, and $1,680,000 counts only half the days.

106. Answer: D — Build a central compliance framework with owners, monitoring and legal updates.

At this scale, compliance needs an enterprise framework: a central register of requirements, assigned owners, monitoring and a process for tracking legal changes, often supported by technology and local counsel. Local counsel alone does not give visibility, annual audits of spreadsheets catch problems too late, and the strictest rule is not always workable because laws conflict.

107. Answer: C — Models built on unclear questions and unreliable, poorly governed data produce results leaders cannot trust or use.

Analytics maturity depends on asking questions that matter to the business and on having clean, consistent, well-governed data with clear rules for access and privacy. Without those foundations, predictive models answer the wrong questions or rest on flawed data, and leaders lose confidence in the function. No law sets a waiting period for predictive models, the data-history claim is not a universal constraint, and lower cost is not the reason maturity follows this order.

108. Answer: B — Centers of excellence

Centers of excellence house specialists who design programs and policies in technical areas. HR business partners consult with business leaders on strategy and people issues, and shared services handle high-volume transactional work. Line managers carry out day-to-day people management but are not one of the three HR pillars.

109. Answer: D — Use flags only to start lawful steps such as recertification, with HR and legal review first

The FMLA allows an employer to request recertification when circumstances change significantly, such as a pattern of absences next to weekends. Using analytics only to trigger those permitted steps, under central review, addresses misuse while avoiding interference. Discipline or denial of leave based on a pattern alone, or widening supervisors' scrutiny of employees on protected leave, invites interference and retaliation claims.

110. Answer: D — Under the ADA, the employer must accommodate applicants whose disabilities affect how the tool assesses them

The ADA requires employers to provide reasonable accommodations in the application process and bars selection criteria that screen out people with disabilities unless job-related and consistent with business necessity. A tool that scores speech patterns, eye contact or response speed may unfairly penalize applicants with certain disabilities, so alternatives are needed. The employer remains responsible even when it uses a vendor's tool.

111. Answer: A — Fatigue and skill gaps raise injury and quality risks, so the plan needs rest rules, training and relief staffing.

Long shifts by people unfamiliar with the equipment increase injury, quality and equipment-damage risks, and burnout reduces the plan's staying power. Training, rest limits and relief staffing make the plan safe and sustainable, and nonexempt nonunit staff must be paid overtime. Employers may lawfully use managers and nonunit employees to keep operating during a strike, and job descriptions do not prevent reassignment.

112. Answer: A — Show expected financial return and the cost of the risk it reduces, such as turnover

CFOs evaluate investments on financial return and risk, so a business case that quantifies ROI and the cost of problems it reduces (for example, turnover and lost productivity) speaks their language. Competitor benchmarks, employee sentiment, and generic spending norms may support the case but do not show the financial impact the CFO must weigh.

113. Answer: C — GINA bars offering an incentive for family medical history, so those questions must be optional and unrewarded.

Family medical history is genetic information under GINA. EEOC rules allow a health risk assessment in a voluntary wellness program, but the employer may not offer an inducement for genetic information, so the reward must be available whether or not those questions are answered, and the form should say so. Individual results should not go to the employer, and GINA rights cannot be waived.

114. Answer: D — Instrumental, in which self-interest guides decisions

Victor and Cullen's instrumental climate is rooted in egoism: people believe decisions should serve their own or the organization's narrow interests, even at others' expense. A caring climate emphasizes the well-being of others, a rules climate emphasizes compliance with company policy, and an independence climate relies on personal moral convictions. Independence is the trap, because it is also individual-centered, but it is based on principle, not self-interest.

115. Answer: A — Review the validity of the selection methods by checking whether current criteria predict later performance.

When expensive hires often fail, the first strategic question is whether the selection process predicts job performance. Testing the validity of current criteria and moving to structured, job-related methods addresses the root cause. Higher pay does not fix poor fit, and longer onboarding may help at the margins but does not correct how candidates are chosen. Changing search firms does not help when hiring managers make the final selections with weak methods.

116. Answer: A — Salary-banded premium contributions

Salary-banded, or wage-based, contributions vary the employee's share of the premium by pay band so that coverage is more affordable for lower-paid workers, which can raise enrollment and reduce cost-related barriers to care. Defined contribution funding gives employees a fixed dollar amount to spend on coverage, and a spousal surcharge adds cost for covering a spouse who has other coverage.

117. Answer: B — Retention and promotion rates of mentored high potentials compared with a similar unmentored group

Directors want outcome evidence linked to strategic risk, such as losing future leaders. Comparing retention and advancement of mentored high potentials with a similar unmentored group shows impact and helps address selection effects. Activity counts, satisfaction scores and peer adoption describe the program but do not show its value.

118. Answer: C — Learning and growth, then internal processes, then customer, then financial

Kaplan and Norton's logic starts with people, information and culture (learning and growth), which improve internal processes. Better processes deliver value to customers, and customer results then drive financial outcomes. Objectives are often set from the financial perspective downward, but causation runs upward from learning and growth.

119. Answer: D — Gather feedback from stakeholders and hold a candid talk with the SVP to set expectations

The CHRO should first get a clear picture through structured stakeholder feedback, then share it with the SVP and agree on specific changes, possibly supported by an executive coach and a check-in with the CEO. Firing at 90 days without feedback wastes the hiring investment and skips due process. Asking peers to wait lets damage build, and a general course does not address the specific behavior.

120. Answer: C — Have actuaries project the long-term liability and its effect on financial statements over the coming decades.

Retiree medical promises create obligations that grow over decades as members retire and health costs rise, and accounting rules require the employer to recognize these obligations as they are earned, so the true cost is far larger than the first-year cash outlay. Actuarial modeling lets leaders bargain with the full cost in view, including options such as defined-dollar caps. A wage trade based on current-year cost uses the same flawed measure, and retiree benefits are not automatically unchangeable.

121. Answer: A — Build early resolution through manager conflict training and mediation, with triage of serious cases.

The root problem is that interpersonal conflicts default to formal investigation, so the lasting solution is building conflict skills, offering mediation and triaging complaints to the right channel. Adding investigators treats demand rather than its cause. Requiring employees to go to managers first could block harassment or discrimination complaints and increase legal risk.

122. Answer: A — It measures preferred conflict styles, not ability, and is not validated for selection

The TKI describes how a person tends to approach conflict and is intended to build self-awareness and team development; it does not measure competence and is not designed or validated as a selection tool, so using it for promotions is unsupported and could create adverse impact without job-related evidence. It is not a projective test, has no expiration rule, and does describe individuals.

123. Answer: C — About 21%

The difference is $0.34 - $0.28 = $0.06, and $0.06 / $0.28 = about 21%. The 6% figure treats the cents difference as a percentage, 18% divides by Region B's figure ($0.06 / $0.34), and 82% is Region A's figure as a share of Region B's. Before acting, leaders should check whether differences in business mix or local wage levels explain the gap.

124. Answer: C — Scarce resources go to the highest-value initiatives instead of being spread too thin

Portfolio management treats initiatives as competing investments, prioritizing them by strategic value and sequencing them to fit capacity so the most important work is resourced well. Equal allocation across units and starting every requested project both ignore relative value and lead to overload.

125. Answer: A — It ends a leadership vacuum, lowers uncertainty and talent flight, and lets accountable leaders shape their teams.

Naming the top team early ends speculation and political maneuvering, signals direction, helps keep key people who would otherwise leave amid uncertainty, and gives accountable leaders time to shape the next levels of their organizations. There is no general federal rule requiring the full team to be named before closing. Announcing every role at once is the tempting distractor, but it delays decisions and takes design ownership away from the leaders who must deliver results.

126. Answer: B — Assess the posts against the code using the same process as for any employee, weighing his role.

Applying the code consistently, with the same fact-finding and standards used for any employee, protects fairness and credibility, and a senior leader's visibility makes the impact on his role a legitimate factor. Firing him at once may satisfy public pressure but skips the process the company would give anyone else. Treating personal accounts as off limits ignores that conduct outside work can breach the code and harm the business.

127. Answer: C — Keep the anti-bribery principle but set country-calibrated gift limits with a compliance preapproval process.

A global code should hold a consistent core principle, never using gifts to gain improper advantage, while allowing local calibration of how that principle is applied. Country-specific thresholds and a preapproval path respect legitimate customs without opening the door to bribery. Handing gift rules entirely to country managers is the tempting distractor, but it gives up central control in exactly the area where anti-corruption risk is highest.

128. Answer: B — Assess pay, culture and talent gaps, retain the critical engineers, and integrate selectively where it supports the deal's goals.

The deal's value depends on secure supply and the supplier's process expertise, so retaining critical engineers and making deliberate choices about which policies and practices to integrate come first. Moving everyone onto richer parent plans at once can erase the cost advantage and disrupt the culture. Leaving the supplier untouched forgoes the coordination benefits that justified vertical integration.

129. Answer: D — Recommend consequences consistent with policy, up to removal, because tolerating the conduct signals that results excuse it.

After repeated credible complaints and failed coaching, keeping a top performer without real consequences tells employees that revenue outweighs the company's values, which damages trust throughout the organization. Another round of coaching repeats an approach that has already failed. Moving the victims or adjusting a small part of pay leaves the behavior in place and can look like protecting the executive.

130. Answer: B — Show that limited supply will raise hiring costs and delays, and weigh the city against stronger markets.

The CHRO's role is to bring talent supply data into the cost decision: a thin, contested labor pool will drive up wages, time to fill and turnover, which can erase the cost advantage. Comparing the total cost of staffing the hub across candidate cities lets the executives make an informed trade-off, while relocating or outbidding for talent are costly workarounds, and ignoring cost entirely is not a balanced recommendation.

131. Answer: D — Procedural justice, which concerns the fairness of the process used to reach decisions

Voice and a neutral decision-maker are classic features of procedural justice, the perceived fairness of how decisions are made. Distributive justice concerns the outcomes themselves, and interactional justice concerns the dignity and respect of treatment, which is related but not the main target of this design. Restorative justice is a separate approach centered on repairing harm.

132. Answer: A — Set an enterprise protocol with standard templates, trained investigators, and central quality review.

A common protocol, trained investigators and central quality review produce consistent, defensible investigations while keeping local HR's knowledge and speed. Fully centralizing or outsourcing every case adds cost and delay and is unnecessary for routine matters. Summary reports alone would not correct the underlying gaps in how investigations are conducted.

133. Answer: C — Promote action

The CDC's six CERC principles are be first, be right, be credible, express empathy, promote action and show respect. Promote action means giving people meaningful things to do, which restores a sense of control and reduces anxiety. Express empathy means acknowledging people's fears and suffering, be credible to honesty and trustworthiness, and show respect to respectful communication that builds cooperation.

134. Answer: B — 8

Break-even = total cost / savings per prevented departure = $200,000 / $25,000 = 8. Leaving out the administration cost gives $150,000 / $25,000 = 6, counting the administration twice gives $250,000 / $25,000 = 10, and 80 is a decimal error. Executives can then judge whether preventing 8 departures is realistic given the current number of regretted leavers.

135. Answer: B — Review each role and reclassify managers who no longer direct two full-time equivalents.

The executive exemption requires customarily and regularly directing the work of two or more full-time employees or their equivalent, such as 80 hours of subordinates' work per week, in addition to a management primary duty and salary basis. Managers who now direct less than that fail the executive test even if their time is mostly managerial. Each role should be reviewed individually, since some may qualify under another exemption, so blanket reclassification is unnecessary.

136. Answer: B — They build shared values that guide choices even where rules are silent or not enforced

Paine contrasted compliance strategies, which focus on preventing illegal conduct through rules, monitoring and sanctions, with integrity strategies, which focus on self-governance according to guiding values and are led by management. Internalized values guide behavior in situations no rule anticipates. Integrity strategies build on legal compliance rather than replacing it, and they make line managers more responsible, not less.

137. Answer: B — Mutually reinforcing practices send consistent signals and strengthen one another's effects

Research on HR bundles, such as MacDuffie's study of auto plants, shows that practices aligned with one another (internal fit) reinforce each other and send employees consistent messages, so the combined effect exceeds the sum of the parts. An isolated practice can be undercut by others that send conflicting signals. Cost savings and legal defensibility are not the reason bundles perform better.

138. Answer: B — Improve retention and workforce planning, and answer UI claims accurately and promptly

State unemployment tax rates are experience-rated, so the rate reflects benefits charged to the employer's account. Reducing avoidable separations and responding accurately and promptly to claims, including timely protests of improper ones, is the lawful way to lower it. Contesting every claim wastes resources and can look retaliatory, and reclassifying employees as contractors creates misclassification liability.

139. Answer: C — It is generally lawful if the offer was already presented to the union and the message informs employees without bargaining with them.

An employer may share accurate information about proposals it has already made to the union, and Section 8(c) protects noncoercive communications. It crosses into unlawful direct dealing when it offers terms not presented to the union, solicits employees to bargain individually or seeks to undermine the union as the representative. No union consent is required, and offering employees better terms than the union has seen is a classic example of direct dealing.

140. Answer: A — Drive cost targets from the top while engaging employees in building the capabilities for growth

Beer and Nohria found that the most successful companies combine Theory E and Theory O, explicitly managing the tension by setting economic direction from the top while engaging people in building capability. Delaying capability work until savings are secured sacrifices the growth the owners need before exit. Delaying the cost program ignores the owner's legitimate demands, and across-the-board cuts are a blunt tool that does not build capability.

141. Answer: B — Plan with local members and counsel to adapt the chapter, such as confidential membership, to protect members

Member safety comes first, and the right approach is designed with local employees and legal counsel: for example, private or invitation-only gatherings, no public member lists, careful data handling and access to global networks. A public launch could expose members to legal and personal harm. Excluding the country denies support to employees who asked for it, and public registration creates exactly the exposure they fear.

142. Answer: C — Set governance first: limit data to what is necessary, test for bias, restrict use of individual scores, and be transparent with staff.

Predictive attrition tools raise privacy, fairness and trust risks, so the CHRO should put governance in place first: confirm a legitimate purpose, minimize data, check for disparate impact, control who sees individual scores and how they are used, and tell employees how their data is used. Owning the data does not resolve privacy and trust concerns, no general federal privacy law bans such models, and sharing individual scores with managers invites biased treatment.

143. Answer: B — To let a limited group review competitively sensitive data under strict rules and reduce antitrust risk

Until a deal closes, the companies remain separate competitors, and sharing sensitive pay data or coordinating on it can raise antitrust concerns, including gun-jumping. A clean team limits access to people walled off from day-to-day competitive decisions and controls how the data is used and summarized. Aligning pay rates before closing is exactly the kind of coordination a clean team is designed to prevent.

144. Answer: A — Without follow-up practice, coaching and support, most new skills fade before becoming habits.

Learning decays quickly when it is not used, and new behaviors need practice, feedback and manager support to become habits. Investing in post-program reinforcement, such as coaching, spaced practice and on-the-job application, is often what turns training into results. Reinforcement is not limited to compliance, does not replace evaluation and matters for application rather than reaction scores.

145. Answer: B — An executive sponsor, a steering committee and a network of change agents

Transformation governance typically rests on an executive sponsor who owns and champions the change, a steering committee that sets priorities and resolves issues across units, and a change agent network that carries the change into the organization. A project manager and consultants are tempting, but they support execution and lack the authority and reach that governance requires.

146. Answer: B — Any wage increase from 4% to 5%

The ZOPA is the overlap between the parties' reservation points: from the union's minimum (4%) to management's maximum (5%), so any settlement from 4% to 5% is acceptable to both. A ZOPA exists whenever the buyer's maximum (5%) is at or above the seller's minimum (4%), and $5 - 4 = 1$ percentage point of overlap here. A 4.5% midpoint is one possible outcome, not the zone itself.

147. Answer: B — 200%

ROI = (benefit - cost) / cost = ($600,000 - $200,000) / $200,000 = 200%. Dividing benefit by cost gives 300%, which is the benefit-cost ratio rather than ROI; dividing net benefit by benefit gives 67%; and cost divided by benefit gives 33%. Using matched controls makes the $600,000 more credible because it counts only the improvement beyond what similar units achieved.

148. Answer: D — 67%

ROI = (benefit minus cost) / cost. The benefit is 20 x $25,000 = $500,000, so ROI = ($500,000 - $300,000) / $300,000 = 66.7%, or about 67%. Dividing the benefit by the cost without subtracting the cost gives 167%, and dividing the net gain by the benefit instead of the cost gives 40%.

149. Answer: D — To set priorities, approve funding, decide key issues, and resolve escalations

A steering committee provides executive governance: it sets priorities, allocates funding, holds decision rights and resolves issues that the project team can't. Day-to-day project management, process design and routine communication belong to the program team and workstream leads.

150. Answer: C — Assess the knowledge-loss, culture and misclassification risks the contingent mix creates.

Before changing the mix, the CHRO should understand the risks: critical knowledge held by non-employees, weaker cultural connection and possible misclassification where contractors are integrated and directed like employees. Converting everyone right away is tempting because it addresses misclassification, but it acts before knowing which roles are critical or at risk. A blanket cap and vendor consolidation are also solutions applied before diagnosis.

151. Answer: D — Absorptive capacity

Absorptive capacity, described by Cohen and Levinthal, is a firm's ability to recognize the value of external knowledge, assimilate it and apply it to commercial ends, and it depends heavily on existing related knowledge in the workforce. Ambidexterity concerns balancing exploration and exploitation, core competence refers to the firm's distinctive internal strengths, and social capital is the value in relationships and networks.

152. Answer: A — Double-loop learning

Argyris described single-loop learning as correcting actions within existing goals and assumptions, and double-loop learning as questioning and revising the governing assumptions themselves. Adaptive learning is close to single-loop learning because it adjusts behavior to fit existing frameworks rather than challenging them.

153. Answer: A — Serious injuries often have different precursors than minor ones, so cutting minor cases may not cut them.

Research on serious injuries and fatalities shows that they often arise from specific high-energy exposures and control failures that differ from the causes of minor injuries, so programs that reduce minor injuries may leave fatal risk unchanged. Fatalities are recordable cases, so they are not excluded. First-aid-only cases are not recordable, and company actions strongly affect fatal risk.

154. Answer: C — Lost productive time and management attention spread across many people

Conflict-cost models show that the hidden costs, such as time spent dealing with conflict, reduced productivity and distracted managers, usually far exceed visible legal costs because they affect many employees every day. Legal defense and settlements are concentrated in a small number of escalated cases. Neutral fees and stress-related claims are real but comparatively small.

155. Answer: C — Develop talent internally, with stable roles and a focus on efficiency

Defenders compete in a narrow, stable domain through efficiency. They fit a "make" talent strategy: careful selection at entry, internal development and promotion, specialized roles and process-oriented appraisal. External hiring and experimentation fit prospectors, while separate venture teams beside a stable core describe the analyzer type.

156. Answer: B — Review the CBA and bargaining duties, and give the union notice and an opportunity to bargain over the change.

Scheduling and hours are mandatory subjects of bargaining, so a system that changes how shifts are assigned generally requires notice to the union and an opportunity to bargain, unless the CBA already gives management that right. Reviewing the agreement first shows what is permitted and sets a realistic timeline. Surveying employees directly and acting on the result can be unlawful direct dealing that bypasses the union.

157. Answer: A — Leading measures of leader behavior paired with lagging outcomes such as turnover and speak-up reports

Effective culture oversight combines leading indicators that show how people experience leader behavior with lagging outcomes that confirm whether problems are emerging, so directors can spot risk early and verify results. Lagging outcomes alone arrive after harm is done, and a single annual engagement score is too broad and infrequent. Training completions and event counts measure activity, not culture.

158. Answer: C — Rebuild it around bystander skills and manager accountability, and measure behavior change.

Checkbox training rarely changes behavior. Programs that build bystander intervention skills, hold managers accountable for how they respond and are measured by behavioral indicators are more likely to shift culture. A longer course or a quiz on legal definitions adds more of what is already failing, and treating training only as a legal shield ignores that effective prevention is also what courts and juries look for.

159. Answer: D — ISO 30414

ISO 30414 is the International Organization for Standardization's standard for internal and external human capital reporting (the 2025 edition sets requirements, not just guidelines), covering areas such as costs, productivity, recruitment, turnover, diversity and leadership. ISO 26000 gives broad guidance on social responsibility rather than human capital metrics, ISO 45001 is the occupational health and safety management standard, and ISO 9001 covers quality management systems.

160. Answer: C — Difference-in-differences

Difference-in-differences compares the before-and-after change in a treated group with the change in an untreated comparison group, which removes trends that affect both groups. It is a quasi-experimental design because regions were not randomly assigned, so it is not a randomized controlled trial. A simple pre-post comparison would ignore the comparison regions, and a cross-sectional comparison would look at only one point in time.

161. Answer: D — The likelihood and impact of misconduct in each unit, considering region, business model and third-party use.

A risk-based approach directs resources to where misconduct is most likely and most harmful, such as units in high-corruption markets or with heavy reliance on agents and distributors. Headcount-based allocation seems fair but ignores that a small sales team using foreign intermediaries can carry more risk than a large plant. Prior helpline volume reflects reporting comfort as much as actual risk.

162. Answer: D — Have the threats repudiated promptly and specifically to affected employees, and retrain managers on lawful statements.

If an employer unfair labor practice prolongs a strike, the strike can convert to an unfair labor practice strike, and strikers are then entitled to reinstatement even if it means displacing replacements hired after the conversion. A prompt, specific repudiation communicated to the affected employees, with assurance that the company will not interfere with their rights, can limit that risk. Endorsing the threats compounds the violation, and settling on the union's terms gives up the bargaining position without fixing the conduct.

163. Answer: B — Notice to a manager with reporting duties can be imputed to the company, so all reports need central tracking.

For coworker and nonemployee harassment, the employer is liable if it knew or should have known and failed to take prompt corrective action, and knowledge held by a manager responsible for reporting concerns is typically treated as the company's knowledge. Without central tracking, the company can be on notice of a pattern it never sees. There is no written-complaint requirement or fixed 30-day rule, and the EEO-1 report collects workforce demographics, not complaint counts.

164. Answer: C — Put replaced strikers on a preferential recall list and start joint labor-management trust-building

Economic strikers who have been permanently replaced are not entitled to immediate reinstatement, but they must be offered vacancies as they open (Laidlaw rights), and joint efforts such as shared communications and a no-reprisals commitment help repair relations. Discharging replacements who were promised permanent jobs can expose the company to claims. Reducing strikers' seniority is unlawful discrimination, and passive waiting lets resentment grow.

165. Answer: D — Build change management deliverables and gates into the project methodology, with dedicated change resources on each project.

Integrating change management into the project methodology, with defined activities, stage gates and assigned resources, makes people-side planning a standard part of every project. Optional training depends on individual initiative, post-go-live reviews come too late, and a parallel change team that is not built into the project plan tends to fall out of sync with technical milestones.

166. Answer: A — Have counsel test whether the ratings are a reasonable factor other than age, and give OWBPA group disclosures and 45 days.

Under the ADEA, a neutral criterion with disparate impact is defended by showing it is a reasonable factor other than age, so counsel should review the ratings before finalizing. For a group termination program, a valid waiver of age claims requires 45 days to consider, 7 days to revoke, and written disclosure of the decisional unit, eligibility factors, and the job titles and ages of those selected and not selected. The 21-day period applies to individual separations, and pulling workers off the list by age is itself age-based decision-making.

167. Answer: C — It is lawful for economic strikers but often hardens and prolongs the dispute and damages labor relations for years.

Under the Mackay Radio doctrine, employers may permanently replace economic strikers, but replaced strikers keep their status and have preferential recall rights to vacancies under Laidlaw. The bigger strategic risk is that permanent replacement often escalates the conflict, divides the workforce and damages the company's reputation and labor climate long after the strike. Replacements need not be released when economic strikers offer to return, which is a rule that applies to unfair labor practice strikers.

168. Answer: C — Clear data-use and privacy terms, quality checks on the advice, and rules for human escalation

Enterprise AI coaching raises privacy, data ownership and advice-quality risks, so governance should settle how conversation data is used (including vendor model training), test the quality and bias of the advice, and define when issues such as harassment or safety concerns go to a human. Satisfaction scores do not address these risks. Funneling private conversations to HR would destroy trust and invite misuse, and a liability clause does not prevent harm.

169. Answer: B — Sensitivity analysis

Sensitivity analysis changes one assumption at a time and holds the others constant to see how much the result depends on that input. Monte Carlo simulation varies many inputs at once using random draws, scenario planning builds whole alternative futures that change several drivers together, and regression analysis estimates relationships between variables from historical data.

170. Answer: C — Water, rest and shade, acclimatization for new and returning workers, monitoring and emergency plans

There is no final federal heat standard, but OSHA can cite heat hazards under the general duty clause and has made heat a targeted inspection priority. The core controls are water, rest, shade, acclimatization (new and returning workers are most at risk), monitoring of conditions and workers, and emergency response. Leaving breaks to workers' discretion or keeping the schedule unchanged ignores the rest and acclimatization controls. Screening workers out instead of controlling the hazard raises ADA concerns and leaves the hazard in place.

171. Answer: B — Office of strategy management

Kaplan and Norton proposed the office of strategy management (OSM) to coordinate the processes that link strategy to operations, such as scorecard management, unit alignment, initiative management and strategy reviews. A project management office is the tempting choice, but it manages individual projects rather than enterprise strategy execution.

172. Answer: A — Coordinate through counsel to preserve evidence, cooperate with the DOJ, and avoid steps that could interfere.

In parallel investigations, counsel should manage contacts with the government, issue or expand legal holds and align the internal work with the government's process so it does not appear to tamper with witnesses or obstruct. Racing to interview witnesses first can look like interference, and ending the internal investigation leaves the company unable to understand and fix the problem.

173. Answer: A — Treat the posts as possible notice, look into the named region, and remind staff of reporting channels.

Specific allegations about a named leader can put the employer on notice, so the company should look into them using the facts it has, such as interviews in that region and exit data. Trying to unmask the authors can chill reporting and may interfere with employees' protected concerted activity. Waiting for an internal complaint is tempting, but the company cannot ignore credible information just because it arrived through an unofficial channel.

174. Answer: A — The definition sets the pool used for selection rates, so it can create or hide adverse impact

Selection rates divide the number selected by the number of applicants in each group, so who counts as an applicant directly changes the result. Counting people who never met basic qualifications or who withdrew can make a process look discriminatory or hide a real disparity, and inconsistent definitions make results across teams unreliable. A consistent, documented definition is needed before the 80% rule of thumb or statistical tests can be trusted.

175. Answer: B — $20,000 per FTE

HEVA = (NOPAT - cost of capital) / FTEs = ($12,000,000 - $8,000,000) / 200 = $20,000 per FTE. Dividing NOPAT alone by FTEs gives $60,000, which ignores the cost of capital, and dividing the cost of capital alone gives $40,000. Adding rather than subtracting the two amounts gives $100,000.

176. Answer: A — Share the timeline and transition options, and state that hiring decisions belong to the successor

Employees need accurate, timely information about the transition date, their status, any severance or redeployment options and how to engage with the successor, without the company promising jobs it does not control. Implying the successor will keep most staff is the tempting choice for retention, but it creates promises the company cannot keep. Silence fuels rumors, and urging people to leave can hurt contract performance during the final 90 days.

177. Answer: B — Most performance variation comes from the system, so rating individuals blames them for factors beyond their control.

Deming argued that most variation in performance is caused by the system (processes, tools, materials and management) rather than by individual workers, so individual ratings misattribute results and undermine teamwork. He urged managers to improve the system instead. Explanations focused on individual effort, hiring or rater error misstate his central point.

178. Answer: D — Buy specific and aggregate stop-loss coverage with attachment points set to risk tolerance.

Specific stop-loss reimburses claims above a set amount per person, and aggregate stop-loss caps total plan claims for the year, so together they limit catastrophic and overall risk. The attachment points should reflect the company's size, cash reserves and appetite for risk. ERISA preemption does not cap claims liability, and stop-loss is designed precisely to cover large claims.

179. Answer: C — At least 45 days to consider, 7 days to revoke, and written data on the ages and job titles of those selected and not selected.

For a group termination or exit incentive program, the OWBPA requires at least 45 days to consider the agreement, 7 days to revoke after signing, and written disclosure of the decisional unit, eligibility factors, and the job titles and ages of those selected and not selected. The release must also advise consulting an attorney in writing and cannot waive future claims. The 21-day period applies to individual terminations, which makes it the tempting near miss.

180. Answer: D — $250,000

ERISA requires each person who handles plan funds to be bonded for at least 10% of the funds handled in the prior year, subject to a $1,000 minimum and a $500,000 maximum ($1,000,000 for plans holding employer securities). Here 10% x $2,500,000 = $250,000. The $500,000 figure is the usual cap, not the requirement for this plan. The bond protects the plan against fraud or dishonesty and is not fiduciary liability insurance.

181. Answer: D — Focus on the largest gaps between profiles and decide what to increase, decrease and keep

Cameron and Quinn's approach compares the current and preferred profiles across the clan, adhocracy, market and hierarchy types. Leaders focus on the gaps that matter most to strategy and spell out what the organization should do more of, less of and continue. An equal balance is not the goal, because the preferred profile should reflect the strategy.

182. Answer: B — At least 21 days to consider, 7 days to revoke after signing, and written advice to consult a lawyer

For an individual separation, the OWBPA requires at least 21 days to consider the agreement, a 7-day revocation period after signing, written advice to consult an attorney, specific reference to ADEA rights, and consideration beyond what the employee is already owed. The 45-day period and the disclosure of ages and job titles apply to group exit-incentive or termination programs, not a single separation.

183. Answer: D — 1.5%

L&D as a percentage of payroll = $900,000 / $60,000,000 x 100 = 1.5%. The 0.15% and 15% figures are decimal-placement errors. The 1.1% figure divides by total compensation including benefits ($80 million) rather than payroll, which understates investment against the stated benchmark basis.

184. Answer: D — Facilitate a blame-free review of the decision process, then help the team agree on working norms

A structured, blame-free review moves the team from blaming people to understanding how it made the decision, which builds shared learning. Agreeing on working norms then guards against repeat breakdowns. Private venting and social retreats do not address the decision and information-sharing problems, and removing one executive makes a scapegoat of someone for a team decision.

185. Answer: B — Cross-functional teams organized around outcomes that reprioritize work in short cycles

Agile HR replaces fixed functional silos with flexible, multidisciplinary teams that work toward business outcomes and adjust priorities in short iterations. Self-service and flat reporting can coexist with agile ways of working, but neither defines the model.

186. Answer: B — Record types, retention periods by jurisdiction, record owners, systems of record and disposal methods

An enterprise schedule identifies each record type, the legally required period in each jurisdiction, who owns it, where it is stored and how it is disposed of, so retention and destruction are consistent and defensible. One longest period for everything causes over-retention and can conflict with data protection laws, and leaving disposal to managers produces inconsistent practice.

187. Answer: D — Assess whether the affiliate can have truly separate management, labor relations and assets, since shared control risks binding it.

Double-breasted operations can be lawful, but the NLRB looks past corporate form at ownership, management, interrelated operations and control of labor relations. Sharing offices, estimators and equipment makes it likely the affiliate will be treated as an alter ego or single employer and bound by the contract. Separate incorporation alone does not protect it, and shifting work before the structure is settled creates the very exposure the company wants to avoid.

188. Answer: D — $2.88 million

Each employee receives 8 years x 2 weeks = 16 weeks x $1,500 = $24,000, and 120 x $24,000 = $2,880,000. The $1.44 million figure uses 1 week per year, $360,000 ignores years of service, and $5.76 million double counts the weeks. The budget should also cover payroll taxes, benefit continuation and outplacement costs.

189. Answer: A — One that accepts responsibility, explains what happened, offers repair and commits to change

Research finds that acknowledging responsibility and offering repair are the most powerful elements of an apology, and that explanation and a commitment to change add to their effect. Regretting offense taken and stressing good intentions shifts focus away from the harm. Spreading blame or avoiding an admission of fault weakens the apology's credibility.

190. Answer: A — Model severance, notice, benefits and legal costs for each, plus adverse impact and talent risks

A board-quality comparison includes the full cost of each scenario, such as severance, notice obligations like WARN, benefits continuation and outplacement, plus risks such as adverse impact on protected groups, loss of critical skills and survivor productivity. Severance alone understates cost, a legal estimate alone ignores talent risk, and presenting one scenario fails to give the board the comparison it asked for.

191. Answer: D — From a dominant stakeholder to a definitive stakeholder

The model rates stakeholders on power, legitimacy and urgency. A stakeholder with power and legitimacy is dominant, one of the expectant types, and when urgency is added it holds all three attributes and becomes definitive, demanding management's immediate attention. A dependent stakeholder has legitimacy and urgency but lacks power, and a dangerous stakeholder has power and urgency but lacks legitimacy, so neither fits this investor.

192. Answer: A — $750,000

Indirect costs = $300,000 x 1.5 = $450,000, and total cost = $300,000 + $450,000 = $750,000. Reporting $450,000 counts only the indirect costs, $1,200,000 applies a 4:1 multiplier not given here, and $500,000 comes from dividing direct costs by the ratio and adding the result.

193. Answer: D — Run a confidential survey through a third party, report only groups of a minimum size, and disclose the linkage.

A confidential design captures the analytic value of HRIS linkage while protecting trust: a third party holds identities, results are shown only for groups large enough to prevent identification, and employees are told plainly how their data is used. Dropping the linkage gives up the attrition modeling the executives need when safeguards can address the trust risk. Giving executives or internal analysts access to individual-level responses is what erodes candor and participation.

194. Answer: A — Senior executives have no internal superior, so board review gives independent oversight of conflicts and risk.

Because top executives sit above the normal management chain, board-level disclosure provides independent oversight of conflicts of interest, favoritism and power imbalances that create legal and reputational risk. Disclosure reduces risk but does not immunize the company from harassment claims. It is not a general relationship ban, and no securities rule requires boards to approve officers' relationships.

195. Answer: B — 60

Required headcount = $150M / $375,000 = 400, so the company needs 400 - 340 = 60 more employees. 400 is the total headcount, not the increase. Dividing $150 million by current productivity ($120M / 340, about $352,900) gives about 425 and an increase of 85, which ignores the productivity target.

196. Answer: C — Clarify decision rights: who recommends, who must agree, who gives input and who makes the final decision.

Decision paralysis often comes from unclear decision rights rather than a lack of analysis, and a framework that assigns who recommends, who agrees, who gives input and who decides breaks the stalemate while keeping the right people involved. A consultant's recommendation still needs someone with clear authority to decide. Pursuing full consensus rewards blocking, and an abrupt CEO announcement sacrifices the input that makes the decision workable.

197. Answer: A — Its scope, membership, decision rights, escalation paths and how its decisions are documented

A charter establishes the board's authority: what it reviews, who serves, what it can decide or veto, how issues are escalated and how decisions are recorded. Without clear decision rights, an ethics board becomes advisory in name only. Vendor terms and model settings belong to procurement and technical teams, and a fixed banned list cannot keep up with new uses.

198. Answer: B — Match AI autonomy to the stakes and reversibility of the decision and how reliably the AI performs.

Sound human-AI work design sets the level of autonomy by risk: low-stakes, easily reversed tasks where the AI performs reliably can be automated, while high-stakes or hard-to-reverse decisions, such as those affecting employment, keep a human in the loop or in charge. Cost alone ignores harm, and limiting AI to advice everywhere gives up value on routine tasks. Leaving it to individuals produces inconsistent and unaccountable practice.

199. Answer: C — Actual collaboration and information flows, such as groups cut off from key networks

ONA maps who actually works with and seeks information from whom, using collaboration data or relationship surveys, so it can show whether certain groups are isolated from influential networks and opportunities. Feelings of belonging are what engagement surveys capture, labor market comparisons come from availability analysis and exit reasons come from exit interviews.

200. Answer: D — Presume a reportable breach unless an assessment shows low probability of compromise, and plan notices.

HHS treats a ransomware encryption of PHI as a presumed breach unless a documented risk assessment shows a low probability that the data was compromised. Notices to individuals are due without unreasonable delay and no later than 60 days after discovery. Because 500 or more individuals are affected, HHS must also be notified within that window, and because more than 500 residents of one state are affected, prominent media outlets in that state must be notified too. The annual HHS log applies only to breaches affecting fewer than 500 people.

201. Answer: B — A settlement zone exists between 3.5% and 4.0%.

The settlement zone runs from the union's resistance point (the least it will accept, 3.5%) to the company's resistance point (the most it will pay, 4.0%). Because 3.5% is below 4.0%, any settlement in that range is acceptable to both sides. Targets rarely overlap, so comparing them shows only opening positions, and the range from 2.5% to 5.0% includes outcomes one side would reject.

202. Answer: A — Deciding which employees transfer with the unit and building standalone benefits and payroll for it.

A carve-out separates a unit from its parent, so HR must determine exactly which employees go with it and stand up services the unit used to share, such as benefit plans, payroll, HRIS and policies, often through a transition services agreement in the meantime. Culture assessment, key talent retention and employee communications are important in almost every transaction. Retention planning is the tempting choice, but it is not unique to carve-outs.

203. Answer: C — A hard freeze stops all future accruals; a soft freeze stops only some, such as new entry or service credit.

In a hard freeze, no participant earns additional benefits for future service or pay increases. A soft freeze limits accruals only partly, for example by closing the plan to new hires or by stopping service credit while still recognizing pay increases. Neither type can reduce benefits already accrued, and freezing a plan is different from terminating it.

204. Answer: A — Link unit-level engagement to unit outcomes such as falls, adjusting for confounders

Engagement and care outcomes both occur at the unit level, so linking unit engagement to unit quality and experience metrics, while controlling for factors such as acuity and staffing, gives credible evidence and shows where to act. Benchmarks do not show a link to outcomes, nurse opinions are not evidence of impact, and mixing individual scores with a hospital-wide rating mismatches the levels of analysis.

205. Answer: D — Commit to transparency on a timeline that first fixes job mapping, remediates gaps and prepares managers

Readiness for pay transparency depends on a sound structure, defensible pay positions and managers who can explain pay. Committing to a clear timeline that first fixes these gaps lets the company move forward without exposing unexplained disparities or leaving managers unprepared. Publishing immediately would surface known problems before they are fixed, and advising against transparency altogether ignores the strategic and regulatory trend toward openness. Partial, indefinite secrecy undermines trust and consistency.

206. Answer: A — Perceived fairness of the process shapes reactions, so people accept results of a fair process more.

Procedural justice research shows that voice, consistency and the ability to correct errors lead people to see decisions as legitimate, even when outcomes are unfavorable. This perceived fairness supports trust and acceptance. Claims that fair processes work by raising ratings or making results predictable miss the actual mechanism.

207. Answer: D — 4.0%

Operating income is 6% of $100 million, or $6 million. A 5% wage increase adds $40 million x 0.05 = $2 million in cost, so operating income falls to $4 million, a 4.0% margin. Reducing the margin itself by 5% (to 5.7%) or subtracting 5 percentage points (to 1.0%) applies the increase to the wrong base, and 2.0% confuses the $2 million cost increase with the new margin.

208. Answer: C — Redeployment, reskilling and fair separation plans timed alongside the rollout.

Planning the people transition with the technology rollout lets the company redeploy and reskill workers where real openings exist, give any legally required notice (300 job losses at one site can trigger WARN Act 60-day notice, depending on site size, employer size and timing), offer fair severance and protect morale among remaining staff. Announcing after installation risks WARN violations and lost trust, opposing automation ignores strategy, and promising jobs for everyone may be impossible to keep.

209. Answer: A — Map key moments, keep a path to a person for sensitive cases and publish service levels

Shared services fail on perception when people feel they have lost access to help at important moments. Identifying those moments, building a clear escalation to a person for sensitive cases, and publishing service levels in advance addresses the concern directly. Running parallel structures with no end date keeps the cost and confusion, and fixing problems only after launch lets distrust take hold.

210. Answer: B — Model expected total pay, set hourly rates that protect earnings, and explain what stays the same.

Modeling expected hours and total pay lets the company set rates that preserve earnings, and clear communication about what is not changing addresses the status concern. A straight salary-to-hourly conversion with tight overtime limits can cut take-home pay and push work off the clock. Delaying a required reclassification prolongs legal exposure.

211. Answer: C — Basic underlying assumptions

Schein's deepest level of culture is basic underlying assumptions: unconscious, taken-for-granted beliefs that ultimately drive behavior and are the hardest to change. Espoused values are what an organization says it values, and artifacts are visible structures and practices. Climate is a related concept about employee perceptions, not one of Schein's three levels.

212. Answer: C — Have senior leaders model the standards and face visible, consistent consequences for violations

Employees judge an ethics program by what leaders do and whether rules apply to everyone, so trust returns when senior leaders visibly live the standards and are held accountable on the same terms as others. Training, campaigns and hotlines are useful supporting elements, but on their own they look like the paper programs employees already distrust after a scandal.

213. Answer: B — Agree to explore it, with joint IBB training for both teams and agreed ground rules before talks begin.

After a hostile round, a union proposal for IBB is an opportunity to repair the relationship, and IBB works best when both teams train together and agree on ground rules and data sharing first. Starting without preparation risks a quick return to positional habits. IBB doesn't legally require full disclosure of financial records, and carving out all economic issues in advance undermines the process.

214. Answer: A — Pilot skills-based practices in a few critical job families and build a skills taxonomy before scaling

Moving to a skills-based organization is a major change, so a phased approach that starts with critical job families, defines a common skills language and proves value before scaling manages risk and builds support. A company-wide switch overwhelms systems and managers, and technology can support a taxonomy but should not define it without business and HR judgment about which skills matter.

215. Answer: C — Privilege protects legal analysis but can keep employees and the public from learning of pay gaps

Companies often conduct pay equity audits under privilege so counsel can assess legal risk candidly without creating discoverable evidence. The tension is that confidentiality can conflict with commitments to transparency and fairness, because affected employees may not learn the findings. Privilege does not prevent the company from making adjustments, does not require sharing with the EEOC, and is intended to keep the analysis out of evidence.

216. Answer: B — Social and technical systems should be designed together for joint optimization

The Tavistock Institute studies by Trist and Bamforth found that mechanized longwall mining broke up self-regulating work groups and hurt productivity and well-being. This gave rise to sociotechnical systems theory, which holds that performance depends on jointly optimizing the social and technical systems. Optimizing the technology first and fitting people to it is the approach the research challenged, as is simplifying jobs into narrow tasks.

217. Answer: A — Decline to staff by race, and staff the account based on job-related skills the client actually needs.

Assigning work by race at a client's request is disparate treatment under Title VII, and customer preference is never a defense; race cannot be a bona fide occupational qualification. The CHRO should decline and explore the client's underlying needs, such as industry expertise, so the account can be staffed on job-related qualifications. Telling consultants the client chose the team does not reduce the firm's liability, and the business-necessity defense applies to neutral practices with disparate impact, not to explicit race-based assignments.

218. Answer: D — Cross-functional leaders work through a realistic scenario's decisions, then fix gaps

A tabletop exercise works when HR, IT security, legal, communications and other decision-makers walk through a realistic, evolving scenario, make the real decisions on notification, employee communication and vendor coordination, and produce an after-action plan. A briefing transfers information but does not test decisions under pressure. Phishing tests and certification reviews measure prevention, not response readiness.

219. Answer: A — 50%

ROI = (total benefits - total cost) / total cost = ($1,500,000 - $1,000,000) / $1,000,000 = 0.50, or 50%. Dividing gross savings by cost ($1.5M / $1M) gives 150%, which ignores the cost that must be recovered first. Dividing the net gain by savings ($0.5M / $1.5M) gives 33%, and dividing cost by savings gives 67%; neither uses the investment as the base.

220. Answer: B — About $22.1 million

Compounding means applying the trend to each year's new base: $18M x 1.07^3 = $18M x 1.225 = about $22.05M. The $21.8M figure adds 7% three times to the original base (simple growth of 21%), which understates the cost. $20.6M is only two years of trend, and $23.6M is four.

221. Answer: A — Explain that the board owns CEO succession and offer HR's role in designing and running the process

Selecting the CEO is one of the board's core governance duties, so the board must own the succession process and decision, with the CHRO acting as architect and facilitator through assessments, development plans and data. Handing ownership to HR or to the sitting CEO weakens governance and invites conflicts of interest, and a search firm can support the process but cannot replace the board's accountability.

222. Answer: A — Bargaining requires good-faith negotiation toward agreement on mandatory subjects, not just notice

Under the NLRA, changes to mandatory subjects such as hours and shift assignments require good-faith bargaining before implementation, meaning meeting, exchanging proposals and trying to reach agreement, not just announcing a plan. Bargaining must happen before the change is made. The duty to bargain does not require agreeing to the union's proposals, only negotiating in good faith.

223. Answer: D — Treat it as a valid request, respond on time, and apply lawful limits with counsel

Under the GDPR, an access request generally must be answered within one month (extendable for complex requests) regardless of the requester's motive, so a litigation purpose is not by itself grounds for refusal. The company should conduct a reasonable search, protect third parties' data, apply legal exemptions such as privilege with counsel, and keep the response consistent with its litigation strategy. Producing everything unreviewed exposes other people's personal data and privileged material.

224. Answer: B — Trust and engagement survey trends, regretted turnover, speak-up and retaliation data, and internal promotion rates

Boards need leading and lagging indicators that reflect how employees actually experience leadership and culture, such as trust trends, regretted turnover, speak-up activity and retaliation complaints, and internal mobility. Headcount and cost metrics describe the workforce's size and spending, not its culture. A single annual score is too infrequent and aggregated, and external ratings and awards are partial and easily skewed.

225. Answer: A — Planning dismissals that reach a set number within a defined period, before decisions are final

The directive applies when an employer contemplates dismissals reaching numerical thresholds within a period such as 30 or 90 days, and consultation must begin in good time, while it can still affect the outcome. Consulting after a final decision defeats its purpose, a single dismissal is not a collective redundancy, and the U.S. WARN thresholds are a different law.

226. Answer: D — Set enterprise criteria for which roles qualify for which arrangements, with limited discretion.

Enterprise criteria based on role requirements create consistency and fairness, while limited discretion lets managers address team needs. Documentation alone does not reduce inconsistency, moving every decision to HR removes those who know the work, and automatic approval ignores real operational requirements.

227. Answer: A — Compare pay with credible local living-wage benchmarks, cost the gaps, then set a phased goal.

A credible living wage commitment starts with comparing current pay to reliable, location-specific living wage estimates, costing any gaps and then setting a realistic, verifiable timeline. Announcing first risks a public promise the company cannot fund. A single dollar floor ignores local living costs, and legal minimum wages in many countries fall well below a living wage.

228. Answer: C — It stays in force because the same corporate employer remains

In a stock purchase, the legal entity that employs the workers does not change, so its collective bargaining agreement and other obligations remain in effect. In an asset purchase, by contrast, a buyer that is a successor usually must recognize and bargain with the union but is often free to set initial terms. The majority-of-workforce test applies to successorship after asset deals, not to stock purchases.

229. Answer: C — Structure follows strategy: firms change their structure to fit new strategies.

Chandler found that as firms such as DuPont and General Motors adopted new growth strategies, administrative problems followed until they adopted new structures, most notably the multidivisional form. The reverse claim, that structure constrains strategy, is a later critique of Chandler rather than his thesis.

230. Answer: B — Shift transactional work to shared services and self-service and redefine HRBP accountabilities

HRBPs can work strategically only when transactional work has another reliable home, such as shared services, centers of expertise or self-service. Their role then needs clear strategic accountabilities agreed with business leaders. Adding HRBPs spreads the same transactional model more thinly. A new title changes nothing, and telling HRBPs to refuse requests with no other channel frustrates managers.

231. Answer: A — Find where labor cost and process waste concentrate, then target productivity gains through redesign and skills.

Buyer power is a lasting pressure, so the response should raise output per labor dollar where the gains are, through analysis of cost drivers, process improvement, cross-training and better scheduling. Across-the-board cuts and freezes reduce cost but can damage quality and capacity in the areas that serve the key customer. Eliminating overtime may simply require more hiring or hurt delivery if demand is uneven.

232. Answer: D — A governance process covering approved tools, data handling, expert review and IP checks.

Governance lets the team gain speed while controlling the main risks: confidential data entered into unapproved tools, inaccurate content and unclear intellectual property rights. Expert review before release protects accuracy. A total ban gives up real benefits, labeling does not prevent errors or data leaks, and relying on learners to find errors exposes employees to wrong information.

233. Answer: D — Rank specialties by knowledge criticality and loss risk, then fund tailored transfer methods for each

With limited resources and many specialties, the company should assess which knowledge is most critical and most at risk, then match methods to the type of knowledge, such as mentoring and job shadowing for tacit expertise and documentation for explicit knowledge. A one-size handbook requirement captures little tacit knowledge, and blanket phased retirement or external hiring ignores where the real risk lies.

234. Answer: C — Map task-level impact, redesign roles and build reskilling paths, communicating early

When a large share of tasks changes, roles must be redesigned around the new mix of human and AI work, and employees need specific reskilling pathways and early, honest communication to sustain engagement. Replacing incumbents through attrition wastes institutional knowledge and is usually slower and costlier. Generic awareness training does not prepare people for redesigned roles.

235. Answer: D — To separate normal process variation from unusual variation that needs investigation

Control limits describe the process's own natural variation. Points within them reflect common-cause variation, while points outside them, or unusual patterns, signal special causes that warrant investigation. Control limits come from the data and are not targets or specification limits, which are set by the business or by customers.

236. Answer: B — Buying the stock keeps the contract binding on the same employer, so the plan changes must first be bargained.

In a stock purchase the employing entity does not change, only its owner, so the collective bargaining agreement stays fully in force and changes to mandatory subjects such as benefits must be bargained. The freedom to set initial terms belongs to some asset-purchase successors who are not bound by the seller's contract, which is why that option confuses the two deal structures. A stock deal neither ends the contract nor splits wage terms from benefit terms.

237. Answer: D — Succession risk

Succession risk arises when critical roles or knowledge depend on individuals without ready successors, so a departure would disrupt key operations. Capacity risk concerns having enough people overall, compliance risk concerns breaches of laws and regulations, and cultural risk concerns behaviors and norms that undermine strategy.

238. Answer: B — Notify affected employees promptly with facts on what happened, what the company is doing, and the protection offered.

Once the scope is confirmed and notice is required, trust is protected by prompt, direct, specific communication that explains what happened, what is being done and what support, such as credit monitoring, is available. Waiting for a final forensic report delays information employees need to protect themselves. The employer remains accountable for its employees' data, so handing communication to the vendor or sending a vague notice would look evasive.

239. Answer: C — Major disputes involve making or changing agreements; minor disputes involve applying them and go to binding arbitration.

Under the RLA, a major dispute concerns forming or changing an agreement on rates of pay, rules or working conditions and goes through notice, negotiation and National Mediation Board mediation, with the status quo kept in the meantime. A minor dispute concerns interpreting or applying an existing agreement and goes to binding arbitration before an adjustment board, and the parties cannot strike over it. Size, dollar value and subject matter do not decide the category.

240. Answer: B — 12 months now; 10 months with the hires

Current runway is $9,000,000 / $750,000 = 12 months. The hires add 10 x $180,000 / 12 = $150,000 per month, so burn rises to $900,000 and runway falls to $9,000,000 / $900,000 = 10 months. The 11.8-month figure adds the cost of only one hire. The 9.6- and 8-month figures wrongly subtract a full year of hire costs from cash, and the 8-month figure also counts those costs again in the burn.

241. Answer: B — Decline it, since expression scoring can screen out people by disability or national origin and lacks validity.

Facial expression and eye contact vary with disabilities such as autism or facial paralysis and with cultural norms tied to national origin, so scoring them can screen out protected groups. The link between expressions and job performance is not established, so the company could not show job relatedness. Consent does not waive discrimination protections, and a tiebreaker can still decide outcomes.

242. Answer: B — Advise against announcing a new, unplanned raise while the election is pending, since it can be seen as buying votes.

During a pending election, an employer should act as it would if no union were present; granting a new benefit that was not already planned can be found to be an unlawful attempt to influence the vote. Applying it companywide does not cure the problem because the petitioned site's employees still receive it. Excluding the petitioned site would be discriminatory, and tying it to the vote is an unlawful promise.

243. Answer: B — Start with a small expatriate team whose goals include developing named local successors.

A planned-localization approach uses expatriates for startup and knowledge transfer while making successor development an explicit, measured part of their role, which is how the five-year goal becomes realistic. Putting untested locals in every role on day one risks the launch, while open-ended expatriate or third-country staffing postpones localization and leaves the board's goal without a plan.

244. Answer: D — Link reward spending to outcomes such as regretted turnover, revenue per employee and offer acceptance, and track them over time.

Evidence of return requires linking spending to business and talent outcomes the board cares about, such as retention of key talent, productivity and hiring success, and showing trends over time. Satisfaction scores, peer benchmarks and cost breakdowns are useful inputs, but none shows whether the spending changes results. Spending at the market median shows competitiveness, not return.

245. Answer: B — Transformational leadership

Transformational leaders inspire followers through vision, inspirational motivation, intellectual stimulation and individualized consideration, which makes the style well suited to leading large-scale change. Transactional leadership relies on rewards and corrective action tied to set goals, laissez-faire leadership is hands-off, and authoritarian leadership centers decisions on the leader without inspiring commitment.

246. Answer: A — 40

At a span of 6, the unit needs 600 / 6 = 100 first-level managers; at a span of 10, it needs 600 / 10 = 60, so 40 fewer positions are needed. The figure of 60 is the new number of managers rather than the reduction, 100 is the current number, and 4 is simply the change in span. The CHRO should also plan for the added workload and development needs of managers with larger teams.

247. Answer: C — Define the business problem, favor outcome-based metrics, and limit any monitoring to proportionate, disclosed uses after legal review.

Broad keystroke surveillance can hurt trust and retention, may not measure real output, and must comply with notice laws in some states and with the NLRA where it chills protected activity. Defining the problem, measuring results and limiting monitoring to transparent, proportionate uses is the balanced approach. Secret monitoring raises legal and ethical risk. Company ownership of devices does not settle every legal question, and monitoring is not illegal across the board.

248. Answer: D — Paying the higher of the actual or prevailing wage, and offering equal benefits

An H-1B employer must attest that it will pay the higher of the actual wage paid to similarly situated workers or the prevailing wage for the occupation and area, and offer benefits on the same basis as to U.S. workers. A model built on paying H-1B workers less than comparable staff would violate the attestation. Prevailing wage alone is not enough when the employer's actual wage is higher.

249. Answer: D — Stay visibly involved with peers and in key forums, using the director for day-to-day leadership

Sponsorship cannot be delegated without losing its effect: business leaders asked to give up top talent need to see a peer-level executive personally committed, and the sponsor is the one who can build coalitions with them. The director can run the project, but sending a subordinate signals low priority, and waiting for resistance to appear before engaging is more costly than preventing it.

250. Answer: A — Have counsel direct an analysis of whether the gap holds after controlling for role, infraction and history.

A disparity is a signal, not a conclusion, so the first step is a rigorous, ideally privileged analysis that controls for legitimate factors to see whether unexplained differences remain and where discretion enters. Concluding there is no problem because each case was documented ignores how inconsistent discretion can still produce disparate outcomes. Group-based targets would themselves be unlawful, and public disclosure before analysis creates legal risk.

251. Answer: D — The required policy applies only after an accounting restatement, so it would not reach misconduct with no restatement.

Rule 10D-1 and the related listing standards require no-fault recovery of erroneously awarded incentive pay from current and former executive officers, but only after an accounting restatement. Misconduct, compliance failures or reputational harm that cause no restatement fall outside the required policy, so boards add discretionary triggers to cover them. The required policy already reaches all executive officers and focuses on pay tied to financial reporting measures.

252. Answer: D — Retain the losses through self-funding while investing in loss prevention

Frequent, low-severity losses are predictable enough to budget, so retaining them through self-funding or a high deductible is usually cheaper than paying an insurer's premium loading. Loss prevention reduces how often the losses occur. Buying low-deductible coverage for predictable small losses mostly trades dollars with the insurer while adding its expenses and profit.

253. Answer: A — Acknowledge the decision, explain the experience gap behind it, and agree on a development plan

When a high potential asks directly, candor about the specific gap, paired with a concrete development path such as a P&L assignment, keeps her trust and gives her a reason to stay. The CHRO can do this without revealing who is on the slate. Refusing to discuss it or deflecting to the committee signals that she is not valued, and promising a future slate commits the company to an outcome it cannot guarantee.

254. Answer: C — Give more detail on timelines, procedures and roles to reduce ambiguity

Cultures high in uncertainty avoidance are uncomfortable with ambiguity and value rules, structure and clear plans, so change messages there should spell out timelines, procedures and responsibilities. Brief, high-level messages are tempting for a global rollout, but they leave the ambiguity these employees find most stressful. Stressing flexibility or distant vision likewise fails to supply the structure they seek.

255. Answer: A — Giving people a chance to express their views raises perceived fairness even if the outcome holds

Procedural justice research, starting with Thibaut and Walker, finds a voice effect: people see a process as fairer when they can express their views, even when the final outcome does not change. Voice has both instrumental and expressive value, so its effect does not depend only on changing the decision. Voice is a procedural element, not part of distributive justice.

256. Answer: C — The EEOC is not bound by the agreement and may sue for victim-specific relief, such as back pay

In Waffle House, the Supreme Court held that an arbitration agreement between employer and employee does not bind the EEOC, which is not a party to it. The agency may bring its own enforcement action and seek victim-specific relief, including back pay and damages. Employees can still be bound to arbitrate their own claims, and the EEOC does not need to wait for an arbitration result.

257. Answer: D — Approved uses, how data and outputs are governed, what is monitored, and how roles may evolve.

The launch message should answer the specific concerns employees raised: what they may do, how data is protected, whether use is monitored, and what the tool means for jobs. Clear governance and honesty about job impact build trust and responsible use. A productivity pitch or a prompt-writing tutorial leaves those questions open, and a vague reassurance invites skepticism.

258. Answer: C — They ban requiring union membership or fees as a job condition, but the duty to bargain stays the same.

Section 14(b) lets states prohibit union-security agreements, so employees cannot be required to join or pay a union to keep their jobs. The union remains the exclusive representative of the whole unit, the employer must still bargain with it, and the union still owes all unit employees a duty of fair representation. Nonmembers cannot negotiate separate terms with the employer.

259. Answer: C — Revise agreements to define confidentiality limits, including disclosure of illegal acts

Coaching agreements, usually set up among the coach, client and sponsor, should spell out up front what stays confidential and the exceptions, such as illegal conduct or risk of harm, and how disclosure will occur, consistent with coaching ethics codes. Routine sharing of session notes destroys the trust coaching needs, while unlimited confidentiality leaves the company exposed.

260. Answer: A — Trends in survey items on pressure and speaking up and in repeat misconduct, against a baseline.

Behavior change shows up in how employees experience pressure and speaking up, and in what happens to misconduct, measured against data from before the rewrite. Acknowledgment and completion rates show reach, not impact. A fall in helpline reports is the trap: it can mean less trust in the system rather than less misconduct.

261. Answer: D — Have outside counsel direct the audit and engage any consultants, so the work is privileged.

Privilege attaches when the audit is conducted at counsel's direction to give legal advice, so counsel should engage any consultants and receive the findings. Marking an internal HR review 'confidential' does not make it privileged, and a consultant report sent straight to the CEO is a business document that is likely discoverable. Business-unit self-certifications create unprotected written records without legal analysis.

262. Answer: A — Investigate the leak, have leaders hold candid career talks with both executives, and tighten access

The CHRO must address the breach, retain critical talent and protect future confidentiality. Honest development conversations about the executives' value and paths forward preserve trust, while an investigation and tighter access controls address the leak. Denying the slate or calling it outdated is dishonest, and adding names under pressure undermines the integrity of the succession process.

263. Answer: D — Early low-cost hurdles screen out unqualified applicants before costly later steps

In a multiple-hurdle design, candidates must pass each stage before moving on, so inexpensive steps such as online screens can narrow a very large pool before costly steps such as interviews. Allowing a high score to offset a low one describes a compensatory model. Each hurdle still needs validity evidence, and adverse impact depends on the content of the steps, not the design alone.

264. Answer: C — Have leaders explain the rationale and future plan openly, reset workloads, and give managers support for team conversations.

Survivor syndrome stems from lost trust, uncertainty and heavier workloads, so leaders must communicate openly about why the cuts happened and what comes next, and redistribute work realistically. Avoiding the topic increases rumor and anxiety. Celebrations or bonuses can seem tone-deaf and do not address workload or trust.

265. Answer: B — 80%

ROI = (benefit - cost) / cost. Benefit = 9 x $30,000 = $270,000. ROI = ($270,000 - $150,000) / $150,000 = $120,000 / $150,000 = 80%. Dividing the full $270,000 benefit by the cost gives 180%, which is the benefit-to-cost ratio, not ROI, and dividing net benefit by total benefit gives about 44%.

266. Answer: C — Meet privately with the COO, review the usage data together, and explore other ways to meet his goals.

Persuading an executive to drop a project he owns works best privately, with shared review of objective data and a focus on his underlying goal, which lets him change course without losing face. Raising it publicly first can embarrass him and harden his position. Renewing to avoid conflict wastes money, and going through the CFO is indirect and erodes trust.

267. Answer: D — Pay this deal as the plan provides, and add a defined large-deal provision to next year's plan with clear crediting rules.

Without a windfall provision, reducing an earned commission after the fact undermines plan credibility and may violate state wage payment laws that protect earned commissions. The right fix is prospective: define large-deal review, crediting and payout limits in the plan document before the next year begins. Retroactive cuts, invented credit splits or private side deals all apply rules that were not in the plan when the sale was made.

268. Answer: D — The dollar gain in hire performance from a valid tool, net of its costs

Utility analysis turns a selection tool's validity into dollars by combining the number hired, tenure, validity, the dollar value of performance differences (SDy) and the quality of those selected, then subtracting testing costs. The validity coefficient is one input to the model, not its output. The pass rate (related to the selection ratio) is also only an input.

269. Answer: A — Galbraith's Star Model

Galbraith's Star Model holds that strategy, structure, processes, rewards and people practices must be aligned; a new strategy fails when structure, processes and rewards still support the old one. Force field analysis weighs driving and restraining forces, Kotter's model sequences change leadership steps, and Bridges' model addresses individuals' psychological transitions, so none directly explains the design misalignment.

270. Answer: B — Build scenarios for different policy outcomes and adopt actions that work in most of them, such as global hubs and domestic pipelines.

When a material policy outcome is uncertain, the strategic approach is to model plausible scenarios and act on moves that are robust across them, such as building engineering capacity in other countries and growing domestic talent pipelines, while monitoring signposts. Halting sponsorship now gives up talent the company may still be able to hire, waiting leaves it unprepared, and racing to file is a one-scenario bet that does not address the longer-term risk.

271. Answer: B — Use targeted retention awards for sustaining the legacy product and offer funded paths into cloud roles

The company needs these engineers to keep the legacy product running during the transition and benefits from their domain knowledge afterward, so retention incentives paired with a credible reskilling path address both needs. Bonuses with no future role leave top talent looking elsewhere once the payout is secured. Moving everyone at once leaves the legacy product unsupported, and replacing the engineers wastes institutional knowledge.

272. Answer: B — Upper echelons theory

Upper echelons theory (Hambrick and Mason) holds that organizational outcomes reflect the characteristics of top managers, because their experiences and values shape how they interpret situations and make strategic choices. Resource dependence theory concerns control of critical resources, contingency theory matches structure to the environment, and principal-agent theory addresses conflicts between owners and managers.

273. Answer: A — Compare cost, perceived fairness and talent reach under each model and test them against the company's pay strategy

Both models are legitimate. National rates simplify administration, widen talent reach and feel fair to many employees but cost more in lower-cost areas, while geographic tiers control cost but can feel inequitable to remote staff doing the same work. The CHRO adds the most value by framing these trade-offs against the company's strategy and budget. Federal law does not prohibit location-based pay, practice varies widely across employers, and letting employees pick their own model is unworkable.

274. Answer: A — X predicts performance better, so it should produce a larger gain from selection

A validity coefficient is the correlation between assessment scores and job performance. All else equal, expected utility rises in proportion to validity, so 0.45 offers more than twice the gain of 0.20. Variance explained is the square of the coefficient (about 20% versus 4%), not the coefficient itself, and there is no 0.50 threshold; coefficients of 0.30 to 0.45 are generally considered useful.

275. Answer: B — Tie the request to the growth plan, quantify the cost of staffing gaps, and secure the subsidiary CEO's sponsorship.

A board that views HR as overhead responds to proposals framed as enabling its own strategic and financial goals, so tying the system to the growth plan, quantifying the cost of staffing shortfalls and securing the subsidiary CEO's sponsorship gives the request business credibility. A features list keeps it framed as an HR expense. Diverting funds may weaken other programs, and handing off the request forfeits ownership.

276. Answer: A — Horizontal alignment, meaning fit among the HR practices themselves

Horizontal (internal) alignment is the fit of HR practices with one another, so they reinforce rather than contradict each other. Vertical alignment, the most tempting choice, is the fit between the HR system and the business strategy; the CHRO's review here compared practices only to each other, not to the strategy.

277. Answer: B — Core global standards that apply everywhere, supported by local guidance on applying them

The principle-based approach sets non-negotiable global standards, such as anti-bribery and respect, and adds local guidance or examples, such as gift thresholds and local law, to help employees apply them. Separate codes fragment ethical standards, a rigid rulebook ignores legitimate local differences and letting local customs override the code would permit practices such as bribery that the company must prohibit everywhere.

278. Answer: A — It gathers facts about a person's behavior and situation and tailors steps to reduce the risk.

Behavioral threat assessment and management uses a multidisciplinary team to gather information about concerning behavior and circumstances, judge whether a person is on a path toward violence, and apply tailored interventions that may include support, discipline or law enforcement. Automatic termination is the zero-tolerance approach it replaces. Profiling is not reliable, and police are one possible partner rather than a substitute for the team.

279. Answer: B — They predict future capability with little observable evidence, so raters fall back on fit and stereotypes.

Performance ratings can be anchored in results and observed behavior, but potential is a forecast about future roles that often has no agreed definition. With little evidence to go on, raters lean on impressions such as confidence, similarity to current leaders and assumptions about commitment, which is where stereotypes enter. Rating frequency and scale design can matter, but they are not the main reason potential is more bias-prone.

280. Answer: B — Economic, legal, ethical, philanthropic

Carroll placed economic responsibility (being profitable) at the base, followed by legal responsibility (obeying the law), ethical responsibility (doing what is right beyond legal requirements), and philanthropic responsibility (being a good corporate citizen) at the top. The pyramid reflects that the lower levels are foundational expectations, while philanthropy is desired but discretionary.

281. Answer: D — Independent review of data and definitions makes the reported metrics more credible.

Assurance tests whether metrics are calculated consistently from reliable data using stated definitions, which gives investors more confidence that the figures are accurate and comparable over time. SEC human capital disclosure rules are principles-based and do not require an audit of each metric. Assurance does not reduce disclosure obligations or create immunity from liability for misleading statements.

282. Answer: C — Work with the broker and counsel to benchmark exposure and decide on limits or an excess layer.

Limit decisions should rest on an analysis of the company's own exposure, peer benchmarks, the cost of added limits and the board's risk appetite, so a structured review with the broker and counsel is the best step. Doubling limits on the basis of two outside verdicts skips that analysis. Prevention matters, but training does not transfer the financial risk of a large verdict, so it is not a substitute for adequate limits.

283. Answer: A — John Henry effect

The John Henry effect occurs when a control group, aware of the comparison, works harder to compete with the treatment group, which shrinks the measured difference and can make an effective program look weak. Resentful demoralization is the opposite control-group reaction, in which employees who were not selected lose motivation and perform worse. The Hawthorne effect refers to people changing behavior because they know they are being studied, typically the treatment group, and the Pygmalion effect involves performance rising to meet others' expectations.

284. Answer: A — The notice names the exact start date and time, so the 10 days must be used to arrange replacement staffing and patient care.

Section 8(g) of the NLRA requires a union to give a health care institution at least 10 days' written notice of the date and time of a strike or picketing so the institution can plan for patient care. Leaders should use the period to secure replacement staff, adjust admissions and arrange transfers as needed. The 80-day injunction applies only to national emergency disputes, the notice does not create impasse, and nurses who properly give notice may strike.

285. Answer: A — Each program must be justified from scratch on its value rather than carried over from last year.

Zero-based budgeting starts every budget line at zero, so each program must be justified on its current value and priority. Incremental budgeting, which adjusts last year's figures, is the approach it replaces. Chargeback funding and use-it-or-lose-it rules are separate budgeting practices.

286. Answer: A — Present company data and research on age and life stage, and reframe the issue around real performance drivers.

A CHRO counters a stereotype most effectively with evidence: internal data and research showing that differences track tenure, role and life stage rather than birth cohort, followed by a focus on the real drivers of performance. Calling the remark unlawful age discrimination overstates the law, since the ADEA protects workers 40 and older. A survey that asks why younger staff are less committed assumes the stereotype is true.

287. Answer: A — Lay out the evidence and risk for the president, and if he still refuses, escalate to the CEO under the policy.

Failing to act on a substantiated finding exposes the company to liability and signals that high performers are exempt. The CHRO should first try to influence the president with the evidence, legal exposure and cultural cost, and then use the governance path the policy provides. HR imposing discipline over the line's head bypasses the policy, and reopening a sound investigation because a leader dislikes the result undermines the program's credibility.

288. Answer: B — When testing a new market with a small team before forming an entity; less control at a higher cost

An EOR lets a company hire quickly in a country without setting up its own entity, which suits small teams and market tests. The trade-off is less direct control over employment terms and a per-employee cost that becomes uneconomic at scale. An EOR doesn't remove the obligation to comply with local employment law, since it employs workers under that law.

289. Answer: D — Find which cultural practices drive the target's innovation, protect them via selective integration, and keep key innovators.

When the deal's value rests on the target's culture, the CHRO should identify the specific practices behind its innovation, such as decision rights and team autonomy, protect them while integrating only what is needed (such as regulatory quality controls), and retain the key innovators. Full integration risks destroying what was bought. Complete separation ignores required controls and synergies, and retention bonuses alone keep people without protecting how they work.

290. Answer: C — 2.875%

The total budget is $10,000,000 x 3.5% = $350,000. Top performers use $2,000,000 x 6% = $120,000, leaving $230,000 for the remaining $8,000,000 of payroll: $230,000 / $8,000,000 = 2.875%. Dividing the $230,000 by the full $10 million payroll gives the 2.3% error, and 3.0% comes from subtracting the 2.5-point premium weighted at 20% without rescaling to the remaining 80% of payroll.

291. Answer: B — Coaching is part of everyday interactions among leaders and peers and is reinforced by HR systems.

A coaching culture exists when coaching is a normal way of working across levels, in feedback, development conversations and problem-solving, and is reinforced by performance management, leadership expectations and recognition. Executive coaching budgets, required courses and departmental funds are useful inputs, but on their own they do not make coaching part of how people work every day.

292. Answer: C — Title VII liability can arise if an alternative with less adverse impact serves the same need and is not adopted.

Under Title VII as amended in 1991, even after an employer shows job relatedness and business necessity, a plaintiff can still prevail by showing an alternative practice with less disparate impact that would serve the employer's legitimate needs and that the employer refused to adopt. Validation alone is therefore not a complete defense, but the law does not require equal selection rates.

293. Answer: B — A pre-program ROI forecast from estimated impact and full costs, later checked with actual results

When leaders must decide before launch, a forecast ROI built from expert estimates of business impact and fully loaded costs gives them a basis for the investment decision. The forecast should be stated with its assumptions and later checked against measured results. A post-program study comes too late for this decision, reaction data does not measure business impact, and other companies' results may not transfer.

294. Answer: B — Create a shared decision charter that builds in pre-meeting consultation and sets clear decision deadlines

An explicit team charter blends the strengths of both norms: early consultation builds the consensus Japanese colleagues expect, while agreed deadlines meet the U.S. need for speed. Imposing either culture's norm leaves the other group feeling disrespected, and splitting decisions by region defeats the purpose of a global team.

295. Answer: D — Obtain competitive proposals from qualified vendors to strengthen the BATNA

A stronger best alternative to a negotiated agreement (BATNA) is the main source of negotiating leverage, so credible proposals from other qualified vendors reduce the vendor's advantage from switching costs. Revealing the budget gives away information and anchors terms against the company. A walk-away price should come from the alternatives, not the current price, and rapport is helpful but no substitute for leverage.

296. Answer: C — Short mobile-friendly applications, candidate communication tools and conversion data by step

The business problem is candidate drop-off that damages the employer brand, so the criteria should target a fast, mobile-friendly application, timely candidate communication and data showing where candidates abandon. Cost, timeline and recruiter reporting matter but do not solve the problem, and longer screening questionnaires would likely increase abandonment.

297. Answer: C — Pair practice-based skill building with clear expectations and accountability

Training alone did not change behavior, so the initiative needs to combine practice and coaching with expectations that managers will give regular feedback, measured through employee input and reinforced in their own goals and reviews. Repeating the same course is unlikely to produce different results. An app or guide can support the effort but does not create the skill or the accountability needed for lasting change.

298. Answer: B — Employees who join ERGs may already be more engaged, so the ERG may not be causing the difference

Membership is voluntary, so the people who join may differ from those who do not, for example by being more engaged or connected, which is selection bias. Without controlling for these differences, for instance with matched comparisons or pre-joining data, the lower turnover cannot be attributed to the ERG. A 12% gap can matter, unequal group sizes do not prevent comparing rates, and the claim about new employees is unsupported and would not explain the pattern anyway.

299. Answer: D — A net savings of about $1.44 million

Additional exits = 1,200 x 0.02 = 24, and 24 x $40,000 = $960,000 in turnover cost; $2,400,000 - $960,000 = $1,440,000 net savings. A result of $1.92 million comes from using only 1 point of turnover (12 exits), and $3.36 million adds the turnover cost instead of subtracting it. Treating 2 points as 20% gives 240 exits and a false net cost of $7.2 million.

300. Answer: C — An emergency succession plan naming an interim leader and the steps to take within the first days

An emergency succession plan covers an immediate, unplanned loss of a key executive: it names who steps in on an interim basis, who holds which authorities, and how stakeholders are told. A long-term succession plan builds future candidates but does not answer who leads tomorrow. Talent reviews and rotation programs feed succession planning without providing an immediate response to a sudden vacancy.

301. Answer: D — Meet key executives one-on-one to test and shape the idea, then bring a proposal they already support.

Coalition building at the top works by engaging influential executives individually before the formal meeting, so their concerns shape the proposal and they arrive as supporters rather than skeptics. Unveiling a proposal cold in a group invites public objections. Using the CEO's authority to impose the change produces compliance, not commitment, and an HR-only pilot does not test the effects on other functions.

302. Answer: D — Collect ratings and evidence in advance, use a neutral facilitator, and have the senior leader speak last.

Anchoring happens when the first or most powerful voice sets the reference point, so independent pre-submission, an HR facilitator who keeps discussion on evidence, and having senior leaders speak last limit that influence. Excluding executives removes the cross-unit perspective calibration needs. Letting the executive set ratings makes the problem worse, and voting after biased discussion still reflects the anchor.

303. Answer: A — Measure assignment ROI against business objectives and track repatriate retention after return.

Judging the program's value requires comparing each assignment's cost with whether it met its business objectives, such as starting up a project or transferring skills, and tracking whether repatriates stay and use what they learned. Many companies lose a large share of repatriates within a few years, which erodes the return. Cutting assignments or packages reduces cost without knowing which assignments create value, and benchmarking costs does not measure return.

304. Answer: D — Validate it against job-related outcomes and test it for adverse impact before allowing any use in selection.

A selection tool must be job-related and free of unjustified adverse impact, and a model built for another purpose may rely on proxies for age, caregiving, or other protected characteristics. Governance should require validation and adverse impact testing before any live use. Piloting in real decisions exposes candidates to an unvalidated tool, high accuracy does not show fairness, and a tool used as a tiebreaker still affects selection outcomes.

305. Answer: C — Equip regional leaders to cascade the strategy in person, adding local context and dialogue to the core message.

In high-context cultures, meaning depends heavily on relationships, setting and who delivers the message, so a trusted local leader explaining what the strategy means locally, with room for discussion, builds understanding and trust. Translation addresses language but not context or relationships. Simpler emails and read-receipts still rely on a low-context written channel.

306. Answer: C — The full cost of assaults, including turnover, agency staffing, lost time and claims, against program cost.

A CFO will weigh the program against the total cost of the problem, which includes nurse turnover, agency and overtime spending, lost workdays, workers' compensation and care quality, not just injury severity. Peer spending and survey data add context but do not show a return. There is no specific federal OSHA workplace violence standard for hospitals; OSHA relies on the General Duty Clause.

307. Answer: C — As a required base layer whose costs are budgeted before voluntary benefits

Mandated benefits are required by federal or state law, so they form the foundation of total rewards and their costs must be budgeted first. Voluntary benefits such as health plans and retirement matches are then layered on top to compete for talent. Employees cannot opt out of these programs, and unemployment and workers' comp are generally employer-funded, while Social Security and Medicare are shared.

308. Answer: A — Explain that unusual circumstances can excuse the call-in rule and review whether the text gave adequate notice.

FMLA regulations let employers enforce usual and customary notice procedures, but not when unusual circumstances justify the failure to follow them, as a sudden emergency may. HR should assess whether the prompt text was practicable notice before any denial or discipline. Supporting the denial applies the rule without its exception, and disciplining the employee for using the only practical method could still be treated as interference.

309. Answer: A — Defined triggers and severity levels, authority to suspend the tool, notification paths and root-cause review

An effective plan defines what counts as an incident and how severe it is, who can pause or roll back the tool, who must be told (including legal, affected employees and, where required, regulators), how harm is remedied, and how root causes are found and fixed. Handling errors one by one hides systemic failures. Tabletop exercises are useful, but they need HR and legal participating as owners, not just receiving results afterward.

310. Answer: C — Detailed, structured messages with clear timelines, defined processes, and specific answers about next steps.

High uncertainty avoidance cultures are uncomfortable with ambiguity and value rules, structure and predictability, so detailed plans, firm dates and clear procedures reduce anxiety and resistance. Leaving details open, as might suit a low uncertainty avoidance culture, increases stress and rumor. Vision-focused messages that skip specifics leave the core worry unanswered.

311. Answer: D — It is built over time through relationships and trust, so rivals cannot buy or copy it quickly.

Social capital consists of networks, relationships and trust that develop through repeated interaction over time. Because it is path dependent and socially complex, competitors cannot simply purchase or replicate it, which makes it hard to imitate. It is not recorded as an intangible asset on the balance sheet, client contracts rarely bar clients from using other firms, and relationship capital is hard to document and can walk out the door with people.

312. Answer: C — Their contracts and terms transfer automatically to the buyer, and dismissal because of the transfer is prohibited.

The Acquired Rights Directive, implemented in each EU member state, protects employees when a business transfers: their employment and existing terms pass automatically to the new owner, and dismissals by reason of the transfer itself are not allowed, although economic, technical or organizational reasons may justify changes. The buyer cannot simply reset terms or start fresh with new contracts. The option allowing a reset of terms is tempting because harmonization is common in U.S. deals.

313. Answer: B — When the technology materially affects terms and conditions of employment, such as discipline or workload.

Changes that have a material, substantial and significant effect on terms and conditions of employment, such as new performance standards enforced through discipline, are mandatory subjects of bargaining, so the employer must give notice and bargain absent a valid waiver (the Board's waiver standard is in flux). The duty does not depend on a contract clause or on job or pay losses. Even where the technology decision itself is a management right, its effects on employees must still be bargained.

314. Answer: A — A confidential reporting channel with anti-retaliation protection and tracked follow-up

Misuse is usually seen first by employees, and they will report it only if they can do so safely and see that reports lead to action. An annual audit is too infrequent to catch problems early. Manager certifications rely on the people who may be involved, and an open-door policy fails when the concern involves the manager.

315. Answer: C — Tie goals to material business risks, describe them in business terms, and use one message for all.

When stakeholders are polarized, the most defensible position is to anchor commitments in issues that are financially material, such as retention, safety and skills, explain them in business terms and say the same thing to every audience. Dropping or expanding goals simply to satisfy one camp makes the company reactive. Telling different investors different stories is inconsistent and creates disclosure and credibility risk.

316. Answer: C — Build a long-term pipeline through apprenticeships and technical school partnerships.

When the whole labor market is short, poaching with higher pay only moves the existing supply around and starts a wage spiral. Creating new supply through apprenticeships, school and community college partnerships and internal upskilling addresses the constraint on growth. Extra overtime raises burnout and safety risk, and lower standards create quality and safety problems.

317. Answer: D — Use outside experts for specific gaps while internal OD owns and builds capability

A blended model uses external consultants for specialized expertise, objectivity and capacity while internal OD keeps ownership, preserves knowledge and builds lasting capability. Fully outsourcing risks dependency and weak ownership. Relying only on insiders may leave expertise gaps, and cost alone ignores capability and risk.

318. Answer: C — Pilot results may reflect leaders' commitment, not the process, so they may not transfer.

When sites are chosen for their leaders' enthusiasm, success may come from the extra effort and support those leaders provide, not from the process itself. Results are then likely to overstate what will happen at typical or skeptical sites, leading to a poor enterprise decision. Choosing sites that represent the range of conditions, or randomizing among eligible sites, gives a more realistic test.

319. Answer: D — Retaliation is the most frequently alleged EEOC charge basis and can succeed even if the main claim fails

For many years retaliation has been the most frequently alleged basis in EEOC charges. A claim can succeed even when the original discrimination complaint is unfounded, and the adverse-action standard is broad, covering anything that might dissuade a reasonable worker from complaining. Title VII retaliation requires but-for causation, not motivating factor, and internal complaints are also protected.

320. Answer: B — Balancing family ownership interests with the need for qualified professional management and governance

Family businesses must manage the overlap of family, ownership and business, so succession often involves deciding whether family members or professional managers lead and setting governance such as family councils and independent directors. Securities disclosure rules and activist investors are concerns mainly for public companies. Family firms are free to hire external executives.

321. Answer: B — Greater fairness and choice for employees versus harder scheduling and fewer shared company-wide days off.

Floating holidays let employees observe the days meaningful to them, which improves inclusion, but they make coverage planning harder and reduce the shared downtime fixed holidays provide; statutory public holidays in many countries also limit how far this can go. Floating holidays do not inherently lower cost or raise claim risk. They increase, not reduce, flexibility for minority-faith employees.

322. Answer: D — Give all employees at least 60 days' notice and preserve the greater entitlement in transition.

An employer may change its 12-month method only after giving all employees at least 60 days' notice, and the transition must let employees keep the full benefit of 12 weeks under whichever method gives them more. The chosen method must be applied uniformly to all employees, except where state law requires a different period. Phasing in by site or limiting the change to new hires breaks that uniformity requirement.

323. Answer: C — Treat it as artificial harmony and set norms that require open debate before decisions

Quick agreement in the room followed by private complaints and weak follow-through signals artificial harmony, a fear of productive conflict that leads to poor commitment. The intervention is to make constructive debate an explicit norm, for example by assigning devil's advocates, asking each member for concerns and confirming commitments at the end. Smaller committees may simply move the avoidance elsewhere, and the behavior described is not alignment.

324. Answer: B — Identify the engineers critical to the deal's value and assess what each needs to stay.

Retention efforts should start with identifying the individuals whose knowledge and skills drive the deal's value and understanding their motivations, so retention packages, roles and messages can be tailored before uncertainty prompts departures. Equal bonuses spread money thinly, blanket job guarantees may not be sustainable, and waiting until after close lets competitors recruit key people.

325. Answer: B — Meet with the CFO to agree that finance owns cost models and HR owns capability plans, using one set of assumptions.

Workforce planning works best as an HR-finance partnership with clear accountabilities and a single source of assumptions. Resolving ownership peer to peer is more productive than a race to the CEO or an immediate escalation. Asking the CEO to choose may be needed if talks fail, but it is premature before the two executives have tried to agree.

326. Answer: A — An independent bias audit within the past year, a public summary of its results, and advance notice to candidates.

New York City's Local Law 144 bars using an automated employment decision tool unless it has had an independent bias audit within one year before use, a summary of the results is posted publicly, and candidates receive advance notice. A vendor's own testing is not independent, and indemnity does not satisfy the law. The law requires notice rather than consent, and an after-the-fact review comes too late.

327. Answer: D — It reveals informal influencers and collaboration bottlenecks that the org chart hides

ONA maps the informal network of information flow, advice and collaboration, showing hidden brokers, overloaded connectors, isolated groups and bottlenecks. Leaders can then protect critical relationships and key influencers when they redesign the structure. ONA does not measure performance, and checking spans against targets is a formal-structure analysis that does not require network data.

328. Answer: D — Combine the test with valid predictors such as work samples and structured interviews

Combining a cognitive test with other valid predictors that show less group difference, such as work samples, structured interviews or conscientiousness measures, can keep overall validity high while reducing adverse impact. Group-based cutoff adjustments are banned under the Civil Rights Act of 1991. Dropping the test entirely gives up validity, and lowering the cutoff alone may reduce impact but weakens selection without adding prediction.

329. Answer: B — Test whether the gap holds after controlling for performance, level and tenure, then review decision-makers.

A raw gap may reflect differences in role, performance or tenure, so the CHRO should first see whether it holds with those factors controlled and then look at who made the decisions. If it holds, the board should hear about it with a plan. Reporting the raw number at once is tempting, but it could prompt the wrong response, while dismissing it as chance assumes away a possible retaliation pattern.

330. Answer: B — By plotting each risk's likelihood of occurring against the severity of its impact if it occurs.

A risk heat map places each risk on a grid with likelihood on one axis and impact on the other. Risks in the high-likelihood, high-impact zone, often shown in red, get priority attention and resources. Mitigation cost and timing matter for response planning but are not the axes used to rate the risk itself.

331. Answer: D — Redesign the service model and core processes before choosing the supporting technology

Technology should enable a defined service model and processes. Choosing a system first tends to automate existing problems or let the vendor's design dictate how HR serves the business. Configuration can draw on vendor best practices, but only after the organization has decided what it needs.

332. Answer: A — Track several outcomes, including regretted attrition by talent segment, against a set baseline.

A sound evaluation defines the outcomes that matter before the change (such as productivity, engagement and especially regretted attrition among high performers and scarce skills) and compares them with a baseline. Overall turnover can look stable while the most valuable talent leaves. Compliance and satisfaction measures alone do not show the business impact.

333. Answer: D — Relational dimension

Nahapiet and Ghoshal describe three dimensions of social capital: structural (the pattern of connections, such as who knows whom), relational (the quality of those relationships, including trust, norms, obligations and identification) and cognitive (shared language, codes and narratives). Trust and obligation are the core of the relational dimension. The structural dimension is the common confusion because it also concerns relationships, but it describes their configuration rather than their quality.

334. Answer: B — Its reductions match the pace climate science says is needed to meet the Paris Agreement goals.

A science-based target is one whose emissions reductions are in line with what climate science indicates is necessary to meet the Paris Agreement goal of limiting warming, with the SBTi now focused on a 1.5°C pathway. The SBTi validates targets independently and limits the use of offsets for meeting near-term reduction targets. Peer benchmarking and government approval are not the test.

335. Answer: B — It looks three to five years ahead at the capabilities needed to execute business strategy.

Strategic workforce planning takes a multiyear view of the capabilities, skills and roles the organization will need to carry out its strategy, and how to close the gaps. Annual headcount budgeting, shift scheduling and requisition tracking are operational planning activities with a short horizon focused on near-term staffing.

336. Answer: B — Explain that the effort needs his visible sponsorship and decline to start until he agrees to specific commitments.

Active, visible executive sponsorship is one of the strongest predictors of transformation success, so a consultant should contract for it up front and be willing to decline work that lacks it. Delegating sponsorship to a direct report seems practical, but employees read the leader's absence as a signal that the change is optional, and the CHRO would be accepting accountability without the authority to deliver.

337. Answer: B — Gather data to find where integration problems are linked to the missed results.

Before choosing a fix, the CHRO should diagnose: segment revenue shortfalls by unit, compare turnover and engagement by legacy company, and interview customers and employees to see whether decision rights, sales practices or talent losses explain the gap. A culture program or leadership changes chosen before diagnosis may treat the wrong problem, and the overvaluation conclusion is unsupported.

338. Answer: D — An intergroup confrontation meeting where each group shares perceptions and plans fixes

Intergroup interventions such as the confrontation or image-exchange meeting bring the two groups together to share how they see themselves and each other, surface the issues and agree on joint action. Team building within each group can strengthen loyalty inside each team without fixing the relationship between them. Coaching and organization-wide surveys target other levels and are too indirect for a two-group conflict.

339. Answer: A — Knowledge-based employment, using commitment-based HR

Lepak and Snell recommend internal development of core employees whose skills are both valuable and firm-specific, managed through commitment-based HR practices such as long-term development and broad participation. Job-based employment fits valuable but generic skills that can be bought on the labor market, so it is the tempting near miss.

340. Answer: A — Liability-driven investing

Liability-driven investing matches plan assets to the size and timing of pension liabilities, often with long-duration bonds, so interest rate changes affect assets and obligations in similar ways and funded status stays more stable. Target-date funds are built around an individual's retirement date, and tactical asset allocation shifts investments to exploit short-term market views rather than to hedge liabilities.

341. Answer: B — The adverse-action bar is lower, and jurors readily see punishment for complaining even if the claim fails.

A retaliation claim can succeed even when the underlying discrimination claim fails, because the employee needs only a good-faith protected complaint and an action that might dissuade a reasonable worker from complaining. Jurors also find retaliation intuitive, which makes these claims hard to defend. Retaliation has for years been the most frequently alleged basis in EEOC charges. Causation is still required, and the damages caps are the same.

342. Answer: D — Work with the board chair or governance committee to make CEO succession a standing board agenda item

CEO succession is a core board responsibility, so the CHRO should support the board chair or the relevant committee in building a regular process that covers both emergency and planned succession, which also removes the issue from being a personal conversation with the CEO. Working on a slate without board direction bypasses governance, and involving the CEO's direct reports, who may be candidates, is inappropriate and politicizes the process.

343. Answer: C — A one-time surge in hiring, such as staffing a new facility, that is beyond internal capacity

Project RPO is designed for defined, time-limited hiring needs, such as a facility opening or product launch, that would overwhelm internal recruiters. Steady, high-volume, nondifferentiating hiring fits end-to-end RPO, while strategic specialized roles and low, stable volume are usually best kept in-house.

344. Answer: C — It groups substantially similar work by family and level so that pay comparisons are valid.

Pay equity analysis compares employees doing similar work, so jobs must be organized into consistent families and levels to form valid comparison groups. Without that structure, inconsistent titles and levels can hide real gaps or create false ones. Job architecture does not set individual pay, identify demographics or rank performance.

345. Answer: A — Explore the interests behind each proposal and craft options such as shorter notice with retraining funds.

Interest-based bargaining looks at what each side needs, such as job security for the union and flexibility for management, and builds options that meet both. Rejecting the proposals as never bargainable is wrong, because the effects of automation on jobs are generally bargainable and these proposals address terms of employment. Accepting them as written gives up flexibility, and deferring the issue leaves it to resurface without agreed rules.

346. Answer: A — Inclusion is embedded in business processes such as hiring, promotion and product decisions.

At the integrated stage, inclusion is part of how the business operates rather than a set of programs, so it shows up in core decisions. A compliance focus marks the earliest stage, and awareness activities or a separate program team reflect middle, programmatic stages.

347. Answer: D — Universalism versus particularism

Trompenaars's universalism-particularism dimension describes whether rules and standards apply equally to everyone (universalism) or whether relationships and circumstances should shape what is right (particularism). A code built on uniform rules meets resistance in more particularist cultures. Individualism versus communitarianism concerns individual versus group interests, not rules versus relationships.

348. Answer: A — They are indicators that show which scenario is unfolding and when to activate the related workforce actions

Signposts are observable leading indicators, such as a competitor's move, a wage trend or a regulatory change, that signal which scenario is emerging and trigger preplanned responses. They are not performance targets or project milestones. Assigning probabilities and funding only the likeliest scenario undercuts the purpose of preparing for several plausible futures.

349. Answer: A — $52,000 this fiscal year and $156,000 annualized

Annualized cost = 30 x $65,000 x 8% = $156,000. September through December is 4 months, so the current-year cost is $156,000 x 4/12 = $52,000. The $39,000 figure uses only 3 months and $65,000 uses 5 months. The $104,000 figure wrongly prorates the annualized number, which next year's budget must carry in full.

350. Answer: A — Councils often hold co-determination rights over monitoring technology, so early input avoids blocked rollouts.

In Germany and the Netherlands, works councils have co-determination or consent rights over systems that can monitor employee behavior or performance, so they can delay or block a rollout introduced without their agreement. Engaging early lets concerns be resolved in the design. Council approval does not replace GDPR obligations, informing a council does not waive its rights, and councils do not control IT budgets.

351. Answer: B — 30%; judge it against peers, trends and the firm's business model.

Workforce cost as a percentage of revenue = 120 / 400 = 30%. The ratio varies widely by industry and strategy (a consulting firm runs far higher than a refiner), so it is meaningful only against relevant peers, its own trend and the business model. A low ratio can reflect underinvestment as easily as efficiency, and 3.33 is revenue per workforce dollar, not profit.

352. Answer: A — High potentials are developed as a group for a range of roles rather than for one position

Acceleration pools develop a group of high-potential candidates through stretch assignments, coaching and learning so they are ready for a family of roles at a higher level. This is more flexible than naming one replacement per position, which leaves gaps when plans change or the named successor leaves.

353. Answer: D — Keep the core values fixed but let regions adapt wording and examples, with central review

A global-local approach keeps the essential meaning consistent while letting regions adjust translation, examples and channels so the message lands, with central review to protect intent. English-only rollout creates comprehension gaps and signals that local staff are an afterthought. Separate regional values would defeat the purpose of a shared statement, and waiting for full consensus could stall the launch indefinitely.

354. Answer: B — Inventory HR's AI uses and assess each for likelihood and impact using the ERM framework's criteria.

Risks cannot be managed until they are identified, so HR should list its AI uses and rate them with the same likelihood and impact criteria the enterprise uses. This makes HR risks comparable to others the board oversees. A separate HR framework fragments oversight, and vendor certifications do not shift the employer's own responsibility for how tools are used.

355. Answer: A — A fair process signals that people are respected and that future decisions are also likely to be fair

Research on the fair process effect shows people use procedures as a signal of their standing in the organization and of how they will be treated in the future. Consistent criteria, voice, accurate information and an appeal path make a painful outcome easier to accept and protect the commitment of those who remain. Fair process does not change the size of the layoff or imply that decisions will be reversed.

356. Answer: C — Lateral moves can support discrimination claims if they cause some harm to a term or condition of employment

Muldrow held that an employee challenging a discriminatory transfer under Title VII must show some harm to an identifiable term or condition of employment, not significant or material harm. Changes in duties, schedule, location or prestige can now support a claim even without a pay cut. Companies should apply documented, consistent criteria to reassignments and review them for patterns by protected group.

357. Answer: B — Adopt global principles and minimum controls for all regions, with local addenda where a country's law requires more.

A global framework with local addenda gives the enterprise consistent values and baseline controls while meeting each jurisdiction's specific legal requirements. U.S. federal law does not satisfy EU or Asian rules for local operations. Copying EU rules everywhere seems safe, but other countries impose requirements the EU text does not address, such as data localization, and some EU mechanisms do not fit local law, so local addenda are still needed. Fully separate regional policies sacrifice consistency and central oversight.

358. Answer: A — Transfer the risk through insurance or other contractual risk transfer

Low-frequency, high-severity risks are the classic case for transfer, because a single loss could threaten the firm's survival and is too unpredictable to budget. Insurance pools such exposures across many insureds. Retention or unfunded acceptance leaves the company exposed to a catastrophic hit, and prevention efforts should accompany transfer rather than replace it.

359. Answer: C — Limit the scores to aggregate and retention-planning uses, and bar them from decisions that could disadvantage individuals.

Using flight-risk scores to deny development would penalize employees for a prediction that is wrong about 30% of the time and could become self-fulfilling, while raising fairness and potential discrimination concerns. Governance that restricts the scores to aggregate insight and supportive retention actions keeps their value without that harm. Telling employees their scores increases transparency but does not stop the harmful use, and retiring the model discards legitimate value.

360. Answer: A — Enlisting a large number of employees who want to help drive the change, not just a few

Kotter's accelerators call for enlisting a large group of employees from across the organization who genuinely want to help, because energy from many willing people creates speed that a few appointed leaders cannot. Assigned roles are not voluntary, consultants are outsiders, and a small senior coalition is the narrower guiding coalition from Kotter's earlier eight-step model.

361. Answer: C — Before decisions are final, under legal counsel's direction, so problems can be examined and corrected.

The review is useful only if it happens while selections can still be changed, so disparities can be investigated and any unsupported decisions revised. Conducting it at counsel's direction helps protect privileged analysis. A review after notices or after a charge can document a problem but no longer prevent it, and managers reviewing their own choices lack independence.

362. Answer: D — Relative TSR shows performance against peers, while absolute goals tie payouts to results management controls.

Relative TSR filters out market-wide swings by comparing returns with peers, but it can pay out when shareholders lose money, and executives have limited line of sight to it. Absolute financial goals, such as earnings or return on capital, reward operating results management can influence. Combining them balances shareholder alignment with line of sight. No SEC rule requires a second metric, and TSR is built on share price movement plus dividends.

363. Answer: C — Have counsel assess whether the walkout ties to working conditions before discipline, and open structured channels for employee concerns.

NLRA protection depends on whether concerted activity relates to employees' terms and conditions of employment, and objections to assigned work can make it a closer question than a purely political protest. Legal assessment should therefore come before any discipline, while the company opens channels to hear concerns. Assuming the walkout is unprotected, or that protection requires changing a business decision, gets ahead of the analysis, and singling out organizers adds retaliation risk.

364. Answer: C — It watches the other five boxes and keeps them in balance

Weisbord places leadership at the center of the six-box model, with the job of monitoring purposes, structure, relationships, rewards and helpful mechanisms and keeping them aligned and in balance. Leadership affects rewards, but setting pay is not its defining role in the model, and conflict among people falls mainly under the relationships box.

365. Answer: C — Review how selections affected recent complainants and add independent review of adverse actions involving them.

The timing pattern suggests selection decisions may have been influenced by protected activity, so the CHRO should diagnose how those decisions were made and add an independent check on adverse actions involving recent complainants. Treating the charges as unrelated misses a systemic risk. Blanket exemptions from layoffs are not required and create their own problems, and releases cannot be used to deter employees from complaining.

366. Answer: A — Interactional justice

Interactional justice concerns the quality of interpersonal treatment, including respect and dignity (interpersonal justice) and adequate, honest explanations (informational justice). Procedural justice concerns the fairness of the decision process, and distributive justice concerns the fairness of outcomes. Restorative justice addresses repairing harm after a wrong and is not one of the three classic dimensions.

367. Answer: B — Labor costs flex with revenue, helping protect margins in downturns

Converting fixed labor cost into variable cost lowers operating leverage, so labor spending rises and falls with business results. Payouts can be higher in good years, so total cost does not fall in every condition. The shift lowers operating leverage rather than raising it. Leaders still need workforce planning to protect critical capabilities and manage contingent-labor risks.

368. Answer: A — Testing of controls, root-cause analysis of misconduct, and changes made to the program in response.

The DOJ guidance asks whether a program is well designed, adequately resourced and empowered, and working in practice. Evidence that it works includes testing, analysis of root causes when misconduct occurs, and continuous improvement based on what the company learns. A strong code describes the program's design, completion rates show reach, and budget levels speak to resources rather than results.

369. Answer: C — Treat succession as an enterprise risk with the board, with emergency and planned successor plans and insider development.

CEO succession is a core board responsibility and a material enterprise risk, so the CHRO should support the board with an emergency plan, a long-term plan with defined criteria, assessment and development of internal candidates, and retention steps for those at risk of leaving. Leaving the choice to the sitting CEO weakens board oversight. An external search can be part of the process but should not replace a structured plan that includes internal talent.

370. Answer: B — Add a brief principle to the code and place detailed, often updated AI rules in a separate policy it cites.

A code sets lasting principles, such as protecting confidential information and being honest about one's work, while fast-changing rules fit better in a policy that can be updated without a full code revision. Writing detailed AI rules into the code would leave them outdated before the next three-year cycle. Leaving guidance to departments creates inconsistency on a risk that affects the whole enterprise.

371. Answer: A — Analyze aggregated network patterns to flag isolated teams, then validate with leaders

Recognition network data can reveal collaboration gaps and informal influencers, but it should be analyzed in aggregate and confirmed with leaders before action. Feeding raw counts into ratings invites gaming and penalizes roles with less visibility. Publishing individual counts raises privacy and morale concerns, while ignoring the data forgoes a useful organizational insight.

372. Answer: C — Less fluent speakers may hold back; offer language support and norms that slow pace and invite input

A common language can quietly disadvantage less fluent speakers, who may speak up less and have their expertise underrated. Language training, plain language, shared materials in advance and norms that slow the pace and invite input reduce that risk. Requiring German misses the main issue, letting each unit choose undermines the goal of a common language and cutting translations would widen the inclusion gap.

373. Answer: A — Rational persuasion using costs, redeployment savings and pilot results compared with hiring

Influence works best when the tactic matches the target, and a data-driven CFO responds to rational persuasion built on evidence such as costs, savings from redeployment versus external hiring, and pilot results. Inspirational appeals suit values-driven audiences. Coalition pressure and appeals to the CEO's authority may win reluctant compliance, but they do not build genuine commitment to the investment.

374. Answer: C — It makes cooperation reliably rewarded and defection promptly answered, so both sides learn cooperation pays

Tit-for-tat is nice (it starts cooperatively), retaliatory (it answers defection), forgiving (it returns to cooperation) and clear, so over repeated rounds the other side learns that cooperation is reciprocated and hardball is costly. Its strength is predictability, not concealment. It does not involve unilateral concessions or guarantee equal shares of gains.

375. Answer: A — Per full-time employee who received a premium tax credit, capped at what the no-offer penalty would be

The employer met the 95% offer test, so the larger no-offer penalty, based on all full-time employees minus 30, does not apply. Because its coverage was unaffordable for some workers who then received premium tax credits, it owes the smaller penalty only for each full-time employee who received a credit. That amount is capped at what the no-offer penalty would have been. Meeting the offer test does not excuse unaffordable or inadequate coverage.

376. Answer: B — Illusion of unanimity

Janis described the illusion of unanimity as treating silence as agreement, which is exactly what the CEO did when no objections were raised. Self-censorship is what the doubting executives displayed, but the question asks about the CEO's conclusion. Collective rationalization is tempting, but it involves explaining away warnings, while mindguards actively shield the group from dissenting information.

377. Answer: B — Prescriptive analytics

Analytics maturity moves from descriptive (what happened) to diagnostic (why it happened) to predictive (what is likely to happen) to prescriptive (what action to take). A tool that recommends the best channel for each requisition goes beyond forecasting an outcome to choosing an action, which is prescriptive. Predicting which requisitions will miss their date would be predictive.

378. Answer: A — Investigate the shared cause, fix it, and set consistent settlement criteria with counsel

Similar charges against the same manager suggest a common cause, so the company needs to learn what happened and correct it, or new charges will keep coming. Consistent settlement criteria set with counsel avoid arbitrary results and a pattern that invites more claims. Fighting every charge to discourage filing risks a retaliation finding, and treating current and former employees differently has no legal basis.

379. Answer: A — Meet privately first, share the data and themes candidly, and agree on specific actions and support before the review.

A private, candid conversation gives the SVP time to absorb the data and come to the review with a plan, which preserves both accountability and the working relationship. Surprising the SVP in a group setting invites defensiveness. Softening the ranking or handing the conversation to the CEO avoids the CHRO's responsibility to deliver unwelcome data with courage.

380. Answer: C — The strategic level, where top executives set business strategy, investment and overall labor relations policy

The strategic choice framework describes three tiers: the strategic level of top management decisions on business strategy, investment and labor policy; the functional level of collective bargaining and personnel policy; and the workplace level of daily relations, supervision and work organization. Deciding where to invest and whether to locate in a nonunion setting is a top-tier strategic decision. The external environment shapes these choices, but it is not one of the three levels where decisions are made.

381. Answer: B — Compare the change with a benchmark or untreated group to separate program and market effects

A credible attribution needs a comparison, such as industry quit trends or business units that adopted the framework later, so the market effect can be netted out (a difference-in-differences logic). Crediting the full drop ignores an obvious confounder. Declaring no impact is too strong when a comparison can estimate it, and surveying leavers cannot explain why others stayed.

382. Answer: B — Executives often fail on relationships and culture fit, so early alliances and credibility help

Senior hires fail at high rates, often because of poor relationships, misreading the culture or unclear expectations rather than technical gaps. Integration that maps key stakeholders, clarifies expectations and helps the leader build credibility through well-chosen early wins reduces that risk. Executives still need onboarding support, and early wins build credibility rather than guarantee results.

383. Answer: C — They provide verifiable evidence of specific skills that can inform internal mobility and staffing.

Micro-credentials document specific, assessed skills in a portable and verifiable form, which helps the organization find and deploy talent based on skills rather than titles or degrees. They complement, not replace, performance management. No federal law requires them, and credible badges require assessed learning, not just participation.

384. Answer: C — Logging in to an employee's personal, password-protected social account without authorization

The Stored Communications Act prohibits intentionally accessing stored electronic communications without authorization. Using credentials to get into an employee's personal password-protected account, without valid consent, is the classic violation, as courts have found when managers coerced access to private online groups. The Act generally exempts the provider of the communications service, so an employer reviewing its own systems under a clear policy faces much lower risk.

385. Answer: B — Estimate back-pay exposure, seek a price adjustment, escrow or indemnity, and plan reclassification after closing.

Diligence findings should be quantified and reflected in the deal through price, escrow, indemnities or special representations, with a post-closing plan to fix the classification. Wage-hour liability can follow the business, especially in a stock deal or when successor liability applies. Reclassifying before closing stops future violations but does not resolve back wages already owed.

386. Answer: B — Combine the qualitative themes with other data to find out what the metrics may be missing

Triangulating data sources, such as exit themes, regretted turnover, complaints and engagement comments, shows whether strong numbers are hiding a culture risk. Favoring hard metrics alone ignores early warning signs, and dismissing exit data throws away useful information. A formal misconduct investigation is premature without specific allegations, though it may follow if the added analysis supports it.

387. Answer: D — An executive sponsor and accountable program lead, plus a WCAG conformance standard applied to all digital tools

Lasting accessibility requires clear ownership at the executive level, a named lead with authority and a measurable standard, typically WCAG at the AA level, applied to internal and external digital tools, including procurement and development. Reacting to complaints, relying on overlays or depending on volunteer testing leaves accessibility unmanaged. Overlays in particular do not fix underlying code problems and have not protected companies from accessibility claims.

388. Answer: A — I must report it because people's right to safety outweighs any company rule or order

Postconventional reasoning appeals to universal principles, such as rights and justice, that can override rules and authority. Reasoning based on following company policy or on gaining peers' approval is conventional, because it rests on rules and social expectations. Reasoning based on avoiding punishment is preconventional.

389. Answer: A — Set up regular monitoring of each decision type by unit, with thresholds that trigger review

Treating adverse impact as risk means detecting it early: recurring analyses of hiring, promotion and pay by unit, with set thresholds that trigger deeper review, ideally under privilege where counsel advises. Training and certifications do not measure outcomes. Auditing only after a charge keeps the reactive model the CHRO is trying to replace.

390. Answer: D — A multi-year plan that funds the worst gaps and critical roles first, with tighter hiring-range controls to stop new gaps.

A phased plan prioritized by gap size, flight risk, critical roles and pay equity exposure balances affordability with fairness, and tighter offer controls keep the problem from growing. Eliminating merit to fund compression punishes current performance, and capping offers at internal pay may make the company uncompetitive for hires. Waiting for complaints invites turnover and equity risk.

391. Answer: D — Assess the division's climate confidentially and review its leaders without seeking ombuds visitor names

Ombuds offices hold visits in confidence, so the right use of trend data is to look into systemic issues through other means, such as a confidential climate survey, skip-level meetings and a review of leader behavior. Asking for identities breaks the ombuds' confidentiality and would deter future use. Waiting ignores a credible warning in a channel that exists to give one, and removing a leader without facts is premature.

392. Answer: B — Model self-funding with stop-loss coverage, weighing cash-flow and design gains against claim volatility.

A company of this size with stable claims is a reasonable candidate for self-funding, which can cut premium taxes and insurer margin, improve cash flow and, under ERISA preemption, free the plan from most state insurance mandates. The trade-off is that the employer bears claim risk, so stop-loss coverage and a careful financial model are needed. Stable history does not rule out a catastrophic claim, and there is no 1,000-life minimum for self-funding.

393. Answer: C — Propensity score matching

Propensity score matching estimates each employee's probability of participating from observed traits such as age, tenure and role, then pairs participants with similar nonparticipants to mimic randomization on those traits. It cannot adjust for unobserved differences such as motivation. Stratified sampling is a way to draw a sample, regression discontinuity relies on an eligibility cutoff, and cluster analysis groups similar cases without creating a comparison group.

394. Answer: B — Payment is earned only if the employee remains through a defined milestone or date

A stay bonus exists to keep critical people through a defined period, so the payout is conditioned on remaining employed until a milestone such as the site closure or a system cutover. Paying at signing removes the retention incentive, and a flat payment for everyone dilutes the funds that should go to critical roles. Performance-based pay can be added, but tying the bonus only to a rating does not address retention through the milestone.

395. Answer: B — Women are concentrated in lower-promotion divisions, so the combined figure is misleading

This is Simpson's paradox: a pattern that holds within every subgroup reverses when the groups are combined, because group sizes differ across subgroups with different base rates. Here the gap reflects where women work, not differences in treatment within divisions. The analyst should report both views and look into why women are concentrated in lower-promotion divisions.

396. Answer: B — It gives future leaders international assignments that build cross-cultural judgment and global networks.

International assignments used as development experiences give high potentials firsthand exposure to new markets, cultures and stakeholders, building the global mindset and networks that expansion needs. Expatriate assignments are usually more expensive than local hires, not cheaper. Relying on expatriates for all senior roles undermines local leadership development, which a sustainable global strategy also needs.

397. Answer: B — Replace the subjective ratings with documented, job-related criteria and rerun the adverse impact analysis.

Vague ratings like 'potential' and 'adaptability' are easily shaped by age stereotypes and are hard to defend, and the OWBPA disclosure will reveal any age skew. Replacing them with documented, job-related criteria and retesting impact is the defensible approach. Balancing selections by age band would itself be an age-based decision, and releases do not bar EEOC charges and can be challenged when the disclosure exposes a skewed process.

398. Answer: C — Data portability in standard formats, exit assistance terms, and integration through open interfaces

Lock-in comes from data that cannot be moved, processes that depend on one vendor's proprietary design, and contracts with no exit path. Portability rights in usable formats, transition assistance on exit, and integration through standard APIs keep switching costs manageable. A proprietary taxonomy feels efficient but deepens dependence, because the company's skills data becomes hard to use anywhere else.

399. Answer: A — Consensus with qualification

Consensus with qualification is a two-step approach: the team seeks consensus, and if it cannot get there, the leader makes the call informed by the discussion. It avoids both endless debate and autocratic decisions. Delphi and nominal group techniques are structured idea-generation methods, and majority rule involves voting rather than a leader decision after failed consensus.

400. Answer: D — The blended minimum return needed to satisfy lenders and shareholders

WACC weights the after-tax cost of debt and the cost of equity by their shares of the capital structure, so it is the minimum return an investment must earn to satisfy all capital providers. The cost of debt and the cost of equity are each only one part of WACC. Historical project returns describe past performance, not the cost of the capital being invested now.