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# SHRM-SCP

## Practice Questions

## Set 3

400 Questions

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

400 questions • Answer key and explanations in the separate Answer Key file

Choose the single BEST answer for each question. The real exam gives 220 minutes for 134 questions, so pace yourself at roughly 1.6 minutes per question.

**1.** Research on executive derailment shows that which pattern MOST commonly derails senior leaders?

- **A.** Strengths that drove earlier success are overused under pressure, like confidence becoming arrogance
- **B.** A lack of deep technical expertise in the functions that report to them at the senior level
- **C.** Gaps in formal academic credentials compared with peers at the same level in the organization
- **D.** Infrequent use of formal performance metrics and dashboards when managing their own direct reports' work

**2.** After a widely publicized harassment scandal involving senior leaders, the board asks the CHRO to estimate the reputational cost. Which approach best quantifies the damage?

- **A.** Survey current employees on whether their view of senior leadership has become worse
- **B.** Measure lost market value, customer churn and higher recruiting costs tied to the scandal
- **C.** Total the legal fees and settlement amounts paid to the employees who brought the harassment claims
- **D.** Count negative news stories and social media posts mentioning the company that quarter

**3.** A CFO assumes that contracting with a leave administration vendor will shift the company's FMLA legal risk to the vendor. What should the CHRO explain?

- **A.** Liability is shared equally between the company and vendor under the FMLA's joint employer rules.
- **B.** Liability shifts to the vendor if the contract names the vendor a fiduciary of the leave program.
- **C.** Liability shifts to the vendor once the vendor makes leave designations on the company's behalf.
- **D.** The company stays liable, so it must oversee the vendor and contract for audits and indemnity.

**4.** Temporary workers placed by a staffing agency report that two of the company's own supervisors are sexually harassing them. The agency's contract says the agency is the employer. What should the CHRO do?

- **A.** Wait for the agency to finish its own investigation before acting, to avoid creating a joint-employer relationship with the temps.
- **B.** Refer the complaints to the staffing agency, since the contract makes the agency responsible for its workers' employment issues.
- **C.** Ask the agency to reassign the complaining temps to other clients so they no longer work near the supervisors during the review.
- **D.** Investigate promptly with the agency, discipline the supervisors as warranted, and protect the temps from retaliation or removal.

**5.** At an electric utility, 35% of control room and field operators will be eligible to retire within five years, and it takes about three years to fully qualify a new operator. The CEO asks the CHRO to present an enterprise plan to the board. What should the plan emphasize?

**A.** A large operator hiring push now so replacements are on staff before most retirements happen

**B.** Retention bonuses for all retirement-eligible operators to delay their departures by five years

**C.** Treating it as an operational risk with critical-role mapping, knowledge transfer and talent pipelines

**D.** Replacement lists prepared by each plant manager for the individual operators who are nearest to retirement

**6.** A company's long-standing seniority system for layoffs, adopted without discriminatory intent, will cause a reduction in force to fall heavily on women hired in the past two years. Under Title VII Section 703(h), how is the system treated?

**A.** It is protected only if women make up at least 80% of the senior workers

**B.** It is unlawful because it has a disparate effect on a protected group

**C.** It is unlawful unless the employer proves no less harmful layoff method was available

**D.** It is protected as bona fide unless it was adopted with intent to discriminate

**7.** A multinational with employees in 22 countries is rolling out a revised global code of conduct. Some operations are in countries with works councils. What should the CHRO's rollout plan include?

**A.** Local legal review and translation, works council consultation where required, and certification

**B.** Mandatory signed agreement from every employee before any translation work has begun

**C.** Translations by local managers, with training content and timing left to each country

**D.** One English version for all countries, with a global email asking each employee to acknowledge it

**8.** A public company's compensation committee is selecting a new executive compensation consultant. Under the stock exchange listing rules that implement Section 952 of the Dodd-Frank Act, which factor must the committee consider when assessing the consultant's independence?

**A.** Whether the CEO has approved the consultant's engagement letter

**B.** Whether the consultant's fees fall below those of peer-company advisers

**C.** Other services that the consultant's firm provides to the company

**D.** Whether the consultant has advised other companies in the same industry

**9.** A company decides, for purely economic reasons, to close one of its unionized plants. The plant manager tells HR there is nothing to negotiate because the decision is final. What should HR advise?

- **A.** The company owes only WARN notice, since a closure ends the collective bargaining relationship
- **B.** The company may bargain over effects after the closure, once all of the final costs are known
- **C.** The company must bargain over the closing decision itself before it is allowed to carry it out
- **D.** The company must bargain in good faith over effects, such as severance and timing, on request

**10.** A CFO is terminated after an internal investigation, supported by documents and her own admission, confirms she embezzled $2 million. The legal team is debating whether to deny COBRA under the gross misconduct exception. What is the BEST approach?

- **A.** Offer COBRA but at 150% of the premium to reflect the gross misconduct finding.
- **B.** Weigh the documented facts with counsel, apply a consistent standard and record the rationale.
- **C.** Deny COBRA but wait for a criminal conviction before sending the employee any notice.
- **D.** Deny COBRA, since any termination for cause counts as gross misconduct under the COBRA statute.

**11.** A luxury hotel chain wants leaders at every level to behave in ways that make its promise of personalized service real for guests. Which concept from Ulrich and Smallwood describes this goal?

- **A.** Leadership brand, where leaders' identity and behavior reflect what customers expect from the firm
- **B.** Leadership pipeline, where leaders move through defined career passages as they take on bigger roles
- **C.** Leadership competency model, where the same core skills are defined for leaders across all industries
- **D.** Leadership charisma, where leaders inspire loyalty through personal vision and emotional appeal

**12.** An executive asks how William Bridges' transition model differs from Kotter's eight-step model. Which statement BEST captures the distinction?

- **A.** Bridges lists steps for leaders to create urgency, while Kotter describes employees' emotional stages.
- **B.** Bridges starts with a new beginning, while Kotter ends by unfreezing the organization's old culture.
- **C.** Bridges applies only to individual job changes, while Kotter applies only to enterprise-wide change.
- **D.** Bridges addresses the inner process people go through; Kotter addresses leading the change.

**13.** A manufacturer gave office staff a hybrid schedule. Plant and warehouse employees, who make up 70% of the workforce, now say the policy feels unfair, and engagement scores among them have dropped. What should the CHRO propose?

**A.** Explain to frontline staff that remote work is not possible because of their duties

**B.** Give frontline employees a one-time bonus to offset not having hybrid work

**C.** Withdraw hybrid work from office staff so that all employees have the same arrangement

**D.** Frontline-suited flexibility, such as self-scheduling, shift swaps and set schedules

**14.** A unionized call center has high absenteeism, and the company wants the new contract to include a no-fault attendance points system that leads to discharge at 12 points. The union says the plan will punish employees for legitimate absences. What is the BEST approach for the CHRO?

**A.** Propose that all absences count equally, so the system is fully consistent and cannot be challenged as discriminatory.

**B.** Implement the points system as a work rule under the management-rights clause, since attendance policies are not bargaining subjects.

**C.** Drop the proposal and handle each attendance case through supervisor discretion to avoid any dispute with the union.

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

**15.** During an acquisition, the deal team proposes a $1.5 million retention pool for 30 key engineers. It estimates $8 million in revenue is at risk if they leave. What is the benefit-cost ratio of the retention pool?

**A.** About 6.5 to 1

**B.** About 4.3 to 1

**C.** About 0.19 to 1

**D.** About 5.3 to 1

**16.** A company's salary survey projects merit budgets of 3.5% and structure increases of 2.5% for next year. Why are structure increases usually set below merit budgets?

**A.** Structure increases must stay below merit budgets by federal law, so that employees can keep up with inflation

**B.** Ranges are adjusted only every other year, so the annual structure increase is half the merit budget

**C.** Ranges track market movement for jobs, while merit budgets also fund individual progression through ranges

**D.** Merit budgets apply only to top performers, so the structure must move less to keep costs even

**17.** As part of a reorganization review, a CHRO examines an organizational network analysis of the product division. One mid-level engineer has very high betweenness centrality but only average degree centrality. What does this position MOST likely indicate?

**A.** She links groups that have few direct ties, so much information flows through her.

**B.** She has more direct connections than anyone else in the division's network.

**C.** She is close to everyone, so she can reach others in the fewest possible steps.

**D.** She is the person colleagues most often name as their go-to source of technical expertise.

**18.** A ransomware attack on a 12,000-employee retailer's HRIS exposes Social Security numbers, bank details and leave records of current and former employees. The cross-functional response team includes IT security, legal, communications and HR. What is the CHRO's MOST important responsibility in this response?

**A.** Lead the forensic investigation of the attack, since the compromised system is owned and administered by the HR function

**B.** Send all employees a detailed account of the attack right away, before forensics finish, so that rumors do not spread

**C.** Discipline the HR staff whose credentials were used in the attack, to show regulators that the company holds people accountable

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

**19.** In evaluating a company's compliance program, federal prosecutors ask whether its compensation systems reward ethical conduct and penalize misconduct, including through clawbacks. Why does the DOJ examine compensation?

**A.** Federal law requires compliance officers to be paid at least as much as top sales executives

**B.** Incentives shape behavior, showing whether the company makes compliance part of how it rewards people

**C.** Compensation data lets prosecutors calculate the fine amounts that individual executives must personally pay

**D.** Pay systems determine whether a company qualifies for the Sentencing Guidelines' safe harbor

**20.** A public company's CHRO plans to tell a group of 200 managers about a pending, unannounced acquisition at a meeting the day before the press release. Legal counsel objects. Which risk is counsel MOST likely concerned about?

**A.** Selectively sharing material nonpublic information risks insider trading and leaks

**B.** The managers' union could claim that the meeting created a duty to bargain over the deal

**C.** The meeting would trigger WARN Act notice obligations for the managers who attend it

**D.** The acquisition would have to be reported on the company's EEO-1 report for the year

**21.** An executive team is designing 16 weeks of paid leave for new parents. One proposal offers it only to 'birth mothers'; another offers 16 weeks to 'primary caregivers' and 2 weeks to 'secondary caregivers,' with mothers presumed to be primary. What should the CHRO recommend?

**A.** Separate medical recovery leave for birth parents from bonding leave equal for all parents.

**B.** Use the primary and secondary caregiver labels, presuming that mothers are the primary caregivers.

**C.** Offer 16 weeks to mothers and 4 weeks to fathers, since the FMLA permits different terms by sex.

**D.** Offer all 16 weeks only to birth mothers, since leave tied to childbirth may be limited to them.

**22.** A strategy team proposes entering a country where labor law requires government approval and large severance payments for any reduction in force. Demand in the market is uncertain. What should the CHRO recommend?

- **A.** Engage all local workers as independent contractors to avoid the approval and severance rules.
- **B.** Hire a full permanent workforce up front so the company can capture demand as soon as it appears.
- **C.** Advise against entry, since high exit costs make any market with such laws too risky to enter.
- **D.** Model downsizing and exit costs and shape the entry plan, such as a phased or partner-led launch.

**23.** A sales leader who generates 15% of company revenue has had three substantiated harassment complaints in two years, after a final written warning following the second. The CEO argues that losing him would hurt the quarter. How should the CHRO make the case for termination?

- **A.** Suggest moving him to a role with no direct reports, since removing his supervisory authority ends the company's liability.
- **B.** Propose a larger fine and mandatory training instead, since termination would cost more than the risk of a future claim.
- **C.** Recommend waiting until the end of the quarter to act, so that the revenue loss is spread over a more favorable period.
- **D.** Show that keeping him after a final warning raises liability and punitive damage risk and undercuts consistency.

**24.** A CEO's culture campaign promotes "collaboration" through posters and a new open office, yet managers continue to hoard information because they believe individual results are what really get rewarded. In Edgar Schein's model, what is driving the managers' behavior?

- **A.** Visible artifacts and symbols
- **B.** Basic underlying assumptions
- **C.** Espoused beliefs and values
- **D.** Formal structures and policies

**25.** The board asks the CHRO to show whether a $2 million executive coaching program is worth continuing. To date, the program has tracked only participant satisfaction. What evaluation design should the CHRO put in place?

- **A.** Collect written testimonials from executives and their coaches describing the most valuable outcomes they achieved.
- **B.** Report the number of coaching sessions held and the percentage of executives who completed their full engagements.
- **C.** Set business-linked goals with sponsors, measure behavior change, and compare outcomes with a similar uncoached group.
- **D.** Expand the satisfaction survey to include questions on perceived value and the likelihood of recommending coaching to peers.

**26.** The CEO of a 20,000-employee company proposes outsourcing all workplace investigations to outside law firms to improve quality. What should the CHRO recommend?

- **A.** Keep every investigation in HR, since outside investigators cost more and do not understand the company's culture.
- **B.** Outsource investigations only when the complainant asks for an outside investigator, so the choice reflects employee preference.
- **C.** A tiered model in which HR handles routine cases and outside investigators handle high-risk or executive matters.
- **D.** Outsource every investigation to outside counsel, since doing so protects all investigation findings under attorney-client privilege.

**27.** The board's risk committee asks the CHRO for a quarterly view of human capital risk. Directors want to know where the company is exposed, not just general HR activity. What should the CHRO include?

- **A.** Key-person exposure, succession coverage for critical roles and skill gaps
- **B.** Headcount, hiring volume and training hours, each compared with the prior quarter
- **C.** HR budget versus actual, plus the status of each HR project on the current roadmap
- **D.** Employee engagement scores by business unit with the overall trend for the year

**28.** After a merger of two business units is announced, two senior vice presidents each lobby the CEO privately to lead the combined unit, and their teams have begun withholding information from each other. The CEO asks the CHRO for help. What should the CHRO do?

- **A.** Advise the CEO to pick the VP with the stronger recent results right away to end the lobbying quickly.
- **B.** Recommend co-leadership of the unit for a year so that neither VP's team feels it lost out in the merger.
- **C.** Propose criteria based on the unit's strategy, assess both VPs against them, and set a decision date.
- **D.** Mediate between the two VPs to restore cooperation before any decision on the unit's leadership is made.

**29.** A defense contractor will learn in four months whether it wins a major government contract that would require about 600 new hires with security clearances. Leadership must decide now how to prepare. What is the CHRO's BEST use of workforce analytics?

- **A.** Begin hiring all 600 now, since cleared talent takes a long time to secure
- **B.** Plan only for the most likely outcome so that resources and attention are not spread thin
- **C.** Model headcount, skills, timing and cost under win, loss and partial outcomes
- **D.** Wait for the award decision, since any forecast before then is speculation

**30.** In an arbitration-mediation (arb-med) process, the neutral hears the evidence, writes a binding award, seals it, and then tries to mediate. The award is opened only if mediation fails. What is the main advantage of this sequence?

**A.** The neutral can revise the award based on the parties' private offers made during mediation

**B.** Disclosures in mediation cannot shape the award, since it was written before mediation began

**C.** The parties can appeal the sealed award to the mediator if they are unhappy with the result

**D.** The process costs less than mediation alone, since no evidence or witness testimony is presented to the neutral

**31.** A CEO proposes voluntarily committing that no employee will be terminated except for just cause. What is the BEST summary of the strategic trade-off?

**A.** It has no legal effect, because at-will status cannot be changed by an employer promise

**B.** It can build trust and retention but creates a contract claim if terminations lack cause

**C.** It ends discrimination risk, since every termination will be judged against one standard

**D.** It allows termination for any reason as long as managers record a reason in the file

**32.** A contact center with 500 agents is considering a job enrichment program costing $300,000 a year. Leaders expect it to cut annual turnover from 40% to 30%, and replacing an agent costs $6,000. What is the program's net annual benefit?

**A.** $300,000, because turnover savings rise by that amount each year

**B.** -$300,000, because the program cost is not offset by any savings

**C.** $0, because the turnover savings exactly offset the program cost

**D.** $600,000, because 30% turnover saves $900,000 less program cost

**33.** A warehouse worker with two years of service at a 600-employee company injures his shoulder on the job. His doctor clears him for light duty, which the company offers, but he declines it and wants to stay home. How do the FMLA, workers' compensation and the ADA interact in this situation?

**A.** The ADA applies only after FMLA leave ends, so medical inquiries are unrestricted until then.

**B.** Comp leave cannot count as FMLA leave, so the two entitlements must run one after the other in sequence.

**C.** Refusing the light-duty job forfeits his FMLA leave protection along with his comp benefits.

**D.** FMLA can run with comp leave, and refusing light duty may end comp benefits but not FMLA rights.

**34.** A company's workforce is now 60% remote, and incidents involving employee data on personal devices and home networks have increased. Which governance approach is BEST?

**A.** Assign full responsibility for remote employees' data security to the IT department

**B.** Have HR write a remote-work data policy and require employees to sign it

**C.** A council of HR, IT security, legal and privacy with clear ownership of policies

**D.** Let each business unit set its own data security rules for its remote staff

**35.** The CFO asks the CHRO to cut the employee relations budget by 30%. The ER team handles about 600 cases a year and has reduced external charges by 25% over three years. How should the CHRO respond?

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

**B.** Propose a 15% cut as a compromise so the CFO gets some savings and the ER team keeps most of its current capacity.

**C.** Accept the cut and reduce investigation staff, since ER is a cost center and the CFO is responsible for the budget decision.

**D.** Refuse the cut and warn that any reduction will lead to more lawsuits, since employee relations is a core legal function.

**36.** After a restructuring, employees who were never explicitly promised job security, in writing or orally, report sharply lower trust, saying the company 'broke its word' about long-term careers. Which concept BEST explains this reaction?

**A.** Organizational role ambiguity

**B.** Implied employment contract breach

**C.** Psychological contract breach

**D.** Equity theory pay inequity

**37.** A U.S. company is investigating a fraud allegation against an employee in its French subsidiary and wants to send the employee's work emails to its U.S. legal team. What should the CHRO ensure FIRST?

**A.** That the emails are stored on a U.S. server owned by the company, since the employer owns the email.

**B.** That the emails are sent only after the investigation concludes, so the employee's data is not used prematurely or out of context.

**C.** That the transfer has a lawful GDPR basis and transfer mechanism, and that only necessary data is collected.

**D.** That the employee signs a consent form allowing the company to move all emails to the U.S.

**38.** In an engagement survey, 58% of employees say they fear AI will be used against them, up from 31% last year. The CEO calls the concerns "noise" and wants to move on. What should the CHRO do?

**A.** Run a second survey with reworded AI questions to confirm the result is accurate before taking action.

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

**C.** Accept the CEO's view and drop the topic, since the CEO has final authority over enterprise priorities.

**D.** Share the results with the board directly so that its members can press the CEO to take the concerns seriously.

**39.** Company chat tools delete messages after 30 days. A former manager has filed an EEOC charge, and IT has not changed the settings. Why is this a concern?

- **A.** Courts excuse any loss caused by an automatic system, so the settings carry no legal risk
- **B.** Chat messages are not records, so preservation duties apply only to email and personnel files
- **C.** Deletion is a concern only if the employee later files a lawsuit, not while a charge is pending
- **D.** The charge triggers a duty to preserve relevant messages, and losing them can lead to sanctions

**40.** The CHRO and risk manager are reviewing whether the company's employment practices liability insurance would respond to discrimination claims arising from an AI hiring tool. The policy predates the tool and does not mention AI. What should they recommend?

- **A.** Assume the policy applies, since EPLI covers all discrimination claims regardless of what caused them.
- **B.** Cancel the EPLI policy and buy cyber insurance, which covers claims involving software and data.
- **C.** Self-insure all AI-related claims, since insurers do not offer coverage for algorithmic discrimination.
- **D.** Review terms and exclusions with the broker, seek clarifying coverage, and require vendor insurance.

**41.** The president of a fast-growing division acquired two years ago tells the CHRO he wants his own independent HR team reporting only to him. He says corporate HR is too slow to support his hiring pace. The company runs a business partner model with shared centers of expertise. What should the CHRO do?

- **A.** Decline the request, explaining that every division must follow the same centralized HR model
- **B.** Refer the decision to the CEO, since the request involves a conflict between two senior executives
- **C.** Pin down the service gaps, then offer dedicated division HRBPs backed by shared enterprise services
- **D.** Approve the independent team to preserve the relationship and support the division's rapid growth plans

**42.** A CFO and CHRO are preparing an intellectual capital report. Which classification of intellectual capital is commonly used?

- **A.** Human, structural and relational capital
- **B.** Social, cultural, symbolic and economic capital
- **C.** Tacit, explicit and procedural capital
- **D.** Financial, physical and human capital

**43.** A CHRO proposes that employees, contractors, gig workers and automation be planned, budgeted and governed together as one workforce rather than in separate silos. What is this approach called?

**A.** Workforce outsourcing
**B.** Total talent management
**C.** Strategic staffing
**D.** Contingent labor management

**44.** A division pays $9 million in base salaries and $1.8 million in annual incentives. What percentage of total cash compensation is variable pay?

**A.** About 83.3%
**B.** About 20.0%
**C.** About 16.7%
**D.** About 10.8%

**45.** A CHRO is considering a rule that any adverse action against an employee within 12 months of protected activity must first be reviewed by HR. Which statement BEST describes the rationale and the main risk?

**A.** It removes retaliation risk once the 12-month review window closes, so later actions against the employee need no review.
**B.** It catches actions that may look retaliatory in advance, but overly broad triggers can stall legitimate decisions.
**C.** It creates a legal safe harbor, since actions that HR approved in advance cannot be found retaliatory later.
**D.** It is required by Title VII for any adverse action taken within one year after an employee files a complaint.

**46.** A CFO asks the CHRO which assumption in the three-year workforce cost plan would most change total labor cost: wage inflation, headcount growth or benefits trend. Which technique BEST answers this question?

**A.** Ratio analysis
**B.** Trend extrapolation
**C.** External benchmarking
**D.** Sensitivity analysis

**47.** A 9,000-employee engineering firm struggles to hire technicians. The CHRO wants to propose a veteran hiring program with skills translation, but the CEO sees veteran hiring only as a compliance task. What is the BEST way to frame the proposal?

**A.** As a way to meet the VEVRAA hiring benchmark so the company avoids penalties in an audit
**B.** As a pipeline for hard-to-fill technical roles, with skills mapping and retention targets
**C.** As a charitable program for the community that the company funds from its giving budget
**D.** As a program that gives veterans preference over other candidates for every technician role

**48.** A CFO proposes adding economic value added (EVA) per employee to the executive workforce dashboard. Which formula defines this metric?

**A.** Net income after taxes, divided by total compensation and benefits expense

**B.** Revenue minus total compensation and benefits costs, divided by headcount

**C.** Revenue minus total operating expenses, divided by full-time-equivalent headcount

**D.** Net operating profit after taxes minus the cost of capital, divided by headcount

**49.** An HR analytics team wants to add race and sex fields to a model that scores employees for promotion readiness, arguing it will make the model fairer. What principle should guide the CHRO?

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

**B.** Protected data may be used as inputs if the model gives every group the same average score, which prevents adverse impact.

**C.** Including protected data is required, since a model that does not see race or sex cannot be tested for adverse impact.

**D.** Protected data may be used as inputs if employees gave consent when they self-identified in the HR information system.

**50.** A traditional insurance company is shifting its strategy to digital products and must recruit data scientists who see it as slow and bureaucratic. Its current EVP stresses stability, strong benefits, and long careers. What should the CHRO do to redefine the EVP?

**A.** Raise pay offers well above market so the stability message becomes more appealing to them.

**B.** Replace the EVP with startup-style messaging that stresses speed, risk-taking, innovation and flexible work.

**C.** Keep the current EVP, since stability and benefits appeal to most candidates in every field.

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

**51.** A CHRO presents a workforce-planning platform with a projected internal rate of return of 14%. The company's hurdle rate for capital projects is 10%. What does this comparison indicate?

**A.** The project has a 14% probability of missing its savings targets, which the board can accept because the hurdle rate already allows for some risk

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

**C.** The project will pay back its full cost in about seven years, which is within the usual approval window

**D.** The project will return 4% more cash in its first year than the company's current average investment

**52.** A division president has been telling other executives that HR is a bottleneck, citing slow hiring in his division. HR data show time-to-fill there is 20% above the company average, largely because his managers take weeks to schedule interviews. What is the CHRO's BEST response?

**A.** Meet with him privately, review the data together, and agree on joint fixes and progress reporting.

**B.** Ask the CEO to tell the division president to stop criticizing HR in front of the other executives.

**C.** Present the interview-scheduling data at the next executive meeting to correct the record with his peers.

**D.** Assign extra recruiters to his division to remove the complaint, without raising the scheduling delays.

**53.** To control costs, an executive team plans to cut the employer share of $16 million in annual health premiums from 80% to 70%, with employees paying the rest. Premiums are unchanged. What is the effect on employee premium contributions?

**A.** They rise by $1.6 million, a 12.5% increase

**B.** They rise by $1.6 million, a 10% increase

**C.** They rise by $1.6 million, a 33% increase

**D.** They rise by $1.6 million, a 50% increase

**54.** A company acquires most of a competitor's assets, keeps its plants, managers and workforce, and continues the same operations. The seller had a pending EEOC charge and will dissolve after the sale. Which factors do courts weigh in deciding whether the buyer inherits that liability?

**A.** Whether the buyer knew of the claim, whether operations continue largely unchanged, and whether the seller can pay.

**B.** Whether the buyer hired a majority of the seller's employees, since that alone decides whether the buyer is a successor.

**C.** Whether the purchase agreement assigns the liability to the seller, since contract terms control federal successor liability.

**D.** Whether the deal was a stock or asset purchase, since asset buyers are shielded from the seller's employment liabilities.

**55.** A company acquires a unionized competitor's assets and continues the same operations at the same location. Which condition generally determines whether the acquirer must recognize and bargain with the incumbent union as a successor employer?

**A.** The purchase agreement expressly assumes the predecessor's collective bargaining agreement and its terms

**B.** The acquirer retains at least one-third of the predecessor's employees and keeps them in their former jobs and pay grades

**C.** The union files a new representation petition and wins an NLRB election among the acquirer's new workforce

**D.** A majority of its workforce in the unit came from the predecessor and the business continues substantially unchanged

**56.** Six months after a global launch of a new performance management platform, the CHRO must report to the executive team on whether the investment is succeeding. Which metric is the BEST indicator of success?

**A.** Whether the platform went live on schedule and within the budget the executive team approved

**B.** The number of help-desk tickets resolved by the vendor during the rollout

**C.** The percentage of intended users regularly completing key tasks in the system

**D.** The number of user licenses bought compared with the number at the start

**57.** A CHRO's country research notes that one host society strongly encourages and rewards people for being fair, altruistic, generous and caring toward others. Which GLOBE study cultural dimension does this describe?

**A.** Gender egalitarianism

**B.** Performance orientation

**C.** In-group collectivism

**D.** Humane orientation

**58.** A CHRO plots employees on a retention risk matrix by impact of loss and likelihood of leaving. For employees whose loss would have low impact but who are highly likely to leave, what is the MOST appropriate action?

**A.** Accept likely turnover, keep standard retention practices, and ensure that backfill and knowledge transfer plans exist.

**B.** Provide individualized retention packages, since a high likelihood of leaving always calls for the strongest and costliest interventions.

**C.** Move these employees into higher-impact roles so they shift into the quadrant that receives retention investment.

**D.** Begin performance management for these employees, since a high likelihood of leaving signals low commitment.

**59.** A manufacturer's operations team plans automation that will eliminate about 150 production roles over three years, while demand grows for maintenance technicians and data analysts. What is the CHRO's BEST strategy?

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

**B.** Hire automation specialists from outside now and decide what to do about the affected production roles later in the program.

**C.** Plan a single layoff at the start of the program so the organization can move ahead without uncertainty.

**D.** Keep the automation plans confidential until the third year to avoid early turnover among production staff.

**60.** After a widely reported scandal involving falsified sales figures, a company replaced its CEO. The new CEO asks the CHRO how to rebuild trust in the company's stated values. Which approach will be MOST effective?

**A.** Have senior leaders model the values, admit past failures, and act on violations at any rank.

**B.** Launch a values campaign with posters, videos, and a new code of conduct that every employee signs.

**C.** Have the CEO announce that the scandal was the work of a few people who have since left.

**D.** Require all employees to complete annual ethics training that ends with a certification test.

**61.** At a chemical plant, a pregnant operator temporarily cannot perform a lifting duty that is an essential function of her job, and the PWFA may require the plant to suspend that function for a time. How should the operations leader plan for this?

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

**B.** Treat her as unqualified for the role, since essential functions cannot be removed under any law

**C.** Suspend the function only if a doctor certifies in writing that she will resume it within 30 days of the request

**D.** Place her on unpaid leave until she can perform every essential function without any restriction

**62.** A total rewards leader argues that the company should not spread its reward budget evenly. Instead, it should invest most heavily in the roles where differences in performance have the greatest effect on strategic outcomes, even if those roles are not the most senior. Which concept does this reflect?

**A.** Seniority-based pay, where rewards increase with tenure and level in the hierarchy

**B.** Market pricing, where each job's pay is set by what competitors pay for the role

**C.** Internal equity, where jobs of similar value to the firm receive similar pay ranges and grades

**D.** Pivotal talent pools, where improved performance yields the greatest strategic return

**63.** A company is recruiting an external CEO who would forfeit $6 million in unvested equity at her current employer, about half of it in performance shares. The committee is designing a make-whole grant. What is the BEST approach?

**A.** Offer no make-whole grant, since replacing forfeited equity is viewed by investors as rewarding a prior employer's results.

**B.** Pay the full $6 million in cash at hire, so the candidate faces no risk and the offer can close quickly.

**C.** Replace verified forfeited value with similar vesting and a similar performance-based mix, and disclose the rationale.

**D.** Grant time-based restricted stock worth twice the forfeited value, to offset risk and secure her acceptance.

**64.** After a lawsuit over a missed COBRA election notice, the CHRO is evaluating whether to outsource COBRA administration. Which principle should guide the decision?

**A.** Outsourcing is prudent only when the vendor is the same company as the plan's insurer.

**B.** Outsourcing moves tasks but not plan liability, so select the vendor prudently and monitor it.

**C.** Outsourcing is barred for notices, since the plan administrator must send them directly.

**D.** Outsourcing transfers COBRA liability to the vendor as soon as the service agreement is signed.

**65.** The board is split on CEO succession timing: some directors want a successor named within a year, while others want to wait three years for internal candidates to mature. Meetings repeat the same arguments. The nominating committee chair asks the CHRO to help. What should the CHRO propose?

**A.** Recommend the earlier date, since naming a successor quickly reduces uncertainty for investors

**B.** Recommend the later date, since internal candidates are less risky than external successors

**C.** Ask the sitting CEO to choose the timing, since the CEO knows the candidates' readiness best

**D.** Agree on criteria first, then weigh candidate readiness and strategic risk against them

**66.** A CHRO is assessing the organization's conflict culture using Michele Gelfand's research on conflict cultures. Which conflict culture is associated with greater cohesion and lower burnout?

**A.** Passive-aggressive

**B.** Avoidant

**C.** Dominating

**D.** Collaborative

**67.** Outsourcing payroll will eliminate 18 internal roles over nine months. The company needs these employees to keep payroll accurate until the transition is complete. What is the CHRO's BEST workforce strategy?

**A.** Tell staff immediately and offer enhanced severance to anyone willing to leave in the first month

**B.** Delay telling the affected staff until a month before their roles end to prevent early departures

**C.** Ask the vendor to hire all 18 employees now so that internal staff no longer need to be retained

**D.** Communicate early, pay transition retention bonuses, and offer redeployment and severance

**68.** A CHRO wants to turn the company into a learning organization as described by Peter Senge. Which set lists the disciplines Senge identified?

**A.** Personal mastery, knowledge management, shared vision, double-loop learning and feedback

**B.** Self-awareness, mental models, strategic planning, team learning and performance coaching

**C.** Personal mastery, mental models, shared vision, team learning and systems thinking

**D.** Unfreezing, mental models, shared vision, refreezing and systems thinking across the whole

**69.** Which practice BEST ensures that the benefits promised in an HR technology business case are actually achieved?

**A.** Naming benefit owners, setting baselines and targets, and tracking after go-live

**B.** Completing the implementation on schedule and within the approved project budget

**C.** Surveying users about their satisfaction with the system after implementation

**D.** Conducting user acceptance testing with a representative group of users before go-live

**70.** A company acquired a California-based startup whose generous handbook conflicts with the parent's policies on PTO, remote work and expense rules. Key engineers have signaled they will leave if benefits are cut. What is the CHRO's BEST plan?

**A.** Run a gap analysis, keep required state terms in a supplement, and phase changes to protect retention.

**B.** Keep the startup handbook in place indefinitely so that no acquired employee experiences any change.

**C.** Replace the startup handbook with the parent handbook on the closing date to avoid any confusion.

**D.** Let the startup's managers choose which parent policies to adopt for their teams and on what schedule.

**71.** An executive team scores two return-to-office options against stakeholder criteria weighted Employees 50%, Customers 30% and Shareholders 20%. On a 1-5 scale, Option A is rated 5, 2 and 3, and Option B is rated 3, 4 and 4 on those criteria. Which option ranks higher, and what are the weighted scores?

**A.** Option B, scoring 3.80 versus 3.10 for Option A

**B.** Option B, scoring 3.67 versus 3.33 for Option A

**C.** Option B, scoring 11 points versus 10 for Option A

**D.** Option A, scoring 3.70 versus 3.50 for Option B

**72.** An enterprise has nine management layers between frontline staff and the CEO, and most managers have three or four direct reports. Leaders complain that routine decisions take weeks. Which design change MOST directly reduces this decision delay?

**A.** Add a coordinating layer to route decisions to the right executive more quickly.

**B.** Move all routine approvals to the executive team so decisions stay consistent.

**C.** Remove layers and widen spans where work is routine and teams are experienced.

**D.** Narrow spans further so managers can review each decision more carefully.

**73.** A remote customer support team is organizing on a public messaging server. The CHRO is setting the enterprise response and reviewing communication policies. Which principle should guide the response?

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

**B.** Remote employees are outside the NLRA's protection, so the company may set any communication rules it chooses for them.

**C.** Because the server is public, managers may watch it and record who posts, since no privacy rights apply.

**D.** The company should require employees to discuss work issues only on company-approved channels.

**74.** A CHRO is preparing a slide for the executive team on first-year sales turnover. Which statement turns the data into an insight that executives can act on?

**A.** First-year sales rep turnover is 40%, up from 32% last year, according to data from the HRIS.

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

**C.** First-year sales rep turnover is 40%, and HR will continue to monitor the trend each month.

**D.** First-year sales rep turnover is 40%, compared with 25% for all other employees in the company.

**75.** A fintech company keeps losing engineering finalists to competitors that raise their offers after hearing about the company's offer. Recruiters want authority to match any counteroffer on the spot. What is the BEST offer strategy for the CHRO?

**A.** Give recruiters authority to match any counteroffer to win as many finalists as possible

**B.** Withdraw any offer once a candidate mentions a competing bid, to discourage bidding wars in the market

**C.** Set offer ranges from market data and stress the full value proposition, with clear limits

**D.** Raise all engineering ranges by 25% so the company leads the market at every level

**76.** In labor negotiations, the union will not accept a wage increase below 5% per year, and the company has determined that it cannot exceed 3%. What does this indicate, and what is the strategic implication?

**A.** A ZOPA exists from 3% to 5%, so the parties should agree to split the difference at 4%

**B.** No ZOPA exists on wages, so the company should declare impasse and then impose its final offer

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

**D.** The gap shows bad-faith bargaining, so the company should file a charge with the NLRB

**77.** A CHRO proposes moving HR to a model of HR business partners, centers of excellence and shared services. The CEO says, "Just tell me what changes for the business." How should the CHRO present the proposal?

**A.** Explain the theory behind the three-pillar model and the research supporting it

**B.** Present the new HR org chart with names, reporting lines and job descriptions

**C.** Tie each part of the model to business outcomes, service levels, cost and risk

**D.** Describe how other HR leaders in the industry rolled out similar structures

**78.** A logistics company is in year two of a three-year strategic plan when its largest customer segment shifts rapidly to automated fulfillment, making the plan's growth and staffing assumptions obsolete. The CEO asks the CHRO how the planning process should change so this does not happen again. What is the BEST recommendation?

**A.** Replace the plan with a new fixed three-year plan built on today's market conditions

**B.** Keep the current plan through year three and address the shift in the next planning cycle

**C.** Suspend strategic planning until the market stabilizes and manage through annual budgets

**D.** Adopt a rolling plan reviewed quarterly, updating assumptions and workforce actions

**79.** The CEO of a subscription software company argues for adding customer success managers, saying they protect annual recurring revenue (ARR). What does ARR measure?

**A.** The annualized value of active recurring subscription contracts

**B.** All revenue recognized in the fiscal year, including one-time services

**C.** Annual revenue earned only from customers acquired during that year

**D.** The value of signed contracts not yet recognized as revenue to date

**80.** A global company is forming several new project teams with members in Brazil, Germany, India and the U.S. Some members' cultures build trust mainly through personal relationships, while others build it through reliable task delivery. The CFO questions the cost of in-person kickoff meetings. What should the CHRO recommend?

**A.** Hold in-person meetings only after a team has missed deadlines and conflict has started to emerge

**B.** Fund in-person kickoffs for every team regardless of how closely members must work together

**C.** Cancel in-person kickoffs and rely on clear task assignments, since trust develops mainly from reliable delivery over time

**D.** Fund in-person kickoffs for highly interdependent teams, then sustain ties with structured virtual contact

**81.** After two years of remediating pay gaps, the CHRO of a 5,000-employee company wants to stop new gaps from forming between annual audits. Which design BEST builds pay equity into the ongoing pay cycle?

**A.** Require managers to complete unconscious bias training before they make any pay recommendations.

**B.** Increase the annual audit to a quarterly audit so that new gaps are caught and corrected sooner throughout the year.

**C.** Add equity checks against peer comparators at offer, merit and promotion decisions, with exceptions documented.

**D.** Set aside a standing remediation fund each year to correct any gaps the annual audit identifies.

**82.** An unfair labor practice charge alleging that a manager threatened to close a department if employees unionized is pending at the NLRB regional office. The CHRO is considering a written repudiation. What is the BEST approach?

**A.** Wait until the regional office decides whether the charge has merit before taking any further step.

**B.** Discipline the manager quietly and say nothing to employees so the statement draws no further attention at the site.

**C.** Issue a prompt, specific written repudiation to affected employees, with assurances, coordinated with counsel.

**D.** Post a general reminder at the site that the company follows all federal and state labor laws.

**83.** Before launching an AI tool that profiles EU employees to predict flight risk, the company's privacy office says a data protection impact assessment is required. What is the main purpose of this assessment?

**A.** To obtain each employee's consent, which serves as the required legal basis for profiling under the GDPR.

**B.** To certify the tool's predictive accuracy so that its outputs can be relied on for dismissal decisions.

**C.** To assess necessity and proportionality and to find and reduce risks to employees before processing.

**D.** To notify the supervisory authority in every case so that it can approve the tool before launch.

**84.** A vendor offers the investigations team an AI tool that analyzes interview transcripts and scores each witness's credibility. The vendor says the tool is 90% accurate. The CHRO is considering using it for all investigations. What is the BEST decision?

**A.** Use it only on allegations against executives, where the risk of investigator bias is greatest.

**B.** Do not use it to judge credibility; consider it only for transcription and organizing evidence under review.

**C.** Adopt it if the vendor provides an independent audit that confirms the stated accuracy rate.

**D.** Pilot it on all cases this year and have investigators manually review any credibility scores that look unusual.

**85.** Partners in a 50/50 joint venture in India disagree over who should appoint the general manager and the finance head. Each partner sees control of at least one of these roles as essential to protecting its investment. What should the senior HR leader recommend?

**A.** Let the partner with stronger local market knowledge appoint both roles to speed decisions.

**B.** Split the two appointments between partners, using agreed criteria and joint board approval.

**C.** Hire both leaders through an outside search firm and give neither partner a formal say.

**D.** Leave both roles filled on an interim basis until the partners settle their broader disputes.

**86.** A company's strategy map assumes that higher employee engagement in service centers drives higher customer retention. What is the MOST rigorous way for the CHRO to validate this cause-and-effect link?

**A.** Compare engagement and retention across all service centers within a single quarter.

**B.** Confirm the link through consensus of the executive team at the annual strategy offsite.

**C.** Benchmark both measures against industry averages from a published annual survey.

**D.** Test over several periods whether changes in engagement precede changes in retention.

**87.** A company is planning a gender pay equity analysis and expects to find some unexplained gaps. The CEO wants to share the full report with all managers to show transparency. What should the CHRO recommend?

**A.** Conduct it under counsel's direction, limit the detailed report, and share remediation steps broadly.

**B.** Share the full report with all managers, since transparency will reduce the legal risk of the findings.

**C.** Conduct the analysis within HR without counsel, so results can be shared freely with employees.

**D.** Delay the analysis until the company has the budget to fix every gap the report might identify.

**88.** A listed company's compensation committee is updating its clawback policy under SEC Rule 10D-1 and exchange listing standards. What triggers a required recovery of incentive pay?

**A.** A board finding that an executive engaged in misconduct or a breach of company policy

**B.** An executive's resignation before the end of an incentive plan's performance period

**C.** An accounting restatement for material noncompliance, regardless of executive fault

**D.** Any year in which company stock falls more than 20% below its prior closing high

**89.** What is the PRIMARY purpose of a board or leadership team skills matrix?

**A.** To rate each member's individual performance so that low performers can be identified for replacement

**B.** To compare the skills and experience the strategy needs with those current members have and show gaps

**C.** To assign members to committees based on their years of service and seniority on the board or team

**D.** To list each member's demographic characteristics so the company can report diversity to shareholders

**90.** A company's leadership competency model was built by profiling the traits of its most successful executives over the past decade. The company is now shifting from a product business to a subscription platform. What is the main risk of keeping the current model?

**A.** It will lower engagement, since current executives will resent being measured on old traits

**B.** It will fail a legal review, since federal rules require competency models to be revalidated every three years

**C.** It will yield too few high potentials, since past-success profiles set the bar far too high

**D.** It will select and develop leaders for the business the company is leaving, not the one ahead

**91.** Facing pressure to meet quarterly earnings targets, the CEO proposes eliminating the company's leadership development budget for the year. What is the CHRO's BEST argument?

**A.** Refuse any reduction, since development spending should never be optional.

**B.** Agree to eliminate it all, since meeting earnings targets has to come first.

**C.** Defer the decision until the next fiscal year's budget planning cycle.

**D.** Show the cost of leadership gaps and propose targeted cuts instead.

**92.** Several employees have posted on social media criticizing the CEO's pay and recent staffing decisions. The CEO asks HR to build a list of employees who post such criticism so their managers can address it. What is the BEST response?

**A.** Build the list and have managers meet privately with each employee to explain the business rationale for the decisions.

**B.** Build the list for the CEO's awareness only, with no action taken against any employee on the list.

**C.** Build the list but limit it to employees whose posts reached a large audience or attracted media attention.

**D.** Advise against monitoring and listing critics, since it risks NLRA violations and chills legitimate employee speech.

**93.** The chief risk officer asks the CHRO to add human capital risks to the enterprise risk register. Which approach should the CHRO take?

**A.** List every HR compliance requirement so the register shows complete legal coverage

**B.** Keep workforce risks in a separate HR register, since people risks are hard to quantify

**C.** Name key workforce risks, rate them on the same likelihood and impact scale, and assign owners

**D.** Report only the risks with current incidents, such as open lawsuits, recent high turnover and grievances

**94.** The CHRO is presenting the CEO succession plan to the full board for approval. Two internal candidates are rated "ready in 2-3 years," and no one is ready now. What is the BEST approach for the presentation?

**A.** Candidly present each candidate's gaps, the emergency coverage risk, and development and external options.

**B.** Recommend that the board immediately begin an external search, since having no ready-now candidate shows the plan has failed.

**C.** Present both candidates as nearly ready to reassure the board, and address the readiness gaps privately with the CEO later.

**D.** Focus the presentation on the strongest candidate so the board can endorse a single successor and avoid a divided discussion.

**95.** At an all-hands meeting, several nonsupervisory employees at a 300-person startup openly challenged the founder-CEO's decision to cut overtime pay. The founder now demands that HR fire them for disrespect. What should the CHRO advise?

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

**B.** Proceed with the terminations, since the employees criticized a decision made personally by the CEO.

**C.** Proceed with the terminations, since the NLRA protects only employees who are represented by a union.

**D.** Issue final written warnings instead of terminations so the employees understand the limits of acceptable dissent at work.

**96.** An HR function produces accurate, standardized headcount and turnover reports and benchmarks them against peers, but it cannot yet explain what drives those results. According to typical talent analytics maturity models, what is the next stage?

**A.** Prescriptive analytics that recommends the best actions to take

**B.** Operational reporting that standardizes basic workforce metrics

**C.** Advanced analytics that examines drivers and causes of outcomes

**D.** Predictive modeling that forecasts individual employee attrition

**97.** A union wins an election by two votes. Several employees report that organizers promised to waive initiation fees only for employees who signed cards before the vote. What should the CHRO and counsel do?

**A.** Wait until first-contract talks begin and use the fee issue as leverage over the union's proposals.

**B.** Ask unit employees how they voted to confirm whether the fee promise actually changed their votes.

**C.** Quickly gather the facts and, if the reports hold up, file timely objections with supporting evidence.

**D.** Accept the result, because only employer conduct, not union conduct, can serve as grounds for setting aside an election.

**98.** A 6,000-employee company's product teams collaborate heavily in person, its finance teams work mostly independently, and its customer support works in shifts. Leaders disagree on whether to set one hybrid rule for all or let each team decide. What should the CHRO recommend?

**A.** Adopt a single three-day in-office rule for all employees to ensure fairness

**B.** Set enterprise guardrails and principles, then let teams build agreements within them

**C.** Let each team set any arrangement it wants, with no enterprise-wide standards

**D.** Allow only the product teams to choose their arrangement and require the others to stay remote

**99.** In a national bank's annual succession review, nearly every slate for the top 60 roles consists of people with the same functional background, career path and alma maters as the incumbents. The board has asked for stronger and broader slates. What is the BEST strategic response by the CHRO?

**A.** Fill the next several senior openings with external executive hires to quickly bring new backgrounds into the team.

**B.** Require each slate to include a set number of candidates from specific demographic groups for every role.

**C.** Widen the talent pool by redefining role criteria around future needs and using structured, calibrated reviews.

**D.** Ask each executive to nominate one candidate from outside their own function for the next review cycle.

**100.** To diagnose declining innovation, the CHRO's team conducted 40 structured interviews with senior engineers using a standard protocol, two independent coders and a documented coding scheme. At the executive committee, the CFO dismisses the findings as "anecdotes" and says only survey numbers matter. What is the CHRO's BEST response?

**A.** Set the interviews aside and commission a larger quantitative survey before deciding.

**B.** Convert the interview themes into percentages so they read as statistically representative.

**C.** Explain the method and coder agreement, and show where themes match survey and exit data.

**D.** Present the most compelling individual quotes to show how strongly engineers feel.

**101.** Aggregated Thomas-Kilmann Conflict Mode Instrument results for a 12-person senior leadership team show most members prefer avoiding. Engagement data shows that unresolved cross-functional issues sit for months. What is the BEST development strategy for the CHRO?

**A.** Share each leader's individual results with the whole team so peers can hold one another accountable

**B.** Replace leaders with strong avoiding preferences over time, since conflict styles are fixed personality traits that coaching cannot change

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

**D.** Accept the profile as a strength, because avoiding conflict keeps a senior team cohesive and collegial

**102.** A global company is establishing an organizational ombuds office. To preserve the office's independence, to whom should the ombuds report?

**A.** The general counsel, so that each issue raised can be promptly assessed for legal exposure

**B.** The CEO or board, for administrative purposes only, outside the management chain

**C.** The CHRO, so the office can coordinate closely with employee relations staff

**D.** The chief compliance officer, so concerns flow directly into investigations

**103.** A company's long-term assignees are all paid using the home-based balance-sheet approach. When is it MOST appropriate to localize an assignee's pay to the host-country structure?

**A.** When the assignment is planned to last less than one year and the family stays in the home country

**B.** When the assignee requests a larger housing allowance than the company's policy normally provides

**C.** When the assignee is expected to remain in the host country indefinitely and no return is planned

**D.** When the host country has a higher cost of living than the assignee's home country does

**104.** A global bank's flagship two-week leadership retreat earns top satisfaction scores, and senior executives champion it. A rigorous ROI study now shows a negative ROI: participants enjoy it and learn concepts, but little changes on the job. What should the CHRO recommend?

**A.** Cut the program length to one week to reduce costs enough to turn the ROI positive

**B.** Discontinue the program right away, since the negative ROI shows it is not a worthwhile investment

**C.** Keep the program unchanged, since high satisfaction scores and strong executive support show it is valued

**D.** Redesign the program to strengthen on-the-job application and transfer, then re-evaluate its impact

**105.** A company with 2,000 employees averages 6 unplanned absence days per employee each year. Including replacement labor and lost productivity, each absence day costs $280. What is the annual cost of unplanned absence?

**A.** $336,000

**B.** $3,360,000

**C.** $560,000

**D.** $1,680,000

**106.** The company now has employees in 35 countries and 30 U.S. states, and employment compliance is tracked in separate local spreadsheets. What should the CHRO do?

**A.** Keep the local spreadsheets but have corporate HR audit them once each year.

**B.** Retain an outside employment lawyer in each country and state to own compliance there.

**C.** Adopt the strictest rule found anywhere as the single companywide standard.

**D.** Build a central compliance framework with owners, monitoring and legal updates.

**107.** A CHRO is building a people analytics function from scratch and the CEO wants predictive models running within six months. Why do mature people analytics functions typically begin with defined business questions and data governance before advanced modeling?

**A.** Data privacy laws prohibit employers from using predictive models until a formal governance program has existed.

**B.** Advanced models need at least several years of historical data, which a new function will not have during its first year.

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

**D.** Descriptive reports cost less to produce, so starting with them lets the function show savings before it expands.

**108.** In Ulrich's three-pillar HR operating model, which component provides deep specialist expertise in areas such as compensation, talent management and learning?

**A.** Shared services center

**B.** Centers of excellence

**C.** HR business partners

**D.** Line management

**109.** An HR analytics team wants to flag employees whose intermittent FMLA absences cluster on Mondays and Fridays. How should leaders govern use of this data to limit interference claims?

**A.** Deny further intermittent leave for flagged employees until they provide a new medical certification

**B.** Share the flagged list with frontline supervisors so they can monitor those employees more closely

**C.** Allow managers to discipline flagged employees when the pattern continues for more than three months

**D.** Use flags only to start lawful steps such as recertification, with HR and legal review first

**110.** Why must an employer that uses an AI video-interview tool be prepared to offer applicants accommodations or alternative assessments?

**A.** Accommodations are needed only if the vendor's contract states that the tool is not accessible

**B.** The vendor rather than the employer is responsible for any ADA issues that the tool creates

**C.** The ADA requires employers to stop using any tool that analyzes applicants' speech patterns or facial expressions

**D.** Under the ADA, the employer must accommodate applicants whose disabilities affect how the tool assesses them

**111.** A strike contingency plan relies on salaried managers and nonunit staff working 12-hour shifts on production lines for several weeks. Which risk should the CHRO raise with senior leaders?

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

**B.** Using nonunit staff for unit work is an unfair labor practice, so the plan must rely only on outside replacements.

**C.** The main risk is that the union will demand the same pay rates for nonunit staff once the strike is settled.

**D.** Salaried staff cannot be required to do production work, since it falls outside their job descriptions in every case.

**112.** A CHRO is asking the CFO to fund a $2 million manager development program during a period of cost scrutiny. Which framing is most likely to win approval?

**A.** Show expected financial return and the cost of the risk it reduces, such as turnover

**B.** Emphasize that leading competitors in the industry already invest heavily in manager development

**C.** Explain that best practice calls for spending a set share of payroll on training

**D.** Present engagement survey comments showing managers want more development

**113.** A benefits vendor proposes a wellness health risk assessment that pays employees $200 for completing it, including questions about family medical history. Which risk should the CHRO raise?

**A.** GINA bars any wellness incentive at all, so the $200 payment must be removed from the program entirely.

**B.** GINA allows the incentive only if employees sign a waiver giving up their genetic privacy rights first.

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

**D.** GINA allows the incentive only if the vendor shares results with HR in individual form rather than in aggregate form.

**114.** In a company's sales organization, people routinely say things like "look out for yourself" and "hit your number however you can," and decisions are judged mainly by personal gain. Using Victor and Cullen's ethical climate framework, which climate type does this describe?

**A.** Caring, in which concern for others guides decisions

**B.** Independence, in which personal morals guide decisions

**C.** Rules, in which company policies guide decisions

**D.** Instrumental, in which self-interest guides decisions

**115.** A pharmaceutical company has paid well above market to hire senior scientists over the past two years, but performance reviews show that 40% of these hires are underperforming. Hiring managers use unstructured interviews and rely mainly on candidates' publication records. What is the BEST strategic response from the CHRO?

**A.** Review the validity of the selection methods by checking whether current criteria predict later performance.

**B.** Lengthen onboarding for senior scientists so that new hires have more time to adjust to the company's processes.

**C.** Replace the current executive search firm with one that specializes in pharmaceutical research talent.

**D.** Increase pay for the underperforming hires so that they feel valued and become more committed to their work.

**116.** A company charges employees earning under $50,000 a lower monthly health premium than employees earning more for the same coverage tier. What is this contribution strategy called?

**A.** Salary-banded premium contributions

**B.** Experience-rated contributions

**C.** Defined contribution health funding

**D.** Spousal surcharge contributions

**117.** A CHRO wants the board to approve expanding a mentoring program for high-potential employees. A director asks for evidence that the program is worth the investment. What evidence would be MOST persuasive?

**A.** Benchmarks showing that many peer companies have adopted similar mentoring programs

**B.** Retention and promotion rates of mentored high potentials compared with a similar unmentored group

**C.** Participant satisfaction ratings and written testimonials from mentees about the quality of their mentoring experience

**D.** Number of mentoring pairs formed and hours logged by mentors since the program launched

**118.** An executive team is building a balanced scorecard. Which sequence correctly reflects the cause-and-effect logic among its four perspectives?

**A.** Internal processes, then learning and growth, then customer, then financial

**B.** Financial, then customer, then internal processes, then learning and growth

**C.** Learning and growth, then internal processes, then customer, then financial

**D.** Customer, then learning and growth, then financial, then internal processes

**119.** A newly hired SVP of operations is 90 days into the role. Several peers have complained to the CEO that the SVP dismisses their input and makes decisions without consulting them. The CEO asks the CHRO for help. What should the CHRO do FIRST?

**A.** Enroll the SVP in a general leadership course offered by an outside business school this fall

**B.** Ask the peers to give the SVP more time, since executives need a year to adjust

**C.** Recommend ending the SVP's employment before the problems spread to other teams

**D.** Gather feedback from stakeholders and hold a candid talk with the SVP to set expectations

**120.** During contract talks, a union proposes expanding retiree medical coverage to all members with 20 years of service. The current-year cash cost appears small because few members are near retirement. What should the HR leader do before responding?

**A.** Reject the proposal outright, since retiree medical benefits can never be changed once they are granted.

**B.** Accept the proposal, since the current-year cost is small and the concession will help close the contract more quickly.

**C.** Have actuaries project the long-term liability and its effect on financial statements over the coming decades.

**D.** Counter with a larger wage increase of equal current-year cost in place of the retiree medical benefit.

**121.** HR investigators at a 15,000-employee company are overloaded, and about 60% of complaints are interpersonal conflicts that don't involve policy violations. Investigation backlogs are delaying serious cases. What multi-year strategy should the CHRO pursue?

**A.** Build early resolution through manager conflict training and mediation, with triage of serious cases.

**B.** Hire enough additional investigators to give every complaint a formal investigation within 30 days.

**C.** Outsource all investigations to an outside firm so internal HR can focus on more strategic work.

**D.** Require employees to resolve interpersonal issues with their managers before HR will accept a complaint.

**122.** A division president wants to use executives' Thomas-Kilmann Conflict Mode Instrument scores as a factor when choosing whom to promote to vice president. Why is this inappropriate?

**A.** It measures preferred conflict styles, not ability, and is not validated for selection

**B.** The TKI is a projective personality test, and federal law bars its use in any employment decision

**C.** The TKI results expire after one year and must be retaken before they can inform a promotion

**D.** The TKI is designed to measure team performance, so it cannot describe individual executives

**123.** A COO compares two regions: Region A spends $0.28 in labor cost per dollar of revenue, and Region B spends $0.34. By about what percentage is Region B's labor cost per revenue dollar higher than Region A's?

**A.** About 18%

**B.** About 82%

**C.** About 21%

**D.** About 6%

**124.** A CHRO keeps a single prioritized list of all HR initiatives, ranked by strategic value and matched against the HR function's delivery capacity. What is the main benefit of this portfolio approach?

**A.** The initiatives that cost the least are approved first so that HR shows results quickly

**B.** Each business unit receives an equal share of HR project support during the planning cycle

**C.** Scarce resources go to the highest-value initiatives instead of being spread too thin

**D.** Every initiative requested by executives can be started within the current planning cycle

**125.** Integration best practice calls for naming the combined company's top two leadership levels as early as possible, ideally by Day 1. What is the main reason?

**A.** It ends a leadership vacuum, lowers uncertainty and talent flight, and lets accountable leaders shape their teams.

**B.** It lets HR finish the full organization design for every level so that all roles are announced at the same time on Day 1.

**C.** It satisfies federal disclosure rules, which require public companies to name the combined leadership team before closing.

**D.** It lets the acquirer remove target executives quickly before they can resist the integration plan or form opposing alliances.

**126.** A senior vice president's personal social media posts, which mock a group of customers based on their religion, have gone viral. Employees are demanding that the company act. The CEO asks the CHRO for advice. What should the CHRO advise?

**A.** Take no formal action, since the posts were made on a personal account outside working hours.

**B.** Assess the posts against the code using the same process as for any employee, weighing his role.

**C.** Issue a public statement condemning the posts and wait to see whether the attention fades before acting.

**D.** Terminate the executive at once to show employees and customers that the company takes the matter seriously.

**127.** After a global code of conduct introduces a single low dollar cap on business gifts, managers in several Asian and Middle Eastern countries tell the chief ethics officer that the cap makes normal relationship-building impossible and that customers are offended. What is the BEST response?

**A.** Exempt the affected countries from the gift section until local business practices change over time.

**B.** Hold the single cap firmly and remind managers that local customs never justify exceptions to the code.

**C.** Keep the anti-bribery principle but set country-calibrated gift limits with a compliance preapproval process.

**D.** Withdraw the gift section entirely and let each country manager set gift rules that reflect accepted local practice.

**128.** A food manufacturer acquires its main packaging supplier to secure supply and lower costs. The supplier has 600 employees, a lean entrepreneurial culture, lower pay and leaner benefits than the parent, and a few engineers who hold critical process know-how. What should be the CHRO's integration priorities?

**A.** Move the supplier onto the parent's pay and benefits plans at once, so that all employees are treated the same from the first day.

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

**C.** Remove duplicate support roles first, since quick cost savings are the main reason companies buy their own suppliers.

**D.** Leave the supplier fully independent, since vertical integration delivers value only if the acquired company is left unchanged.

**129.** A regional sales executive brings in 30% of company revenue but has been the subject of five credible complaints over two years about belittling staff in meetings. Prior coaching produced no lasting change, and engagement scores in the executive's region are the lowest in the company. What should the CHRO do?

**A.** Address the conduct privately with the executive and tie a small part of next year's bonus to improved engagement scores in the region.

**B.** Arrange another round of executive coaching with a firmer timeline, given the executive's value to company revenue.

**C.** Reassign the executive's most affected direct reports to other leaders so the conduct no longer harms those employees.

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

**130.** A software company plans a 500-person engineering hub. The CFO favors the city with the lowest wages and real estate costs, but labor market data show that only a few hundred engineers with the needed skills live there and two large employers already compete for them. What is the BEST counsel for the CHRO to give?

**A.** Support the low-cost city and plan to relocate experienced engineers there from other company sites.

**B.** Show that limited supply will raise hiring costs and delays, and weigh the city against stronger markets.

**C.** Support the low-cost city and plan to pay well above market to draw engineers away from the two rival employers.

**D.** Recommend the city with the largest engineering population, regardless of the costs the CFO raised.

**131.** A CHRO redesigns the dispute resolution system so employees can present their side fully and have cases decided by a trained neutral rather than their own managers. Which type of organizational justice does this design MOST directly strengthen?

**A.** Interactional justice, which concerns the respect shown to people during the process

**B.** Distributive justice, which concerns the fairness of the outcomes employees receive

**C.** Restorative justice, which concerns repairing harm through facilitated dialogue among the affected parties

**D.** Procedural justice, which concerns the fairness of the process used to reach decisions

**132.** A CHRO at a company with eight business units finds that harassment investigations vary widely: some units interview only the complainant, others issue findings without written rationale, and cycle times range from one week to five months. What is the BEST enterprise response?

**A.** Set an enterprise protocol with standard templates, trained investigators, and central quality review.

**B.** Move all investigations to headquarters and remove business-unit HR from the process entirely.

**C.** Outsource all investigations to one national law firm to guarantee both consistency and independence across units.

**D.** Let each unit keep its own process but require quarterly summary reports to corporate HR.

**133.** During a disease outbreak, a company's emergency message gives employees specific steps they can take to protect themselves and their families, such as where to get vaccinated and when to stay home. Which CDC Crisis and Emergency Risk Communication (CERC) principle does this reflect?

**A.** Express empathy

**B.** Be credible

**C.** Promote action

**D.** Show respect

**134.** A retention program costs $200,000 in total, including $50,000 in administration. Each prevented regretted departure saves $25,000. How many departures must the program prevent to break even?

**A.** 10

**B.** 8

**C.** 6

**D.** 80

**135.** A delayering initiative eliminated supervisor roles, leaving many exempt 'managers' who now direct only one full-time employee or a few part-timers working about 30 total hours a week. Their titles, salaries and hiring input are unchanged. What should the CHRO do?

**A.** Reclassify every manager in the business unit as nonexempt until the restructuring is fully complete.

**B.** Review each role and reclassify managers who no longer direct two full-time equivalents.

**C.** Keep the managers exempt if they still spend over half their working time on management duties.

**D.** Keep the managers exempt, since their titles, salaries and hiring input did not change in the restructure.

**136.** A CEO asks why the company should move from a rules-and-penalties compliance program to an integrity strategy, as described by Lynn Sharp Paine. Why do integrity strategies tend to sustain ethical behavior better?

**A.** They rely on stricter monitoring and heavier penalties that deter more types of misconduct

**B.** They build shared values that guide choices even where rules are silent or not enforced

**C.** They shift responsibility for ethics from line managers to the legal and compliance staff

**D.** They replace legal compliance requirements with management's judgment about right and wrong

**137.** A CHRO reviewing proposals for several separate HR initiatives tells the executive team that the practices will have more impact if designed as a coherent bundle. What explains research findings that bundles outperform isolated practices?

**A.** Bundled practices are easier to defend in employment litigation because they are documented together

**B.** Mutually reinforcing practices send consistent signals and strengthen one another's effects

**C.** Bundled practices lower total HR costs because they share one administrative system

**D.** Isolated practices fail because employees cannot learn more than one change per year

**138.** After two years of layoffs, a company's state unemployment tax rate has risen sharply. The CFO asks HR for a strategy to manage the cost. What should HR recommend?

**A.** Contest every unemployment claim that is filed, whatever the reason for the separation

**B.** Improve retention and workforce planning, and answer UI claims accurately and promptly

**C.** Postpone further layoffs until the rate resets, since rates stay fixed for five years

**D.** Convert the laid-off roles to contractors so future claims are charged somewhere else

**139.** During negotiations, the CEO wants to email all bargaining unit employees a summary of the company's full contract offer. Which principle should determine whether this is lawful?

**A.** It is lawful if the email also offers employees better terms than the union has been offered, to show the company's flexibility.

**B.** It is lawful only after the union has agreed in writing that the company may communicate directly with unit employees about the negotiations.

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

**D.** It is unlawful in all cases, because once a union is certified the employer may not discuss bargaining with unit employees.

**140.** A private equity firm that acquired a specialty manufacturer requires $40 million in cost savings within 18 months. The CHRO believes the company also needs long-term capability building in engineering and service to grow before exit. Which strategy BEST reflects Beer and Nohria's research on combining approaches?

**A.** Drive cost targets from the top while engaging employees in building the capabilities for growth

**B.** Meet the cost targets through across-the-board budget cuts to avoid layoffs that would damage morale

**C.** Advocate delaying the cost program so the company can first build trust and capability through participation

**D.** Achieve the full cost savings first, then start capability building once the financial targets are secured

**141.** A global company plans to launch chapters of its LGBTQ+ ERG in all its countries, including one where same-sex relationships are criminalized. Local employees have expressed interest but worry about their safety. What should the CHRO do?

**A.** Launch the chapter but require members to register publicly so the company can track participation

**B.** Plan with local members and counsel to adapt the chapter, such as confidential membership, to protect members

**C.** Exclude the country from the ERG expansion and tell local employees the group is not available to them there

**D.** Launch the chapter in the same public format used in other countries to show the company's full and consistent commitment

**142.** A vendor offers a tool that predicts each employee's likelihood of resigning, using HR records, badge data, email metadata and calendar patterns. Several business leaders want to use the scores to decide whom to offer retention bonuses. What should the CHRO do?

**A.** Reject the tool because predictive attrition models are expressly prohibited under federal privacy law when applied to individual employees.

**B.** Approve a pilot in one division and share each employee's risk score with his or her manager so they can act on the results early.

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

**D.** Approve the tool because it uses only data the company already owns, so employee consent and notice are not needed in this case.

**143.** Before a merger closes, the acquiring company wants detailed compensation data for the target's employees to plan integration. Counsel recommends a clean team arrangement. What is the PRIMARY purpose of a clean team?

**A.** To meet the WARN Act notice requirements that apply to employers during due diligence reviews

**B.** To let a limited group review competitively sensitive data under strict rules and reduce antitrust risk

**C.** To keep all information about the pending deal from the target company's employees until closing

**D.** To let both companies' HR teams align pay rates and job grades before closing so that integration moves faster

**144.** Why does funding reinforcement after a training program often determine whether the program's investment is realized?

**A.** Without follow-up practice, coaching and support, most new skills fade before becoming habits.

**B.** Reinforcement is needed only for compliance programs, where refreshers are required by law.

**C.** Reinforcement lets the organization skip the evaluation of results, which lowers program costs.

**D.** Reinforcement mainly improves participant reaction scores, which drive future budget approval.

**145.** Which set of roles forms the core governance structure for a large enterprise transformation?

**A.** The board of directors, internal audit and the front-line managers affected

**B.** An executive sponsor, a steering committee and a network of change agents

**C.** A project manager, an outside consultant and an internal communications team

**D.** The CEO, the finance team and a dedicated corporate training department

**146.** In contract negotiations, the union will not accept less than a 4% wage increase, and management's maximum authorized increase is 5%. What is the zone of possible agreement (ZOPA)?

**A.** Any wage increase from 0% to 4%

**B.** Any wage increase from 4% to 5%

**C.** There is no ZOPA because the positions differ

**D.** Only a wage increase of exactly 4.5%

**147.** A leadership pilot ran in 10 units, each matched with a similar control unit. Pilot units improved retention by 4 percentage points more than controls, a difference worth $600,000 in avoided turnover. The pilot cost $200,000. What is its ROI?

**A.** 67%

**B.** 200%

**C.** 33%

**D.** 300%

**148.** A retention program costs $300,000 and is estimated to prevent 20 departures, each of which would have cost $25,000. What is the program's return on investment?

**A.** 167%

**B.** 60%

**C.** 40%

**D.** 67%

**149.** What is the PRIMARY purpose of an executive steering committee in an enterprise HR transformation?

**A.** To manage the day-to-day project plan and track completion of individual tasks

**B.** To communicate transformation updates to employees and answer their questions

**C.** To design the new HR processes and test them with employees before go-live

**D.** To set priorities, approve funding, decide key issues, and resolve escalations

**150.** Contingent workers have grown to 35% of a technology company's workforce, including many long-tenured contractors in product development who work alongside employees and attend team meetings. What should the CHRO do FIRST?

**A.** Set a cap of 20% contingent workers across all business units starting next quarter.

**B.** Move all contingent contracts to a single staffing vendor to reduce administrative cost and simplify billing.

**C.** Assess the knowledge-loss, culture and misclassification risks the contingent mix creates.

**D.** Convert all contingent workers in product development to regular employees right away.

**151.** A medical device company regularly acquires start-up technologies but struggles to turn them into products because its engineers cannot interpret or build on the outside research. Which organizational capability is weak?

**A.** Organizational ambidexterity
**B.** Social capital
**C.** Core competence
**D.** Absorptive capacity

**152.** After a growth strategy fails for the second year, the executive team stops asking how to execute the strategy better and begins questioning whether its assumptions about customer needs were ever valid. In Argyris's terms, what kind of learning is this?

**A.** Double-loop learning
**B.** Single-loop learning
**C.** Adaptive learning
**D.** Experiential learning

**153.** Why might a falling recordable injury rate NOT show that the risk of fatalities is falling?

**A.** Serious injuries often have different precursors than minor ones, so cutting minor cases may not cut them.
**B.** Fatality rates are set mainly by industry conditions, so a company's own actions have little effect on them.
**C.** Recordable rates are inflated by first-aid cases, which mask any change in the fatality numbers.
**D.** Recordable rates exclude fatalities, which OSHA tracks only through a separate reporting process.

**154.** An executive team asks HR to estimate the organizational cost of unresolved workplace conflict. Which cost category usually represents the LARGEST share of that cost?

**A.** Fees paid to mediators, investigators and other outside neutrals
**B.** Workers' compensation claims connected to workplace stress
**C.** Lost productive time and management attention spread across many people
**D.** Outside legal defense costs and settlement payments for claims filed with agencies or courts

**155.** A regional utility competes as a "defender" in Miles and Snow's typology, protecting a stable market through efficiency and reliability. Which HR approach BEST fits this strategy?

**A.** Balance stable core units with separate, loosely managed venture teams
**B.** Hire experienced talent externally to staff new markets as they open
**C.** Develop talent internally, with stable roles and a focus on efficiency
**D.** Use broad roles and results-based pay to encourage experimentation

**156.** A company acquired a manufacturer whose main plant is covered by a collective bargaining agreement. Leadership wants to extend its AI scheduling system to that plant within 90 days to match its other sites. What should the CHRO's integration plan address FIRST?

**A.** Implement the system on schedule, since scheduling technology is a management right that falls outside the duty to bargain.

**B.** Review the CBA and bargaining duties, and give the union notice and an opportunity to bargain over the change.

**C.** Survey plant employees directly about the system, then implement it if a majority supports the change.

**D.** Delay any change until the CBA expires, since no terms can be changed while a contract is in effect.

**157.** A board's governance committee wants stronger oversight of company culture. Which set of indicators would give directors the MOST useful view?

**A.** Leading measures of leader behavior paired with lagging outcomes such as turnover and speak-up reports

**B.** The annual engagement index score compared with the prior year and with external industry benchmarks

**C.** Lagging outcomes such as regretted turnover, misconduct cases, and litigation activity reported each quarter

**D.** Completion rates for ethics and values training, together with the number of culture events held each year

**158.** A national retailer's annual online harassment course has a 98% completion rate, but three years of survey and complaint data show no change in reported behavior or in employees' willingness to intervene. The CEO asks the CHRO for a plan. What is the BEST recommendation?

**A.** Keep the current course, since its purpose is to support the legal defense rather than change behavior.

**B.** Replace the course with an annual CEO video message and a signed acknowledgment of the policy.

**C.** Rebuild it around bystander skills and manager accountability, and measure behavior change.

**D.** Lengthen the annual course and add a passing score on a legal-definitions quiz for every employee.

**159.** A multinational's CHRO wants to align the company's internal and external human capital reporting with an international standard covering metrics such as workforce costs, productivity, recruitment, turnover and leadership. Which standard should she use?

**A.** ISO 26000

**B.** ISO 45001

**C.** ISO 9001

**D.** ISO 30414

**160.** A company rolls out a new scheduling system in its Northeast and Midwest regions but not in the South and West. The CHRO compares the change in overtime costs before and after the rollout in the rollout regions with the change over the same period in the other regions. Which evaluation design is she using?

**A.** Cross-sectional comparison

**B.** Randomized controlled trial

**C.** Difference-in-differences

**D.** Simple pre-post comparison

**161.** A chief ethics and compliance officer must allocate a fixed compliance budget across 14 business units in 30 countries. Which basis for allocation is BEST?

**A.** Headcount in each business unit, so that spending per employee is consistent across the enterprise.

**B.** An equal share for each business unit, so that every unit receives the same level of program support.

**C.** The number of helpline reports received from each unit during the prior year, with units that had the most reports funded first.

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

**162.** During an economic strike in which the company has hired some permanent replacements, two plant managers tell picketing employees that they will never work at the company again. The union has filed a charge and says the strike is now an unfair labor practice strike. What should the CHRO do FIRST?

**A.** Make the managers' statements official policy, since economic strikers may lawfully be permanently replaced anyway.

**B.** Offer the union an immediate settlement on its economic terms to end the strike before the NLRB regional office acts on the charge.

**C.** Discharge the two managers and announce publicly that they acted outside their authority, without other follow-up.

**D.** Have the threats repudiated promptly and specifically to affected employees, and retrain managers on lawful statements.

**163.** A company lets employees raise concerns with any manager, but each business unit tracks complaints in its own spreadsheet, and some managers keep no records. The CHRO proposes a single enterprise case-tracking system. What legal principle BEST supports the proposal?

**A.** The company is on notice only after a written complaint reaches HR, so tracking should begin at HR intake.

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

**C.** Coworker harassment creates liability only if HR fails to act within 30 days of receiving a formal written complaint.

**D.** Central tracking is needed mainly for EEO-1 reporting, which requires annual counts of harassment complaints.

**164.** A two-week economic strike has ended with a new contract. During the strike the company hired 40 permanent replacements, and 40 strikers now cannot return to their former jobs. Tensions on the floor are high. What should the CHRO's plan include?

**A.** Treat returning strikers as new hires for seniority purposes to recognize replacements who kept working

**B.** Delay any joint labor-management meetings for several months so tensions can cool down on their own

**C.** Put replaced strikers on a preferential recall list and start joint labor-management trust-building

**D.** Discharge the permanent replacements so every striker can return at once and the workforce is unified

**165.** The IT function runs large system implementations using a formal project methodology but plans no people-side activities, and recent launches had poor adoption. The CIO asks the CHRO for help. What structural fix should the CHRO propose?

**A.** Create a separate change team that runs its own plans and timelines in parallel to IT projects without changing project methods.

**B.** Offer optional change management workshops to project managers who want to strengthen their people-side skills.

**C.** Have HR review each project after go-live and recommend corrective actions when adoption targets are not met.

**D.** Build change management deliverables and gates into the project methodology, with dedicated change resources on each project.

**166.** A ratings-based RIF list selects workers age 40 and over at a much higher rate than younger workers. The company plans to offer severance in exchange for releases from the whole group. What is the CHRO's BEST response?

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

**B.** Remove enough older workers from the list to bring rates within 80%, and give each selected person 21 days to consider the release.

**C.** Proceed with the list but replace the releases with a larger severance payment so OWBPA requirements no longer apply.

**D.** Proceed with the list because ratings are neutral, and give each person 21 days to consider and 7 days to revoke the release.

**167.** During an economic strike, the CEO wants to hire permanent replacements to end the strike quickly. Which strategic risk should the CHRO emphasize?

**A.** It requires the company to release the replacements once the union makes an unconditional offer to return to work.

**B.** It terminates the strikers' employment, so they lose all rights to recall when jobs open after the strike is over.

**C.** It is lawful for economic strikers but often hardens and prolongs the dispute and damages labor relations for years.

**D.** It is unlawful under the NLRA, so the company would owe all replaced strikers full back pay once the strike is over and settled.

**168.** A company is evaluating an AI coaching tool for all 2,000 of its people managers. Managers would discuss sensitive team issues with the tool, and the vendor wants to use conversation data to train its models. What should the CHRO require BEFORE approving the rollout?

**A.** A contract clause in which the vendor accepts full liability for any harmful coaching advice it gives

**B.** A policy that conversation data be shared with HR so it can spot team problems sooner

**C.** Clear data-use and privacy terms, quality checks on the advice, and rules for human escalation

**D.** A pilot that shows high satisfaction among managers, since slow adoption is the main risk

**169.** A workforce supply model projects a shortage of 40 nurses in three years assuming 12% annual turnover. The CHRO asks the analytics team to rerun the model at 10%, 14% and 16% turnover while holding all other inputs constant. What analysis is the CHRO requesting?

**A.** Regression analysis

**B.** Sensitivity analysis

**C.** Scenario planning

**D.** Monte Carlo simulation

**170.** An outdoor construction company with crews in hot climates had two heat-related hospitalizations last summer. There is no final federal OSHA heat standard. What should the CHRO include in an enterprise heat program?

**A.** Pre-employment heat tolerance screening, with work limited to employees who pass the test

**B.** Annual heat training for supervisors, with crews expected to decide on their own rest breaks as conditions require

**C.** Water, rest and shade, acclimatization for new and returning workers, monitoring and emergency plans

**D.** Water and shade at each site, with the work schedule left unchanged on high-heat days

**171.** Kaplan and Norton recommend a dedicated unit that coordinates strategy execution across the enterprise, including managing the scorecard, aligning business units and linking strategy to budgets and HR plans. What is this unit called?

**A.** Corporate performance center

**B.** Office of strategy management

**C.** Strategic planning committee of the board

**D.** Project management office

**172.** While the company's internal investigation of improper payments by its HR outsourcing unit is underway, the DOJ issues a subpoena on the same matter. How should the CHRO handle the internal investigation?

**A.** Coordinate through counsel to preserve evidence, cooperate with the DOJ, and avoid steps that could interfere.

**B.** Stop the internal investigation immediately and let the DOJ handle all fact-finding from this point.

**C.** Speed up the internal interviews so the company finishes its fact-finding before the DOJ talks to witnesses.

**D.** Continue the investigation as before and share findings with the DOJ only once the company's final report has been approved by the board.

**173.** Several anonymous reviews on a public employer-review site allege that a regional sales director harasses women on his team. No internal complaints have been filed. The CEO wants the posts removed. What is the BEST course of action for the CHRO?

**A.** Treat the posts as possible notice, look into the named region, and remind staff of reporting channels.

**B.** Take no action until an employee files an internal complaint, since anonymous posts cannot be verified.

**C.** Ask the site to remove the posts and identify the authors so HR can interview them about the claims.

**D.** Post a public reply that denies the allegations and states that the company has a zero-tolerance policy.

**174.** A company's adverse impact analyses compare selection rates of applicants by race and sex. The CHRO learns that each recruiting team decides who counts as an applicant. Why does this matter?

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

**B.** Every person who visits the career site or creates a profile must count as an applicant under federal law

**C.** Applicant definitions matter only for reports to federal agencies, not for internal analyses

**D.** Adverse impact is measured against the local labor market, so applicant counts do not matter

**175.** A company reports net operating profit after tax (NOPAT) of $12 million and a cost of capital of $8 million, and it has 200 full-time-equivalent employees. What is its human economic value added (HEVA)?

**A.** $100,000 per FTE

**B.** $20,000 per FTE

**C.** $60,000 per FTE

**D.** $40,000 per FTE

**176.** A government services contractor has lost the recompete for a contract that employs 220 people, and the work moves to a successor company in 90 days. The successor has said it may hire some incumbent staff. How should the CHRO plan employee communication?

**A.** Share the timeline and transition options, and state that hiring decisions belong to the successor

**B.** Tell employees the successor intends to keep most of them so they stay engaged through the transition

**C.** Say nothing about the successor until its hiring decisions are final to avoid creating false hopes

**D.** Advise employees to apply elsewhere now, since the company cannot predict what the successor will do

**177.** A CHRO cites W. Edwards Deming in arguing against individual annual appraisals. Which idea is Deming's central critique?

**A.** Most performance variation comes from poor hiring, so appraisals should be replaced by better selection testing.

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

**C.** Most performance variation comes from individual effort, so annual ratings occur too rarely to be useful to managers.

**D.** Most performance variation comes from rater error, so appraisals should be replaced by self-assessments of effort.

**178.** The CFO of a company moving to a self-funded health plan asks how to protect against catastrophic claims. Which approach should HR recommend?

**A.** Buy a fully insured rider, since self-funded plans are barred from using outside insurance.

**B.** Rely on ERISA preemption, since it caps a self-funded plan's liability for any one claim.

**C.** Hold reserves for all projected claims, since stop-loss policies exclude very large claims.

**D.** Buy specific and aggregate stop-loss coverage with attachment points set to risk tolerance.

**179.** A company is offering severance in exchange for a release to 40 employees in a group termination program, including many age 40 and over. Under the OWBPA, what must the release process include for those employees to waive ADEA claims?

**A.** At least 45 days to consider, 7 days to revoke, and a written statement that the employee waives any future age claims.

**B.** At least 21 days to consider, 7 days to revoke, and written data on the ages and job titles of those selected and not selected.

**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.

**D.** At least 45 days to consider, 14 days to revoke, and written advice that the employee may consult an attorney first.

**180.** A 401(k) plan that holds no employer securities has $2.5 million in assets, and its benefits manager handled all plan funds last year. Under ERISA, what is the minimum fidelity bond required for the manager?

**A.** $125,000

**B.** $500,000

**C.** $25,000

**D.** $250,000

**181.** An executive team completed the Organizational Culture Assessment Instrument (OCAI), producing current and preferred culture profiles. How should leaders use these results to set culture change priorities?

**A.** Move the culture toward an equal balance of all four culture types over time

**B.** Compare the current profile with industry norms and shift the culture toward that average

**C.** Adopt whichever of the four culture types scored highest in the current profile

**D.** Focus on the largest gaps between profiles and decide what to increase, decrease and keep

**182.** A 58-year-old director fails a PIP and is offered a severance agreement that includes a waiver of age discrimination claims. No other employees are being separated. Under the OWBPA, which terms make the waiver valid?

**A.** At least 7 days to consider, no revocation period, and written advice to consult a lawyer

**B.** At least 21 days to consider, 7 days to revoke after signing, and written advice to consult a lawyer

**C.** At least 21 days to consider, 14 days to revoke after signing, and an HR-witnessed signature

**D.** At least 45 days to consider, 7 days to revoke after signing, and a list of the ages and job titles of those selected

**183.** A CHRO is benchmarking learning investment. The company spent $900,000 on L&D last year. Base payroll was $60 million, and total compensation including benefits was $80 million. Measured as a percentage of payroll, what was L&D investment?

**A.** 15%

**B.** 0.15%

**C.** 1.1%

**D.** 1.5%

**184.** After a failed market expansion cost the company $40 million, members of the executive team are blaming each other, forming factions and withholding information. The CEO asks the CHRO to help the team function again. What should the CHRO do?

**A.** Recommend removing the executive who championed the expansion so the team can make a fresh start

**B.** Meet with each executive alone to let them vent, and then let the team move on to new priorities

**C.** Plan an off-site social retreat so the team can rebuild personal bonds well away from business issues

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

**185.** Which feature MOST clearly defines an agile HR operating model?

**A.** A flat HR structure in which all practitioners report directly to the chief HR officer

**B.** Cross-functional teams organized around outcomes that reprioritize work in short cycles

**C.** Specialist HR functions that each run a fixed annual plan of programs and process changes

**D.** A self-service portal that lets employees complete most HR transactions without assistance

**186.** A CHRO is building an enterprise HR records retention schedule for a company operating in several states and countries. Which components should the schedule include?

**A.** Record types and federal retention periods only, with all disposal decisions left to individual managers

**B.** Record types, retention periods by jurisdiction, record owners, systems of record and disposal methods

**C.** A single retention period for all HR records, based on the longest legal requirement anywhere

**D.** A list of HR systems, their vendors, license renewal dates and the users who have access to each

**187.** Executives of a unionized construction company want to form a nonunion affiliate to bid on private projects where union labor costs make them uncompetitive. They plan to share the current office, estimators and equipment yard to keep overhead low. What should the CHRO advise FIRST?

**A.** Move the company's lower-margin private projects to the affiliate first, then decide later whether separate management is needed.

**B.** Staff the affiliate by inviting union employees to resign their membership and transfer over at the affiliate's nonunion wage rates.

**C.** Approve the plan, because forming a separate legal entity is enough to keep the affiliate outside the union contract's coverage.

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

**188.** A restructuring will eliminate 120 positions. The severance plan pays 2 weeks of pay per year of service. The affected employees average 8 years of service and $1,500 in weekly pay. What is the estimated total severance cost?

**A.** $1.44 million

**B.** $5.76 million

**C.** $360,000

**D.** $2.88 million

**189.** Research on organizational apologies, including work by Lewicki and colleagues, identifies elements that make an apology more effective at restoring trust. Which apology includes the MOST effective elements?

**A.** One that accepts responsibility, explains what happened, offers repair and commits to change

**B.** One that explains the full context of events and notes the other parties who shared the blame

**C.** One that expresses regret for any offense taken and stresses the good intentions behind events

**D.** One that promises a thorough review but avoids admitting fault on the advice of legal counsel

**190.** The board asks the CHRO to compare the cost and risk of three restructuring scenarios ranging from 5% to 15% workforce reductions. What is the BEST approach?

**A.** Model severance, notice, benefits and legal costs for each, plus adverse impact and talent risks

**B.** Ask outside counsel to estimate the litigation risk of each scenario for the board's review

**C.** Present only the lowest-cost scenario with a recommendation so the board can decide quickly

**D.** Estimate severance costs for each scenario using the formula in the company's current severance policy

**191.** Under Mitchell, Agle and Wood's stakeholder salience model, a company's major institutional investor has power and legitimacy but has rarely pressed management. After a workplace safety scandal, the investor demands immediate action. How has the investor's classification changed?

**A.** From a dependent stakeholder to a definitive stakeholder

**B.** From a latent stakeholder to an expectant stakeholder

**C.** From a dominant stakeholder to a dangerous stakeholder

**D.** From a dominant stakeholder to a definitive stakeholder

**192.** A company's direct workers' compensation costs for injuries last year were $300,000. Using an indirect-to-direct cost ratio of 1.5, what is the estimated total cost of those injuries?

**A.** $750,000

**B.** $500,000

**C.** $450,000

**D.** $1,200,000

**193.** Executives want next year's engagement survey linked to HRIS records such as tenure, location, gender and pay grade so analysts can model drivers of attrition. Past surveys were anonymous and achieved 78% participation. What should the CHRO recommend?

**A.** Link the data internally and give executives individual-level results so they can act quickly on the findings.

**B.** Keep the survey anonymous and drop the HRIS linkage entirely, since any identifiable data will sharply cut participation.

**C.** Link the data in-house and let HR analysts view individual responses when needed to explain the results.

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

**194.** A public company's board is considering a rule requiring every C-suite officer to disclose any romantic relationship with an employee to the board's governance committee. What is the strongest strategic rationale for routing disclosure to the board?

**A.** Senior executives have no internal superior, so board review gives independent oversight of conflicts and risk.

**B.** Board disclosure lets the company prohibit all workplace relationships among employees across the company.

**C.** Securities law requires boards to approve every personal relationship that involves a corporate officer before it begins.

**D.** Disclosure to the board shields the company from any harassment claim connected to the relationship.

**195.** A company currently has 340 employees and $120 million in revenue. Its growth plan targets $150 million in revenue with productivity of $375,000 per employee. How many additional employees will the company need?

**A.** 400

**B.** 60

**C.** 85

**D.** 80

**196.** For six months, a company's executive team has discussed a restructuring at every meeting without deciding. Each executive believes someone else must sign off, and two business unit heads quietly block progress. What should the CHRO recommend?

**A.** Hire an outside consultant to evaluate the restructuring options and recommend the best one to the executive team.

**B.** Keep discussing the restructuring until all of the executives reach full consensus on the right design.

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

**D.** Ask the CEO to announce the restructuring now without further discussion to end the delay and the debate.

**197.** A company is forming an AI ethics board to review high-risk uses of AI, including HR applications. What should the board's charter define?

**A.** Its scope, membership, decision rights, escalation paths and how its decisions are documented

**B.** The specific AI vendors the company will use and the license terms for each of the vendor tools

**C.** The technical model settings for each AI tool, such as data sources and accuracy thresholds

**D.** A list of AI tools that are banned permanently, with no process to review or update the list

**198.** An enterprise is redesigning workflows so that AI handles some tasks. Leaders need a rule for deciding when AI should only advise, when it may act on its own, and when it should act under human supervision. Which principle BEST guides that decision?

**A.** Let each employee decide case by case how far to rely on AI, based on their personal comfort.

**B.** Match AI autonomy to the stakes and reversibility of the decision and how reliably the AI performs.

**C.** Limit AI to an advisory role in every workflow, since humans must make every final decision.

**D.** Give AI the most autonomy wherever it costs less than human labor, regardless of the task involved.

**199.** What can organizational network analysis (ONA) reveal about inclusion that engagement surveys typically cannot?

**A.** Employees' self-reported feelings of belonging and psychological safety within their own teams

**B.** The reasons employees give for leaving the organization during exit interviews

**C.** Actual collaboration and information flows, such as groups cut off from key networks

**D.** The demographic makeup of each team compared with the available labor market

**200.** A ransomware attack encrypts and may have exposed claims data for 8,000 participants in a company's self-funded health plan, about 6,000 of whom live in one state. The CFO wants to say nothing until forensics confirm that data actually left the network. What should the CHRO advise?

**A.** Wait for forensics to confirm exfiltration, since encryption alone is not a breach under HIPAA.

**B.** Notify only participants whose files are confirmed opened by the attackers, and skip the media and HHS notices.

**C.** Notify HHS by year-end in the annual log, since breaches are reported to HHS once per year.

**D.** Presume a reportable breach unless an assessment shows low probability of compromise, and plan notices.

**201.** In wage bargaining, the company's target is a 2.5% annual increase and its resistance point is 4.0%. The union's target is 5.0% and its resistance point is 3.5%. Which statement is correct?

**A.** A settlement zone exists between 4.0% and 5.0%.

**B.** A settlement zone exists between 3.5% and 4.0%.

**C.** No settlement zone exists, because the two targets do not overlap.

**D.** A settlement zone exists between 2.5% and 5.0%.

**202.** A company is carving out and selling one of its business units. Which HR workstream is specific to a carve-out compared with a typical acquisition integration?

**A.** Deciding which employees transfer with the unit and building standalone benefits and payroll for it.

**B.** Preparing communications that explain the deal to employees and answer their questions about what will change.

**C.** Identifying critical talent in the unit and designing retention awards to keep them through the transaction.

**D.** Assessing cultural fit between the two organizations and planning how the leadership teams will work together.

**203.** How does a hard freeze of a defined benefit pension plan differ from a soft freeze?

**A.** A hard freeze terminates the plan and pays out assets; a soft freeze keeps the plan open to new hires.

**B.** A hard freeze cancels benefits already earned; a soft freeze keeps those benefits but stops all future accruals.

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

**D.** A hard freeze applies only to nonvested employees; a soft freeze applies to every plan participant.

**204.** A hospital system's leaders want evidence that nurse engagement affects patient care before they invest in engagement programs. Which analytic approach is BEST?

**A.** Link unit-level engagement to unit outcomes such as falls, adjusting for confounders

**B.** Survey nurses on whether they believe engagement improves the quality of patient care

**C.** Compare the system's overall engagement score with national benchmarks for hospitals

**D.** Correlate each nurse's individual engagement score with the hospital's overall quality rating

**205.** The board of a 6,000-employee company asks whether it should publish all pay ranges internally next year. The CHRO knows that 30% of jobs are not mapped to current ranges, a pay equity study found unexplained gaps that have not been fixed, and most managers have never discussed pay ranges with their teams. What should the CHRO recommend?

**A.** Advise the board against transparency because publishing ranges creates unacceptable legal exposure

**B.** Publish ranges only for jobs that are already mapped and keep the remaining jobs confidential indefinitely

**C.** Publish all ranges next year as requested, since transparency itself will reveal which problems need fixing

**D.** Commit to transparency on a timeline that first fixes job mapping, remediates gaps and prepares managers

**206.** In redesigning performance management, a CHRO adds employee self-input, consistent rating rules and an appeal process. Why do these features improve acceptance of ratings even when employees receive lower ratings than they expected?

**A.** Perceived fairness of the process shapes reactions, so people accept results of a fair process more.

**B.** Employees value higher ratings above all else, so fair processes tend to produce higher average ratings.

**C.** Fair processes make outcomes more predictable, so employees can plan their careers with more certainty.

**D.** Appeal processes give employees a second chance, which most often leads to their ratings being raised.

**207.** A company has $100 million in revenue, $40 million in labor costs, and a 6% operating margin. The CEO is considering a 5% across-the-board wage increase with no change in prices, volume, or other costs. What would the new operating margin be?

**A.** 5.7%

**B.** 2.0%

**C.** 1.0%

**D.** 4.0%

**208.** The COO plans a warehouse automation project that will eliminate 300 roles at a single site over the next year. What should the CHRO's strategic plan include?

**A.** An announcement of the job cuts once the automation is fully installed.

**B.** A request that the COO delay the automation in order to protect jobs.

**C.** Redeployment, reskilling and fair separation plans timed alongside the rollout.

**D.** A promise of retraining for new jobs in other company units for all 300 affected workers.

**209.** A CHRO is moving a 12,000-employee company from local HR generalists to a centralized shared services center with an online portal. Managers worry they will lose their trusted HR contact and that sensitive issues will get lost in a ticket queue. What is the BEST way to manage this service perception risk during the redesign?

**A.** Map key moments, keep a path to a person for sensitive cases and publish service levels

**B.** Proceed with the cutover on schedule and handle any service complaints as they arise afterward

**C.** Brief only senior managers on the change so the wider workforce is not unsettled before launch

**D.** Keep the local generalists doing their current work in parallel until complaints stop entirely

**210.** A company must reclassify 300 salaried project coordinators as nonexempt and pay them hourly. Many fear losing status and take-home pay. Which approach should the CHRO take to the conversion?

**A.** Convert at annual salary divided by 2,080 hours and require advance approval of all overtime to hold costs flat.

**B.** Model expected total pay, set hourly rates that protect earnings, and explain what stays the same.

**C.** Announce the change by email with an FAQ, since classification is a legal matter not open to discussion.

**D.** Delay the conversion until the next merit cycle so pay changes can be bundled with annual increases.

**211.** An executive team wants to change its culture and is told that it must surface the deeply held, taken-for-granted beliefs that actually drive behavior. In Schein's model, which level of culture are they being asked to surface?

**A.** Visible artifacts

**B.** Espoused beliefs and values

**C.** Basic underlying assumptions

**D.** Organizational climate perceptions

**212.** After a bribery scandal led to a regulatory settlement and several executive departures, a company's board asks the CHRO to lead a new ethics program. Surveys show employees doubt that leadership is serious about ethics. Which approach will do the MOST to rebuild trust?

**A.** Expand the anonymous hotline and publish quarterly counts of reports received by category

**B.** Require all employees to complete annual ethics training and certify compliance with the code

**C.** Have senior leaders model the standards and face visible, consistent consequences for violations

**D.** Launch a values campaign with posters, videos and a new code of conduct personally signed by the CEO

**213.** After a bitter last round of negotiations, union leaders propose using interest-based bargaining (IBB) for the upcoming contract. The CEO is skeptical. What is the CHRO's BEST response?

**A.** Accept the proposal and begin talks immediately so the union sees the employer's good faith.

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

**C.** Decline politely, because IBB requires the employer to share all financial information with the union.

**D.** Agree to IBB for noneconomic issues only, and hold firm on traditional positional bargaining for all wage issues.

**214.** The CEO of a 12,000-employee financial services firm asks the CHRO whether the company should move from traditional job descriptions to a skills-based talent model for hiring, development and mobility. What is the BEST approach?

**A.** Pilot skills-based practices in a few critical job families and build a skills taxonomy before scaling

**B.** Keep traditional job descriptions, since skills-based models suit only small, flexible firms in fast-moving industries

**C.** Buy a skills-inference platform and let it define the company's skills taxonomy automatically

**D.** Replace all job descriptions at once so the whole company moves to one consistent model

**215.** A company's general counsel recommends conducting its pay equity audit under attorney-client privilege. The CHRO supports this but notes an ethical tension. What is that tension?

**A.** Privilege prevents the company from correcting any pay gaps identified until the audit is disclosed

**B.** Privilege requires the company to share audit findings with the EEOC before any pay adjustments

**C.** Privilege protects legal analysis but can keep employees and the public from learning of pay gaps

**D.** Privilege makes the audit's findings admissible as evidence of intent in any later lawsuit

**216.** A plant introduces advanced automation, and productivity falls because the new technology disrupted established teams and work roles. The CHRO cites research by Trist and colleagues on British coal mining. Which principle does that research support?

**A.** Social systems should take priority, and technology should be adopted only with consent

**B.** Social and technical systems should be designed together for joint optimization

**C.** Work should be broken into simple tasks so the technology can be used most efficiently

**D.** Technical systems should be optimized first, and people should then be trained to fit

**217.** A major client of a consulting firm asks the CHRO to staff its account only with consultants of a particular race, saying its own customers will relate better to them. The account is worth 8% of annual revenue. What is the BEST response?

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

**B.** Staff the account as requested but tell the assigned consultants that the client chose the team.

**C.** Let consultants volunteer for the account so the team forms on its own without HR making any staffing assignments.

**D.** Ask legal counsel whether the client's revenue impact justifies a business-necessity exception.

**218.** The CHRO wants to test the organization's readiness for a breach of the HRIS that exposes employees' Social Security numbers. Which tabletop exercise design would be MOST effective?

**A.** The CISO presents the incident response plan to all HR staff in a detailed briefing session

**B.** An unannounced phishing test of HR employees, with results sent to managers

**C.** HR leaders review the HRIS vendor's security certifications as a group exercise

**D.** Cross-functional leaders work through a realistic scenario's decisions, then fix gaps

**219.** A CHRO is preparing a board presentation on a new HRIS. The system costs $1,000,000 in total, and the finance team validated $1,500,000 in total savings over the system's first three years. What is the three-year return on investment?

**A.** 50%

**B.** 67%

**C.** 33%

**D.** 150%

**220.** A company's health plan currently costs $18 million a year. The benefits consultant projects a medical cost trend of 7% a year, compounding, with no plan changes. What is the projected annual cost in three years?

**A.** About $21.8 million

**B.** About $22.1 million

**C.** About $20.6 million

**D.** About $23.6 million

**221.** A board chair tells the CHRO, 'You're the people expert, so we'd like HR to own CEO succession and bring us a recommended successor when the time comes.' What is the BEST response?

**A.** Explain that the board owns CEO succession and offer HR's role in designing and running the process

**B.** Recommend outsourcing the process to an executive search firm so that the final decision is fully independent

**C.** Accept ownership and build a slate of internal candidates from the company's talent review data

**D.** Suggest the sitting CEO own the process, since the CEO knows the role and the candidates best

**222.** A unionized employer plans to introduce an AI scheduling system that will change how shifts are assigned. What is the key difference between merely informing the union and bargaining over the change?

- **A.** Bargaining requires good-faith negotiation toward agreement on mandatory subjects, not just notice
- **B.** Bargaining requires the employer to accept the union's proposals on the change, while informing does not
- **C.** Informing satisfies the NLRA for any technology change, so bargaining is optional for employers
- **D.** Bargaining applies only after a change is made, while informing must happen before any change

**223.** A terminated employee of the company's German subsidiary submits a data subject access request for all data that mentions him, including emails, while his lawyer signals a wrongful dismissal claim. What is the CHRO's BEST strategy with counsel?

- **A.** Refuse the request as abusive, since its real purpose is to gather support for a lawsuit
- **B.** Produce every email mentioning him at once, with no review or redaction
- **C.** Delay the response until the claim is filed so disclosure runs through the court
- **D.** Treat it as a valid request, respond on time, and apply lawful limits with counsel

**224.** The board of a 20,000-employee company asks the CHRO to begin reporting on culture and trust at each quarterly meeting. Which set of indicators should the CHRO propose?

- **A.** Results from the annual culture survey only, shown as one overall score compared with the prior year's result
- **B.** Trust and engagement survey trends, regretted turnover, speak-up and retaliation data, and internal promotion rates
- **C.** Employer review site ratings, social media sentiment and the number of awards the company has received
- **D.** Headcount, payroll cost, time-to-fill and training hours completed, reported by business unit and region for each quarter

**225.** Under the EU Collective Redundancies Directive, what triggers an employer's duty to consult employee representatives?

- **A.** Planning dismissals that reach a set number within a defined period, before decisions are final
- **B.** Any single dismissal for economic reasons, regardless of how many employees are affected
- **C.** Completing a final decision on dismissals, after which representatives must be notified
- **D.** Dismissing 50 or more employees at a single site within 30 days, the threshold of the U.S. WARN Act's plant-closing rule

**226.** At a 20,000-employee financial services firm, approval of flexible work requests depends heavily on the manager, and employees in similar roles report very different outcomes. Exit interviews cite this inconsistency as a reason for leaving. What is the BEST approach?

**A.** Grant all requests for flexibility automatically so that no employee is treated differently from another.

**B.** Keep full manager discretion but ask managers to document the reasons for each decision on a flexibility request.

**C.** Centralize every flexibility decision in HR so that managers no longer approve or deny any requests.

**D.** Set enterprise criteria for which roles qualify for which arrangements, with limited discretion.

**227.** A company with operations in 25 countries is considering a public commitment to pay at least a living wage to all employees worldwide. The CEO asks the CHRO how to proceed. What is the BEST recommendation?

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

**B.** Treat the legal minimum wage in each country as the living wage to avoid any cost increase.

**C.** Announce the commitment now to gain reputational credit, then work out the cost by country later.

**D.** Set one global pay floor in U.S. dollars, adjusted by exchange rate, to keep the policy simple.

**228.** A private equity firm is buying a unionized manufacturer through a purchase of all of its stock. What happens to the company's collective bargaining agreement?

**A.** It ends at closing, and the buyer may set new initial terms

**B.** It must be ratified again by the union within 60 days of closing

**C.** It stays in force because the same corporate employer remains

**D.** It transfers only if a majority of employees are kept on staff

**229.** Alfred Chandler's study of large U.S. corporations is BEST summarized by which thesis?

**A.** Strategy follows structure: a firm's structure limits which strategies it adopts.

**B.** Form follows function: jobs should be designed around the tasks performed.

**C.** Structure follows strategy: firms change their structure to fit new strategies.

**D.** Culture outweighs strategy: shared values matter more than formal structure.

**230.** A CHRO finds that HR business partners spend about 70% of their time on transactional tasks such as data pulls, policy questions and paperwork, and business leaders say HRBPs add little strategic value. What redesign should the CHRO lead?

**A.** Instruct HRBPs to decline transactional requests and refer managers to the HR policy manual

**B.** Shift transactional work to shared services and self-service and redefine HRBP accountabilities

**C.** Change the HRBP title to strategic advisor to signal the higher-level focus HR now expects of them

**D.** Hire more HR business partners so each one supports fewer leaders and has more time available

**231.** A component maker's largest customer, which buys 35% of its output, demands a 5% price cut next year. The CEO asks the CHRO to deliver productivity gains to protect margins without harming quality. What is the BEST response?

**A.** Find where labor cost and process waste concentrate, then target productivity gains through redesign and skills.

**B.** Eliminate all overtime next year, since overtime premiums are the costliest part of labor spending in manufacturing.

**C.** Freeze wages for all employees next year, since holding labor costs flat is the fastest way to protect the margin.

**D.** Cut headcount by 5% across all departments, since an equal cut matches the price reduction and shares the burden fairly.

**232.** An L&D team wants to use generative AI tools to produce courses much faster. Some drafts would include internal process documents, and early outputs contained confident but inaccurate statements. What should the CLO put in place?

**A.** A ban on all generative AI use in course development until the tools no longer make factual errors.

**B.** A rule that designers may use any public AI tool as long as they label the courses as AI-generated.

**C.** A plan to let learners flag errors after launch so the courses can be corrected over time as needed.

**D.** A governance process covering approved tools, data handling, expert review and IP checks.

**233.** A defense contractor expects retirements across dozens of engineering specialties over the next six years, and some specialties rely on one or two experts. What is the BEST enterprise knowledge strategy?

**A.** Offer phased retirement to all eligible engineers so they stay with the company longer

**B.** Recruit experienced engineers from competitors in each specialty to replace the retirees

**C.** Require every retiring engineer to write a detailed handbook on his or her specialty in the final months before leaving

**D.** Rank specialties by knowledge criticality and loss risk, then fund tailored transfer methods for each

**234.** Analysis shows that new AI tools will change about 40% of the tasks in the company's 1,200 customer service roles over the next two years. What is the CHRO's BEST workforce strategy?

**A.** Wait until the tools are fully deployed and then retrain anyone who struggles

**B.** Give every agent the same general AI awareness course and keep roles unchanged

**C.** Map task-level impact, redesign roles and build reskilling paths, communicating early

**D.** Hire new staff who already have AI skills and reduce the current agents through attrition

**235.** The HR shared services center plots its weekly benefits-inquiry resolution time on a control chart, with upper and lower limits set three standard deviations from the mean. What is the main purpose of these limits?

**A.** To set the performance targets that the service center staff are expected to meet

**B.** To show the range within which customer satisfaction scores are acceptable to staff

**C.** To mark the legal limits on resolution time that apply to the plan under federal benefits regulations

**D.** To separate normal process variation from unusual variation that needs investigation

**236.** A private equity buyer is acquiring a unionized manufacturer with a contract that runs two more years. The deal team prefers buying the company's stock and plans to replace the hourly retirement and health plans at closing to cut costs. What should the CHRO advise?

**A.** Buying the stock lets the buyer set new initial terms at closing, as long as it hires most of the current hourly employees.

**B.** Buying the stock keeps the contract binding on the same employer, so the plan changes must first be bargained.

**C.** Buying the stock ends the contract at closing, but the buyer must bargain once the union shows it still has majority support.

**D.** Buying the stock binds the buyer only to the contract's wage terms, so benefit plans may be changed after notice to the union.

**237.** In the company's enterprise risk register, the CHRO lists the risk that only one engineer understands a critical legacy system and no successor has been identified. Which category of human capital risk is this?

**A.** Cultural risk

**B.** Compliance risk

**C.** Capacity risk

**D.** Succession risk

**238.** A payroll vendor breach exposed the names, Social Security numbers and bank details of 4,000 employees. Legal has confirmed the scope, and notification obligations apply. What communication strategy should the CHRO recommend?

**A.** Wait to notify until the vendor's forensic review is fully complete so that employees receive only final information.

**B.** Notify affected employees promptly with facts on what happened, what the company is doing, and the protection offered.

**C.** Have the vendor handle all employee communication, since the breach occurred in the vendor's systems, not the company's.

**D.** Send a short notice that personal data may have been affected and refer all questions to the vendor's call center.

**239.** An airline executive asks how disputes are handled under the Railway Labor Act. Which statement correctly describes major and minor disputes?

**A.** Major disputes involve claims of pay over a set amount; minor disputes involve smaller pay claims and go to mediation.

**B.** Major disputes involve large groups of employees; minor disputes involve only one employee and go to an internal review.

**C.** Major disputes involve making or changing agreements; minor disputes involve applying them and go to binding arbitration.

**D.** Major disputes involve safety and operations; minor disputes involve pay and benefits and go to the National Mediation Board.

**240.** A startup has $9 million in cash and burns $750,000 per month. The CEO wants to hire 10 engineers immediately at a fully loaded cost of $180,000 per year each, with no new funding or revenue expected. How many months of runway does the company have now, and how many with the hires?

**A.** 12 months now; 8 months with the hires

**B.** 12 months now; 10 months with the hires

**C.** 12 months now; about 11.8 months with the hires

**D.** 12 months now; about 9.6 months with the hires

**241.** A vendor offers a video-interview add-on that scores candidates' facial expressions and eye contact to predict 'cultural fit.' The vendor cites internal studies but no validation for the company's jobs. What is the CHRO's BEST conclusion?

**A.** Adopt it for a trial, since the vendor's internal studies show adequate validity for screening at the interview stage.

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

**C.** Adopt it as a tiebreaker only, since a feature used to separate close candidates does not carry adverse impact risk.

**D.** Adopt it with a candidate consent form, since consent removes discrimination risk for features candidates agree to.

**242.** The week after a union files an election petition at one of 20 sites, the CEO wants to announce a companywide raise to show employees they are valued. No raise was planned or budgeted before the petition. What should the CHRO advise?

**A.** Advise announcing the raise as planned, since raises offered to all employees at every site cannot interfere with an election.

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

**C.** Advise announcing the raise at the 19 other sites only, since only the petitioned site is covered by election rules.

**D.** Advise announcing the raise but stating it will take effect only if employees at the petitioned site vote no.

**243.** A U.S. electronics firm is opening its first plant in Vietnam. The board wants the operation led by local nationals within five years, but few local candidates know the company's processes and quality systems. What staffing plan should the CHRO recommend?

**A.** Fill leadership roles with experienced regional third-country nationals on open-ended terms.

**B.** Start with a small expatriate team whose goals include developing named local successors.

**C.** Staff leadership with long-term expatriates and revisit localization once results stabilize.

**D.** Hire local nationals into all leadership roles on day one to signal long-term commitment.

**244.** Board directors question whether the company's $90 million annual total rewards spend is producing results and ask the CHRO for evidence at the next meeting. What is the BEST approach?

**A.** Show that total rewards costs sit at the market median, since spending in line with peers shows the money is well invested.

**B.** Report total dollars spent by reward category, since a detailed cost breakdown lets the board judge the return on its own.

**C.** Present the share of employees who rate their pay and benefits as satisfactory, since satisfaction alone shows the return on spend.

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

**245.** During a major transformation, a CEO articulates a compelling vision, appeals to employees' higher values and encourages them to look beyond self-interest for the organization's good. Which leadership style does this describe?

**A.** Laissez-faire leadership

**B.** Transformational leadership

**C.** Transactional leadership

**D.** Authoritarian (autocratic) leadership

**246.** A business unit has 600 front-line employees, and each first-level manager currently supervises 6 of them. A redesign will raise the span of control to 10. How many fewer first-level manager positions will the unit need?

**A.** 40

**B.** 60

**C.** 4

**D.** 100

**247.** The CFO of a 4,000-employee company wants to install keystroke and screenshot monitoring on all remote employees' laptops to measure productivity. What should the CHRO recommend?

**A.** Approve the monitoring, since company-owned devices carry no expectation of privacy and the productivity data will help improve performance.

**B.** Install the software company-wide but keep it confidential, so employees do not change their behavior while baseline data is gathered.

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

**D.** Reject all electronic monitoring of employees, since it is unlawful in most U.S. states and always reduces employee morale.

**248.** A CHRO is reviewing a proposal to staff a project with H-1B workers to lower labor costs. What must the company attest to in the Labor Condition Application?

- **A.** Paying the same wage as U.S. workers once the worker completes probation
- **B.** Paying at least the prevailing wage, with benefits set at the employer's discretion
- **C.** Paying at least the federal minimum wage plus a standard visa wage premium
- **D.** Paying the higher of the actual or prevailing wage, and offering equal benefits

**249.** The CHRO is executive sponsor of an enterprise talent-mobility initiative that requires business leaders to release top performers to other units. Because of competing demands, she plans to have the HR director leading the project represent her at all leadership meetings and town halls. What is the BEST choice?

- **A.** Delegate visibility for now and step in personally if business leaders begin to resist the moves
- **B.** Ask the CEO to act as the visible sponsor while she oversees the work behind the scenes
- **C.** Delegate visibility to the director, who knows the details and can answer questions better
- **D.** Stay visibly involved with peers and in key forums, using the director for day-to-day leadership

**250.** A retailer's workforce analytics show that one demographic group is terminated for misconduct at nearly three times the rate of other employees. Before recommending enterprise action, what should the CHRO do FIRST?

- **A.** Have counsel direct an analysis of whether the gap holds after controlling for role, infraction and history.
- **B.** Conclude the data reflect differences in conduct, since each termination followed a documented policy.
- **C.** Set termination targets for each group so future rates match the group's share of the workforce.
- **D.** Announce the disparity company-wide and require every manager to justify each of their recent terminations publicly.

**251.** A listed company already has a clawback policy that meets SEC Rule 10D-1. The compensation committee proposes adding recovery triggers for fraud, serious misconduct and major reputational harm. What is the main reason to add these triggers?

- **A.** The required policy covers only the CEO and CFO, so other executive officers fall outside its scope without added triggers.
- **B.** The required policy allows recovery only when an executive is at fault, so no-fault recovery needs added triggers.
- **C.** The required policy covers only time-based equity, so incentive pay tied to financial goals needs added triggers.
- **D.** The required policy applies only after an accounting restatement, so it would not reach misconduct with no restatement.

**252.** A manufacturer has many minor workplace injuries each year, each with low cost and fairly predictable totals. Which risk financing approach BEST fits this exposure?

**A.** Avoid the exposure by exiting the manufacturing business altogether

**B.** Share the losses through a joint venture with a competitor's operations

**C.** Transfer the losses through a low-deductible commercial workers' compensation insurance policy

**D.** Retain the losses through self-funding while investing in loss prevention

**253.** A regional vice president in the company's high-potential program asks the CHRO directly why she was not included on the slate to succeed the retiring COO. The succession committee concluded she needs broader P&L experience first. How should the CHRO respond?

**A.** Acknowledge the decision, explain the experience gap behind it, and agree on a development plan

**B.** Tell her she will be on the next slate, to keep her engaged while she builds more experience

**C.** Refer her to the succession committee chair, since HR should not explain the committee's decisions

**D.** Decline to discuss it, since succession slates are confidential and disclosure could disengage her

**254.** A global company is introducing a new operating model in several countries. In its offices in countries that score high on Hofstede's uncertainty avoidance dimension, how should change messages be adapted?

**A.** Keep the messages brief and high level to avoid overwhelming people

**B.** Stress the long-term vision rather than the near-term practical steps involved

**C.** Give more detail on timelines, procedures and roles to reduce ambiguity

**D.** Emphasize individual freedom to decide how to adopt the new model

**255.** In organizational justice research, what role does voice play in restoring a sense of fairness after a decision employees dislike?

**A.** Giving people a chance to express their views raises perceived fairness even if the outcome holds

**B.** Voice is mainly a part of distributive justice, which concerns how outcomes are allocated

**C.** Voice usually lowers perceived fairness because it raises expectations that cannot be met

**D.** Voice improves perceived fairness only when it leads leaders to change or reverse the original decision

**256.** A general counsel says that mandatory arbitration agreements will keep all discrimination disputes out of court. Under EEOC v. Waffle House, what limit should the CHRO point out?

**A.** Arbitration agreements are unenforceable for all Title VII claims, so employees can always sue

**B.** The EEOC may pursue only injunctive relief, so the employee's monetary claims stay in arbitration

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

**D.** The EEOC may sue only if the employee first loses in arbitration and asks the agency to step in

**257.** A professional services firm with 8,000 employees is about to give all staff access to a generative AI assistant. A survey shows employees are unsure whether use is monitored, which tasks are allowed, and whether the tool will replace jobs. What should the CHRO's launch communication emphasize?

**A.** A broad statement that AI will augment rather than replace staff, leaving the details to managers.

**B.** A detailed tutorial on prompt writing, since skill gaps are the main barrier to employee adoption.

**C.** The productivity gains leaders expect, so employees see the business case for using it every day.

**D.** Approved uses, how data and outputs are governed, what is monitored, and how roles may evolve.

**258.** What do state right-to-work laws permitted by Section 14(b) of the Taft-Hartley Act change for an employer with a unionized workforce?

**A.** They allow employees who decline union membership to negotiate their own pay with the employer.

**B.** They remove the union's duty to represent unit employees who decline to join or pay fees.

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

**D.** They exempt the employer from bargaining with a certified union whose members are a minority of the unit.

**259.** During an engagement, an external coach hears an executive client describe actions that could be financial fraud. The coaching agreement promised complete confidentiality and said nothing about exceptions, and the coach does not know what to do. What should the CHRO do to address this risk going forward?

**A.** Keep promising full confidentiality so executives continue to speak openly and candidly with coaches

**B.** Require coaches to share session notes with HR so the company learns of any misconduct

**C.** Revise agreements to define confidentiality limits, including disclosure of illegal acts

**D.** Stop using external coaches and handle all executive coaching with internal HR staff

**260.** Two years after rewriting its code of conduct, a company reports 99% employee acknowledgment of the code. The audit committee asks the CHRO for evidence that the new code actually changed behavior. Which evidence would BEST answer the question?

**A.** Trends in survey items on pressure and speaking up and in repeat misconduct, against a baseline.

**B.** A count of helpline reports, with the decline since the rewrite presented as proof of better conduct.

**C.** A breakdown of acknowledgment and training completion rates by business unit, region and job level.

**D.** Focus group comments from employees describing how much they like the tone and format of the new code.

**261.** After a competitor pays a large settlement over misclassified exempt employees, the CEO asks the CHRO to test whether the company's 2,000 exempt roles are properly classified. The general counsel worries that a review could produce documents plaintiffs later use as admissions. What is the BEST way to structure the review?

**A.** Have the HR compensation team run the audit internally and store the results in a confidential HRIS folder.

**B.** Ask each business unit leader to self-certify their exempt roles and email any concerns to HR in writing.

**C.** Hire a compensation consultant to review all 2,000 roles and send its findings report directly to the CEO.

**D.** Have outside counsel direct the audit and engage any consultants, so the work is privileged.

**262.** A confidential CEO succession slate is leaked, and two senior executives learn they are not on it. Both are high performers in critical roles and have begun talking to recruiters. What should the CHRO do?

**A.** Investigate the leak, have leaders hold candid career talks with both executives, and tighten access

**B.** Deny that a slate exists and remind executives that succession planning is still in early stages

**C.** Tell both executives that the slate is outdated and will be redone from scratch later this year

**D.** Add both executives to the slate right away so that they stay with the company through the transition

**263.** A national call-center operator hires 3,000 agents a year and must screen about 60,000 applicants. Why might a multiple-hurdle selection design be preferred over a compensatory design for this volume?

**A.** Multiple-hurdle designs always yield less adverse impact than compensatory designs

**B.** Multiple-hurdle designs let strong interview scores make up for weak test scores

**C.** Multiple-hurdle designs remove the need to validate each step of the selection system

**D.** Early low-cost hurdles screen out unqualified applicants before costly later steps

**264.** After a 15% workforce reduction, remaining employees show withdrawal: discretionary effort is down, and absenteeism has risen. The CEO wants to 'move on' and stop discussing the layoffs. What is the CHRO's BEST strategy?

**A.** Offer survivors a one-time bonus to thank them for staying, which shows appreciation and restores their commitment.

**B.** Announce a company celebration to boost morale and signal clearly to everyone that the difficult period is now behind the organization.

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

**D.** Follow the CEO's direction and avoid discussing the layoffs, since revisiting them could prolong employee anxiety.

**265.** A recognition program costs $150,000 per year. The CHRO's analysis links it to 9 fewer departures, and each departure costs $30,000 to replace. What is the program's ROI?

**A.** 125%

**B.** 80%

**C.** 180%

**D.** 44%

**266.** The COO championed an employee engagement app launched a year ago. Usage has fallen to 8% of employees, engagement scores are flat, and the license renews in three months. The COO still believes it will catch on. What is the CHRO's BEST approach?

**A.** Ask the CFO to decline the renewal on budget grounds, so the decision does not appear to come from HR.

**B.** Let the license renew quietly to avoid conflict, and redirect HR resources to more promising engagement work.

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

**D.** Present the failing results at the next executive meeting so the team can decide whether to renew the license.

**267.** A rep closes a $20 million deal, about 10 times his annual quota, largely through relationships the CEO built over several years. The commission plan contains no windfall or large-deal provision, and the CFO wants to cut the payout to 10% of what the plan formula yields. What should the HR leader recommend?

**A.** Split the commission between the rep and the executives involved, since the executives did most of the work over several years to win it.

**B.** Cut the payout as the CFO proposes, since the rep's role in closing the deal was minor compared with the CEO's.

**C.** Negotiate a reduced payout privately with the rep, offering future account assignments in exchange for the reduction.

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

**268.** The VP of talent proposes a structured assessment for 400 annual hires in a high-volume role and wants to estimate its financial value using the Brogden-Cronbach-Gleser utility model. What does this analysis estimate?

**A.** The percentage of applicants who achieve a passing score on the assessment

**B.** The reduction in average time to fill a role that the assessment produces

**C.** The correlation between assessment scores and later job performance ratings

**D.** The dollar gain in hire performance from a valid tool, net of its costs

**269.** A company shifts its strategy from selling individual products to selling integrated solutions, but it keeps product-based divisions, product-focused processes, and bonuses tied to product revenue. Which framework BEST explains why the new strategy is stalling?

**A.** Galbraith's Star Model

**B.** Kotter's eight-step model

**C.** Lewin's force field analysis

**D.** Bridges' transition model

**270.** A software company fills about 30% of its engineering roles with foreign nationals who need employer-sponsored work visas. Proposed federal policy changes could sharply limit or raise the cost of that sponsorship over the next few years, but the outcome is uncertain. What is the CHRO's BEST strategic response?

**A.** Pause all new visa sponsorship now and shift hiring entirely to domestic candidates to remove the policy risk before it materializes.

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

**C.** Wait for the final policy decisions before taking any action so that the company avoids spending money on policy changes it may never need.

**D.** Accelerate sponsorship filings this year to lock in as many foreign hires as possible before any new restrictions take effect.

**271.** A software company is pivoting from its legacy on-premises product to a cloud platform over two years. The senior engineers who built the legacy product are its key maintainers, and their deep expertise risks becoming obsolete. What retention and redeployment strategy should the CHRO recommend?

**A.** Replace legacy engineers gradually with cloud specialists hired externally as the legacy product winds down

**B.** Use targeted retention awards for sustaining the legacy product and offer funded paths into cloud roles

**C.** Move all legacy engineers onto cloud teams immediately so their skills are updated before the pivot

**D.** Offer retention bonuses payable when the legacy product is retired, with no change to the engineers' roles

**272.** A researcher argues that a company's strategic choices and performance can be predicted partly from its top executives' ages, functional backgrounds, education and values. Which theory is this?

**A.** Contingency theory

**B.** Upper echelons theory

**C.** Resource dependence theory

**D.** Principal-agent theory

**273.** A remote-first company with employees in 40 states is debating whether to pay everyone a single national rate for each role or to use geographic pay tiers. The CEO asks the CHRO to lay out the decision for the executive team. Which framing BEST serves the executive team?

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

**B.** Recommend a national rate because location-based pay for remote workers is not permitted under federal wage and hour law

**C.** Recommend geographic tiers because nearly all employers use them and they are the accepted best practice

**D.** Let each employee choose the model applied to them, since that will maximize acceptance of the decision

**274.** An HR vice president is choosing between two assessments for a high-volume role. Assessment X has a validity coefficient of 0.45, and Assessment Y has a coefficient of 0.20. Their costs are similar. Which statement BEST describes the difference?

**A.** X predicts performance better, so it should produce a larger gain from selection

**B.** Y is the better choice, because a lower coefficient means fewer false rejections

**C.** The difference is small, because both coefficients are below the 0.50 threshold for use

**D.** X explains 45% of performance variance, compared with 20% for Y

**275.** The CHRO of a subsidiary needs funding for a workforce planning system, but the parent company's board sees HR as overhead and has denied similar requests. The subsidiary's growth plan calls for doubling its technical staff in three years. What is the BEST approach?

**A.** Resubmit the request with a detailed list of the system's features and the vendor's proposed implementation timeline.

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

**C.** Fund the system by reallocating money from other HR programs, so no parent board approval is required.

**D.** Ask the parent company's CHRO to present the request, since that executive has more standing with the board.

**276.** A CHRO reviews the company's HR practices and confirms that its selection criteria, training content and pay structure all reinforce the same desired behaviors and send employees a consistent message. Which type of alignment has she confirmed?

**A.** Horizontal alignment, meaning fit among the HR practices themselves

**B.** Mission alignment, meaning fit between HR goals and the mission statement

**C.** External alignment, meaning fit between HR practices and labor market norms

**D.** Vertical alignment, meaning fit between HR practices and business strategy

**277.** A multinational is updating its code of conduct for employees in 40 countries with varied customs on gifts, hospitality and relationships with officials. Which approach is MOST widely recommended?

**A.** A separate code for each country written by local leaders to reflect that country's customs

**B.** Core global standards that apply everywhere, supported by local guidance on applying them

**C.** A global code that applies only where it does not conflict with local business customs

**D.** A single detailed rulebook applied identically worldwide, with no country-level guidance

**278.** Which feature MOST distinguishes behavioral threat assessment and management from simple zero-tolerance discipline?

**A.** It gathers facts about a person's behavior and situation and tailors steps to reduce the risk.

**B.** It requires the automatic termination of anyone who makes a threatening statement at work.

**C.** It hands every threat case to police so that the employer avoids liability for its decisions.

**D.** It relies mainly on profiles of personal traits that are thought to predict who will become violent.

**279.** Why are "potential" ratings in nine-box talent reviews especially vulnerable to bias compared with performance ratings?

**A.** They rely on numeric scales, which magnify small differences between employees into large rating gaps.

**B.** They predict future capability with little observable evidence, so raters fall back on fit and stereotypes.

**C.** They are updated less often than performance ratings, so early first impressions of employees persist for many years.

**D.** They are made by senior leaders who have less training in rating employees than front-line managers do.

**280.** In Carroll's pyramid of corporate social responsibility, what is the order of responsibilities from the base to the top?

**A.** Economic, ethical, legal, philanthropic

**B.** Economic, legal, ethical, philanthropic

**C.** Legal, economic, ethical, philanthropic

**D.** Legal, ethical, economic, philanthropic

**281.** A public company plans to expand the human capital metrics it discloses to investors. Why might its leaders seek external assurance or internal audit review of those metrics?

**A.** Assurance allows a company to omit metric definitions and methods from its disclosures.

**B.** SEC rules require an external audit of every human capital metric a company discloses.

**C.** Metrics that have been audited are exempt from liability under the securities laws.

**D.** Independent review of data and definitions makes the reported metrics more credible.

**282.** A 6,000-employee company carries $10 million in employment practices liability insurance (EPLI). In the past year, two harassment verdicts against peer companies in its industry exceeded $15 million. The board's risk committee asks the CHRO what to do. What is the BEST response?

**A.** Keep the limit as is, because stronger anti-harassment training will lower the risk of a verdict.

**B.** Double the EPLI limit at the next renewal, since peer verdicts show the current limit is too low.

**C.** Work with the broker and counsel to benchmark exposure and decide on limits or an excess layer.

**D.** Drop EPLI and self-insure, since recent verdicts now exceed what any carrier policy would pay.

**283.** In a 12-site pilot of a new productivity tool, employees at the control sites learn they were not selected and push themselves harder to outperform the pilot sites. Which effect describes this behavior?

**A.** John Henry effect

**B.** Hawthorne effect

**C.** Pygmalion effect

**D.** Resentful demoralization

**284.** A hospital receives a union's 10-day notice of a nurses' strike. Which principle should guide the CEO and CHRO's planning?

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

**B.** The notice lets the hospital require nurses to stay on duty during the strike until all of their assigned patients have been discharged.

**C.** The notice allows the hospital to seek an injunction delaying the strike for 80 days to protect patients from harm.

**D.** The notice period lets the hospital declare impasse and implement its offer, so the strike may then be called off.

**285.** An L&D department adopts zero-based budgeting for the coming fiscal year. What does this approach require?

**A.** Each program must be justified from scratch on its value rather than carried over from last year.

**B.** Any money not spent by year-end must be returned and cannot be carried forward to the next year.

**C.** Each business unit must fund its own training, so the central L&D budget is reduced to zero.

**D.** The budget must match the prior year's total, with changes only for inflation and headcount growth.

**286.** In a strategy meeting, an executive says that young employees 'just don't want to work hard' and proposes cutting flexibility for entry-level staff. The CHRO has internal engagement, productivity, and turnover data broken out by age and tenure. What is the BEST response?

**A.** Present company data and research on age and life stage, and reframe the issue around real performance drivers.

**B.** Survey younger employees about why they are less committed than older ones before making any decision.

**C.** Tell the executive privately that the remark is unlawful age discrimination and must be reported to legal.

**D.** Agree to review entry-level flexibility, since executives are entitled to set work expectations for their own teams.

**287.** A corporate investigation substantiated that a division president's deputy sexually harassed two direct reports. The president refuses to discipline the deputy, calling him indispensable to a major product launch. The company's policy gives the CEO final authority over discipline of officers. What should the CHRO do?

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

**B.** Discipline the deputy directly, since HR owns the disciplinary outcome once an investigation finding is substantiated.

**C.** Reopen the investigation with a new investigator to test whether the president's concerns are valid.

**D.** Defer to the president, since line leaders hold final authority over discipline in their own divisions.

**288.** When is using an employer of record (EOR) the MOST strategically sound choice, and what is its key limitation?

**A.** When acquiring a local company with its own staff; it cannot employ workers on a permanent basis

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

**C.** When moving a large established workforce to a new country; it requires registering a local entity first

**D.** When a company wants to avoid local employment law entirely; it limits the benefits employees receive

**289.** A large medical device company acquires a 300-person startup because of its rapid product innovation. The startup's teams make quick decisions with little process, while the acquirer has strict approval and quality controls. What is the CHRO's BEST integration approach?

**A.** Offer retention bonuses to all startup employees, since keeping the workforce intact will preserve the innovation culture.

**B.** Integrate the startup fully into the acquirer's culture and processes, so the combined company operates as one organization.

**C.** Leave the startup fully separate with no integration, since any contact with the parent's processes will slow its innovation.

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

**290.** A company's payroll is $10 million, and its merit budget is 3.5%. The top 20% of performers, whose salaries total $2 million, will receive 6% increases. What average increase can the remaining employees receive while staying within budget?

**A.** 2.300%

**B.** 1.000%

**C.** 2.875%

**D.** 3.000%

**291.** Which description BEST defines an organization-wide coaching culture?

**A.** Every people manager must finish a certified coaching course within the first year in the role.

**B.** Coaching is part of everyday interactions among leaders and peers and is reinforced by HR systems.

**C.** All senior executives have access to external coaches funded through a central leadership development budget.

**D.** Each department sets aside a coaching budget that employees can use for outside development.

**292.** An employer's validated AI screening tool uses a cutoff score that produces substantial adverse impact. Analysis shows a slightly lower cutoff would predict job performance nearly as well with much less adverse impact. Why should the employer seriously evaluate that alternative?

**A.** Federal law requires employers to choose whatever cutoff produces equal selection rates for every group.

**B.** Validation evidence fully protects the employer from liability, so alternatives matter only for public relations purposes.

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

**D.** Any adverse impact makes a tool unlawful, so the lower cutoff must be used whatever its effect on validity.

**293.** An executive team is deciding whether to fund a $1.5 million sales leadership program before it is designed in detail. What approach BEST supports this investment decision?

**A.** Reaction survey results from a short pilot session given to a few sales managers in one region

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

**C.** A post-program ROI study completed once the first group of sales leaders has finished the full program

**D.** Vendor case studies showing the ROI that other companies reported for the same program

**294.** A global product team is in conflict: U.S. members push to decide in meetings and move fast, while Japanese members expect informal consultation (nemawashi) to build consensus before any meeting. Both sides feel disrespected. What should the CHRO advise the team leader?

**A.** Adopt the U.S. approach, since the company is headquartered in the U.S. and decision speed is a competitive necessity

**B.** Create a shared decision charter that builds in pre-meeting consultation and sets clear decision deadlines

**C.** Split decisions by region so each group follows its own norms and the conflict over process ends

**D.** Adopt the Japanese approach for all decisions, since consensus produces better buy-in on global teams

**295.** A CHRO will soon renegotiate a large benefits-administration outsourcing contract. The vendor knows that switching would be costly and disruptive. What is the BEST preparation for the negotiation?

**A.** Focus preparation on building rapport with the vendor's account executive

**B.** Set a walk-away price equal to the cost under the current contract's terms

**C.** Disclose the internal budget early to show good faith and speed the agreement

**D.** Obtain competitive proposals from qualified vendors to strengthen the BATNA

**296.** Analytics show that 70% of candidates who start an application at a national retailer abandon it, and online reviews describe the process as long and frustrating. The CHRO is selecting a new applicant tracking system. Which selection criteria should carry the MOST weight?

**A.** Advanced recruiter reporting features and a ready integration with the current payroll system

**B.** Detailed screening questionnaires that filter out less qualified applicants earlier in the process

**C.** Short mobile-friendly applications, candidate communication tools and conversion data by step

**D.** The lowest per-user licensing cost and the shortest implementation timeline among the finalists

**297.** Engagement data show that employees rate their managers' feedback low, and a manager training course offered last year had good attendance but little change in results. The CHRO has budget for one major initiative. Which approach is MOST likely to improve manager feedback?

**A.** Buy a feedback app that prompts managers to send their teams recognition each week

**B.** Publish a guide on giving good feedback and post it on the manager intranet

**C.** Pair practice-based skill building with clear expectations and accountability

**D.** Repeat last year's course for all of the managers who have not yet attended it

**298.** An HR analytics report shows that ERG members have a 12% lower turnover rate than non-members, and an executive concludes that ERGs reduce turnover. Why should the CHRO be cautious about that conclusion?

**A.** The difference is too small to matter because turnover gaps under 20% are generally not meaningful

**B.** Employees who join ERGs may already be more engaged, so the ERG may not be causing the difference

**C.** ERG members tend to be newer employees, and turnover is always higher for employees in their first year

**D.** Turnover rates cannot be compared between groups unless the groups are exactly the same size

**299.** A company with 1,200 employees moves to a hybrid model and cuts annual lease costs by $2.4 million. Over the following year, voluntary turnover rises by 2 percentage points, and each exit costs about $40,000. What is the net annual financial effect of the change?

**A.** A net cost of about $7.2 million

**B.** A net savings of about $3.36 million

**C.** A net savings of about $1.92 million

**D.** A net savings of about $1.44 million

**300.** A board asks the CHRO to make sure the company is ready if its CFO is suddenly incapacitated tomorrow. Which plan addresses that need MOST directly?

**A.** A long-term succession plan that develops two or three candidates over the next three to five years

**B.** A talent review that rates every finance leader on performance and potential in a nine-box grid

**C.** An emergency succession plan naming an interim leader and the steps to take within the first days

**D.** A leadership development program that rotates high-potential managers through finance roles

**301.** A CHRO wants the executive team to approve a shift to skills-based workforce planning that will change how every function budgets headcount. Which sequence is MOST effective for building support?

**A.** Pilot the change within HR, then present the results to the full team before discussing it with anyone.

**B.** Present the full proposal to the whole team at once, so every executive hears the same details first.

**C.** Gain the CEO's approval first, then announce the change to the team as a decision the CEO has made.

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

**302.** In a company's calibration meetings, final ratings consistently move toward the views of the most senior executive in the room. What process change BEST reduces this anchoring?

**A.** Have the senior executive set the ratings for all employees in advance to make the process faster.

**B.** Use secret-ballot voting at the end of each discussion so the final ratings reflect the majority.

**C.** Exclude senior executives from calibration entirely so that the meetings include only the first-line managers who did the rating.

**D.** Collect ratings and evidence in advance, use a neutral facilitator, and have the senior leader speak last.

**303.** A global energy company spends about $40 million a year on long-term international assignments. The CFO wants to know whether the program is worth the cost. HR currently tracks only assignment costs. What is the BEST approach for the CHRO?

**A.** Measure assignment ROI against business objectives and track repatriate retention after return.

**B.** Benchmark the company's assignment package costs against peer energy companies to see if they are competitive.

**C.** Move all expatriates to lower-cost local-plus packages so that the program's cost falls without fewer assignments.

**D.** Cut the number of assignments by a third and rely more on local hires to deliver the same business objectives.

**304.** A data science team builds a flight-risk model that predicts which employees are likely to quit, and a business leader wants to apply it to job candidates to screen out likely leavers. What should the CHRO require BEFORE the model is used in selection?

**A.** Use it only as a tiebreaker between finalists so that it does not need any formal validation work.

**B.** Approve it if its overall accuracy is high, since strong accuracy shows that the model's results are fair.

**C.** Pilot it in live hiring decisions for one region first and refine the model based on the hiring results that follow.

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

**305.** The CEO's quarterly strategy updates are emailed globally from headquarters. Pulse surveys show strong understanding in North America but low understanding and trust in several regions where communication is highly context-dependent and relationship-based. What should the CHRO recommend?

**A.** Translate the emails into local languages and send them from the CEO's own account on the same day worldwide.

**B.** Require managers to confirm that each employee has read the email and passed a short online comprehension quiz on it.

**C.** Equip regional leaders to cascade the strategy in person, adding local context and dialogue to the core message.

**D.** Shorten the emails and add infographics so that the main strategic points are easier for staff to grasp.

**306.** Assaults on nurses in a hospital system have doubled in two years. The CFO questions a proposed $3 million prevention program, noting that most injuries are minor. What should the CHRO present?

**A.** Nurse survey results showing that staff feel unsafe and want more security officers on the units.

**B.** A legal memo stating that a federal OSHA standard requires hospitals to adopt a violence program.

**C.** The full cost of assaults, including turnover, agency staffing, lost time and claims, against program cost.

**D.** Benchmarks showing that peer hospital systems spend more on security per licensed bed than this system spends.

**307.** When designing a total rewards strategy, how should HR treat legally mandated benefits such as Social Security, Medicare, unemployment insurance and workers' compensation?

**A.** As benefits funded entirely by the employees through payroll deductions

**B.** As optional benefits that employees may choose to trade for higher cash pay

**C.** As a required base layer whose costs are budgeted before voluntary benefits

**D.** As voluntary benefits the employer may choose to offer to compete for talent

**308.** At 5 a.m., an FMLA-eligible warehouse employee's child was rushed to the emergency room. The employee texted his supervisor within the hour instead of using the required call-in line. A senior vice president wants to deny FMLA protection and assess an attendance point for the call-in violation. What is the BEST response?

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

**B.** Approve the leave as FMLA-protected but issue a written warning for not using the required call-in line.

**C.** Support the denial, since FMLA regulations allow employers to enforce their usual and customary call-in procedures.

**D.** Approve the leave and drop the call-in rule, since a text message now counts as valid notice in all cases.

**309.** An enterprise HR AI tool could fail in several ways, such as producing biased rankings, exposing personal data or making erroneous pay changes. Which set of elements is MOST essential in an AI incident response plan?

**A.** Defined triggers and severity levels, authority to suspend the tool, notification paths and root-cause review

**B.** A rule that HR staff correct errors one by one as employees report them, without formal escalation

**C.** An annual tabletop exercise run by IT, with HR and legal informed of the results by email after it is finished

**D.** A list of vendor contacts and a commitment to issue a public statement within 24 hours of any error

**310.** A CHRO is planning communications about a restructuring that will affect operations in a country with very high uncertainty avoidance. Which communication approach is MOST likely to be effective there?

**A.** Inspirational messages about the long-term vision that downplay the near-term operational changes.

**B.** Informal messages shared through peer networks to build trust before any formal announcement.

**C.** Detailed, structured messages with clear timelines, defined processes, and specific answers about next steps.

**D.** Brief high-level messages that leave the details flexible so that local leaders can adapt as the plans evolve.

**311.** A consulting firm's advantage comes largely from the trusted relationships its partners have built with clients and with one another over many years. Why is this social capital a hard-to-imitate source of competitive advantage?

**A.** It is protected by contracts that prevent clients from working with other consulting firms.

**B.** It can be documented in detail, which allows the firm to keep it even after partners leave.

**C.** It belongs on the firm's balance sheet as an intangible asset, so competitors cannot acquire it without a merger.

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

**312.** A U.S. company buys a business in Germany as a going concern. Under the EU Acquired Rights Directive, what generally happens to the employees of the transferred business?

**A.** Their contracts transfer to the buyer, but the buyer may reset pay and benefits to its standard terms on the date of transfer.

**B.** Their contracts end at closing, and the buyer may offer new contracts on its own terms to employees it wishes to retain.

**C.** Their contracts and terms transfer automatically to the buyer, and dismissal because of the transfer is prohibited.

**D.** Their contracts stay with the seller, which must either redeploy the employees or pay statutory severance at the transfer.

**313.** A unionized distribution company plans to install productivity-tracking software that will set pick-rate standards used in discipline. Under the NLRA, when must the employer bargain with the union over introducing new technology?

**A.** Only when the technology will eliminate bargaining unit jobs or reduce employees' current pay rates.

**B.** When the technology materially affects terms and conditions of employment, such as discipline or workload.

**C.** Never, because selecting equipment and software is a reserved management right under the NLRA.

**D.** Only when the labor contract contains a specific clause requiring negotiation over any technology changes.

**314.** Which mechanism BEST surfaces AI misuse to senior leaders before it becomes a crisis?

**A.** A confidential reporting channel with anti-retaliation protection and tracked follow-up

**B.** An open-door policy that invites employees to raise AI concerns with their managers

**C.** A quarterly certification by each manager that the team is using AI tools properly

**D.** An annual audit of all AI tools in use that is conducted by the internal audit department

**315.** Some of a company's institutional investors are pushing for stronger ESG commitments, while others and several state officials threaten to pull funds over the same commitments. The CEO asks the CHRO and general counsel for a strategy on workforce-related ESG goals. What is the BEST recommendation?

**A.** Tailor how goals are described to each investor group so that each sees its own priorities.

**B.** Expand ESG commitments, since investors who favor ESG hold more total assets than the investors against it.

**C.** Tie goals to material business risks, describe them in business terms, and use one message for all.

**D.** Drop all public ESG goals, since keeping them in place will leave one investor group unhappy.

**316.** A manufacturer's growth is limited by a chronic regional shortage of skilled maintenance technicians, and every competitor faces the same shortage. What is the CHRO's BEST strategic move?

**A.** Raise pay well above market to attract experienced technicians away from local competitors.

**B.** Increase overtime for current technicians to meet the company's growth targets.

**C.** Build a long-term pipeline through apprenticeships and technical school partnerships.

**D.** Lower hiring standards so that more applicants qualify for technician roles.

**317.** The CEO asks whether to hire a large consulting firm or rely on the internal OD team for a three-year enterprise transformation. What should the CHRO advise?

**A.** Hire the consulting firm to lead the entire effort, since outsiders bring objectivity and proven methods

**B.** Use only the internal OD team, since outsiders cannot understand the culture

**C.** Choose whichever option costs less across the full three-year timeline

**D.** Use outside experts for specific gaps while internal OD owns and builds capability

**318.** A company plans to select pilot sites for a new performance management process based on which site leaders are most enthusiastic about it. What is the main risk for the later enterprise rollout decision?

**A.** Sites that were not chosen may file complaints that they were unfairly excluded from the pilot.

**B.** Enthusiastic leaders tend to resist later revisions to the process design after the pilot ends.

**C.** Pilot results may reflect leaders' commitment, not the process, so they may not transfer.

**D.** Pilot sites led by enthusiastic leaders will need a larger training budget than other sites.

**319.** A CHRO wants the board's risk committee to focus on retaliation prevention. Which fact best supports that request?

**A.** Retaliation claims require only a showing that protected activity was a motivating factor in the decision

**B.** Retaliation claims can be brought only by employees who have already filed a formal charge with an agency

**C.** Retaliation is the only type of EEOC charge for which compensatory and punitive damages can be awarded

**D.** Retaliation is the most frequently alleged EEOC charge basis and can succeed even if the main claim fails

**320.** What is the distinctive succession challenge that the CHRO of a third-generation family-owned company typically faces compared with a widely held public company?

**A.** Finding enough candidates, since family firms are barred from hiring external executives by law

**B.** Balancing family ownership interests with the need for qualified professional management and governance

**C.** Managing activist shareholders who push for an outside CEO after several quarters of poor earnings results

**D.** Meeting securities rules that require public disclosure of all named successors to senior roles

**321.** A global company is considering replacing some fixed company holidays with floating holidays to better serve a religiously diverse workforce. Which trade-off should the CHRO weigh MOST carefully?

**A.** Greater legal compliance versus less employee choice about when to take their days off from work.

**B.** Greater fairness and choice for employees versus harder scheduling and fewer shared company-wide days off.

**C.** Lower total holiday costs versus a higher risk of religious discrimination claims from employees of minority faiths.

**D.** Simpler payroll administration versus less flexibility for employees who observe minority faiths.

**322.** A company with plants in several states wants to switch all employees from a calendar-year FMLA leave year to a rolling 12-month period measured backward. What must HR plan for?

**A.** Phase in the new method site by site over a year so each plant can adjust its scheduling.

**B.** Give 30 days' notice and apply the new method to each employee on the day the change takes effect.

**C.** Apply the new method to new hires only, since current employees keep the calendar year.

**D.** Give all employees at least 60 days' notice and preserve the greater entitlement in transition.

**323.** In executive team meetings, members rarely disagree and decisions are approved quickly, but afterward executives complain privately and fail to support the decisions. The CEO asks the CHRO what is wrong. What should the CHRO recommend?

**A.** Treat it as a structure problem and shift decisions to smaller subcommittees

**B.** Treat it as a sign of strong alignment and keep the current meeting format

**C.** Treat it as artificial harmony and set norms that require open debate before decisions

**D.** Treat it as a skills gap and send executives to an outside course on presentation skills

**324.** A company is acquiring a firm mainly for its product engineering team. Before close, the CEO asks the CHRO how to keep the engineers who matter most. What should the CHRO do FIRST?

**A.** Wait until after close to meet engineers, so the acquiring company does not appear pushy.

**B.** Identify the engineers critical to the deal's value and assess what each needs to stay.

**C.** Announce at close that no engineering jobs will be cut and that pay will remain the same.

**D.** Offer retention bonuses of equal size to all engineers, payable 12 months after close.

**325.** The CFO and CHRO each claim to lead the company's new strategic workforce planning effort, and both teams have started building separate models with different headcount assumptions. What should the CHRO do?

**A.** Ask the CEO to decide which function should own workforce planning and to assign the other team a supporting role.

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

**C.** Continue building the HR model and present it to the CEO first, so that HR's assumptions become the starting point.

**D.** Defer to finance, since headcount drives cost and finance owns the budget, and give HR a supporting role in the effort.

**326.** A national retailer's recruiting team wants to use a vendor's AI tool that scores and ranks resumes, including for store-manager roles based in New York City. The vendor says the model was 'tested for fairness' by its own data scientists. Before approving use for the New York City roles, what should the CHRO require?

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

**B.** A one-time adverse impact review by HR after the first hiring cycle, using the 80% rule of thumb on the results.

**C.** Signed consent from each applicant before screening, since consent is the core requirement of the city's AI hiring law.

**D.** The vendor's internal fairness test results plus a contract indemnity covering any discrimination claims from candidates.

**327.** Before a major restructuring, a CHRO proposes an organizational network analysis (ONA) of how work actually gets done. What is the MAIN value of ONA to senior leaders?

**A.** It confirms whether formal reporting lines match the approved span-of-control targets for each unit

**B.** It replaces engagement surveys by measuring how satisfied employees are with peers

**C.** It ranks individual employees by performance so that layoffs can be targeted

**D.** It reveals informal influencers and collaboration bottlenecks that the org chart hides

**328.** An employer's cognitive ability test predicts performance well but shows adverse impact against some racial groups. Which strategy BEST addresses the validity-diversity trade-off?

**A.** Keep the cognitive test alone but lower the passing score for every applicant equally

**B.** Drop the cognitive test and select only on personality measures, which show less impact

**C.** Adjust cutoff scores by racial group so pass rates are equal across all applicant groups

**D.** Combine the test with valid predictors such as work samples and structured interviews

**329.** People analytics show that over three years, employees who reported ethics concerns were promoted at half the rate of their peers. The CHRO must decide what to do with this finding. What is the BEST next step?

**A.** Treat the gap as chance, since employees who report concerns tend to be less engaged than their peers.

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

**C.** Report the raw figure to the board at once as clear evidence that the company has a systemic retaliation problem.

**D.** Set aside a share of promotions for reporters next cycle so that their promotion rate matches peers.

**330.** The CHRO presents a workforce risk heat map to the board's risk committee. How are risks typically positioned on this map?

**A.** By plotting each risk's cost to mitigate against how long the mitigation would take to finish.

**B.** By plotting each risk's likelihood of occurring against the severity of its impact if it occurs.

**C.** By plotting each risk's owner against the business unit that first identified the risk.

**D.** By plotting each risk's frequency in past years against the number of employees involved in each event.

**331.** A CHRO is planning a multiyear HR transformation that includes a new service model, redesigned processes and a new HCM platform. Which sequencing principle should guide the plan?

**A.** Run all three workstreams in parallel, so the transformation finishes in the shortest time

**B.** Select the technology first, because vendor best practices will define the future processes

**C.** Restructure HR roles first, so that new leaders own the process and technology decisions

**D.** Redesign the service model and core processes before choosing the supporting technology

**332.** The CEO plans to require office attendance four days a week and asks the CHRO to evaluate the policy's impact. Which evaluation design is BEST?

**A.** Track several outcomes, including regretted attrition by talent segment, against a set baseline.

**B.** Compare overall turnover in the year before and the year after the mandate takes effect.

**C.** Survey employees after six months to measure their satisfaction with the new attendance policy.

**D.** Track badge swipes to measure compliance with the attendance policy as the main outcome of interest.

**333.** In Nahapiet and Ghoshal's model of social capital, which dimension is reflected in the trust, shared norms and sense of obligation that members of a leadership team feel toward one another?

**A.** Human dimension

**B.** Structural dimension

**C.** Cognitive dimension

**D.** Relational dimension

**334.** A company announces that its greenhouse gas reduction target has been validated by the Science Based Targets initiative. What does it mean for the target to be science-based?

**A.** It has been approved by a national government agency as meeting that country's legal emissions limits.

**B.** Its reductions match the pace climate science says is needed to meet the Paris Agreement goals.

**C.** It is set by comparing the company's emissions with its industry peers' published average reductions.

**D.** It relies mainly on purchased carbon offsets to reach net zero by a date of the company's own choosing.

**335.** Which description BEST distinguishes strategic workforce planning from operational workforce planning?

**A.** It tracks open requisitions and time to fill so recruiting can meet each quarter's hiring goals.

**B.** It looks three to five years ahead at the capabilities needed to execute business strategy.

**C.** It schedules staff by shift and location to meet expected weekly and seasonal demand levels.

**D.** It sets next year's approved headcount and labor budget for each department and cost center.

**336.** A division president asks the CHRO to lead a two-year transformation of the division's operating model. However, he says he cannot attend steering meetings, will not communicate the change himself and wants HR to "just make it happen." What should the CHRO do?

**A.** Start with a smaller pilot in one business unit so early results can persuade the president to become more involved later on.

**B.** Explain that the effort needs his visible sponsorship and decline to start until he agrees to specific commitments.

**C.** Accept the engagement and escalate to the CEO only if the lack of sponsorship begins to cause visible delays in the program.

**D.** Accept the engagement and ask one of his direct reports to act as the day-to-day sponsor in steering meetings and communications.

**337.** Eighteen months after a merger, combined revenue is well below plan, and executives blame a culture clash. What should the CHRO do FIRST?

**A.** Conclude that the deal was overvalued and report that finding to the board.

**B.** Gather data to find where integration problems are linked to the missed results.

**C.** Launch a culture program to unify the values and behaviors across both legacy companies.

**D.** Replace leaders from the acquired company who appear to resist integration.

**338.** Sales leaders accuse operations of missing delivery dates, and operations accuses sales of promising unrealistic schedules. The conflict is hurting customer satisfaction. Which OD intervention is designed for this situation?

**A.** Executive coaching for the two department heads to improve their personal leadership

**B.** A survey feedback process covering the whole organization's engagement levels

**C.** Separate team-building sessions held within the sales team and within the operations team

**D.** An intergroup confrontation meeting where each group shares perceptions and plans fixes

**339.** Under Lepak and Snell's HR architecture, which employment mode fits human capital that is high in both strategic value and uniqueness?

**A.** Knowledge-based employment, using commitment-based HR

**B.** Job-based employment, using productivity-based HR practices

**C.** Alliances, using collaborative HR

**D.** Contractual work, using compliance-based HR

**340.** A pension plan's investment committee shifts its assets toward long-duration bonds whose values move in step with the plan's obligations as interest rates change. What investment approach is this?

**A.** Liability-driven investing

**B.** Dollar-cost averaging

**C.** Tactical asset allocation

**D.** Target-date portfolio investing

**341.** A CEO asks why the CHRO spends so much effort on retaliation prevention when most discrimination charges against the company are dismissed. What is the BEST explanation?

**A.** Retaliation claims need no proof of a causal link between the employee's complaint and the action taken.

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

**C.** Retaliation claims can proceed only after the underlying discrimination claim has been proven in court.

**D.** Retaliation claims carry higher Title VII compensatory damages caps than the discrimination claims they arise from.

**342.** The 64-year-old CEO of a public company deflects every conversation about his own succession, and the board has no emergency or long-term CEO succession plan. The CHRO reports to the CEO. How should the CHRO BEST influence the process?

**A.** Respect the CEO's wishes, since the timing of his departure is his decision to make

**B.** Raise the issue with the CEO's direct reports so they can encourage him to engage with it more openly and soon

**C.** Build a confidential successor slate alone and present it to the board when the board asks for one

**D.** Work with the board chair or governance committee to make CEO succession a standing board agenda item

**343.** Which situation BEST fits a project-based recruitment process outsourcing (RPO) arrangement rather than full end-to-end RPO or a fully in-house team?

**A.** Low, stable hiring volume that the current recruiting team handles within its capacity

**B.** Steady, high-volume hiring across the enterprise that is not a strategic differentiator

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

**D.** Ongoing hiring for a few highly specialized roles that are central to the firm's long-term strategy

**344.** Why is a consistent job architecture essential before conducting a pay equity analysis?

**A.** It sets each employee's salary directly, which removes the need for statistical pay analysis.

**B.** It ranks employees by performance so that merit can be excluded from the pay analysis.

**C.** It groups substantially similar work by family and level so that pay comparisons are valid.

**D.** It identifies which employees belong to protected groups for use in the regression model.

**345.** During contract renewal, the union representing 3,000 warehouse workers proposes 90 days' notice before any AI system eliminates jobs, plus company-paid retraining for affected members. Management wants flexibility to deploy automation. What bargaining approach should the CHRO take?

**A.** Explore the interests behind each proposal and craft options such as shorter notice with retraining funds.

**B.** Defer all AI issues to the next contract cycle and limit this round to bargaining on wages and benefits.

**C.** Reject both proposals as management rights, since technology decisions are never mandatory subjects of bargaining.

**D.** Accept both proposals as written to avoid a strike and preserve the relationship with union leadership.

**346.** Inclusion maturity models describe stages an organization moves through. Which characteristic BEST describes an organization at an advanced, integrated stage?

**A.** Inclusion is embedded in business processes such as hiring, promotion and product decisions.

**B.** Inclusion efforts consist mainly of awareness training and heritage month celebrations.

**C.** A dedicated inclusion team runs programs separately from day-to-day business decisions.

**D.** The organization concentrates chiefly on legal compliance and avoiding discrimination claims.

**347.** A U.S. firm rolls out a single global code of conduct. In several countries, managers resist because they believe obligations to trusted business relationships should sometimes outweigh fixed rules. Which Trompenaars dimension BEST explains this resistance?

**A.** Achievement versus ascription

**B.** Specific versus diffuse

**C.** Individualism versus communitarianism

**D.** Universalism versus particularism

**348.** A CHRO has built three workforce scenarios for the next five years and attached signposts, or trigger points, to each. What is the role of these signposts?

**A.** They are indicators that show which scenario is unfolding and when to activate the related workforce actions

**B.** They are the milestones in the planning project that mark when each scenario draft is due for review by senior leaders

**C.** They are the targets that the workforce plan must achieve within each scenario to be considered successful

**D.** They are the probabilities assigned to each scenario so leaders can fund only the most likely one

**349.** Thirty employees with an average salary of $65,000 are promoted with an average 8% increase effective September 1. The fiscal year ends December 31. What are the current-year cost and the annualized cost of the increases?

**A.** $52,000 this fiscal year and $156,000 annualized

**B.** $39,000 this fiscal year and $156,000 annualized

**C.** $65,000 this fiscal year and $156,000 annualized

**D.** $52,000 this fiscal year and $104,000 annualized

**350.** A U.S. multinational plans to deploy AI performance analytics at its German and Dutch subsidiaries. Why does early consultation with the works councils typically speed deployment?

**A.** Councils often hold co-determination rights over monitoring technology, so early input avoids blocked rollouts.

**B.** Councils can approve the tool on behalf of regulators, which removes the need for a separate data protection review.

**C.** Councils manage local IT budgets, so their support ensures the project is funded in each country.

**D.** Early consultation lets the company skip formal agreements, since councils waive rights once informed.

**351.** A company's total workforce cost is $120 million on revenue of $400 million. What is workforce cost as a percentage of revenue, and how should the CHRO interpret it?

**A.** 30%; it signals overstaffing, since it is above a 25% industry norm.

**B.** 30%; judge it against peers, trends and the firm's business model.

**C.** 30%; a lower ratio always indicates a more productive workforce.

**D.** 3.33; each workforce dollar generates $3.33 of operating profit.

**352.** What distinguishes William Byham's acceleration pool approach from traditional replacement planning?

**A.** High potentials are developed as a group for a range of roles rather than for one position

**B.** Senior roles are filled by external search whenever no internal successor is ready

**C.** Candidates are selected by seniority and wait in line until a senior role opens up for them in their function

**D.** One named successor is identified and groomed for each specific senior position

**353.** A company is launching a new values statement in 18 countries. Regional HR leaders say some phrases translate poorly and some example behaviors do not fit local norms, while the CEO insists the values must mean the same thing everywhere. What should the CHRO do?

**A.** Let each region write its own values that reflect its local culture and business needs

**B.** Delay the launch until all 18 regional HR leaders agree on wording that works in every language

**C.** Issue the values in English only so that the meaning cannot shift during translation

**D.** Keep the core values fixed but let regions adapt wording and examples, with central review

**354.** The chief risk officer asks the CHRO to help add HR-related AI risks to the company's enterprise risk management framework. Several HR AI tools are already in use for hiring and scheduling. What should the CHRO do FIRST?

**A.** Ask each AI vendor to certify in writing that its tool poses no legal or ethical risk to the company.

**B.** Inventory HR's AI uses and assess each for likelihood and impact using the ERM framework's criteria.

**C.** Suspend all HR AI tools until the ERM framework has been fully updated and approved by the board.

**D.** Draft a new HR-specific risk framework that operates separately from the company's ERM process.

**355.** Research consistently finds that employees are more willing to accept unfavorable outcomes, such as layoffs, when they view the decision process as fair. What BEST explains this effect?

**A.** A fair process signals that people are respected and that future decisions are also likely to be fair

**B.** A fair process meets legal requirements, which employees tend to value more than the outcome itself

**C.** A fair process leads employees to expect that the layoff decisions will be reversed or softened at a later date

**D.** A fair process reduces the number of people affected, which lessens the overall impact of layoffs

**356.** After Muldrow v. City of St. Louis, a CHRO reviews the company's practice of reassigning employees between locations and shifts with no change in pay or title. What is the most important strategic implication?

**A.** Lateral moves are protected from challenge as long as pay, title and benefits all stay the same as before

**B.** Lateral moves can support claims only if they cause a significant, material disadvantage to the employee

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

**D.** Lateral moves are now treated as retaliation whenever an employee has filed any complaint within the past year

**357.** A CHRO is writing an AI-in-HR policy for a company with operations in the EU, the United States and several Asian countries, each with different and changing rules. Regional leaders want separate policies, and the CEO wants one global policy. What approach BEST balances consistency with compliance?

**A.** Apply the EU's rules word for word in every country so that all regions follow the same requirements.

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

**C.** Issue one global policy built on U.S. federal law, since the parent company is headquartered, listed and regulated there.

**D.** Let each region write its own policy so it can respond to local law without any central constraints.

**358.** A chemical company faces a small chance of a plant explosion that could cause losses far beyond its ability to absorb. Which risk financing approach BEST fits this exposure?

**A.** Transfer the risk through insurance or other contractual risk transfer

**B.** Retain the risk by setting aside a modest annual self-insurance fund each year

**C.** Accept the risk without funding, since the event is very unlikely

**D.** Reduce frequency through training while leaving severity unfinanced

**359.** Business unit leaders at a 20,000-employee company ask HR to share individual attrition-risk scores so they can steer stretch assignments away from employees likely to leave. The model is about 70% accurate at the individual level. What should the CHRO do?

**A.** Share the scores with leaders, since giving development to likely leavers wastes resources the business must allocate.

**B.** Share the scores and tell each employee their own score as well, so the process is transparent and employees are able to respond.

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

**D.** Retire the model, since any use of predictive analytics about individual employees is inherently unethical for HR.

**360.** Among Kotter's accelerators for strategic change, what does building a 'volunteer army' mean?

**A.** Enlisting a large number of employees who want to help drive the change, not just a few

**B.** Recruiting outside consultants and contractors to add change capacity when it is needed

**C.** Assigning high-potential employees to change roles as part of their development plans

**D.** Forming a small senior coalition with the authority to push the change from the top

**361.** A company plans a reduction in force that will eliminate 300 positions across several divisions. When and how should a statistical adverse impact review of the proposed selections be conducted?

**A.** After notices are issued, so the company can document that its process was fair if challenged.

**B.** Only after an employee files a charge, since earlier analysis could create evidence against the company.

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

**D.** Once selections are final, by the managers who chose the employees, to confirm their own reasoning.

**362.** Why do compensation committees often pair relative total shareholder return (TSR) with absolute financial goals in performance share plans?

**A.** Absolute financial goals are easier to reach than relative TSR, so pairing them ensures awards pay out each cycle.

**B.** Relative TSR cannot be the only PSU metric under SEC rules, so a second financial measure is required by law.

**C.** Relative TSR ignores share price movements, so absolute goals are needed to capture shareholder value created.

**D.** Relative TSR shows performance against peers, while absolute goals tie payouts to results management controls.

**363.** Several hundred employees at a technology company walk out for an afternoon to protest a new defense contract. Some say the contract will force them to work on projects that conflict with their values. Executives want to discipline all participants. What should the CHRO advise?

**A.** Discipline all participants consistently for missing work, since protests about a customer contract are not protected by the NLRA.

**B.** Discipline only the walkout organizers, since this sends a clear message without affecting the large number of participating employees.

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

**D.** Treat the walkout as fully protected and announce that the company will review the contract, since protected activity requires a response.

**364.** In Weisbord's six-box model, what role does the leadership box play?

**A.** It sets compensation levels that the rewards box carries out

**B.** It replaces the purposes box when goals are unclear to staff

**C.** It watches the other five boxes and keeps them in balance

**D.** It handles conflict among people, which is its only function

**365.** In the year after a major restructuring, retaliation charges filed against a company tripled. Many charging parties had complained about discrimination shortly before being selected for elimination. What should the CHRO do?

**A.** Defend each charge separately, since restructurings commonly produce a temporary rise in agency filings.

**B.** Require employees to sign releases of claims before raising any concerns during a future restructuring of the company.

**C.** Review how selections affected recent complainants and add independent review of adverse actions involving them.

**D.** Exclude all employees with open complaints from any future layoff, regardless of their role or performance.

**366.** Which organizational justice concept focuses on the dignity, respect and sensitivity with which decisions are communicated to employees?

**A.** Interactional justice

**B.** Procedural justice

**C.** Distributive justice

**D.** Restorative justice practices

**367.** A cyclical manufacturer's CHRO proposes moving part of fixed base pay and permanent headcount into profit-sharing and a larger contingent workforce. What is the main strategic benefit of this shift?

**A.** Total labor costs fall under every business condition the firm may face

**B.** Labor costs flex with revenue, helping protect margins in downturns

**C.** Operating leverage rises, which magnifies profit gains when revenue grows

**D.** Workforce planning becomes unnecessary during periods of market volatility

**368.** Under the U.S. Department of Justice's guidance for evaluating corporate compliance programs, which evidence BEST shows that a program works in practice?

**A.** Testing of controls, root-cause analysis of misconduct, and changes made to the program in response.

**B.** High completion rates for annual compliance training and code acknowledgments across the workforce.

**C.** A compliance budget and staffing level that are higher than those reported by industry peers.

**D.** A comprehensive code of conduct and policy library approved by the board and translated into all languages.

**369.** The board of a public company is concerned that its CEO, who is 63, has no clear successor, and that two of three internal candidates may leave if passed over. What is the CHRO's BEST approach?

**A.** Ask the CEO to name a preferred successor, since the sitting CEO best understands what the role and company will require.

**B.** Keep the matter with the CEO until a retirement date is set, since early succession planning can unsettle the top team.

**C.** Treat succession as an enterprise risk with the board, with emergency and planned successor plans and insider development.

**D.** Begin a confidential external search now, since an outside slate gives the board the most options and the shortest timeline.

**370.** The CHRO wants to add rules on generative AI, including bans on entering confidential data into public AI tools and requirements to disclose AI-generated work. The code of conduct is revised every three years, and AI practices change quickly. What is the BEST approach?

**A.** Wait for the next scheduled code revision so the AI rules can be drafted once the technology matures.

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

**C.** Leave AI out of the code and let each department issue its own guidance on which tools are allowed.

**D.** Write the full AI rules into the code now, so they carry the code's authority across every part of the enterprise.

**371.** A company's recognition platform shows who recognizes whom across 3,000 employees. The CHRO notices that some teams rarely give or receive recognition outside their unit, and several employees receive heavy peer recognition but have never been rated top performers. How should the CHRO BEST use this data?

**A.** Analyze aggregated network patterns to flag isolated teams, then validate with leaders

**B.** Share individual recognition counts publicly to encourage isolated teams to participate more

**C.** Use each employee's recognition count as a direct input into this year's performance ratings

**D.** Treat the data as a measure of program usage only and avoid drawing organizational conclusions

**372.** A company headquartered in Germany is adopting English as its common corporate language for all global meetings and documents. Which inclusion risk and mitigation is MOST appropriate to address?

**A.** Translation costs may rise; stop translating materials so employees improve their English faster

**B.** Native speakers may feel excluded; require them to also learn German so the change feels balanced

**C.** Less fluent speakers may hold back; offer language support and norms that slow pace and invite input

**D.** Employees may disagree with the policy; allow each business unit to choose its own language for meetings

**373.** A data-driven CFO doubts that funding an AI reskilling program is worth the cost. Which influence approach is MOST likely to persuade the CFO?

- **A.** Rational persuasion using costs, redeployment savings and pilot results compared with hiring
- **B.** Coalition tactics in which several business unit heads lobby the CFO together on HR's behalf
- **C.** Inspirational appeals describing how reskilling reflects the company's commitment to people
- **D.** Legitimating tactics pointing out that the CEO already endorsed reskilling at a recent meeting

**374.** A union and management will bargain every three years for the foreseeable future. A negotiation advisor recommends a tit-for-tat strategy: open cooperatively, then mirror the other side's previous move. Why does this strategy tend to sustain cooperation over multiple cycles?

- **A.** It hides the employer's true intentions, so the union cannot predict or exploit management's next move
- **B.** It lets management concede early and often, which builds enough goodwill to prevent any later conflict
- **C.** It makes cooperation reliably rewarded and defection promptly answered, so both sides learn cooperation pays
- **D.** It ensures each side always gets an equal share of the joint gains, which removes any incentive for either side to compete

**375.** An applicable large employer offers health coverage to 98% of its full-time employees, but the coverage is unaffordable for some lower-paid workers, and three of them obtain premium tax credits on an Exchange. How is the employer's ACA shared responsibility penalty determined?

- **A.** Per full-time employee who received a premium tax credit, capped at what the no-offer penalty would be
- **B.** Per full-time employee who was offered coverage, since affordability is judged across the whole workforce
- **C.** No penalty is owed, because offering coverage to at least 95% of full-time employees meets every ACA test
- **D.** Per full-time employee in the workforce minus the first 30, because at least one worker received a credit

**376.** In an executive meeting, the CEO proposes an acquisition, asks whether anyone has concerns, hears no objections and declares that the team is fully aligned. Several executives later admit they had doubts. Which groupthink symptom does the CEO's declaration BEST illustrate?

- **A.** Collective rationalization
- **B.** Illusion of unanimity
- **C.** Illusion of invulnerability
- **D.** Self-appointed mindguards

**377.** A talent acquisition team already reports time to fill and diagnoses delays by stage. It now wants a tool that recommends which sourcing channel to use for each requisition to meet the target start date at the lowest cost. Which stage of analytics maturity does this represent?

**A.** Descriptive analytics

**B.** Prescriptive analytics

**C.** Diagnostic root-cause analytics

**D.** Predictive analytics

**378.** Within a month, six employees from the same distribution center file similar EEOC charges alleging that a shift manager passed them over for promotions because of race. The CHRO is advising on settlement strategy. What should the CHRO recommend?

**A.** Investigate the shared cause, fix it, and set consistent settlement criteria with counsel

**B.** Contest all six charges to show employees that the company does not reward filing charges

**C.** Settle only with the employees who are still employed and contest charges from those who left

**D.** Settle each charge quickly for a small amount with strict confidentiality to avoid further charges

**379.** The organization led by a powerful SVP who is close to the CEO scored lowest in the company on manager effectiveness for the second year in a row. The CHRO must discuss the results with the SVP before the executive review. What is the BEST approach?

**A.** Meet privately first, share the data and themes candidly, and agree on specific actions and support before the review.

**B.** Share the results in writing and soften the ranking, since direct comparisons could damage the CHRO's relationship.

**C.** Ask the CEO to deliver the results, since the SVP is more likely to accept hard feedback from the CEO than from HR.

**D.** Present the results first at the executive review, so that the CEO sees them directly and holds the SVP accountable there.

**380.** Under the Kochan, Katz and McKersie strategic choice framework, at which level is a corporate decision to open a new nonunion greenfield plant instead of expanding a union plant made?

**A.** The functional level, where negotiators and labor relations staff bargain contracts and manage personnel policy

**B.** The workplace level, where supervisors, employees and stewards deal with work organization and daily disputes

**C.** The strategic level, where top executives set business strategy, investment and overall labor relations policy

**D.** The contextual level, where market forces and public policy limit the choices available to both of the parties

**381.** Voluntary turnover fell from 18% to 13% in the year after the company launched a new career framework. During the same year the regional labor market cooled sharply and quits fell across the industry. The board asks the CHRO how much of the drop the framework caused. What should the CHRO do?

**A.** Survey departing employees about whether the framework influenced their decision to stay

**B.** Compare the change with a benchmark or untreated group to separate program and market effects

**C.** Report that no impact at all can be claimed, since market conditions changed sharply in the same year

**D.** Credit the framework with the full five-point drop since it was the only internal change

**382.** Why does onboarding for senior executives focus on stakeholder mapping and early wins rather than standard orientation content?

**A.** Executives are covered by contracts that require early wins within the first 90 days

**B.** Executives often fail on relationships and culture fit, so early alliances and credibility help

**C.** Executives already know company policy, so they need no formal onboarding support at all

**D.** Executives must hit first-year financial targets, and early wins guarantee that they will meet those targets

**383.** A CHRO is considering digital badges and micro-credentials as part of a skills-based talent strategy. What is their MAIN strategic value?

**A.** They meet federal requirements for documenting employee skills for workforce planning purposes.

**B.** They replace the need for annual performance reviews because skills are recorded by the badge platform.

**C.** They provide verifiable evidence of specific skills that can inform internal mobility and staffing.

**D.** They reduce training costs because employees earn credentials without completing any learning.

**384.** A company is reviewing its employee monitoring program for compliance with the Stored Communications Act. Which practice creates the greatest exposure under the Act?

**A.** Reviewing email stored on the company's own server under a policy employees have acknowledged

**B.** Monitoring web traffic on the company network after giving notice in the acceptable-use policy

**C.** Logging in to an employee's personal, password-protected social account without authorization

**D.** Reviewing messages that employees send on the company's internal chat platform about projects

**385.** During due diligence, an acquirer learns that the target company classifies all 450 of its field technicians as exempt even though most perform routine installation and repair work. The deal team asks the CHRO how to handle the finding. What is the BEST recommendation?

**A.** End negotiations, since inherited wage-hour liability cannot be priced or shifted through deal terms.

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

**C.** Proceed on the current deal terms, since the target's pre-closing violations always stay with the seller's former owners.

**D.** Require the seller to reclassify the technicians before closing and treat the matter as fully resolved.

**386.** One division of a global company leads in productivity, cost per hire and absence rate, yet its exit interviews show the most frequent themes of disrespectful management. Executives point to the strong metrics. What is the BEST response?

**A.** Rely on the quantitative metrics, since they are more objective than exit interview themes

**B.** Combine the qualitative themes with other data to find out what the metrics may be missing

**C.** Discount the exit interviews, since departing employees often give overly negative views

**D.** Begin a formal misconduct investigation of the division's managers based on the themes

**387.** Which combination BEST anchors an enterprise digital accessibility program?

**A.** A legal team that reviews accessibility lawsuits, plus a website accessibility overlay added to all public pages

**B.** An IT help desk that handles accessibility complaints, plus a policy to fix problems when employees report them

**C.** An employee resource group that tests new tools, plus a commitment to follow best practices where feasible

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

**388.** A plant executive explains why she will report a hidden safety defect despite her CEO's instruction to stay quiet. Which statement reflects postconventional moral reasoning in Kohlberg's model?

**A.** I must report it because people's right to safety outweighs any company rule or order

**B.** I should report it because I could be punished if regulators find out that I knew

**C.** I should report it because my colleagues would think less of me if I stayed silent

**D.** I must report it because company policy requires all employees to report any safety concerns

**389.** A company with six business units makes thousands of hiring, promotion and pay decisions each year. Adverse impact is reviewed only after a complaint arrives. The CHRO wants to treat the issue as enterprise risk. What is the BEST design?

**A.** Set up regular monitoring of each decision type by unit, with thresholds that trigger review

**B.** Run a full adverse impact audit of every unit and decision type whenever a discrimination charge is filed

**C.** Have each unit leader certify each year that their decisions were based on merit alone

**D.** Train all managers on bias each year and certify that their decisions were reviewed

**390.** After two years of hiring at above-market rates to fuel growth, a 5,000-employee company finds that many tenured employees across engineering, finance and operations earn less than recent hires in the same roles. Fixing everything this year would cost 3% of payroll, which the CFO says is unaffordable. What should the CHRO propose?

**A.** Address compression only when tenured employees raise concerns or resign, since the cost of fixing every case is too high.

**B.** Cap new-hire offers at the current pay of tenured staff, so new gaps stop forming without any added spending.

**C.** Fund all compression adjustments this year by cutting the merit budget to zero, so the issue is resolved in one cycle.

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

**391.** The company ombuds shares aggregated, anonymized trend data showing that visits from one division's employees about fear of retaliation have tripled in a year, though few formal complaints have been filed. What is the CHRO's BEST response?

**A.** Wait for formal complaints before acting, since anonymous trend data alone cannot support any action

**B.** Remove the division's top leader as a precaution, since a tripling of concerns shows a serious problem

**C.** Ask the ombuds to name the employees who raised concerns so HR can open formal retaliation investigations

**D.** Assess the division's climate confidentially and review its leaders without seeking ombuds visitor names

**392.** A 900-employee manufacturer with stable, predictable health claims for five years is fully insured. The CFO asks the CHRO whether the company should move to a self-funded plan. What is the BEST recommendation?

**A.** Self-fund right away, since stable claims show the company will avoid any large-claim exposure.

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

**C.** Self-fund only the dental plan first, since federal law bars self-funding medical plans below 1,000 covered lives.

**D.** Stay fully insured, because self-funded plans must still meet all state benefit mandates as well.

**393.** Randomly assigning employees to a wellness program is not feasible. Which technique builds a comparison group by pairing participants with nonparticipants who had a similar predicted likelihood of enrolling based on observed characteristics?

**A.** Cluster analysis

**B.** Stratified random sampling

**C.** Propensity score matching

**D.** Regression discontinuity design

**394.** A CHRO is designing stay bonuses for key staff during a plant consolidation that will close one site in 18 months. Which design feature is MOST essential to the purpose of a stay bonus?

**A.** Payment is made in full at signing to show the company's commitment to the employee

**B.** Payment is earned only if the employee remains through a defined milestone or date

**C.** Payment is set as a fixed percentage of base pay for every employee at the closing site

**D.** Payment is tied to the employee's individual performance rating for the current year

**395.** An analysis finds that women's promotion rate is equal to or higher than men's within each of a company's three divisions, but lower than men's when all divisions are combined. What BEST explains this result?

**A.** The combined rate is the correct measure, so the divisional results should be set aside as incomplete

**B.** Women are concentrated in lower-promotion divisions, so the combined figure is misleading

**C.** The result shows random noise in small samples, so neither figure should be trusted

**D.** The divisional rates are wrong, because the combined rate must fall within their range

**396.** A U.S. company plans to expand into Southeast Asia and South America over the next decade. How does a well-designed global mobility program help build the leadership bench for this strategy?

**A.** It lowers the cost of hiring local leaders by moving experienced domestic managers abroad on long-term contracts.

**B.** It gives future leaders international assignments that build cross-cultural judgment and global networks.

**C.** It mainly helps the company meet immigration rules by keeping key U.S. managers available for transfers.

**D.** It replaces the need for local talent development because expatriates can fill all senior roles abroad.

**397.** A company must eliminate 300 of 2,400 roles. A draft of the selection criteria relies heavily on 'potential' and 'adaptability' ratings, and a preliminary analysis shows workers over 50 would be selected at nearly twice the rate of younger workers. What should the CHRO do?

**A.** Finalize the selections and rely on OWBPA releases signed with severance to prevent any later age claims.

**B.** Replace the subjective ratings with documented, job-related criteria and rerun the adverse impact analysis.

**C.** Adjust selections by age band so that the age mix of those selected matches the age mix of the current workforce.

**D.** Keep the draft criteria, since the ADEA defense for reasonable factors other than age protects subjective ratings.

**398.** A global company is about to sign a five-year agreement for an AI talent platform that will hold skills profiles for 40,000 employees. The CHRO wants to keep the option to change vendors later. Which combination of contract terms and design choices BEST preserves that option?

**A.** Exclusive use of the vendor's proprietary skills taxonomy to keep data consistent across units

**B.** A longer initial term in exchange for deeper volume discounts and a capped annual price increase on renewal

**C.** Data portability in standard formats, exit assistance terms, and integration through open interfaces

**D.** Automatic renewal with a short notice window so that the platform is never interrupted

**399.** An executive team agrees that members will try to reach consensus on major decisions, but if they cannot, the CEO will decide using the team's input. What is this decision approach called?

**A.** Consensus with qualification

**B.** Delphi technique

**C.** Nominal group technique

**D.** Majority rule with executive veto

**400.** The CFO says every HR investment proposal will be screened against the company's weighted average cost of capital (WACC). What does WACC represent in this context?

**A.** The average return the company has earned on its past capital projects

**B.** The return that shareholders alone require on the company's equity

**C.** The interest rate the company pays on its outstanding bank debt

**D.** The blended minimum return needed to satisfy lenders and shareholders