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SHRM-SCP

Practice Questions

Set 5

Answer Key & Explanations

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 5 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: A — Absorptive capacity

Absorptive capacity is an organization's ability to recognize the value of new external knowledge, assimilate it and apply it, and it depends largely on existing related knowledge. Organizational inertia refers to resistance to change in general, structural capital refers to systems and processes that hold knowledge, and codification is a method for capturing knowledge in documents.

2. Answer: B — 85%

Loss ratio = claims paid / premiums = $8,500,000 / $10,000,000 = 0.85, or 85%. The 15% figure is the share of premium left for the insurer's administration and profit, and 118% results from dividing premiums by claims. A loss ratio is used in renewal negotiations to show how much of each premium dollar went to claims.

3. Answer: A — Goodhart's law, in which a measure loses its value once it becomes a target

Goodhart's law holds that when a measure becomes a target, people act on the measure rather than the underlying goal, so it stops reflecting reality. Here leaders appear to have reduced reporting, not injuries, since claims rose. The Hawthorne effect would predict genuine improvement from attention, which the rising claims contradict.

4. Answer: A — A pre-mortem

Gary Klein's pre-mortem asks decision makers to imagine a plan has already failed and explain why, which legitimizes dissent and surfaces risks that overconfidence would otherwise hide. A post-mortem happens after an actual outcome, nominal group technique is a structured idea-generation and ranking process, and force-field analysis weighs driving and restraining forces for change.

5. Answer: B — Common families and levels make roles comparable, so supply, demand, and pay can be analyzed across units.

Job architecture gives every role a consistent family and level, so leaders can count and forecast talent across units, build career paths, benchmark pay, and set consistent hiring requirements. Without it, workforce plans and pay decisions compare unlike roles. It supports job descriptions rather than replacing them, and its value extends well beyond compensation.

6. Answer: B — Combine the survey, interviews and artifacts, comparing them to find where stated values and actual practices diverge.

Culture shows up in stated values, shared perceptions and observable practices, and each method captures a different layer. Triangulating across methods reveals gaps between what is espoused and what actually happens, which are the main integration risks. Senior leaders often describe the intended culture rather than the lived one, and documents show only espoused values.

7. Answer: D — Present an objective view of internal and external options, with plans to close each gap

The CHRO should model the succession practices HR expects of other executives: an honest assessment of internal readiness, development plans such as board exposure and business rotations, and benchmarking against external talent. Naming a successor who is not ready overstates bench strength, and defaulting to an external search ignores how quickly the gaps could be closed. The CEO and board make the final call, but the CHRO is still expected to prepare the options.

8. Answer: B — The UN Guiding Principles on Business and Human Rights

Principle 31 of the UN Guiding Principles lists effectiveness criteria for non-judicial grievance mechanisms: legitimate, accessible, predictable, equitable, transparent, rights-compatible and a source of continuous learning, plus, for operational-level mechanisms, based on engagement and dialogue. The ILO Declaration sets out core labor rights, not grievance mechanism criteria. ISO 45001 and GRI address safety management and reporting.

9. Answer: B — Launch an internal talent marketplace, limit managers' power to block moves and reward talent exporters.

Talent hoarding keeps employees in place to serve their current manager's goals and drives them out of the company. A marketplace that makes openings visible to all, replaces manager veto with notice and a set release period, and recognizes managers who export talent addresses the cause. Requiring approval or manager nomination would strengthen the gatekeeping that created the problem, and retention pay does not meet employees' wish to grow.

10. Answer: A — Losing them would disrupt critical operations before their knowledge can be transferred

Key-person risk arises when critical knowledge or capability is concentrated in a few people whose departure would interrupt operations. Retention agreements keep those people through the period when their knowledge is needed and while it is documented or transferred. Retention agreements do not restrict post-employment competition, cost savings is a side benefit rather than the continuity rationale, and no federal law requires them.

11. Answer: A — Rates from small units vary more by chance, so they land at both extremes.

This is the small numbers problem: in a 7-person unit, one departure moves the rate by about 14 points, so small units produce extreme rates in both directions purely by chance. Ranking units without accounting for size will repeatedly flag small units at the top and bottom. Weaker management would not explain why small units also have the lowest rates, and the turnover formula itself is not biased by size.

12. Answer: B — Minimum labor standards the company will respect across its operations

Global framework agreements are negotiated between a multinational and a global union federation to commit the company to core labor standards, often based on ILO conventions, such as freedom of association and no child or forced labor, across its operations and sometimes its supply chain. They do not set uniform wages or replace local agreements, and they operate alongside, not over, national law.

13. Answer: C — It catches lapses sooner but needs clear consent covering ongoing checks and adverse action steps

Ongoing monitoring can flag license lapses or new charges quickly, which matters in regulated healthcare work, but it raises cost, privacy and morale concerns. When a consumer reporting agency provides the reports, the FCRA still applies after hire: the employer needs a clear, standalone disclosure and written authorization that covers ongoing checks, and it must follow pre-adverse and adverse action steps. No court order is needed, and monitoring reduces risk rather than removing it.

14. Answer: B — Measures of target behaviors, such as decision cycle time, cross-unit collaboration and promotions that reward new values.

Culture change is best measured through behaviors and outcomes linked to the target culture, such as how fast decisions are made, how often units collaborate (for example, through network analysis) and whether promotions reward the new behaviors. Event counts, values awareness and training completion measure activity and knowledge, not whether the culture has actually changed.

15. Answer: D — Grievance rates, arbitration volume, ULP charges and trust survey results

Labor relations climate refers to the shared perceptions of trust, cooperation and respect between management and the union. It is typically gauged with indicators such as grievance and arbitration rates, unfair labor practice charges, how quickly issues are settled and surveys of both managers and members. Union finances, operating metrics and contract length say little about the quality of the relationship.

16. Answer: B — Staffing plans, security, customer and supplier communications, and legal review

A credible contingency plan improves the employer's alternative to agreement by showing it can keep operating: replacement or cross-trained staffing, site security, communication with customers and suppliers, and legal guidance on issues such as permissible replacements and picketing. Drafting a final offer is a bargaining tactic, not a contingency plan. Handbook updates and budget measures do not address how the company would operate during a strike.

17. Answer: C — Advise against it, since it may chill reporting, look retaliatory and be unenforceable, and focus on resolving the conduct.

Asking complainants to stay silent in exchange for money while the matter is open signals that the company values secrecy over correction, can deter future reports and look like retaliation, and may be unenforceable or unlawful to the extent it restricts employees from filing charges with or cooperating with the EEOC or from discussing working conditions with coworkers. The strategic priority is to stop and remedy the misconduct. Waiting until the investigation closes fixes the timing but not the underlying problem of buying silence.

18. Answer: C — Descriptive, diagnostic, predictive, prescriptive

Analytics maturity moves from describing what happened, to diagnosing why it happened, to predicting what is likely to happen, to prescribing what actions to take. A common error is to place prediction before diagnosis, but understanding causes is the foundation for reliable forecasting. Prescriptive analytics comes last because it builds on predictive models to recommend actions.

19. Answer: D — Knowledge of the unannounced layoff can be material nonpublic information, so trading on it could be illegal

A major layoff can affect a company's stock price, so information about it before announcement may be material and nonpublic. Anyone who trades on such information, including HR staff who learn of it at work, can face insider trading liability. The WARN Act deals with notice to employees, not trading, and insider trading law is not limited to named executive officers.

20. Answer: A — Train hiring managers and adopt structured interviews with job-related selection criteria

The data tie the decline to untrained hiring managers, so building their capability and adding structured interviews with validated criteria addresses the cause while keeping up with growth. Freezing or slowing hiring would hurt the business's growth plans. Centralizing decisions takes the people who know the work out of hiring, and higher pay may draw more applicants without improving how they are selected.

21. Answer: B — Single-metric incentives encourage behavior, such as deep discounting, that hits the metric while eroding margin.

When pay depends on a single metric, people optimize that metric, sometimes at the expense of unmeasured goals. Paying only on revenue rewards discounting and selling low-margin products, so revenue rises while profitability falls. Balanced designs add margin, price realization, or profit modifiers. Sandbagging to avoid quota increases is a real risk, but it would slow revenue rather than grow it.

22. Answer: A — Defensive routines

Argyris defined organizational defensive routines as actions that protect people from embarrassment or threat but also prevent the organization from finding and fixing the causes of problems, and that make their own existence undiscussable. Single-loop learning corrects actions without questioning assumptions, and espoused theories are what people say guides their behavior. Change fatigue describes exhaustion from too much change, not concealment.

23. Answer: D — $457,600

Absent hours = 500 x 2,080 x 4% = 41,600. The premium is the extra half-time: 41,600 x $22 x 0.5 = $457,600. The figure of $915,200 is the straight-time cost of the hours, $1,372,800 is the total cost of coverage at $33 per hour, and $1,830,400 wrongly applies double time.

24. Answer: D — Present the program's results and break-even path, and offer scope options that meet part of the savings goal.

A strategic partner defends an investment with evidence and stays flexible on how to meet the enterprise goal, such as trimming scope while keeping the core program. Claiming AI should be exempt asserts priority without data, and accepting the full cut may lose sunk value and momentum. Escalating over the CFO's head damages a key relationship and skips the business case discussion.

25. Answer: C — Assess the total change load and sequence or pause initiatives based on strategic priority and capacity

The data point to change saturation, so the strategic response is to manage the portfolio: look at all change hitting employees, then sequence, combine or pause work based on business priority and the organization's capacity to absorb it. Better messaging or resilience training leaves the overload in place and puts the burden on employees, while an indefinite freeze ignores real business needs and has no decision criteria.

26. Answer: D — $800,000

Back pay applies only to the 15 lost cases: 15 x $40,000 = $600,000. Fees apply to all 25 cases: 25 x $8,000 = $200,000. The total is $600,000 + $200,000 = $800,000. Applying both costs only to lost cases gives $720,000, applying both to all 25 cases gives $1,200,000, and leaving out fees gives $600,000.

27. Answer: B — Fiduciary liability insurance can cover members personally, while the ERISA bond protects the plan.

ERISA makes fiduciaries personally liable to restore losses caused by a breach. The required fidelity bond protects the plan against theft or dishonesty, not fiduciaries against breach claims, so fiduciary liability insurance and employer indemnification are what protect members. ERISA voids plan provisions that relieve fiduciaries of liability, and following a superior's instructions is not a defense.

28. Answer: A — Work with counsel on a measured response, support those named, and tighten access to investigation records.

The CHRO should coordinate a counsel-guided response, support the employees affected and fix the access and distribution controls that allowed the leak. A broad email search aimed at firing the leaker is risky because the disclosure may be protected and it can look retaliatory. A public rebuttal escalates the story and may misstate findings, and silence leaves distressed employees without support.

29. Answer: B — Presume sincerity and allow limited inquiry only when there is an objective reason for doubt

Courts and the EEOC treat sincerity as usually not in dispute, and an employer should generally assume a request is sincere unless it has an objective basis for questioning it, such as behavior clearly inconsistent with the belief. Even then, inquiry should be limited to what is needed. Beliefs need not be held by an organized religion or confirmed by clergy, and a change or lapse in practice does not by itself show insincerity.

30. Answer: D — 15.0%

Total rewards as a percentage of revenue = $42 million / $280 million = 0.15, or 15.0%. The 17.6% figure divides by revenue minus rewards cost ($238 million), and 13.0% divides by revenue plus rewards cost ($322 million). The 6.7 figure inverts the ratio ($280 million / $42 million).

31. Answer: B — $4.0 million

Gross savings = 40 x $130,000 = $5.2 million. Net savings = $5.2M - $1.2M in stipends = $4.0 million. Reporting $5.2 million ignores the offsetting stipends, and adding them gives the wrong $6.4 million. Leaders should also weigh severance and the risk of overloading the remaining managers.

32. Answer: B — It can expose protected traits or concerted activity, inviting legal claims and eroding employee trust.

Systematically watching personal accounts can reveal religion, health, union sympathies or other protected information that may later taint decisions, and it can create an unlawful impression of surveillance of protected activity. It also signals distrust, damaging culture. Viewing public posts is not always unlawful, and no duty exists to discipline all off-duty online conduct.

33. Answer: C — Give affected participants written notice in advance of the amendment's effective date

Section 204(h) requires advance written notice to affected participants, beneficiaries and certain others when a plan amendment significantly reduces the rate of future benefit accrual. The general rule is at least 45 days before the effective date, with shorter periods for small plans and certain business transactions. ERISA does not require participant consent or PBGC approval for such amendments, and notice after the change takes effect is too late.

34. Answer: D — Keep testing voluntary with written consent, and give the employer only aggregate data with no identifiable results.

GINA allows genetic services as part of a voluntary program only with knowing, written authorization, and individual results may go only to the employee and the providers. The employer may receive aggregate information that does not identify anyone, and a unit-level report on small groups may identify people. Mandatory testing and any employer access to individual results would violate GINA.

35. Answer: B — Present the productivity and attrition data, explore the CEO's concerns, and offer role-based hybrid options.

Influencing a skeptical executive works best by combining relevant internal evidence with genuine curiosity about the CEO's concerns, such as collaboration or mentoring, and offering options that address them. Executing without counsel fails the CHRO's advisory role. Going to the board circumvents the CEO, and a preference survey frames the issue as employee wishes rather than business outcomes.

36. Answer: B — Board-approved entry and advancement criteria for family members, with nonfamily input

Family ownership legitimately includes family participation, so the strategic answer is a transparent, governed path that applies clear qualifications and includes nonfamily judgment. That approach supports family succession goals and the retention of nonfamily talent. A complete ban conflicts with the owners' goals, and secrecy damages trust once employees see who is promoted.

37. Answer: B — Divided loyalty and unclear career paths; set JV-aligned goals and incentives and define return rights in secondment agreements.

Secondees often stay loyal to the parent that controls their long-term career and pay, which can undermine the venture's decisions, and they may be unsure what happens to their careers afterward. Common fixes include performance goals and incentives tied to the JV's results, clear secondment terms with return rights, and joint governance of talent decisions. Requiring home-parent policies only would make divided loyalty worse.

38. Answer: C — Visible leaders who share their own experiences and a track record of handling disclosures confidentially

Research on disability disclosure consistently finds that employees disclose when they see it is safe: senior role models who talk openly about disability, managers who respond supportively and proof that information stays confidential and leads to help rather than harm. Mandatory questions undermine voluntariness and trust. Paying for disclosure raises ethical concerns and does not address the fear of stigma, and a policy document alone does not show employees how disclosures are actually handled.

39. Answer: A — Confirm the crossed thresholds with finance and activate the planned responses

Trigger points exist so the organization can respond quickly and consistently when key assumptions fail, without improvising under pressure. The CHRO should validate the data with finance and execute the planned responses, adjusting as needed. Sizing layoffs to the full cost increase ignores pricing, sourcing and other levers, while waiting a year or deferring to local judgment defeats the purpose of agreed triggers.

40. Answer: D — 60 calendar days

The federal WARN Act requires covered employers (generally 100 or more full-time employees) to give at least 60 calendar days' advance written notice of a covered plant closing or mass layoff. Ninety days is a common mistake because some state laws require longer notice and some severance releases use different timelines. Failing to give notice can lead to back pay and benefits for each day of violation.

41. Answer: D — Explain the context behind the ratio, such as workforce makeup, and have the committee review pay philosophy.

Pay ratios are heavily shaped by workforce composition, so explaining the context helps stakeholders interpret the figure, while a committee review of whether executive pay fits the company's philosophy and performance answers the underlying concern. Changing methods mainly to lower the number looks evasive. Silence lets criticism grow, and an immediate pay cut reacts to pressure without a principled review.

42. Answer: B — When it supports a legitimate bargaining position and is not motivated by hostility toward the union

The Supreme Court in American Ship Building and later NLRB decisions allow an employer to lock out employees to bring economic pressure in support of a legitimate bargaining position, provided it lacks anti-union motive and the union knows what terms would end it. No prior strike is required, and the NLRB does not certify impasse in advance. Lockouts aren't limited to defending against an expected strike; an offensive lockout in support of a bargaining position can also be lawful.

43. Answer: D — $37,700; it is expected to earn more than the company's required rate of return

NPV = present value of benefits − initial cost = $257,700 − $220,000 = $37,700. A positive NPV means the discounted savings exceed the cost, so the investment beats the discount rate used. NPV says nothing about how quickly the cost is recovered; adding the cost to the benefits ($477,700) or computing a percentage ($37,700 ÷ $220,000 ≈ 17.1%) are common errors.

44. Answer: B — $500,000

Modified premium = manual premium x EMR = $400,000 x 1.25 = $500,000. An EMR above 1.0 means losses worse than expected for the industry and adds a 25% surcharge. Dividing by 1.25 gives $320,000 and treating the EMR as a 25% discount gives $300,000, both of which reverse its effect. The $100,000 figure is only the surcharge.

45. Answer: A — Support the decision fully in rollout and track attrition data to inform a future review

Once the CHRO has made the case and the CEO has decided, the professional response is to disagree and commit: implement the decision wholeheartedly while monitoring the risk she raised so it can be revisited with evidence. Distancing HR from the decision undermines leadership credibility, and escalating to the board or slow-walking implementation goes around a legitimate executive decision.

46. Answer: B — Building contingency staffing and supply options to keep operating

A BATNA is the best alternative to a negotiated agreement, so strengthening it means improving what the company can do if no deal is reached, such as maintaining operations through contingency staffing and supply arrangements. Anchoring and hiring a skilled negotiator affect tactics at the table, not the alternative. Delaying talks does not improve the employer's options and may conflict with good-faith bargaining duties.

47. Answer: B — Engage the proponents and have the relevant board committee review current labor practices against the request.

Investor proposals on labor rights are a governance and reputation issue, and engaging proponents while the board reviews actual practices gives the company options, from adopting a policy to explaining existing ones. Refusing to engage hardens opposition even if exclusion is possible. A full neutrality agreement is a major strategic concession, and polling employees about union views is unlawful.

48. Answer: D — Map the skills the future business will need against current capabilities to see where to reskill, hire, or redeploy.

A long-range transition plan starts with a skills gap analysis that compares future capability needs, year by year, with current skills, including how many existing skills are adjacent and transferable. That analysis tells the CHRO where to reskill, redeploy, hire or exit. Early retirements, leadership hiring and blanket training are all possible later actions, but choosing them before the gap analysis risks losing transferable talent or spending on the wrong skills.

49. Answer: C — Quantify stranded costs and resize HR over time, using a transition services agreement.

A transition services agreement lets the seller provide paid HR services to the buyer for a period, covering costs while the seller resizes HR, technology contracts and vendor arrangements on a planned timeline. Waiting for growth leaves costs uncovered, an immediate proportional cut ignores fixed costs and TSA obligations, and the buyer will not simply absorb the seller's overhead.

50. Answer: A — Work with labor relations to adjust items on bargaining subjects, inform the union, and avoid any sign of direct dealing.

Asking represented employees about wages, hours and benefits shortly before bargaining can look like bypassing the union, which may be an unfair labor practice under the NLRA. Coordinating content with labor relations and the union keeps listening lawful and credible. Employers are not barred from surveying represented employees, and using results to build bargaining positions heightens the direct-dealing risk.

51. Answer: A — Plan coordinated notice and bargaining with each union, using common principles for all six.

Because scheduling is a mandatory subject covered in each contract, the employer must deal with each union as the representative of its own unit, and a coordinated plan keeps messages, timelines and principles consistent across units. Management-rights clauses vary in wording, and whether a given clause permits a unilateral change is a contested legal question, so assuming they cover the change everywhere is risky. One union's agreement cannot bind the other units, and success at nonunion sites does not remove the duty to bargain.

52. Answer: A — OSHA's General Duty Clause covers recognized hazards, which can include injuries from excessive pace.

Even without a specific standard, the OSH Act's General Duty Clause requires employers to keep the workplace free of recognized hazards likely to cause death or serious physical harm, and OSHA has cited warehouse employers for ergonomic hazards tied to fast-paced work. An algorithm that keeps raising targets can push pace beyond safe limits, so leaders must treat it as a safety exposure. OSHA has no numeric pick-rate standard, and the employer's duty cannot be shifted to a vendor.

53. Answer: B — Whether the assignment builds capabilities she needs and the company has a plan to use them on return.

An expensive developmental assignment is justified when it builds the specific capabilities the target role requires and is backed by a repatriation and career plan, since poor repatriation planning often leads to the loss of returning talent. Family support matters but does not guarantee success, while location cost and precedent are secondary to developmental value.

54. Answer: C — Assess each request through the interactive process, treating past remote success as relevant evidence

The ADA requires individualized assessment through the interactive process. An employee's successful remote performance is relevant evidence about whether telework is feasible, but it does not automatically make it a required accommodation, nor does a new mandate automatically make attendance essential. Blanket approval, blanket denial or a prior-accommodation cutoff all skip the individualized analysis.

55. Answer: C — Make feedback anonymous and developmental, pilot it with leaders who openly invite input, and train staff in framing it.

In high power-distance cultures, employees are reluctant to criticize superiors openly, so anonymity, a developmental purpose, leaders who model asking for input, and training on how to frame feedback make honest responses safer. Treating the culture as a permanent barrier gives up the program's benefits. Forcing critical comments produces artificial data and can damage relationships.

56. Answer: A — Verify that the criteria were applied consistently and documented, and review her ranking before notices go out.

An employee with a pending charge is not immune from a legitimate layoff, but the timing invites scrutiny, so the company must be able to show that neutral criteria were applied the same way to everyone and documented before decisions were made. Removing her automatically could treat others unequally and is not legally required. Conditioning a benefit on withdrawing a charge is itself an unlawful interference with the right to file.

57. Answer: B — Data governance: named data owners, shared definitions and access controls

Inconsistent metrics come from missing governance: no agreed definitions, no clear data owners, and no rules for who can access and change data. Setting these first creates a single trusted version of each metric. A new platform would only spread inconsistent definitions faster, and explaining the differences each quarter treats the symptom. Centralizing all reporting does not by itself fix the definitions.

58. Answer: C — Secure and incentivize the leaders and roles critical to the pricing and automation work

Under private equity ownership, people priorities follow the value creation thesis, so the first 100 days should lock in the leaders and critical talent who will deliver pricing and automation gains, often through retention and equity-linked incentives tied to the exit. Engagement and culture work matter but are broad and slower to affect the thesis. Benefits harmonization and a full performance system redesign consume capacity without directly driving the targeted value.

59. Answer: A — Precision 25% and recall 62.5%

Precision = true positives / all flagged = 50 / 200 = 25%. Recall = true positives / all actual leavers = 50 / 80 = 62.5%. Reversing the two definitions is the most common mistake, and 40% comes from dividing total leavers by those flagged (80 / 200), which is not either measure.

60. Answer: A — Decline to target the role and explain the retaliation and discrimination risks involved

Designing a reorganization to remove a specific person who recently complained, with no documented performance issues, invites retaliation claims and, given the manager's age, ADEA claims; it is also unethical. The CHRO should refuse the pretext, explain the legal and reputational risks and redirect any real performance concerns to a documented, consistent process. Disguising the target, adding severance or simply delaying still carries out the same pretextual decision.

61. Answer: C — Meet with the CEO to define the problem, desired outcomes, success measures and the CEO's role as sponsor.

A vague executive ask must be contracted before any work starts: the internal consultant clarifies what problem the CEO sees, what "fixed" would look like, how it will be measured and what visible sponsorship the CEO will provide. Launching a survey is a reasonable diagnostic step, but running it before scope and success measures are agreed risks collecting data that answers the wrong question.

62. Answer: A — The employee often links otherwise unconnected groups, acting as a broker.

Betweenness centrality measures how often a person lies on the shortest paths between others, which identifies brokers who bridge groups and control information flow. The most direct connections is degree centrality, reaching everyone quickly is closeness centrality, and ties to well-connected people is eigenvector centrality. Brokers matter for inclusion because they can connect isolated groups to opportunity.

63. Answer: B — Give subsidiary leaders seats on global decision bodies with defined decision rights

The issue is lack of voice in decisions, so the fix is structural: subsidiary representation on global councils, clear decision rights and defined points where regional input is required. Better communication explains decisions already made but does not include subsidiaries in making them. Full autonomy abandons global coordination, and an annual conference is too infrequent to change everyday decision-making.

64. Answer: B — The expected net benefit of the manager program given up by funding the upgrade

Opportunity cost is the value of the best alternative forgone when resources are committed to one option, here the net benefit the manager program would have delivered. Money already spent on vendor evaluation is a sunk cost and should not drive the decision. The cost of extending to another unit is a marginal cost, and discounted future savings describe the upgrade's own net present value.

65. Answer: D — An audit trail of who created, viewed or changed each form, with security controls

DHS regulations allow electronic completion and storage of Forms I-9 if the system ensures integrity, accuracy and reliability, includes an audit trail of any access or change, has security controls against unauthorized access, and can produce legible copies on request. USCIS does not certify or preapprove vendors. Keeping paper duplicates is unnecessary, and site-by-site storage works against the consistency a central system is meant to deliver.

66. Answer: A — Hold listening sessions, admit past failures and deliver a few specific commitments on time

Trust after a scandal is rebuilt through listening, honest acknowledgment and reliable follow-through on visible commitments. Replacing the whole team punishes people who may not have been at fault and loses institutional knowledge. Rebranding without substance looks cynical, and rewriting policies before listening risks fixing the wrong problems.

67. Answer: C — Human capital ROI, which compares profit earned after nonpeople costs with total people costs, tracked over time.

Human capital ROI is calculated as (revenue - (operating expenses - total people costs)) / total people costs, which shows the profit returned on each dollar spent on pay and benefits. Revenue per employee is a common productivity measure but ignores what the workforce costs. Training ROI covers only one investment, and compensation as a share of revenue measures cost, not return.

68. Answer: B — Organizational capabilities, the collective abilities like speed and talent that create lasting value

Ulrich describes organizational capabilities, such as speed, talent, collaboration, agility and accountability, as what an organization is known for and good at doing. Because they are embedded in how the whole organization works, they are hard for competitors to copy. Individual competencies belong to people rather than the organization, and the workforce is not reported as an asset on financial statements.

69. Answer: A — Assess the current culture to identify which beliefs, systems and leader behaviors reinforce risk aversion.

Culture change begins with diagnosis: understanding the assumptions, incentives, processes and leadership behaviors that sustain the current culture, such as career consequences for failure. Without that, awards, new value statements and training address symptoms and will not take hold if underlying systems still punish risk. Those actions may be useful later, once the diagnosis shows what needs to change.

70. Answer: D — Link headcount to the business driver that best predicts workload, such as expected customer contacts.

Driver-based demand models tie headcount to the operational measure that actually generates work, here customer contacts, and then apply productivity ratios. Total revenue may be only loosely related to support workload, so it is a weaker driver. Extending last year's growth rate ignores changes in the business, and manager estimates are useful input but are subjective and tend to inflate needs.

71. Answer: A — Own the mistake, fix how layoffs are handled, and show the changes through employee voices.

Brand recovery depends on credibility: the company should own what went wrong, change its separation practices, and then show real evidence of change through authentic employee stories. A glossy ad campaign without change can deepen distrust, waiting cedes the narrative and prolongs the hiring problem, and soliciting positive reviews can look manipulative and may breach review site rules.

72. Answer: D — To show how results change as key assumptions vary and which assumptions drive the outcome

Sensitivity analysis tests how outcomes respond when key assumptions, such as adoption, change, showing decision-makers the range of possible results and which variables matter most. It deliberately avoids reducing the case to one figure. Statistical significance testing and payback calculations are separate analyses.

73. Answer: A — Competency ratings tend to be subjective and may not be closely linked to measurable business results

Competencies like strategic thinking are hard to measure objectively, so ratings can be inconsistent, open to bias and hard to connect to results the business values. These weaknesses make pay decisions harder to justify to employees and in legal challenges. The FLSA does not prohibit competency-based pay, it is designed to reward capability rather than seniority, and competency models are most often used for knowledge work rather than manual jobs.

74. Answer: D — Retain independent outside counsel to investigate and report to a board committee rather than to management.

Allegations against a top executive call for an investigator independent of the accused's chain of command, with oversight by a board committee, so the findings are credible and free of conflicts. The head of HR reports to the COO, and the CEO is a close ally, so either option creates a conflict. Using an outsider who reports to the CEO still leaves management controlling the process.

75. Answer: C — Keep both codes for now while a joint team drafts one values-based code with rules for high-risk areas.

Keeping existing codes during the interim avoids a gap in standards, and a joint drafting team builds buy-in from both groups. Combining values-based principles with specific rules on high-risk topics such as bribery, conflicts and data protection gives both inspiration and clarity. Imposing the acquirer's code on closing day is fast, but it ignores the target's legitimate need for clear rules and signals that one culture simply absorbed the other.

76. Answer: C — Explain the program's purpose, the data it does and does not use, and its safeguards, and invite questions.

Distrust of analytics usually grows out of uncertainty, so the most effective response is transparency about purpose, data sources, limits and safeguards such as aggregation and access controls, along with a way for employees to raise concerns. Staying silent because the program is lawful leaves the rumors in place. Incentives may raise response rates but do not address trust, and quietly rebranding the program could deepen suspicion.

77. Answer: C — Start a prompt, independent investigation with counsel, secure the tool's logs, and protect the reporter.

Surveilling union activity and assigning worse shifts to union supporters would be unfair labor practices, so the allegation demands a prompt, credible investigation that preserves the logs before they can be altered and shields the whistleblower. Disciplining before investigating risks acting on an unverified claim. Letting the accused show selected settings is not independent, and bringing the union into an internal investigation before facts are known is premature.

78. Answer: B — Capturing knowledge in documents and databases so it can be reused widely by many people

Codification stores knowledge in documents and systems so it can be accessed and reused without contacting the person who created it. Personalization relies on people-to-people networks to share tacit knowledge, which is what the networking and mentoring options describe. Hiring creative experts for unique problems fits a personalization strategy.

79. Answer: A — Explore each side's story, separate intent from impact and map contributions instead of blame

A learning conversation replaces the goal of delivering a message or proving who is right with curiosity about each person's story. It separates what someone intended from how their actions landed and looks at how each person contributed to the problem. Negotiating on interests with objective criteria comes from Getting to Yes, a different framework.

80. Answer: D — Candidates who are not chosen may leave, taking talent and institutional knowledge with them

A visible horse race can motivate candidates and give the board strong comparative data, but runners-up often leave for CEO roles elsewhere, and the contest can divide the senior team into camps. Boards that use it plan retention and role transitions for those not selected.

81. Answer: C — Frame remediation against legal exposure, turnover and reputation risks, and offer a phased plan developed with legal counsel.

An unexplained gap creates exposure under the Equal Pay Act and Title VII, along with turnover and reputation risk, so the business case compares the cost of acting with the cost of not acting and offers a realistic, counsel-guided remediation plan. Holding back the higher-paid group's raises is a weak fix that can draw legal challenge, and the Equal Pay Act does not allow lowering anyone's pay to close a gap. Delaying fixes into future merit cycles prolongs a known risk.

82. Answer: B — To manage vendor performance, the contract and service strategy so the company keeps control

Outsourcing transfers execution, not accountability. A retained organization monitors service levels, manages the contract and relationship, aligns the vendor with business strategy and protects the company's interests. Duplicating the vendor's work wastes the savings, and keeping full insourcing capacity defeats the purpose of outsourcing.

83. Answer: C — One well-planned reduction is usually better, since repeated rounds keep survivors anxious

Repeated rounds of layoffs keep survivors in a state of uncertainty, encourage top performers to leave and damage leadership credibility each time leaders say the cuts are over. A single, well-planned reduction with a clear explanation lets the organization move forward. Smaller rounds within 90 days can also be aggregated under WARN, so splitting them does not reliably avoid notice obligations.

84. Answer: B — Use workforce data to make the trade-offs explicit and help executives agree on a deliberate choice

At the executive level, HR adds value by surfacing the talent implications and trade-offs of each path (capacity, cost, risk, timing) so leaders can make an informed decision aligned with strategy. Taking a side prematurely weakens HR's role as a strategic adviser, and an automatic split compromises without testing which path serves the strategy.

85. Answer: B — It pinpoints which stage drives poor ratings and lets the firm compare units on one consistent scale.

Measuring candidate sentiment at each stage locates the specific points of friction, such as slow scheduling or poor interview experiences, and a common scale makes results comparable across units so the firm can target fixes and share good practices. Stage surveys include rejected candidates, not just hires, and they do not measure the awareness of people who never applied. Candidate experience complements quality of hire but does not replace it.

86. Answer: C — A large prize for winning the top job motivates the executives below to compete harder for promotion

Tournament theory treats promotion as a contest in which the pay of the next level is the prize. A large gap between levels raises the incentive for those below to compete, so the top prize need not match the winner's individual contribution. Linking pay to shareholder returns is agency theory, comparison of input-outcome ratios is equity theory, and marginal-product reasoning is the very assumption tournament theory relaxes.

87. Answer: B — Insisting the old approach works well enough, though it was never tested, because changing feels riskier than staying.

Status quo bias is a preference for the current state that makes possible losses from change feel larger than possible gains, regardless of evidence. Defending an untested practice simply because it is familiar is the clearest example. Asking for evidence, flagging a real workload concern or requesting training are reasonable responses to change rather than signs of bias.

88. Answer: D — Early in the cycle the firm can shape responses; once an issue is institutionalized, rules limit its options.

The issue life cycle describes issues moving from emergence through public attention and politicization to formal regulation. Early on, leaders have the most discretion to influence how the issue is defined and to choose their own response; once laws or standards are set, options narrow to compliance. Early engagement cannot guarantee that regulation will be avoided, but it widens the firm's choices.

89. Answer: C — Give the union notice early enough for meaningful effects bargaining on severance, transfers and recall before implementation.

Even when a partial closure decision is not a mandatory subject, the employer must bargain over its effects, and notice must come early enough for that bargaining to be meaningful. Severance, transfer rights and recall are typical effects topics. Announcing on the day of implementation or bargaining afterward deprives the union of a real chance to bargain, and dealing directly with represented employees on severance would be unlawful direct dealing.

90. Answer: B — Require legal compliance in franchise agreements with audit and remedy rights, without directing daily HR decisions.

Contract terms requiring legal compliance, backed by audit and termination rights, protect the brand by focusing on outcomes rather than on control of franchisee employees' terms and conditions. Setting pay, schedules or discipline for franchise workers is the kind of control that increases joint-employer risk. Doing nothing leaves the brand exposed to reputational damage.

91. Answer: B — Create a shared key result for a successful launch, co-owned by both teams and planned jointly.

When teams depend on each other, a shared key result with joint ownership and joint planning makes both accountable for the same outcome and surfaces trade-offs early. Escalating to the CEO settles one case but leaves the structural conflict. A handoff agreement keeps separate goals that still pull in different directions, and postponing does not resolve the conflict.

92. Answer: C — Intellectual, psychological and social capital

The global mindset model developed at Thunderbird defines intellectual capital (global business and cultural knowledge), psychological capital (openness, passion for diversity, self-assurance) and social capital (building trust with people from other cultures). The other sets mix related concepts, such as cultural intelligence, that are not the model's three dimensions.

93. Answer: D — Set a global minimum standard with country supplements for stricter or conflicting local rules, reviewed locally.

A global floor sends one clear message about conduct, while country supplements handle protected traits, reporting channels and procedures that local law requires or limits. Local legal review catches conflicts such as data-protection limits on hotlines or works council consultation. Exporting U.S. law misses stricter local protections, and copying one country's limits everywhere can weaken reporting where they don't apply.

94. Answer: C — The PEO shares some duties, but the company keeps liability for its own decisions

In a PEO arrangement, the PEO typically handles payroll, tax filing and benefits administration as a co-employer, but the client directs the work and keeps responsibility for hiring, firing, discipline and compliance with laws such as Title VII and the FLSA. IRS certification of a PEO shifts federal employment tax liability, not all employer liability. Co-employment does not make clients liable for each other's actions.

95. Answer: D — Analyze where the screener is rejecting strong candidates, recalibrate it, and track quality with speed.

The data show a trade-off that can likely be improved: the CHRO should find where the screener's criteria filter out good candidates or let poor fits through, recalibrate, and manage speed and quality as a balanced set of metrics. Keeping the tool as is ignores rising turnover costs. Removing it gives up a major efficiency gain without diagnosis, and asking managers to accept worse hires ignores the problem.

96. Answer: D — Refer the concern to the insurer to investigate, and act only on documented evidence

Most states prohibit retaliation for filing a workers' compensation claim, so firing an employee on suspicion alone invites a retaliation claim. The insurer has investigative resources and fraud procedures, and any action should rest on documented, verified evidence applied consistently. Forcing a return to full duty against medical restrictions creates safety and ADA risk, and a manager-led confrontation can look like retaliation.

97. Answer: B — Remediate unexplained gaps with counsel and tighten controls on discretionary pay

Unexplained gaps are a legal and ethical risk, so the company should work with counsel to analyze and correct them and then address the root cause by adding controls such as reference zones, approval requirements, calibration and regular audits. Reverting pay is impractical and does not fix existing gaps, treating the gaps as normal ignores legal exposure, and equal raises keep the gaps in place.

98. Answer: B — Put executives in direct contact with customers and competitor evidence so they see the threat firsthand

Kotter's approach to true urgency in complacent organizations is to bring the outside in, so leaders confront real customer and competitor evidence themselves. A secondhand consultant report is easy for confident executives to discount, and an arbitrary cost target creates anxiety rather than shared conviction. A company-wide campaign is premature while the executive team itself is not yet convinced.

99. Answer: C — Review the region's denials and documented reasons to determine whether the standard is being applied consistently.

A disparity is a signal, not proof, so the first step is to examine the denials and their reasons to learn whether managers are misapplying the undue hardship standard, facing real operational limits, or showing bias. The findings then guide remedies, which may include reconsidering certain denials, retraining or accountability. Reversing all denials or replacing a leader before reviewing the facts acts without evidence.

100. Answer: D — Use objective, job-related criteria, apply them consistently with evidence, and test for adverse impact.

Without ratings, the company needs clear, job-related criteria such as skills needed for the future structure, applied consistently and backed by documentation like check-in notes or work outputs. An adverse impact review before decisions are final helps reduce discrimination risk. Retroactive ratings look pretextual, unstructured manager discretion invites inconsistency, and seniority is permissible but not the only defensible method.

101. Answer: A — To obtain objective advice free of management's interest in the outcome

Internal staff report to the executives whose pay is being reviewed, so an independent consultant reporting to the committee provides objectivity and credibility that management cannot. Using an outside adviser does not transfer the directors' fiduciary responsibility, external reviews are rarely the cheaper option, and a consultant who advocates for the CEO would undermine the independence the committee needs.

102. Answer: B — Treat the drop as a warning sign, assess fear of blame, and rebuild a just culture with leaders

In high-reliability organizations, a sharp drop in near-miss reporting under rising pressure usually signals reduced psychological safety, especially after discipline for self-reporting, so the CHRO should assess the climate and work with leaders to restore a just culture that separates honest error from reckless conduct. Assuming fewer errors is dangerous, and reporting quotas or bonuses distort reporting rather than restoring trust.

103. Answer: D — Seniority bidding among qualified workers, with the company setting certification requirements for each shift

Integrative bargaining finds terms that satisfy both core interests: the union's interest in fair, seniority-based access to preferred shifts and management's interest in qualified coverage. Bidding within qualification pools does both. Informal workarounds would break the contract, buying out seniority rights is costly and is unlikely to be accepted, and a fixed rotation satisfies neither interest.

104. Answer: C — Define success metrics, assess coverage and customer impact by job group, and run a time-limited pilot before deciding.

A four-day week affects job groups differently, so the CHRO should define what success means (productivity, service levels, retention, cost), assess coverage needs for customer-facing roles, and test it through a pilot with clear measures before any decision. Published trials involve self-selected firms and may not apply to every role. Rejecting the idea outright skips the evidence the CEO asked for, and employee preference alone does not show business impact.

105. Answer: A — Spillover to other divisions and messaging for employees outside the pilot.

With frequent cross-division contact, pay ranges will spread, which can raise pay-equity questions elsewhere and contaminate any comparison. The CHRO should plan for spillover and prepare messaging for employees outside the pilot. Expecting a pay transparency pilot to stay secret is unrealistic, and choosing the most engaged division or rushing to generalize weakens what the pilot can show.

106. Answer: C — Set common criteria for performance and potential and hold cross-unit calibration sessions on shared roles.

Comparable ratings require shared definitions and a calibration forum in which leaders from different units challenge each other's assessments, which also builds the cross-unit visibility needed for mobility. Unit nominations keep inconsistent standards in place, and a forced curve assumes talent is evenly distributed across units. Having HR rerate everyone removes line ownership and replaces one inconsistency with another.

107. Answer: B — Regression discontinuity design

Regression discontinuity exploits a sharp eligibility cutoff: employees just below and just above the threshold are very similar, so a jump in outcomes at the cutoff can be attributed to the program. Interrupted time series compares trends before and after a point in time rather than across a score cutoff. Propensity score matching pairs people on predicted enrollment, and difference-in-differences compares changes over time between two groups.

108. Answer: B — Majority-group plaintiffs need no extra proof, so programs must not favor any group

The Court unanimously held that majority-group plaintiffs do not need to show extra background circumstances to bring a Title VII claim; they face the same standard as everyone else. That makes it easier to challenge programs that limit opportunities by race, sex or another protected trait, so recruiting practices should be open to all. The background circumstances rule is the one the Court rejected, which makes it the most tempting wrong answer.

109. Answer: C — Honor each existing agreement and plan to negotiate harmonized terms as the contracts come up for renewal

Because the acquired companies' agreements remain binding, the acquirer cannot unilaterally cancel them, merge bargaining units, or impose terms; harmonization is achieved through bargaining, typically timed around expirations. Granting the most favorable terms everywhere is lawful but creates significant cost and gives away bargaining leverage without any strategic exchange.

110. Answer: D — Assess setting up a local entity against EOR costs, tax exposure and control needs.

An employer of record is useful for entering a market, but as headcount and activity grow, costs rise and so do risks such as permanent establishment tax exposure and limited control over the workforce. A structured analysis of when to form a local entity is the strategic step. An EOR does not remove all liability and becomes harder to justify over time, and converting employees to contractors would create serious misclassification risk.

111. Answer: A — Three-to-five-year goals requiring significant change in how the firm operates

Hoshin kanri starts with a small number of breakthrough objectives, typically three to five years out, that require major change, then deploys annual objectives and actions through the organization. Annual and weekly operating measures track daily management rather than breakthrough change, and individual appraisal goals are a downstream result of deployment.

112. Answer: A — Hold managers accountable through training, clear expectations and consequences for violations.

Culture changes when managers know the rules, are measured on compliance and face consequences for violations, especially in decentralized operations where HR cannot see every decision. Centralizing approvals helps with consistency but does not stop informal pressure, which managers still exert day to day. Employers cannot require members to reschedule drills, and waiting for complaints lets violations continue.

113. Answer: B — Explicitly communicating ethical standards and using rewards and discipline to hold people to them

Ethical leadership combines being a moral person with being a moral manager: talking openly about ethics, setting clear standards, and using rewards and discipline to enforce them. That explicit, transactional management of ethics is what sets it apart. Inspirational vision, individualized consideration and intellectual stimulation are core components of transformational leadership.

114. Answer: B — Add local leaders to calibration, apply common evidence-based criteria and track ratings by home country.

Rating headquarters-sent staff higher when outcomes are equal is a sign of ethnocentric bias. Bringing local leaders into calibration, using the same evidence-based criteria for everyone and monitoring ratings by home country targets the cause while keeping one global standard. Fully local reviews or separate pools would block comparisons and limit local talent's path to global roles, and explaining the gap to local nationals accepts it rather than fixing it.

115. Answer: C — It names an interim leader who can step in immediately to provide stability while the board selects a permanent successor.

An emergency plan covers a sudden departure such as death, illness or resignation by designating an interim leader, often a senior executive or director, and setting out communication and decision protocols so the business stays stable. The long-term plan identifies and develops candidates for an orderly transition, which is what the permanent-successor and high-potential pool options describe. Defaulting duties to the board chair for the rest of a term is not the standard emergency approach.

116. Answer: C — Reprioritize with the CFO, showing which outcomes each cut would delay, and protect the highest-value work.

A budget cut is a prompt to reprioritize based on value: the CHRO should show the CFO the business effect of each option and protect the initiatives that deliver the greatest return, which may also mean finding savings elsewhere. An even cut across programs spreads damage without regard to value. Escalating to the CEO before engaging the CFO treats the decision as a turf fight rather than a joint business choice.

117. Answer: A — Both companies count as one employer, so coverage testing must include the manufacturer's employees.

Under the Internal Revenue Code's controlled group rules, companies under common control are treated as a single employer for qualified plan coverage and nondiscrimination testing. A plan covering only the design firm must therefore pass coverage testing measured against all employees of both companies, which may be hard given the manufacturer's size. The rules do not require automatic coverage of everyone, only that the plan pass the tests on a combined basis.

118. Answer: B — Their worksite is the hub they report to or get assignments from, for the 50-in-75 count.

Under FMLA regulations, an employee who works from home has as their worksite the office to which they report or from which their assignments are made. If that hub has 50 or more employees within 75 miles, the remote employee meets the worksite test regardless of where they live. Treating the home as the worksite would wrongly deny eligibility to most remote employees.

119. Answer: C — Put mission outcomes for the public at the top, with financials in a supporting role

Kaplan and Norton recommend that public sector and nonprofit organizations place the mission at the top of the scorecard, because success is defined by public value, not financial returns. Financial stewardship still matters, so it remains as a supporting perspective rather than being removed. A compliance-only measure set would lose the strategic cause-and-effect logic the scorecard provides.

120. Answer: A — Job functions and families, career streams such as management and professional, and job levels

A job architecture organizes jobs into functions and families, groups them into career streams or tracks, and defines levels with consistent criteria. These building blocks support titling, pay structures and career paths. Merit matrices and bonus targets are pay delivery tools, handbooks and conduct rules are policy documents, and organization charts show reporting relationships rather than the job framework.

121. Answer: A — Anticipatory principle

The anticipatory principle holds that shared images of the future guide current action and performance, so changing those images can change behavior. The constructionist principle says reality is created through conversation and shared meaning, and the simultaneity principle says inquiry and change happen together, from the first question asked.

122. Answer: C — Have leaders model use, involve teams in redesigning work, and recognize effective human-AI collaboration.

Culture shifts when leaders visibly model new ways of working, employees help shape how the change affects their work, and the organization rewards the behaviors it wants. Mandated usage quotas can produce compliance without real collaboration. A promise that no jobs will ever be affected is tempting reassurance, but it may not be kept and would damage trust if broken.

123. Answer: A — A global code of conduct setting core standards, with local addenda where laws or customs require changes.

A global code with local addenda maintains shared values and core standards while complying with national laws and respecting cultural norms. A single identical set would conflict with local laws in some countries, and U.S. law is not always the most protective. Fully separate policies sacrifice consistency and make enterprise oversight harder.

124. Answer: C — Privilege may shield the work, but relying on the investigation as a defense can waive that protection

When counsel directs an investigation to give legal advice, communications and work product may be protected. If the employer later relies on the adequacy of that investigation, such as in a Faragher/Ellerth defense, courts often find privilege waived for the investigation materials. HR-led fact-finding is generally not privileged, and company counsel represents the organization, not the individual executives.

125. Answer: C — Use vetted external coaches for these executives, with central selection criteria, contracting and program oversight.

For the most senior leaders, external coaches offer the independence, confidentiality and credibility these executives need, while central standards keep quality and spending under control. Internal HR coaches can work well for broader leader populations but raise the confidentiality concerns these executives already voiced. Unmanaged individual choice sacrifices quality control, and manager-as-coach does not fit the CEO's direct reports or address confidentiality.

126. Answer: D — Share aggregate, de-identified claims trends with the union and offer design options that meet a cost-sharing target.

Health plan design is a mandatory subject, so the company must bargain before changing it, and credible data plus a menu of options lets the union help choose how costs are shared. Aggregate, de-identified data supports the case while protecting privacy. Implementing first would be a unilateral change in violation of the duty to bargain, sharing individual claims records would breach HIPAA privacy protections, and a single take-it-or-leave-it design reduces the chance of agreement.

127. Answer: A — Convene the threat assessment team with security, legal and law enforcement, preserve the posts, and add protective measures.

Specific threats naming leaders and showing the building call for a coordinated threat assessment that brings in security, legal and law enforcement, preserves evidence and puts protective steps in place, such as access controls and, where available, a protective order. Direct contact by a target could escalate the situation. Removing posts without acting loses evidence and wastes time, and paying the person may reward the behavior without reducing the risk.

128. Answer: A — 3%

The plan-year midpoint is October 1, nine months after the January 1 effective date. Aging factor = 4% x 9/12 = 3%. A figure of 2% ages the data only six months, as if aging to July 1 rather than to the plan-year midpoint, and 4% ages a full year, which overshoots the midpoint.

129. Answer: A — Quality of hire, such as new-hire performance and first-year retention, tracked with cost per hire as a balanced view.

Cost per hire measures efficiency, not value; a low cost is a poor result when a third of new hires leave within six months. Quality-of-hire measures such as new-hire performance ratings, hiring manager satisfaction and early retention show whether recruiting delivers productive employees, and tracking them with cost gives a balanced picture. Time to fill and acceptance rate are also efficiency or process measures that do not capture quality.

130. Answer: D — Model the trade-offs among cost-per-hire, time-to-fill and quality of hire, and present options.

Cost, speed and quality of hire pull against each other, especially when volume doubles. Modeling scenarios shows the CEO where savings are possible, such as from scale or better sources, and where cuts would slow hiring or weaken quality and put customer commitments at risk. Cutting all sourcing spend could leave key roles unfilled, discarding the metric dismisses a legitimate cost concern, and redefining it to meet the target misleads leadership.

131. Answer: A — To make how leaders achieve results part of accountability and to flag integrity concerns before they harm trust.

Including integrity in executive 360s signals that the way results are achieved matters, holds leaders accountable for behaviors that drive trust, and surfaces warning signs early enough for development or succession decisions. Using 360 data as the sole basis for pay or termination conflicts with best practice, which treats multi-rater feedback mainly as a developmental input. Internal 360 data cannot be benchmarked against other companies' executives.

132. Answer: D — Score each on strategic impact and effort, then agree on what to pause

A transparent scoring of strategic value against effort, with executive agreement on what stops, focuses scarce capacity on what matters most and manages sponsors' expectations. Launch order has no link to value, stretching all 14 delays the important work along with the rest, and letting each leader decide fragments priorities across the function.

133. Answer: C — Set global PIP principles, adapting each country's process to local dismissal law

Many countries have statutory notice, justification, consultation and procedural requirements for dismissal, and some involve works councils, so a US at-will process cannot simply be exported. A global framework with locally adapted procedures balances consistency with compliance. Lengthening the timeline does not satisfy procedural rules, and dropping PIPs entirely abandons a consistent performance standard.

134. Answer: D — Socializing local managers into shared corporate values through global training, rotation and common norms.

Normative control relies on internalized shared values and norms, so locally hired managers act in line with corporate goals without close supervision. Global training, international assignments and a strong corporate culture build that alignment and can substitute for expatriate oversight. Approval requirements and expatriate finance directors are forms of bureaucratic or personal control, and pure output targets are output control.

135. Answer: A — Agree on the cost assumptions with finance and use conservative methods to isolate impact

Credibility with finance comes from using assumptions finance accepts and conservative isolation methods, such as control groups, trend lines or discounted estimates, even if the resulting ROI is lower. An outside consultant defending an already disputed number does not resolve the CFO's concerns about the method. Vendor benchmarks are seen as self-interested, and falling back to activity data gives up on showing business value.

136. Answer: D — False urgency, in which anxious, frantic activity substitutes for real progress on strategic issues

Kotter distinguishes true urgency, which is focused action on critical issues, from false urgency, which is busy, anxious activity such as meetings and task forces that produces little real progress. High activity alone is not true urgency; what matters is movement on the strategic issues. Complacency would show little activity at all, and reactance describes pushback, not frantic busyness.

137. Answer: A — Secure safety and medical care, meet reporting duties, support affected staff, then review and redesign the prevention program.

The first priorities after a violent incident are safety, medical care and legal duties, such as reporting an in-patient hospitalization from a work-related incident to OSHA within 24 hours when it applies, followed by support for affected employees. Then the company should conduct a root-cause review and strengthen its prevention program, including domestic violence spillover risks. Starting with a program review or communications reverses the priorities, and the OSH Act general duty clause means the company cannot treat workplace violence as only a police matter.

138. Answer: B — Psychological contract breach, because employees see a broken implicit promise

A psychological contract consists of employees' beliefs about mutual obligations, and when a long-promoted benefit is withdrawn, employees experience it as a broken promise, which damages trust and commitment far beyond the benefit's dollar value. Loss aversion is tempting, but it explains reactions to any loss, not why a promise tied to identity triggers feelings of betrayal. Nothing in the scenario suggests unequal treatment, so distributive injustice does not fit.

139. Answer: A — Share what is known and unknown, explain how decisions will be made, and commit to update dates

When answers are not yet available, trust comes from candor about uncertainty, a clear explanation of the decision process, and reliable updates. Waiting until decisions are final lets rumors fill the silence. Blanket reassurance that may prove false damages credibility, and releasing a raw list of roles under review creates alarm without context.

140. Answer: B — Redesign care models, moving non-nursing tasks to support staff and giving nurses schedule input

Burnout is driven largely by workload and lack of control, so redesigning care delivery, such as using support staff for non-clinical tasks, reducing documentation burden and giving nurses input into scheduling, addresses the cause and reduces reliance on agencies. More agency spending sustains the cycle, individual resilience programs treat symptoms, and pay matching alone does not fix the work itself.

141. Answer: B — Factors in the learner, the training design and the work environment that help or hinder transfer.

The LTSI diagnoses the organizational transfer system, measuring factors such as motivation to transfer, transfer design, opportunity to use learning, supervisor and peer support, and openness to change. These factors explain why learning is or is not applied on the job. It does not measure learning styles, ROI or end-of-session reactions.

142. Answer: A — Customer Service

Totals are Finance 10, Customer Service 15, Sales 12, Field Operations 13 and IT 8, so Customer Service faces the greatest overall change across every dimension. Field Operations is the tempting choice because it has the only scores of 5, but its impact is concentrated in two areas. IT is the largest group, but headcount is not part of this impact score, and it has the lowest total.

143. Answer: A — It resolves the charge confidentially before the EEOC decides whether to file a public lawsuit

Conciliation is the EEOC's informal process after a cause finding, and Title VII requires that what is said in conciliation stay confidential; a successful resolution avoids an EEOC lawsuit with its public exposure and litigation cost. The cause finding is not erased, conciliation agreements can include remedies beyond back pay, and the EEOC participates as a party rather than as a neutral decision maker.

144. Answer: C — A network of empowered teams running on a stable backbone of shared purpose and core processes

Agile organizations combine dynamic, empowered teams that move quickly with a stable backbone of shared purpose, governance and core processes that keeps the whole system coherent. They are not leaderless, and applying Scrum within one function or reporting through a matrix does not change the organization's operating model.

145. Answer: A — Give the CFO private, specific feedback on how his actions undercut adoption and agree on changes

Managers follow what the sponsor does, not what the process says, so the CHRO should first address the sponsor directly with specific, private feedback and agree on what he will stop and start doing. Escalating to the CEO before talking with the CFO damages trust, retraining managers ignores the real cause, and building an exception path makes the old behavior permanent.

146. Answer: A — Commission an independent investigation with confidential worker interviews, and require a corrective plan if it is confirmed.

Allegations about freedom of association need a credible check, and standard audits often miss them, so independent investigators should interview workers confidentially, away from management. If the claims are confirmed, a corrective plan such as reinstatement and noninterference commitments helps the affected workers. Ending the contract right away can harm the workers and gives up the brand's leverage, and management self-certification does not show what is happening.

147. Answer: B — Survivors stay more committed when the process is fair and those let go are treated well

Studies of layoff survivors find that procedural justice, meaning fair and consistent selection, and interactional justice, meaning honest explanations and respectful treatment, strongly affect survivors' commitment and trust. Generous severance helps, but outcomes alone do not offset a process seen as arbitrary or callous. Saying little about how decisions were made tends to fuel suspicion rather than reduce it.

148. Answer: C — It consoles the person who made the honest error and holds reckless conduct accountable through discipline.

Just culture distinguishes human error, which is consoled and addressed through system fixes; at-risk behavior, which is coached; and reckless behavior, a conscious disregard of substantial risk, which warrants discipline. Responses are based on the behavior, not the outcome. A purely blame-free approach is the tempting distractor, but just culture keeps accountability for reckless choices.

149. Answer: D — 0.60; it is below the 80% rule of thumb, which flags possible adverse impact for review.

Impact ratio = lower selection rate / higher selection rate = 30% / 50% = 0.60, which is below 0.80. Under the 80% rule of thumb, that is a signal of possible adverse impact that calls for closer statistical and job-relatedness review. It is not proof of unlawful discrimination, and dividing the higher rate by the lower (1.67) inverts the formula.

150. Answer: B — Quantify vacancy costs and launch delays in critical roles, and project gains from shorter time to fill.

Executives fund investments that address business problems, and here the problem is delayed product revenue caused by long vacancies in critical roles. Quantifying vacancy cost and showing how talent pools shorten time to fill connects the CRM to that outcome. Agency savings are real but small relative to delayed launches, and features or competitor use do not show value.

151. Answer: B — Interview each executive beforehand and build the offsite around agreeing on team purpose and norms

Pre-work interviews surface the real issues, such as the hidden disagreement on priorities, so the offsite can address the team's purpose, shared goals and working norms, with follow-up commitments afterward. Generic activities rarely change how a team works on the job. A CEO-led call-out or open sharing of 360 data in a low-trust group is likely to provoke defensiveness rather than candor.

152. Answer: D — Build sponsorship across the executive team and document a sponsor succession plan

Sponsor turnover is a major risk to long programs, so the best mitigation is to broaden sponsorship among other executives and plan who would step in, so the program's legitimacy does not leave with one person. A retention agreement may delay but cannot prevent departure, compressing the timeline adds execution risk, and a PMO lacks the executive authority that sponsorship requires.

153. Answer: B — The firm lacks the systems and structures it needs to exploit the capability

VRIO asks whether a resource is valuable, rare, costly to imitate and supported by an organization that can capture its value. The stem says the first three conditions are met, so the gap is organization: decision rights, processes and incentives. Without them, even a strong capability yields only unrealized advantage. HR can help close the gap through structure, role design and rewards.

154. Answer: D — Measurable outcomes tied to strategic goals, such as bench strength, internal fill rates and business results

Boards govern strategy and risk, so they care whether the investment strengthened leadership capacity and business performance, not how much activity it generated. Outcome measures such as succession readiness, internal fill rates and linked business results answer that question. Satisfaction data and spend benchmarks describe inputs and reactions, which do not show impact.

155. Answer: C — The board owns the decision, and the CHRO designs and manages the process.

CEO succession is one of the board's core duties, so the board owns the final decision. The CHRO typically designs and runs the process, such as defining the success profile, assessing candidates and building development plans, while working closely with the board. Letting the sitting CEO own the decision is a common past practice, but it creates conflicts of interest and weakens board oversight.

156. Answer: C — It is a source of boomerang rehires, referrals, and client and knowledge access

Alumni networks treat former employees as a continuing talent and relationship pool: they produce boomerang rehires, who ramp up quickly, plus referrals, business development and access to knowledge. Confidentiality enforcement and unemployment costs are not why firms invest in them, and alumni feedback supplements exit interviews rather than replacing them.

157. Answer: B — Start from the job architecture, use family templates, and have experts confirm essential functions.

Working from job families with templates lets HR analyze common duties once and then tailor them, while subject matter experts confirm essential functions, which matter for ADA decisions, and qualifications. Independent manager rewrites produce inconsistent results. Changing only titles ignores the redesigned work, and interviewing every incumbent is too slow and costly for the timeline.

158. Answer: A — Preservation, keeping the firm largely independent

Preservation fits when strategic interdependence is low and the need for autonomy is high: the acquirer protects the target's boundaries and culture while nurturing it. Symbiosis is tempting, but it requires high interdependence, which the stem rules out. Holding involves no intent to integrate or learn from the firm at all, while this acquirer wants to learn.

159. Answer: D — Keep core coverage and add flexible credits or a lifestyle spending account that employees direct to their needs.

Flexible credits and lifestyle spending accounts let employees apply a set employer contribution to what matters most to them, which personalizes the package within a fixed budget while keeping essential protection such as health and disability coverage. Building separate programs for each generation is costly and can stereotype employees. Designing for the largest group neglects others, and an all-cash approach removes core protection.

160. Answer: D — Assess the company's compliance program and controls and report to the government on progress

An independent monitor evaluates whether the company is meeting its obligations under the agreement, reviews the design and effectiveness of its compliance program and controls, makes recommendations, and reports to the government. The monitor is independent of both the company and prosecutors and does not run compliance operations, advocate for the company, or prosecute individuals.

161. Answer: B — Find out why managers bypass the HRBPs, then redirect them while building HRBP capability

The bypassing is a symptom, so the CHRO should first learn the cause, such as slow responses, unclear decision rights or capability gaps, then send managers back to their HRBPs and fix the cause. Continuing to solve issues personally reinforces the pattern and pulls the CHRO away from strategic work. A blanket ban harms relationships, and replacing HRBPs before diagnosing the cause may punish people for a structural problem.

162. Answer: B — Add a solutions unit or key account teams that integrate the divisions, with shared incentives

Structure should follow strategy, so a solutions strategy needs a front-end unit or key account teams that own the customer and pull together offerings from product divisions, supported by incentives that reward joint sales. Merging divisions sacrifices product focus, informal lead sharing does not overcome divisional incentives, and a regional matrix for all employees adds complexity without addressing the customer integration problem.

163. Answer: C — Align the target with planned growth hires and set clear contingent labor rules to prevent gaming.

Hiring ahead of revenue lowers revenue per employee in the short term, so the target should be phased to reflect planned investments, with clear rules on contingent labor so headcount is not simply shifted off the books. A hiring freeze could undermine the growth the owners expect, and moving work to contractors games the metric without improving productivity. Asking to replace the metric dismisses the owners' legitimate productivity goal rather than aligning it with the plan.

164. Answer: D — Involve union leaders early as part of the guiding coalition

Change efforts succeed when key stakeholders help shape them, and in a unionized plant the union is a necessary part of the guiding coalition. Early involvement builds trust, surfaces concerns about job security and work rules, and helps meet bargaining duties over changes to mandatory subjects. Going around the union by briefing employees first risks unlawful direct dealing and deepens distrust.

165. Answer: C — Keep the core value but let subsidiaries adapt how feedback is given locally

A 'glocal' approach keeps the intent of the value, honest feedback that improves performance, while allowing culturally appropriate practices, such as private or indirect delivery. Rigid uniformity ignores real cultural differences and drives disengagement. Dropping the value or exempting regions weakens a shared global identity.

166. Answer: A — Share aggregated or anonymized data first, with a clean team and data protection terms for any detail.

Due diligence should disclose only what is necessary at each stage: aggregated or anonymized data supports valuation, and any detailed data goes to a restricted clean team under data protection terms, which also limits antitrust risk when the buyer is a competitor. Removing names alone leaves individual records identifiable and still exposes sensitive medical leave data, and refusing all data stalls a legitimate process.

167. Answer: B — Present leading indicators and milestones linking the program to long-term value

Directors need evidence that a long-term investment is on track, so the CHRO should show leading indicators (such as engagement, retention of key talent and behavior change) and milestones that connect to future business value. Pausing wastes the investment already made, calling culture unmeasurable undermines credibility, and compressing a culture change to fit a reporting cycle sacrifices its effectiveness.

168. Answer: B — $1,728,000

Annual value = 400 users x 2 hours x $45 x 48 weeks = $1,728,000. Using 52 weeks instead of 48 working weeks gives $1,872,000, counting only one hour per user gives $864,000, and $36,000 is the value of a single week.

169. Answer: A — Most jobs contain a mix of tasks, so AI tends to change parts of jobs rather than eliminate them

Jobs are bundles of tasks with different exposure to automation, so analyzing tasks shows which parts of each role AI can automate or augment and how jobs should be redesigned, reskilled or redeployed. A job-level view tends to overstate or understate the impact. Job descriptions rarely capture tasks in enough detail, and employment law does not prohibit job-level analysis.

170. Answer: C — Open, criteria-based nomination and selection with transparent eligibility and review

The earlier program failed because access depended on personal affinity, so the key fix is a transparent process in which any qualified employee can be considered against job-related criteria. Letting executives choose people they already know recreates the similarity bias, confidentiality reduces accountability for fair access, and matching within functions limits the cross-functional exposure that sponsorship should provide.

171. Answer: C — Set success, fairness and stop criteria in advance, and run it alongside human review.

A responsible staged rollout defines what success, fairness (such as selection-rate comparisons by group) and failure look like before launch and compares the tool's results with human decisions, so problems surface before scale. Setting criteria after seeing results invites rationalization. A vendor audit on other clients' data may not reflect this applicant pool, and time savings alone ignore quality and fairness.

172. Answer: A — To retain key know-how so the work can shift to a new provider or back in-house

Outsourcing moves operational knowledge to the provider, and without structured knowledge transfer and exit provisions, such as documentation, transition assistance and access to staff, the company can become locked in and unable to bring the work back or switch vendors. Employee transfer terms, compliance audits and service levels are separate contract provisions that do not address knowledge loss.

173. Answer: C — Pay philosophy, then pay ranges for each job, then each employee's actual pay

Sharing the pay philosophy explains how the company makes pay decisions without revealing numbers. Publishing ranges adds the structure for each job, and disclosing individual pay is the most transparent level. Each step increases the need for a sound, defensible structure, because employees can compare their own pay with the stated principles and ranges.

174. Answer: D — It adds consistency and simplicity, but without carve-outs it can penalize FMLA, ADA or PWFA absences

No-fault systems count occurrences without judging reasons, which reduces favoritism claims and makes administration easier. The main risk is assessing points for legally protected absences, such as FMLA leave, ADA accommodations or PWFA accommodations, so the policy must exclude them and route those cases to the right process. A no-fault design actually reduces supervisor discretion instead of increasing it.

175. Answer: D — Triage cases by risk, set closure targets, and add outside investigators for high-risk cases.

A risk-based triage model with service targets and surge capacity for serious matters restores timeliness while protecting the company from the cases that carry the most legal exposure. First-in, first-out sounds fair but leaves serious harassment or retaliation claims waiting behind minor issues. Closing cases without findings or pushing them to managers undermines trust and can create liability.

176. Answer: C — Claiming certification in a culture assessment method she has never been trained to use

OD ethics guidelines require practitioners to represent their competence honestly and to practice only within their skills, so claiming a certification or expertise she does not have is a clear violation. Declining work with predetermined outcomes, being transparent about data use and referring clients beyond one's competence are all examples of ethical practice.

177. Answer: A — Open structured dialogue, review legal protections before any discipline, and respond in line with stated values.

A sound framework listens to employees through structured channels, checks whether any activity is legally protected before acting, and keeps the company's response consistent with its stated values and business rationale. Threatening termination can violate the NLRA if the protest touches working conditions and escalates the reputational damage. Silence cedes the narrative, and reversing a business decision immediately under pressure skips any real evaluation.

178. Answer: C — New hire performance ratings, retention, hiring manager satisfaction and time to productivity

Quality of hire measures the value new hires bring after they start, so composites typically combine performance, retention, hiring manager satisfaction and how quickly hires become productive. Time to fill, cost per hire and acceptance rates are efficiency measures of the hiring process, not of the people hired.

179. Answer: A — Work with the board to activate the emergency plan, confirm an interim CEO and send one coordinated message.

A sudden CEO exit calls for stabilizing leadership and controlling the message: the board names an interim leader under the emergency plan, and the company issues one coordinated communication to employees and investors. A permanent search takes months and cannot be rushed responsibly into two weeks. Town halls before leadership is settled invite questions no one can answer, and letting each executive speak in their own words risks conflicting messages and disclosure problems.

180. Answer: B — A root cause analysis of systems such as layout, training and supervision, applied to all sites.

Serious incidents rarely have a single cause, and a systems-focused root cause analysis (pedestrian separation, traffic rules, training, supervision, staffing) leads to corrective actions that prevent recurrence across the network. Blaming the driver early can miss systemic failures and damage trust and reporting. Waiting for OSHA delays fixes, and narrowing the review to protect the company undermines both safety and credibility.

181. Answer: A — Disparate impact liability is written into Title VII, so private plaintiffs and state laws can still bring claims.

The 1991 Civil Rights Act wrote disparate impact into Title VII, so private plaintiffs can sue in court whatever the executive branch prioritizes, and many state laws reach the same claims. Agency positions and opinions bind the government, not the courts. Private parties, not only the EEOC, bring these cases, so ongoing adverse impact analysis remains good risk management.

182. Answer: D — Trend in internal complaints alleging discrimination, harassment or retaliation by unit

Internal complaints alleging discrimination, harassment or retaliation come before external claims and show where risk is building, so leaders can act first. Agency charges, settlement payments and lawsuits are lagging indicators, because they show up after a dispute has already left the company.

183. Answer: A — Describe the audit method and results precisely, and avoid an absolute claim that critics could test.

An absolute claim of perfect pay equity invites scrutiny from employees, investors and regulators, and a single counterexample or the 15% unadjusted gap can make it look false or misleading. A precise statement about the method used, the adjustments made and the ongoing commitment is defensible. Publishing the privileged audit could waive privilege, and a footnote does not fix an overstated headline.

184. Answer: D — Negotiate an exit within the contract, trading added terms for a release and nondisparagement.

When cause is weak, asserting it invites litigation and public conflict, so a negotiated exit that honors the contract and trades modest enhancements for a release, nondisparagement and a joint announcement manages both cost and reputation. A resignation demand without agreed terms leaves the key risks open. Creating a paid advisory role postpones the problem and can raise governance concerns.

185. Answer: C — Notify the union and bargain over the new system before implementing it, since it affects wages and working conditions.

An appraisal system that determines merit pay affects wages, a mandatory subject of bargaining, so the employer must give the union notice and bargain before making the change. Implementing it without bargaining is a unilateral change that can be an unfair labor practice. Recruiting volunteers or seeking employee support before involving the union is direct dealing, which bypasses the exclusive representative.

186. Answer: D — Define potential criteria, such as learning agility, and assess them separately

The pattern suggests a halo effect, in which strong current performance colors judgments of future potential. Defining potential with distinct indicators such as learning agility, aspiration and ability, and gathering multiple perspectives, separates the two dimensions. Forced distributions change the spread of ratings but do not make them more accurate.

187. Answer: A — The company remains liable for its selection outcomes, so it must test and oversee the tools

Under Title VII, the ADEA and the ADA, an employer is responsible for the selection procedures it uses, including vendor tools, and disparate impact claims do not require intent. Indemnity clauses may shift some cost but do not remove the employer's legal exposure or reputational harm. The board should hear that oversight, testing and documentation remain the company's job.

188. Answer: D — Closing the loop by telling employees what was heard and what will follow

A listening system needs several channels, sound analysis, action and communication back to employees about what was learned and what will change. Without closing the loop, employees conclude that their input is ignored, participation drops and cynicism grows. Longer surveys, benchmarks and quick manager reviews can help, but none of them shows employees that speaking up produces results.

189. Answer: B — Management oversight, higher attrition and retraining, quality rework, and time zone coordination costs.

Total landed cost looks beyond wage arbitrage to every cost of delivering the work offshore: governance and travel, management time, attrition and knowledge loss, quality and rework, communication across time zones, transition costs, and severance. Hidden costs like these often erase much of the wage gap. Counting only severance, rent, or incentives gives a misleadingly favorable picture.

190. Answer: B — Refocus the decision on future costs and benefits, using set criteria to continue, change or stop.

The executives are showing escalation of commitment, driven by sunk costs. Refocusing the decision on future value and agreeing on objective criteria in advance makes it easier to stop or redirect without blame. Another year of funding repeats the pattern, and assigning blame raises defensiveness, which deepens escalation.

191. Answer: C — Use one common global method, but run analyses within each country using local comparator groups.

A consistent methodology allows enterprise-wide oversight, while within-country analysis compares employees who share the same labor market, currency and legal framework. A pooled global regression mixes very different markets, so currency and cost-of-labor differences distort results. Limiting the scope to transparency-law countries leaves gaps, and country-specific methods cannot be compared.

192. Answer: C — Arrange counsel-led preparation stressing truthful, concise answers and no speculation

Deposition testimony can be used at trial, so preparation should be led by counsel, cover the relevant documents and focus on answering only the question asked, truthfully and without speculation. Long volunteered answers create new topics and inconsistencies. Scripted answers and claims of not recalling facts the witness does know damage credibility and can be improper.

193. Answer: A — 62.5%

Weighted average = (500 x 70% + 1,500 x 60%) / 2,000 = (350 + 900) / 2,000 = 1,250 / 2,000 = 62.5%. The 65.0% figure is a simple average of the two percentages, which ignores the larger size of Division B, and 67.5% applies the weights to the wrong divisions.

194. Answer: B — Tiered pay multiples by level, a release of claims and restrictive covenants, and double-trigger change-in-control terms.

A policy with tiered multiples, a required release and covenants, and double-trigger change-in-control protection gives consistency and defensibility that investors expect. Excise tax gross-ups and single-trigger benefits are widely criticized as problematic pay practices. CEO-set terms recreate case-by-case negotiation, and pay for any resignation rewards departure rather than protecting against involuntary loss.

195. Answer: D — Punctuated equilibrium model

The punctuated equilibrium model (Tushman and Romanelli, Gersick) holds that organizations evolve through long convergent periods punctuated by brief revolutionary periods that reset strategy, structure and power. The continuous transformation model argues instead for constant, ongoing change, and Lewin-style planned change describes a deliberate process rather than this rhythm.

196. Answer: B — PIPs aren't required, but dropping them weakens proof of a legitimate, consistent reason

At-will employers are not legally required to use PIPs, so speed is a real benefit. The main cost is evidentiary: documented expectations and a consistent process help show a legitimate, nondiscriminatory reason if a termination is challenged. At-will status does not protect against discrimination or retaliation claims, so saying elimination has no legal impact overstates the protection.

197. Answer: C — The PWFA uses the ADA definition: significant difficulty or expense given the employer's resources

The PWFA adopts the ADA's definition of undue hardship, which means significant difficulty or expense judged against factors such as the cost, the employer's size and resources, and the effect on operations. The Groff 'substantial increased costs' test applies to religious accommodation under Title VII, not to the PWFA. The old de minimis standard was rejected in Groff and never applied to the PWFA, and the law does not require a threat of closure.

198. Answer: B — Disclosing the steps taken to address slavery risk so stakeholders can scrutinize the company

The transparency-in-supply-chains provision requires covered organizations to publish a statement describing the steps, if any, they have taken to ensure slavery and human trafficking are not occurring in their business or supply chains. Its mechanism is transparency: investors, customers and civil society use the statements to compare companies and press for improvement. It does not require certifying that a supply chain is slavery-free.

199. Answer: D — Waivers are enforceable and limit class suits, but mass individual arbitrations can raise costs

In Epic Systems v. Lewis (2018), the Supreme Court held that class and collective action waivers in employment arbitration agreements are enforceable and do not violate the NLRA. A key risk is mass arbitration, where thousands of individual demands each trigger employer-paid filing fees. The waivers do not bind the EEOC, and the EFAA lets employees bring sexual harassment claims in court.

200. Answer: A — Test each recommendation against strategy and culture, and adapt or reject any that conflict

Benchmarks show what others do, not what fits; HR practices should support the organization's own strategy, and individual competition can undermine collaboration and long-term relationships. The CHRO should evaluate each recommendation for strategic fit and adapt or reject what conflicts. Piloting a practice that already conflicts with the strategy wastes resources, and more benchmark data does not answer the question of fit.

201. Answer: A — Regrettable turnover in pivotal roles and time for new hires in those roles to reach productivity

Boards need measures linked to strategic risk. Losing high performers in roles that most affect strategy, and the time to restore that capability, show the real business impact of turnover. Overall rates, recruiting efficiency and departmental counts are operational metrics best managed by HR and line leaders, and benchmarks without a focus on pivotal roles can mask where the risk lies.

202. Answer: A — BCR of 3.5:1 and ROI of 250%

BCR = program benefits / program costs = $1,400,000 / $400,000 = 3.5, or 3.5:1. ROI = (benefits - costs) / costs x 100 = ($1,400,000 - $400,000) / $400,000 x 100 = 250%. Using gross benefits in the ROI formula wrongly gives 350%, and using net benefits in the BCR wrongly gives 2.5:1.

203. Answer: D — The wage gap between union workers and otherwise similar nonunion workers

The union wage premium is the percentage difference in pay between union members and comparable nonunion workers after controlling for factors such as skill, industry and location. Nonunion employers raising pay to deter organizing is the union threat or substitution effect, which actually narrows the measured premium. Real wage gains and average labor cost per head are different measures.

204. Answer: D — Quality of hire in critical roles, such as first-year performance and retention of those hires

Strategic metrics connect HR activity to business outcomes, and quality of hire in critical roles shows whether recruiting delivers the capability the strategy depends on. Cost per hire and time to fill measure efficiency, which matters but does not show whether the right talent was hired. Applicant volume measures reach and can rise even when hiring quality falls.

205. Answer: C — The rate is 13%, an increase of 4 percentage points, or about 44%, over the prior year.

Incidence rate = 156 / 1,200 = 13%. The change is 13% - 9% = 4 percentage points, and the relative increase is 4 / 9 = about 44%. Dividing the change by the new rate (4 / 13 = 31%) uses the wrong base, 7.7% comes from inverting the ratio (1,200 / 156), and calling the change 4% confuses percentage points with percent change.

206. Answer: D — Define guardrails for the decisions that need central control and let teams decide the rest

Agile at enterprise scale works when leaders specify the few decisions that must stay central, such as regulatory, risk and budget limits, and push all others to teams. Central routing recreates the bottleneck, full autonomy ignores the bank's real regulatory obligations, and faster reviews of every decision keep the layers that slow teams down.

207. Answer: D — Build a joint business case with the CFO's input that sets success measures and a phased funding gate.

The CHRO can broker a decision by addressing the CFO's legitimate concern about proof while preserving the strategic intent, for example funding a first phase and releasing more only if agreed measures are met. Simply siding with the CEO leaves the CFO's concerns unanswered and damages the relationship. Withdrawing abandons the strategy, and escalating a routine budget question to the board is inappropriate.

208. Answer: D — With 40 tests, about two significant results would be expected by chance alone.

Running many tests at a .05 threshold multiplies the chance of false positives: 40 x .05 = 2 significant results would be expected even if the divisions did not differ at all. Three hits is close to that chance level, so the findings may be noise unless the significance threshold is adjusted for the number of tests. Running more tests does not reduce the power of earlier ones, and rating-scale items are routinely analyzed with significance tests.

209. Answer: A — Front pay is an equitable remedy in place of reinstatement and is not subject to the caps

Courts often award front pay when reinstatement is not workable, such as when hostility between the parties or the absence of an open position would make return impractical. The Supreme Court held in Pollard that front pay is not an element of compensatory damages, so the Title VII caps do not apply. Back pay is also outside the caps, and front pay is not a form of punitive damages.

210. Answer: B — Inform affected workers and take protective steps now, and coordinate the external message on a separate track.

Employees have a right to know about hazards they are exposed to, and the employer has a duty under the OSH Act to protect them, so delaying notice for reputational reasons puts health and legal compliance at risk. Protective action and employee notice come first, and external messaging can follow. Quietly rotating workers reduces exposure but withholds information employees need about their own health.

211. Answer: C — Treat the exclusion as potential retaliation, warn those involved, monitor her work, and discipline proven conduct.

Coworker retaliation, such as cutting someone off from meetings and client work, can create employer liability when management knows of it and fails to act, and losing accounts can directly harm the complainant's pay and career. The CHRO should address it directly while the investigation continues. Moving the complainant against her wishes can itself look retaliatory, and a general reminder email does not stop the conduct already occurring.

212. Answer: C — The change reflects about two extra exits, so it should be watched over time before any broad action

At a 25-person site, 8% to 16% is about 2 versus 4 exits, so random variation can easily produce a change of that size. Small samples give unstable rates, and leaders should look for a sustained trend or pool more data before acting enterprise-wide. A doubled rate sounds dramatic but says nothing about statistical significance. Benchmarks and exit interviews do not fix the sample-size problem.

213. Answer: C — Pursue the structural redesign while delivering a few visible early actions so employees see progress along the way.

Root causes such as career architecture require structural change, but long projects lose credibility without visible progress. Combining the redesign with a few early wins addresses the cause and maintains trust. Quick fixes alone leave the driver unaddressed, and a long redesign with no visible actions risks more turnover in the meantime.

214. Answer: C — Arrange alternative supply while local management bargains within Korean labor law.

South Korean law generally bars employers from hiring or subcontracting replacement workers for striking employees, so continuity has to come from inventory and other sources while local management bargains in good faith. Hiring replacements could violate the law, bypassing local management undermines the bargaining relationship, and threats to relocate escalate the dispute and may be treated as unfair practices.

215. Answer: D — Written job-related criteria applied consistently, documented evidence, and an adverse impact review first.

Layoff rankings are defensible when they rest on written, job-related criteria applied the same way to everyone, are backed by evidence, and are checked for adverse impact before decisions are final. A single leader ranking people they don't know adds bias. Subjective views of potential or adaptability can mask age bias, and undocumented decisions leave the employer unable to explain its choices.

216. Answer: D — Set eligibility by role or unit using clear criteria and explain those criteria openly

Defining eligibility by job, unit or location on legitimate business criteria lets the company protect critical capabilities while treating employees consistently, and explaining the criteria preserves trust. Accepting applications and then rejecting them selectively breeds resentment and can raise discrimination concerns. Targeting by performance ranking turns a voluntary program into a disguised layoff and invites legal risk.

217. Answer: C — As a psychosocial hazard to identify, assess and control through the occupational health and safety management system

ISO 45003 gives guidance on managing psychosocial risk within an ISO 45001 occupational health and safety management system. It treats bullying, harassment and other social factors as hazards that the organization must identify, assess and control, with preference for prevention at the source. Discipline and EAP support have a place, but they react to individual cases instead of managing the hazard systemically.

218. Answer: A — Advance notice of each format, an easy way to request changes, and staff able to offer alternatives.

Applicants can request accommodation only if they know what an assessment involves, so the process should explain formats in advance, make requests simple and empower trained staff to provide alternatives through the interactive process. Requiring documentation for every request is unnecessary when the disability or need is obvious and discourages requests. Offering alternatives only after failure means the inaccessible test already screened the applicant out, and waiving all assessments goes beyond what the ADA requires.

219. Answer: C — Propose a cross-functional governance council to set shared definitions, data owners and rules.

Disputes over metric ownership are best settled by governance: a council with finance, HR and business leaders that agrees on definitions, assigns data owners and controls changes, so everyone reports one version of the truth. Claiming sole HR ownership is likely to escalate the conflict and ignores Finance's legitimate role. Reporting several versions confuses the board, and escalating each dispute to the CEO is slow and does not prevent the next one.

220. Answer: C — Price each demand with its roll-up effects over the full contract term, then present the combined cost of the whole package.

Economic proposals interact: a wage increase raises overtime, holiday pay, payroll taxes and some benefits, and increases compound over the term. Costing each item with its roll-up over the full contract and presenting the package total shows the true financial commitment and lets leaders set a settlement range. Costing only the first year or only base wages understates the cost, and a list without a total hides the size of the package.

221. Answer: D — Advise that a CBA cannot reduce FMLA rights, so eligible members keep their full 12 weeks.

FMLA regulations state that a collective bargaining agreement may provide greater leave rights but cannot diminish the rights the statute guarantees. Employees also cannot waive prospective FMLA rights, so individual waivers would not cure the problem. Agreeing to the provision would create an unenforceable term and invite interference claims.

222. Answer: D — Gains tend to fade after a few cycles once the weakest are gone, while the costs to collaboration and morale persist.

Simulation research and company experience suggest forced ranking's biggest gains come early, when the lowest performers are removed; later cycles cut people who are adequate, so returns shrink while damage to teamwork, risk-taking and morale continues. Forced ranking is not illegal as such, though it raises adverse impact risk. Administrative cost is a minor issue compared with these strategic effects.

223. Answer: C — Negligence: the employer knew or should have known and failed to act, so reporting must be easy

An employer is liable for coworker harassment if it knew or should have known about the conduct and failed to take prompt and appropriate corrective action. Because knowledge can be imputed through managers, policies should offer multiple reporting channels, require managers to report what they learn and ensure fast investigation and correction. Requiring reports only to direct managers can block complaints when the manager is part of the problem.

224. Answer: D — Many felt a loss of status and job security, which led some to withdraw from communication

Neeley's research, including her study of Rakuten's English mandate, found that non-native speakers often felt a loss of status and job security, which could lead them to avoid speaking up or to limit communication. Leaders can reduce these effects by addressing fluency and status concerns directly. The research did not find that non-native speakers gained influence, that effects stayed within social ties or that concerns simply disappeared.

225. Answer: C — Involve union representatives in the design and show it complements collective channels.

Involving employee representatives in design and stating clearly that listening supports rather than replaces collective channels builds trust and reduces the risk of conflict, including under European consultation rules. Pushing ahead ignores legitimate concerns, suspending the program gives up valuable input, and using a third party does not address the perception of bypassing unions.

226. Answer: B — Assessing cultural intelligence, adaptability and the family's readiness for the move

Research on expatriate failure points to adjustment problems, especially family and spouse adjustment, rather than a lack of technical skill. Assessing cultural intelligence, adaptability and family readiness predicts success better. Technical strength and tenure are what the company already uses, language skill helps but is not enough on its own, and package size has nothing to do with fit.

227. Answer: A — High spend, high business impact, and value from a jointly developed product roadmap

Strategic partnership takes more executive time and investment, so it is reserved for vendors with significant spend and business impact, where joint planning creates value. Commodity services are best managed transactionally, and history or rapport alone doesn't justify partnership-level governance.

228. Answer: A — Diversity isn't paying off because team norms limit voice, so inclusive team practices are needed.

Diverse teams gain from their different perspectives only when members feel able to speak up and are heard, and the low inclusion scores and dominated meetings point to exactly that problem. Hiring for 'culture fit' would reduce diversity rather than fix the inclusion gap. Dismissing the scores as unrelated or as survey fatigue ignores the evidence employees are providing.

229. Answer: B — The agency gives notices and grants leave; the client must not interfere and counts the workers.

In a staffing arrangement, the agency is normally the primary employer responsible for giving notices, granting leave, maintaining benefits and restoring the employee. The client, as secondary employer, must not interfere with or retaliate against FMLA rights, must count jointly employed workers when determining its own coverage and eligibility, and must accept a returning worker the agency places back if it still uses the agency's services. The entitlement remains 12 weeks in total, not 12 from each employer.

230. Answer: D — Scenario planning

Scenario planning builds several distinct, plausible futures and tests workforce strategies against each, which helps leaders prepare for uncertainty instead of betting on one forecast. Trend analysis projects one future from past data. The Delphi technique gathers expert judgment through rounds of anonymous input, and gap analysis compares current and required capabilities for one target state.

231. Answer: A — AI governance depends on mature data governance, because model quality and fairness rest on data quality.

A model can be reviewed carefully and still produce unreliable or biased results if the data feeding it is incomplete, inconsistent or poorly defined. Data governance supplies the ownership, definitions, quality controls and lineage that AI governance relies on. Inconsistent coding by region can also create systematic disadvantages for some groups instead of averaging out.

232. Answer: B — Insurance premiums, retained losses, and the cost of administering risk programs

TCOR combines the cost of transferring risk (premiums), the cost of retaining it (deductibles, self-insured and uninsured losses) and the cost of administering risk management, such as staff, claims handling and outside services. Losses that insurers pay are already reflected in premiums, so counting them again double-counts. Lost revenue and ordinary wages are not standard TCOR components.

233. Answer: C — It reveals future skill gaps so L&D can fund reskilling and build-versus-buy choices in advance.

Strategic workforce planning connects to L&D by forecasting the gap between future demand and current supply, which lets the organization decide early whether to build skills internally (for example, reskilling people in declining roles) or buy them. Waiting until shortages appear defeats the purpose of forecasting, and a forecast of skill demand does not by itself design courses or rule out internal development.

234. Answer: B — Its validity, the dollar value of performance differences, and the selection ratio

Utility analysis estimates the gain from a selection method as a function of the number selected, tenure, the validity coefficient, the standard deviation of job performance in dollars, and the average predictor score of those selected (driven by the selection ratio), minus testing costs. Reliability limits validity but is not itself a term in the model, and cost per candidate is only the cost side. Face validity and candidate reactions affect acceptance, not the dollar estimate.

235. Answer: B — Separate the policy's core aims from its methods and negotiate a local design with the works council

Interest-based negotiation separates what headquarters needs (for example, consistent differentiation of performance) from how it is done, which allows a local design that satisfies both sides and respects consultation duties. Imposing the policy first risks legal violations where consultation is required and damages trust. A permanent exemption gives up the global aims, and escalation for a ruling skips the CHRO's role in resolving the conflict.

236. Answer: B — Rank projects by strategic value, risk and resources freed, agree on cuts with executives and explain them to sponsors.

Cutting work should rest on transparent criteria, such as strategic value, risk of stopping and resources freed, agreed with the executive team so that sponsors understand and accept the trade-offs. Projects that are behind schedule may still be the most important, and choosing based on sponsor seniority is political rather than strategic.

237. Answer: B — Copying widely used practices yields parity at best, not a source of competitive advantage.

Practices that every major competitor already uses are, by definition, not distinctive, so adopting them may close gaps but cannot set the company apart. Benchmarks are useful for spotting parity gaps, but advantage comes from practices that fit the firm's strategy and are hard to copy. The cost claim is not reliably true, and benchmarking can include outcome measures as well as inputs.

238. Answer: B — Getting on the balcony

Getting on the balcony means stepping back from the action to observe patterns in relationships, avoidance and behavior that are hard to see from the dance floor. Regulating distress is keeping tension within a productive range, giving the work back returns problems to the people who must solve them, and holding steady is withstanding pressure while the group works through the issue.

239. Answer: C — Set a decision rule such as consent or CEO decision after input, with a deadline and a commitment to support

Insisting on unanimity gives any one member a veto and causes paralysis. Agreeing on a decision rule in advance, such as consent (no reasoned objection) or a leader decision after real input, plus a deadline and a disagree-and-commit norm, keeps voice while enabling action. More facilitation toward unanimity prolongs the delay. Delegating to the CFO alone or a simple majority vote can leave dissenters unconvinced and weaken commitment to the decision.

240. Answer: C — Build country-specific screening that follows local privacy and data-transfer laws

Many countries restrict which records employers may obtain, limit criminal and credit data processing, and regulate cross-border data transfers, so screening must be designed country by country. FCRA compliance has no effect abroad, and in many jurisdictions employee consent is not a reliable legal basis because of the power imbalance in employment. Dropping screening entirely gives up legitimate, lawful checks for sensitive roles.

241. Answer: D — Its measures still encode the old strategy's assumptions and will keep steering behavior toward it.

A scorecard is a set of hypotheses about how a specific strategy creates value, so its objectives and measures reflect that strategy. If the strategy changes and the scorecard does not, people will keep optimizing for cost efficiency rather than innovation. Outdated targets are a real but secondary problem; the core issue is that the wrong things are being measured.

242. Answer: D — Executive hours diverted from other priorities are a real economic cost of the program.

Opportunity cost is the value of the next-best use of a resource. Senior leaders' time is scarce, and hours spent in the program are hours not spent on customers, strategy or operations, so a credible enterprise case includes it, often valued at loaded compensation or foregone output. The fixed-salary view is the common mistake, since it ignores the trade-off even though no new cash is spent.

243. Answer: B — Treat the letters as a records issue and ask each employee, consistently, to check with SSA

A no-match letter means the name and number do not agree in SSA's records, which often reflects typos or name changes; it is not proof that an employee lacks work authorization. Suspending employees or demanding new I-9 documents can create discrimination liability. Doing nothing is also risky, because ignoring a mismatch alongside other information can support constructive knowledge, so a documented, uniform follow-up process is best.

244. Answer: A — Add skills-based projects that use employees' tech expertise, while keeping some hands-on events.

Aligning volunteering with core capabilities, such as software, data and IT support, adds more value for nonprofits, builds employee skills and tends to raise engagement, while some hands-on events keep broad appeal. More paid time does not fix the mismatch with nonprofit needs. Cash gifts and unstructured volunteering give up the strategic link between the company's talents and community needs.

245. Answer: A — Its results may not generalize, because the workforce and work context are so different.

The concern is external validity: hourly retail workers face very different scheduling pressures, pay structures and labor markets than salaried engineers, so a well-designed study in one population may not predict results in another. Internal validity concerns whether the study's own causal conclusions are sound, and nothing suggests they are not. Field experiments can establish causation, and statistical significance belongs to the study's own sample, not to other populations.

246. Answer: C — About 327%

Benefits are 4,000 x $320 = $1,280,000. Net benefit is $1,280,000 - $300,000 = $980,000, and ROI = net benefit / cost = $980,000 / $300,000 = about 327%. The 427% figure is the benefit-cost ratio (4.27) shown as a percentage, which forgets to subtract program cost from the benefit.

247. Answer: D — No-regret moves

No-regret moves pay off regardless of which scenario unfolds, so they can be pursued immediately. Big bets are large commitments that pay off only in some futures, while hedges and staged options are smaller investments that protect against or preserve the chance to act on particular scenarios.

248. Answer: A — A net benefit of $150,000

Expected loss without the award is 0.30 x $2,000,000 = $600,000; with it, 0.10 x $2,000,000 = $200,000. The award reduces expected loss by $400,000, and $400,000 - $250,000 = $150,000. The $350,000 figure wrongly assumes the award removes all departure risk, and the $1,750,000 figure subtracts the award from the full impact without weighting by probability.

249. Answer: A — Treat family medical details as genetic information and keep them in confidential files apart from personnel records.

GINA's exceptions allow an employer to receive family medical history through FMLA certification or other lawful channels, but that information must be kept confidential and stored with other confidential medical records, not in personnel files. Employers may not use it in employment decisions or share it with managers. Having the information is not unlawful, so destroying it is unnecessary and may conflict with recordkeeping duties.

250. Answer: A — Present service metrics such as time-to-fill and show the business cost of the current service gaps.

A low cost benchmark alone does not justify more spending, since being lean can look like a strength. Linking service gaps to business outcomes, such as the cost of nurse vacancies, overtime and agency staffing, makes the case for targeted investment. Asking for the peer median relies on comparison rather than value, outsourcing may not address the service failures, and satisfaction scores alone show dissatisfaction but not its business cost.

251. Answer: B — Covered data may need in-country storage or an approved regional instance

Data localization laws require certain personal data to be stored, and sometimes processed, within the country, so the HRIS design may need in-country or regional data centers, or a separate local instance for covered data. Storing everything at headquarters is exactly what such laws restrict. Consent generally cannot override a localization mandate, and full exclusion from the HRIS is rarely necessary.

252. Answer: B — Survivors' commitment depends heavily on whether they saw the layoff process as fair

Research by Brockner and colleagues found that survivors' reactions depend strongly on procedural justice: advance notice, clear and honest explanations, consistent selection criteria and respectful treatment of those let go. When the process is seen as fair, survivors stay more committed even after deep cuts. Retention bonuses and workload matter but do not offset a process seen as unfair.

253. Answer: C — Register in the new states, set up withholding and UI taxes, and fix past filings

Employers generally must withhold income tax for, and pay unemployment insurance to, the state where remote employees perform the work, which requires registering in each new state and correcting past filings with professional advice. A few states apply a convenience-of-the-employer rule, but that does not justify ignoring the new states. Shifting the burden to employees or reclassifying them as contractors creates more liability.

254. Answer: D — Once the gap is revealed, employees discount later messages and leadership credibility is hard to regain.

Framing that contradicts the real plan will be exposed when roles are eliminated, and employees will then distrust every later message from leadership. No federal law requires disclosing exact role counts in internal messaging, although WARN notice may apply to some layoffs. Spreading reductions over time does not make a misleading message honest.

255. Answer: C — Review the therapy prior authorization requirement for parity with how medical benefits are managed.

Under the Mental Health Parity and Addiction Equity Act, a nonquantitative treatment limitation such as prior authorization cannot be applied more stringently to mental health benefits than to comparable medical and surgical benefits, so the therapy requirement needs review and documentation. Removing all utilization review is unnecessary. Moving substantial therapy coverage into an EAP can turn the EAP into a group health plan, and launching the app does not fix the existing parity issue.

256. Answer: B — Scarcity

Scarcity holds that opportunities seem more valuable when they are limited in time or quantity, so deadlines and limited slots increase urgency. Liking relies on rapport and similarity, unity on a shared identity, and social proof on what peers are doing. Persuaders should use scarcity only when the limits are real, or credibility suffers.

257. Answer: C — Reduce the concentration by cross-training staff in another region and enabling remote payroll processing.

The core exposure is geographic concentration: one event could stop payroll for every employee. Spreading capability across locations and enabling remote processing addresses the cause. Insurance pays for losses but does not keep people paid, an evacuation plan protects lives but not operations, and a vendor in the same city shares the same hurricane exposure.

258. Answer: C — Proof that the job was done well remotely can be evidence that physical presence is not an essential function.

Allowing telework during an emergency does not by itself permanently change a job's essential functions, but the employer's actual experience is relevant evidence. If the work was performed successfully from home, it is harder to argue later that in-person attendance is essential, so leaders should identify which functions were suspended or done less fully. Remote work is not automatically a contract term, and a new attendance policy does not remove telework from the list of possible accommodations.

259. Answer: C — Cost per hire, employee satisfaction with HR service, case resolution time, and HR staff AI skill growth

A balanced scorecard pairs financial, customer, internal process, and learning and growth measures. Cost per hire is financial, employee satisfaction with HR service reflects the internal customer, resolution time is a process measure, and staff skill growth captures learning. The all-cost set is tempting because boards value financials, but it covers only one perspective, and the activity and model metrics show usage or technical quality rather than business value.

260. Answer: D — Model retirement timing by role and begin building pipelines and knowledge transfer now.

With a two-year licensing lead time, the utility must forecast when and where retirements will occur and start building internal pipelines and capturing critical knowledge now. Retention bonuses only delay the problem, waiting for notices leaves no time to license replacements, and poaching competes for a scarce pool that the whole industry is losing.

261. Answer: D — Map the critical knowledge areas and the experts who hold them in both of the merging firms.

Mapping critical knowledge and experts shows what must be protected and who must be retained, which informs retention decisions, role design and later integration steps. Migrating repositories and launching communities are useful later but do not identify what is at risk, and choosing processes by revenue ignores which firm's knowledge is more valuable.

262. Answer: C — Assess fatigue and safety risks for each job and plan controls such as breaks and rotation design.

Longer shifts raise fatigue, which is linked to more errors and injuries, especially with heavy machinery. Under the OSHA General Duty Clause, employers must address recognized hazards, so a fatigue risk assessment and controls should come before implementation. Legal limits, employee preferences and cost savings matter but do not address the main safety risk.

263. Answer: A — It is a source of differentiation that depends on proprietary knowledge competitors cannot easily copy.

Value chain and resource-based thinking say firms should retain activities that create competitive advantage: core, differentiating, and built on proprietary capabilities that are hard to imitate. Standardized, rules-based processes that vendors already do cheaply are classic outsourcing candidates. High cost or tenured staff may matter for transition planning, but neither makes an activity strategically core.

264. Answer: A — Set a global baseline policy with local addenda that meet or exceed each country's legal requirements.

A global baseline with local addenda gives consistent principles while complying with stricter national laws. Applying the U.S. approach everywhere risks violating right-to-disconnect laws, imposing the strictest country's rules everywhere may not fit business needs elsewhere, and having no baseline gives up global consistency.

265. Answer: D — Whether the odds of winning a broader unit justify the delay and the risk of appearing to stall.

Litigating unit scope is a trade-off between the chance of a more favorable unit and the cost of delay, including legal spend and employees' perception that the company is stalling. Voter eligibility is set by unit definitions, not by the employer choosing individuals. Stipulating does not limit lawful campaign speech, and a hearing adds weeks, not the year-long delay that a one-year concern assumes.

266. Answer: B — Assess actual adoption of the system and whether jobs and workflows were redesigned to use its capabilities.

Technology improves productivity only when people actually use it and when jobs and processes are redesigned around it, so HR should first assess adoption and whether old workflows remain in place. More training may help but assumes the problem is skill. Replacing the platform assumes the technology is at fault, and cutting headcount before fixing the cause is likely to reduce service levels.

267. Answer: C — Redefine career growth through lateral moves and skill development, and protect current pay during the transition

Delayering changes what career progress means, so the CHRO should explain new growth paths such as lateral moves, expanded roles and skill development within bands, and should protect current pay so the change is not seen as a pay cut. Promising promotions creates commitments the company may not keep, avoiding communication heightens anxiety, and pay cuts would intensify resistance and attrition.

268. Answer: B — A governed skills taxonomy and reliable, current skills data for employees

Matching algorithms are only as good as the skills data they use, so the organization needs a common, maintained skills language and accurate skills profiles for people and work. Without them, the marketplace produces poor matches and loses credibility. A large content library supports development but does not enable matching, and free-form self-written profiles make skills data less consistent, not more.

269. Answer: A — Separate units explore with their own processes, integrated with core units by the senior team

O'Reilly and Tushman's structural ambidexterity houses exploratory units separately, with their own structures, processes and cultures, while the senior team integrates them with the exploitative core so they can share resources. Running exploration inside core units lets established metrics smother it, full spin-offs give up the shared resources, and alternating over time is a sequential approach rather than simultaneous ambidexterity.

270. Answer: C — Urge the CEO to acknowledge the broken promise directly, explain why, and pair the news with meaningful support for those affected.

When a leader must break a public commitment, trust is best preserved by owning the reversal, giving the real reasons and treating affected people generously. Relabeling the cuts or distancing the CEO from the message would be seen as evasive and would compound the damage. Attrition may be part of the plan, but the CHRO cannot simply override a business decision driven by a sharp revenue decline; the role is to shape how it is done.

271. Answer: D — So that objectives, content and data collection are built around the results stakeholders expect.

Planning evaluation at design time forces agreement with stakeholders on what success looks like, shapes objectives and content toward those outcomes, and ensures baseline data and measurement methods are in place. Without that, organizations often find after launch that the data needed to show impact was never collected. Reaction scores and audit compliance are not the main reason for early evaluation planning.

272. Answer: A — Comply with the local law through a documented exception, with strict access and use limits on the data.

A global code should say that local law prevails where it imposes a legal duty, and the company should handle such cases through a documented, approved exception. Limiting who can see the data and how it is used keeps the spirit of the code. Changing the code everywhere would weaken protections in all other countries, and storing the data in general HR records invites misuse.

273. Answer: B — Analyze supply and retirement risk, identify critical roles, project gaps, and set build, buy, and borrow actions.

Strategic workforce planning starts with supply analysis and risk, focuses on the roles most critical to strategy, compares future supply with demand to size gaps, and then chooses gap-closing actions such as developing, hiring, contracting or retaining. Hiring first skips the analysis that shows where gaps are. Pressing employees for retirement dates creates age discrimination risk and yields only reactive replacement.

274. Answer: A — Move to a skills-based model that matches people to work by verified skills

When strategy depends on rapid redeployment, organizing talent around verified, inventoried skills (including licensure and credentials) lets leaders match people to emerging work across units. Adding catch-all language does not reveal who can actually do the work, and contingent workers or a float pool help at the margins while leaving the rigid architecture that blocks agility for most staff in place.

275. Answer: C — Data portability, exit assistance obligations, and caps on renewal price increases

Lock-in risk comes from dependence that makes switching costly or impractical. Rights to extract complete data, vendor support during an exit, and price protections preserve the ability to leave or negotiate. A longer term deepens dependence, and service credits address performance rather than switching costs.

276. Answer: D — Disclose her own interest and ask that the compensation committee or another independent party lead the talks

Because the CHRO is in the same position as the executives she would be negotiating with, the terms she sets could become precedent for her own package or reflect shared interests. She should disclose that and let an independent party lead. Board approval at the end does not cure a conflicted negotiation. Finalizing her own package first or delegating to a subordinate leaves her influence in place.

277. Answer: B — The freeze is a settlor choice, but picking the annuity insurer is a fiduciary act.

Deciding to freeze or terminate a plan is a business decision, but selecting an annuity provider for a pension risk transfer is a fiduciary act that DOL guidance says must aim for the safest available annuity. HR should also address workforce effects, such as replacement benefits and communication. A freeze stops future accruals without reducing earned benefits, and price alone does not satisfy the fiduciary standard.

278. Answer: C — Several years ahead, often three to five, so that internal candidates can be developed

Governance guidance treats CEO succession as an ongoing board duty and recommends starting planned-transition work several years in advance, commonly three to five, so internal candidates can be identified, tested and developed. Waiting for a retirement announcement leaves too little time to grow internal options and often forces an external search. Starting only after a resignation leaves the company exposed.

279. Answer: C — A voluntary, unconditional payment to the employee that no legal obligation required

WARN reduces an employer's liability by wages paid for the violation period and by any voluntary and unconditional payment not required by a legal obligation. Payments conditioned on a release are not unconditional, and amounts already owed under a severance plan or state wage law are legal obligations. This rule lets employers mitigate exposure only with payments they were not otherwise required to make.

280. Answer: A — Mediator

A mediator explains how or why one variable affects another; here engagement is the mechanism through which manager quality reduces turnover. A moderator would change the strength or direction of the relationship, for example if manager quality mattered more for new hires. A confounding variable influences both manager quality and turnover and creates a misleading link, which is not what is described.

281. Answer: A — Across-the-board pay cuts save jobs but can prompt top performers with options to leave

Across-the-board pay cuts spread the pain and keep the workforce intact, but they hit everyone equally, so high performers with outside options are most likely to leave. Layoffs usually lower survivor morale and trust, furloughs are a temporary tool suited to short downturns rather than lasting cost cuts, and prolonged pay cuts tend to erode morale over time.

282. Answer: D — Explain the purpose, privacy safeguards and uses of the data, and show how past data led to action.

The barrier is trust, so the remedy is transparency about why data is collected, how it is protected and aggregated, and evidence that sharing it has led to positive action. Making self-identification mandatory undermines its voluntary nature and can conflict with privacy laws abroad. Manager-assigned identities are inaccurate and intrusive, and cash incentives do not address employees' fears.

283. Answer: A — Pursuing global efficiency and local responsiveness together, with shared learning

The transnational model seeks global efficiency, local responsiveness and worldwide learning at the same time, through an integrated network in which units contribute expertise in both directions. Centralized efficiency describes the global model, local autonomy describes the multinational (multidomestic) model, and one-way transfer of home-country knowledge describes the international model.

284. Answer: D — Change is continuous and overlapping, so a stable refrozen state rarely lasts

Critics note that Lewin's three-step model assumes change moves from one stable state to another, while large organizations now face continuous, overlapping changes, so refreezing can create rigidity. Lewin did address resistance through force field analysis, and creating urgency is the first step of Kotter's model, so neither is the core critique.

285. Answer: C — Long-term orientation; frame the change around durable future benefits and expect patience with a multi-year horizon.

Hofstede's long-term orientation dimension describes cultures that value persistence, thrift and future rewards over immediate results. In such a culture, a multi-year change fits naturally when it is framed around lasting benefits, and employees are more willing to sustain effort without immediate payoffs. Uncertainty avoidance concerns tolerance for ambiguity, and a heavy emphasis on quick wins suits a short-term oriented culture instead.

286. Answer: D — $1.4 million

Total turnover cost = departures × average salary × replacement cost rate = 40 × $70,000 × 0.50 = $1,400,000. Using 100% of salary gives $2.8 million, and $35,000 is the cost of a single departure rather than the annual total. Expressing the figure in dollars ties the retention case to financial impact executives can weigh.

287. Answer: B — A successor may generally set initial terms unless it is a perfectly clear successor planning to retain the prior workforce.

Under NLRB v. Burns, a successor that hires a majority of its unit workforce from the predecessor must recognize and bargain with the union, but it may generally set initial terms on its own. The exception is the perfectly clear successor, which has made clear it will retain the predecessor's employees without announcing new terms and must bargain before changing them. No one-year continuation rule exists, and the majority test affects the duty to bargain, not the right to set initial terms.

288. Answer: D — Managers shape new hires' daily experience, so shared goals drive the actions that most affect retention.

The manager relationship is one of the strongest drivers of whether new hires stay, so aligning managers' goals with new-hire retention and productivity motivates the clear expectations, feedback, and support that make onboarding work. Accountability is shared, not shifted, so it does not let HR step back. Retention data comes from HR systems, not manager reports, and good goal design accounts for causes beyond a manager's control.

289. Answer: A — Adhocracy culture, supported by rewards for innovation and tolerance for intelligent failure

Adhocracy culture combines flexibility with an external focus and values innovation, agility and risk-taking. HR practices such as rewarding new ideas, accepting smart failures and using flexible project teams reinforce it. Clan culture emphasizes collaboration over experimentation, market culture emphasizes competitive results, and hierarchy emphasizes control and stability.

290. Answer: D — It can lower the culpability score and fine range, unless factors such as delayed reporting disqualify it

Under the organizational guidelines, an effective compliance and ethics program subtracts points from the culpability score, which lowers the fine range. The credit can be lost, for example, when the organization unreasonably delays reporting the offense to authorities, and high-level personnel involvement creates a rebuttable presumption that the program was not effective. The guidelines affect sentencing, not charging decisions, and they do not require outside certification.

291. Answer: C — The trade costs about $297,600 more per year than it saves.

The wage cost is $1.50 x 400 x 2,080 = $1,248,000, and with the 20% roll-up it is $1,248,000 x 1.2 = $1,497,600. The productivity gain is 3% x $40,000,000 = $1,200,000. The net effect is $1,497,600 - $1,200,000 = $297,600 more cost than savings. The $48,000 figure ignores the roll-up, and $57,600 wrongly applies the roll-up only to that net difference.

292. Answer: A — Private FLSA releases are generally unenforceable without DOL or court approval, so a supervised route is needed.

Most courts hold that employees cannot privately waive FLSA rights, so a release generally binds only if the payment is supervised by the DOL or approved by a court, although at least one circuit enforces private settlements of bona fide disputes over hours worked. Paying without a valid release can leave the company exposed to further claims. OWBPA timing applies to age discrimination waivers, not FLSA claims.

293. Answer: B — Plan with the board for each finalist's role and retention after the decision, before it is made

Public horse races often end with the runners-up leaving for CEO roles elsewhere. The best mitigation is to plan before the decision what meaningful roles, development and retention terms each finalist would have, and to have the board talk candidly with them. Rushing the choice sacrifices the evaluation, confidentiality is no longer possible once the race is public, and a vague promise made afterward is rarely enough to keep a strong leader.

294. Answer: B — Automate high-volume, rules-based tasks and keep tasks that need judgment, trust, and persuasion human.

AI performs best on repetitive, rules-based work such as interview scheduling, résumé parsing, and routine status updates, while people add the most value where judgment, relationship building, and persuasion matter, such as advising hiring managers and closing finalists. Cost alone ignores quality and legal risk. Fully automating final decisions removes human accountability and raises fairness concerns, and keeping AI out of all candidate contact gives up efficient tools such as automated scheduling.

295. Answer: C — $510,000

Expected settlement cost = 6 x 30% x $150,000 = $270,000. Defense fees are certain, so 6 x $40,000 = $240,000. Total = $270,000 + $240,000 = $510,000. Applying the 30% to defense fees too gives $342,000 (6 x 0.30 x $190,000), using settlements alone gives $270,000, and assuming every claim settles gives $1,140,000.

296. Answer: D — Level 4, organizational standards

Prosci's model runs from Level 1 (ad hoc or absent) through isolated projects, multiple projects, organizational standards, and organizational competency. Level 4 describes enterprise-wide standards and methods applied consistently. Level 5 requires change management to be embedded as a competency in roles, culture and performance expectations, which the company has not yet done, while Level 3 involves several projects using practices without enterprise standardization.

297. Answer: A — If notice deadlines are missed, the existing contract terms roll over

An evergreen clause automatically renews the agreement, often year to year, unless a party gives timely notice to modify or terminate it. An employer that misses the window can find itself bound to terms it meant to change in the restructuring. Renewal also keeps the no-strike clause in force, so it does not open the door to strikes or unilateral changes.

298. Answer: C — Partnering with leaders to diagnose performance gaps and their causes before choosing a solution.

Performance consulting starts from the business result a leader needs, identifies the gap between desired and actual performance, and analyzes causes such as process, tools, incentives or skills; training is chosen only when a skill or knowledge gap is the cause. Request forms, chargebacks and catalogs still assume training is the answer, so they keep L&D in an order-taking role.

299. Answer: B — Waivers are generally enforceable but carry mass-arbitration cost, sexual harassment carve-outs and employer-brand risk.

Since Epic Systems (2018), class waivers in employment arbitration agreements are generally enforceable, but federal law since 2022 lets employees take sexual assault and sexual harassment claims to court despite the agreement. Employers usually pay arbitration fees, so coordinated mass filings can cost more than a class action, and mandatory programs can hurt recruiting and reputation. Claiming the cost savings are reliable ignores these risks, and the NLRA argument was rejected in Epic Systems.

300. Answer: B — Control over scarce resources that others need

Pfeffer emphasizes that control over scarce, critical resources is a structural source of power: those who allocate what others need gain influence regardless of formal rank. Her formal position has not changed, and nothing suggests her charisma or technical expertise changed. The shift followed control of the budget.

301. Answer: A — Audit the full candidate journey against accessibility standards and fix steps that block applicants

The complaints point to systemic barriers across several steps, so the CHRO first needs an end-to-end audit, using recognized standards such as WCAG, to find and fix the barriers that stop candidates from applying. A help-line disclaimer is useful but leaves known barriers in place and shifts the burden to applicants. Replacing the system or dropping all assessments acts before the facts are known and may discard valid selection tools that could be made accessible.

302. Answer: D — Mandatory training alone often had weak or negative effects, while mentoring and accountability structures did better.

Dobbin and Kalev's studies of hundreds of firms found that mandatory training often failed to increase representation and could provoke backlash, while programs that engaged managers, such as mentoring, task forces and clear responsibility for diversity results, were linked to gains. The idea that mandatory training reaches those who need it most is intuitive but conflicts with their findings on resistance. Their work focused on representation outcomes rather than on changing implicit bias scores.

303. Answer: D — Require advance approval, cap the number of seats, and screen each seat for conflicts and time demands

Outside board service can develop executives and benefit the company, so a well-designed policy manages it rather than banning it. Advance approval by a defined authority, a limit on the number of seats and a conflict and time review address the CEO's concerns. Annual after-the-fact disclosure does not stop problem seats before they are accepted, and supervisor-level approval produces inconsistent decisions.

304. Answer: A — Ability

In Prosci's ADKAR model, ability is the demonstrated capability to apply new skills and behaviors at the required level, which usually takes practice, coaching and time. These employees have desire and knowledge, since they support the change and understand the processes. Reinforcement sustains a change after it has been achieved, but here the skill itself has not yet been built.

305. Answer: B — Address staffing and workload drivers while strengthening wellbeing support

The data point to workload as the root cause: open positions drive overtime, which drives burnout and absence. Fixing staffing gaps and workload while supporting wellbeing goes after the cause. Stricter attendance rules and bonuses may push sick or exhausted employees to work, and an EAP alone treats symptoms without changing the conditions behind them.

306. Answer: A — Standardize definitions, integrate data and automate reports, then add predictive work.

Analytics maturity generally progresses from reliable operational reporting to advanced and then predictive analytics, and every stage depends on consistent, integrated data. Build-or-buy choices can be made at each stage, but no tool or hire can produce trustworthy predictions from conflicting definitions. Buying a platform first is the tempting shortcut, but vendor models trained on poor data simply automate the errors.

307. Answer: A — Quantify regretted turnover among compressed incumbents and compare replacement costs with the adjustment cost.

A CFO who sees the program as pure cost is most persuaded by a financial case that links compression to an outcome the business already pays for: regretted turnover, with its recruiting, ramp-up and lost-productivity costs. Market survey data shows a gap but not what the gap is costing the company. Going around the CFO damages a key partnership, and waiting for merit leaves flight risk in place.

308. Answer: C — Centralize shared platforms and customer coordination while units keep accountability

The problem is too little integration in specific areas, so the best design centralizes what benefits from scale and consistency, such as shared platforms and customer coordination, while preserving unit accountability for results. Full centralization overcorrects and loses responsiveness. Informal coordination has already failed, and audits do not fix conflicting customer offers.

309. Answer: C — Use an individualized interactive process, and train managers to recognize requests made in plain language.

The PWFA requires reasonable accommodation for known limitations related to pregnancy, childbirth or related conditions, absent undue hardship, and it calls for an interactive process. A request does not need special words or a form, so frontline managers must spot requests and route them quickly. Forcing leave when another accommodation would work is prohibited, and a fixed list cannot replace individual review.

310. Answer: D — Overseeing the program's design and effectiveness and reviewing cases involving senior leaders

Boards oversee rather than operate. The audit committee should oversee the program's design and effectiveness, receive regular reporting, and have escalated to it allegations involving senior executives or significant financial or legal risk. Intake, triage, vendor selection and conducting investigations are management functions, although the committee may direct an investigation of senior leaders through independent counsel.

311. Answer: C — Shared timeline data, a joint planning role, and commitments on retraining and redeployment.

A credible partnership gives the union real information and input and pairs the change with concrete commitments, such as retraining and relying on attrition before layoffs, which builds trust and support. A blanket no-layoff guarantee may be unaffordable and undermine the business case. Briefing the union after decisions are made isn't partnership, and the effects of automation on jobs are generally bargainable.

312. Answer: D — Counting only solid-line reports can understate the real management load that dotted-line leaders carry

In a matrix, solid-line reporting usually drives pay and HRIS records, but dotted-line leaders also direct work and give feedback. Spans based only on HRIS solid-line data can misstate how many people a leader actually manages. Analysts should define clear counting rules and may report both views. Dropping the dotted lines or applying a mechanical adjustment hides how the organization really works.

313. Answer: B — Most employees cannot see how their own work affects companywide profit, so line of sight to the reward is weak.

In large organizations, any one employee's effect on total profit is tiny and hard to see, so the plan does little to change daily behavior even though it can build identification with the company. This weak line of sight also creates a free-rider problem. Profit sharing measures company results, not team results, and it is usually paid annually or deferred.

314. Answer: D — A company can be liable for bribes paid by its agents on its behalf, including when it ignores red flags.

Under the FCPA, a company can be liable for improper payments made by third parties acting on its behalf when it knows of them, and knowledge includes conscious disregard of red flags. Agents who interact with immigration and labor officials are a classic channel for bribes, so risk-based due diligence is essential. Agents are not employees, the FCPA covers direct payments too, and there is no annual reporting requirement for facilitating payments.

315. Answer: D — Check what the company's policy and his agreements allow, since SEC-required clawbacks are tied to restatements.

The clawback policies that SEC rules require of listed companies are triggered by accounting restatements, not by misconduct. Recovery for harassment depends on discretionary clawback or for-cause provisions in the company's plans and the executive's agreements, which is also a signal to add misconduct clawbacks going forward. Withholding final wages to force repayment risks violating wage payment laws, and recovery is possible when agreements provide for it.

316. Answer: D — Some countries require that local risks be insured by a carrier licensed to operate in that country.

Many countries bar or restrict non-admitted insurance, so a master policy written by a U.S. carrier may not lawfully respond to local claims or satisfy compulsory coverage rules there. Global programs therefore pair a master policy with local admitted policies where required. Admitted coverage is not always cheaper, and it generally carries local premium taxes rather than avoiding them.

317. Answer: A — Share the data with the CEO, test the pay belief openly, and propose manager-focused actions with clear measures.

The CHRO should bring the evidence to the CEO respectfully, examine the pay hypothesis with data rather than dismiss it, and propose targeted actions on the managers where turnover clusters, with measures to show whether they work. Funding a broad raise spends heavily on a secondary cause. Going around the CEO to leadership with only the supportive data damages trust and ignores that pay may still matter for some roles.

318. Answer: C — Build one scenario-based module, use trained internal facilitators and start with higher-risk sites.

A consistent, practice-based module delivered by internal facilitators reaches all 400 managers affordably, and sequencing by risk puts scarce resources where they matter most. A signed memo documents awareness but does not build the judgment managers need when questions arise. Waiting for a petition or training only active sites leaves managers unprepared when their early reactions carry the most legal risk.

319. Answer: C — Sensing change and reconfiguring resources, aided by HR systems that redeploy talent

Teece described dynamic capabilities as the firm's ability to sense opportunities and threats, seize them and reconfigure resources as the environment changes. HR contributes through internal mobility, reskilling, flexible structures and leaders who can drive change. Optimizing existing routines is an ordinary capability and may produce the rigidity that dynamic capabilities are meant to overcome.

320. Answer: D — Decline, since recognizing the union at the nonunion plant without majority support there is unlawful, and keep terms separate.

An employer that recognizes a union for employees who have not chosen it gives unlawful support to a minority union, and the NLRB rarely allows a separate, distant plant to be accreted into an existing unit. The plants should stay separate unless the nonunion employees choose representation. Changing the union plant's terms or seniority unilaterally would breach the contract and the duty to bargain, so harmonizing downward is not an option either.

321. Answer: A — Quantify the retention risk and its cost and present a revised synergy plan.

The CHRO's job in M&A is to put people risks into deal terms: estimate the revenue and capability at risk, the cost of targeted retention for critical talent and the realistic timing of savings, so leaders can adjust the model, price or integration plan. Deferring the issue lets the risk materialize, abandoning the deal is premature, and blanket bonuses waste money on noncritical roles.

322. Answer: C — Structured dissent methods, such as assigned devil's advocates and regular frontline input before major decisions

The symptoms point to groupthink, and the remedy is to build dissent and outside information into the decision process with tools such as devil's advocacy, pre-mortems and structured frontline input. A retreat adds cohesion to a team whose problem is already too much cohesion. One new hire may be absorbed into the group's norms, and routing decisions to the board does not fix the team's process.

323. Answer: D — 71

The composite is the weighted sum: (70 × 0.5) + (80 × 0.3) + (60 × 0.2) = 35 + 24 + 12 = 71. A simple average of the three scores gives 70, which ignores the weights. Swapping the weights for integrity and communication gives 14 + 24 + 30 = 68, and swapping the weights for integrity and fairness gives 40 + 21 + 12 = 73.

324. Answer: D — Sensemaking

Weick's sensemaking describes how people construct meaning from ambiguous or disruptive events by noticing cues, interpreting them together and building plausible stories that guide action. Leaders can shape sensemaking by giving clear context early. Groupthink is pressure for consensus in decision-making, cognitive dissonance is discomfort from conflicting beliefs, and social loafing is reduced effort in groups.

325. Answer: A — Tie the position to the strategic value of the role and to hiring and retention evidence

Market position is a strategic choice. A lead position is justified when a role is critical to strategy and evidence such as offer declines and regretted turnover shows the current position is not working. The median is a common default, not a rule, and leading for every role spends money where it does not add value. Copying one competitor ignores the company's own strategy and finances.

326. Answer: D — Visible accountability for the leaders involved, an independent review of systems, and measurable commitments reported back.

Change management after a breach of trust starts with credibility: employees must see consequences for the leaders involved, an honest review of the systems that let the conduct happen, and specific, tracked commitments. Training and code updates are useful but are seen as box checking without accountability. Rebranding and silence ignore the root cause and usually deepen cynicism.

327. Answer: D — It cedes initial sourcing to the hall but keeps reserved rights, such as rejecting unqualified referrals.

Exclusive hiring hall arrangements, common in construction, route sourcing through the union, but agreements typically let the employer reject referrals for stated reasons such as lack of qualifications. A hall may not base referrals on union membership, so it must refer members and nonmembers on the same nondiscriminatory basis. The employer still makes the hiring decision and remains liable for discriminatory selection.

328. Answer: A — About 3.3 years

Payback equals the initial investment divided by the net annual savings. Net savings are $150,000 - $30,000 = $120,000, so $400,000 / $120,000 = 3.33 years. Using gross savings ($400,000 / $150,000) gives 2.7 years because it ignores maintenance, and adding one year of maintenance to the cost ($430,000 / $150,000) gives about 2.9 years.

329. Answer: D — Between the work and the formal organization

In the congruence model, formal organizational arrangements include structure, systems and rewards, and the work is the tasks required to carry out the strategy. Collaborative work paired with individual-only rewards is a work and formal organization misfit. A people and work misfit would concern employees' skills or needs, which the facts do not describe.

330. Answer: C — A third party legally employs the workers abroad; it is fast but costly at scale and limits control.

With an EOR, the provider is the legal employer handling contracts, payroll, taxes and local compliance, while the client directs daily work. It enables quick entry without an entity, but per-worker fees become expensive as headcount grows, and the company has less control over policies and benefits. The other choices describe direct entity employment, temporary staffing and contractor arrangements.

331. Answer: B — Open every group's membership and leadership to all employees, keep the mission focus, and fund all groups equally.

Restricting company-sponsored opportunities such as mentoring, networking and development by race or sex is disparate treatment, but an open-to-all group built around a shared interest keeps its business value. Gatekeeping through leader approval still limits access by protected trait. Disbanding every group is unnecessary when open membership fixes the legal problem.

332. Answer: B — Use the data to keep the acquired brand for technology recruiting, linked to the parent, while measuring the effect on hiring.

The acquired brand is a measurable talent asset, so the CHRO should make the case to preserve it for technology hiring, for example as an endorsed brand linked to the parent, and track applicant flow, quality and acceptance rates. Retiring it on schedule risks losing a recruiting advantage the deal paid for. Rebranding the whole company is out of proportion to a talent issue, and leaving the choice to recruiters creates inconsistency.

333. Answer: A — Set it up as a separate unit with its own processes, linked to the core at the top

A venture with a different business model and cannibalization risk is likely to be starved or blocked by core processes and incentives, so a separate unit with senior-level integration (structural ambidexterity) is best. Full independence loses the parent's assets, such as customers and brand. Giving it to the store leader creates a direct conflict of interest.

334. Answer: C — Set a national baseline of audits, notices and validation, track new laws, and add local rules.

A strong baseline that applies everywhere, combined with legal monitoring and targeted local add-ons, controls risk consistently and scales as new laws appear. Federal anti-discrimination law sets a floor and does not preempt stricter state or local AI rules. Leaving recruiters to research law posting by posting invites inconsistent errors, and pulling the tool wherever a law exists becomes unworkable as more jurisdictions act.

335. Answer: C — Cut cost per call; raise customer satisfaction; raise first-call resolution; certify team members in new products.

The balanced scorecard's four perspectives are financial, customer, internal business process, and learning and growth. Cost per call is financial, satisfaction is customer, first-call resolution is an internal process measure, and certifications are learning and growth. The other sets leave out at least one perspective, such as learning and growth or the customer.

336. Answer: C — Anchoring, because the first figure becomes a reference point that makes later figures seem smaller

Anchoring describes the tendency to rely heavily on the first number presented, so a $4 million benchmark makes $1.5 million feel modest by comparison. The framing effect is the most tempting alternative, but it concerns presenting the same outcome as a gain or a loss, not the order of numbers. Ethical use of anchoring requires that the reference figure be accurate and relevant.

337. Answer: C — The business strategy and the employee behaviors needed to deliver it

A communication strategy exists to help the business execute its strategy, so it should start from where the company is going and what employees must understand and do to get there. Survey results and channel audits are valuable diagnostic inputs, but they describe the current state and come after the strategic goals are clear. Peer benchmarks say nothing about what this company's employees need to know.

338. Answer: D — Help the CEO learn each director's interests and concerns and frame proposals around those shared interests

Moving from positional arguing to understanding what directors care about (risk, oversight, strategy) helps the CEO build trust and frame proposals that meet board interests. Simply deferring gives up her leadership role. Presenting proposals as final decisions repeats the problem, and limiting information undermines board oversight and will deepen distrust.

339. Answer: C — Uphold the global limit and help the plant meet output through staffing and scheduling.

Global principles that exceed local legal minimums only mean something if they are applied consistently, and the output problem can be solved through staffing, shifts and productivity. Legal compliance is the floor, not the company's standard, so allowing or temporarily excusing longer hours undermines the commitment and creates reputational and safety risk.

340. Answer: D — Request bias audits, validation evidence, notices, contracts and complaints to size liability.

Due diligence should uncover liabilities the buyer may inherit, and AI used in hiring and employee decisions can create discrimination, privacy and notice exposure. Audits, validation studies, notices, contract terms and any complaints or charges show whether that risk exists and can shape price, indemnities or closing conditions. License transferability and feature comparisons matter for integration planning, but they do not reveal legal exposure.

341. Answer: A — Define the capabilities the strategy requires, compare them with current ones, and prioritize the gaps.

A strategy-driven portfolio starts with the capabilities the new markets demand and an honest comparison with what the workforce can do today; the gaps then set investment priorities. Buying a sales program addresses one visible need before the full gap picture is known, and preference surveys or budget benchmarks describe inputs rather than strategic capability requirements.

342. Answer: A — Disclose the holding to the general counsel right away and follow legal guidance on recusal and trading

Prompt disclosure to counsel lets the company manage both the conflict and the securities-law risk. Selling now, while she holds material nonpublic information about the deal, could itself be insider trading, which makes it the most dangerous choice. Waiting until announcement leaves the conflict unmanaged during the decision period, and stepping back silently leaves the company unable to assess what she has already influenced.

343. Answer: C — Next year absorbs the full 12-month cost of these increases, so it must budget the annualized amount on top of new raises.

An October 1 increase costs only three months of the raise in the current fiscal year, but the full annual amount continues in every following year. Budgets must carry this annualized, or rollover, cost in addition to any new increases. Treating the small current-year figure as the ongoing cost understates labor expense, and turnover reduces the carryover only modestly.

344. Answer: B — Identify key people early, explain the plan, and offer defined paths into new roles with support.

High performers stay when they see a credible future, so early, honest communication paired with defined paths into new roles is the strongest lever. Stay bonuses can help secure people through a transition, but alone they only delay departures and do not keep talent for the long term. Silence erodes trust once rumors spread, and letting strong analysts go wastes skills the company needs elsewhere.

345. Answer: A — Analytics should benefit employees as well as the company, and the purposes and data used should be open

Ethical people analytics programs emphasize mutual benefit, transparency about what data is used and why, proportionality between the data collected and the purpose, and no surprises for individuals. Collecting everything violates proportionality and erodes trust, and secrecy undermines transparency. Banning all individual-level data is impractical and is not what ethical guidance requires; the goal is appropriate safeguards.

346. Answer: B — Involving people in shaping the vision so that it connects to their own aims and earns real commitment

Senge distinguishes commitment from compliance: a shared vision is built when people help shape it and see their personal visions reflected in it, whereas a vision handed down and broadcast tends to produce compliance at best. More repetition or tying the vision to ratings can increase recall or compliance but not genuine commitment. Numeric targets turn a vision into goals without creating shared ownership.

347. Answer: B — Brief the board on the optics and consider tying executive pay to the same sacrifice asked of employees.

Concession bargaining depends on credibility, and visible executive rewards during a request for sacrifice can harden the union's position and damage trust with employees and the public. Raising the issue with the board allows leaders to consider shared-sacrifice measures. Required disclosures cannot be delayed for bargaining convenience, and simply dropping the freeze ignores the business need behind it.

348. Answer: D — Align space with the intended work model, sized to peak days and team needs, with finance.

Space decisions should follow the work model the company wants, not just averages. Sizing to peak days and team needs avoids overcrowding on busy days while capturing savings. Cutting to match the average ignores peaks, mandating attendance to fill space puts real estate ahead of talent strategy, and assuming growth will fill the space lacks evidence.

349. Answer: D — The collective voice face, which gives workers a channel to raise problems

Freeman and Medoff contrasted a monopoly face, which raises wages above competitive levels, with a collective voice/institutional response face. The voice face lets workers raise problems instead of quitting, which lowers turnover and improves the information management receives. Wage premiums belong to the monopoly face, not to the voice effects on quits and communication.

350. Answer: D — Redefine manager roles around coaching and capability, and measure team outcomes over time.

Wider spans work only if the manager's job changes, since product owners and teams take over directing the work while managers focus on coaching, development and capability. Measuring team outcomes shows whether the new design is working. Widening spans without redesigning roles overloads managers, keeping current spans undermines the agile model, and removing managers entirely leaves people development and accountability unowned.

351. Answer: A — Tell the chair promptly, own the error and present the correction plan and new controls

Prompt, candid disclosure with clear ownership and a plan protects the board's trust and lets the committee and counsel decide on correcting the filing. Fixing it quietly or waiting for a full analysis suggests concealment and leaves the board uninformed about a disclosure issue. Shifting blame to the consultant undercuts the CHRO's credibility.

352. Answer: D — Top-down ties quotas to the corporate goal but may ignore territory reality; bottom-up builds buy-in but may invite sandbagging.

Top-down quotas allocate the company target downward, ensuring the quotas add up to the plan but sometimes ignoring differences in territory potential. Bottom-up quotas come from reps and managers who know their accounts, which improves acceptance but invites lowballing and may not sum to the company goal. Many organizations blend the two approaches.

353. Answer: C — Investment should go where differences in performance have the greatest effect on strategic results.

Talent segmentation directs investment to pivotal roles, where the gap between average and excellent performance has the largest impact on strategy. A strong store manager can raise sales and service across an entire store, while variation among cashiers has less effect. Headcount, pay level and turnover alone do not identify where better performance creates the most value.

354. Answer: A — Low volume more likely signals low awareness or trust than few issues and calls for a culture review

Misconduct occurs in every large organization, so unusually low report volume usually means employees do not know about the channel, do not trust it, or fear retaliation. The CHRO should test awareness and trust through surveys and focus groups and compare with other reporting channels. Reading low volume as a sign of strong ethics is the most common error. Replacing the vendor assumes a cause before it is diagnosed.

355. Answer: D — No individual complainant is needed, and it often signals a systemic investigation

Title VII allows a member of the Commission to file a charge, so no aggrieved individual needs to come forward. Commissioner charges are often used to examine pattern-or-practice or systemic issues, such as hiring practices across many locations, which signals broader exposure. Like other charges, they can lead to conciliation and, if that fails, to litigation.

356. Answer: A — Internal talent strengths and gaps, such as critical skills and bench depth, plus labor market opportunities and threats.

A SWOT analysis covers internal strengths and weaknesses and external opportunities and threats, so the CHRO's best input is the organization's talent capabilities and gaps alongside labor market trends, competition for skills and regulatory changes. HR's own process plans and program inventories describe the HR function rather than the enterprise's strategic position. Engagement data is one useful input but not a full picture of workforce capability.

357. Answer: D — Compensation or relief for economic harm to employees, such as severance pay

A social plan (Sozialplan) compensates for or reduces the economic disadvantages that employees suffer from an operational change, for example through severance or transfer support. The agreement on whether, when and how the change is carried out is the separate reconciliation of interests. Notice to the employment agency and social selection criteria are separate legal steps.

358. Answer: B — Open eligibility to career changers of any age, select on aptitude, and recruit beyond campuses.

Graduation-date limits and campus-only recruiting screen out older applicants and invite age discrimination claims under the ADEA and state laws, while also shrinking the talent pool. Opening eligibility to anyone able to learn, selecting on aptitude, and recruiting broadly addresses both the legal risk and the skill shortage. A recent-degree requirement keeps the same age filter in a different form.

359. Answer: D — Adopt a recall policy with neutral, job-related criteria applied to all laid-off employees and track outcomes by age.

Recall decisions are employment decisions covered by the ADEA, and choosing 'high-energy' younger workers is evidence of age bias that could also undermine the original RIF. A neutral recall policy with job-related criteria, applied consistently and monitored by age, reduces risk and draws on proven talent. Former employees may lack a contractual right to recall, but managers' discretion is still limited by discrimination law.

360. Answer: B — Run small, time-limited hybrid pilots in several divisions with clear measures, then scale what works.

In complex situations where cause and effect are clear only in hindsight, leaders learn by running small safe-to-fail experiments, watching results and amplifying what works. A competitor's policy may not fit the company's work, and a detailed up-front study assumes the answer can be analyzed in advance. Permanent divisional autonomy without measures gives up the chance to learn and to build a coherent approach.

361. Answer: C — Work with legal and security, inform employees, pursue contract remedies, and fix oversight gaps

The employer remains accountable for its employees' data. The CHRO should work with legal and security on the response and any notification duties, communicate with affected employees in a timely way, enforce contractual remedies, and strengthen subprocessor oversight. Immediate termination is premature, deferring entirely to the vendor abdicates responsibility, and waiting for a complete forensic report can breach notification deadlines.

362. Answer: A — To have the seller keep providing services such as payroll for a set period after closing

A TSA has the seller continue providing defined services, such as payroll, benefits administration, HRIS and IT, for a limited period and fee while the buyer builds its own capabilities, so employees experience no gap in pay or benefits. It does not guarantee jobs or permanently transfer plan liabilities; those are addressed in the purchase agreement. HR also typically uses targeted retention agreements to keep key staff through the transition.

363. Answer: D — Open training to all with active outreach, check nominations, and test RIF criteria for adverse impact by age.

If older workers are steered away from training and the RIF then rewards training completion, the bank builds age disparity into its decisions, which creates ADEA disparate impact risk and loses experienced talent. Equal access, outreach, nomination oversight and adverse impact analysis of selection criteria address both. Steering older workers toward retirement reinforces the problem, and blanket exemptions by age are not required.

364. Answer: A — Build customer success capability and reward retention and renewal results

A subscription model earns value over the customer's lifetime, so the organization needs capabilities to drive adoption and renewal and rewards that pay for retention, not just the initial sale. Higher commissions on new deals reinforce the old behavior. Training without changing incentives leaves reps paid for the wrong outcomes, and outsourcing service hands the core of the new strategy to a third party.

365. Answer: D — Decision-makers know before deciding that they must explain their reasoning to someone whose views are unknown.

Tetlock found that pre-decisional accountability to an audience with unknown views prompts more thorough, self-critical thinking, because people cannot simply tell the reviewer what they want to hear. Accountability announced after a decision tends to produce defensive justification rather than better judgment. When the audience's preferences are known, people tend to conform to them, and speed incentives work against careful reasoning.

366. Answer: C — Build a data-based case comparing costs, results and context knowledge of each option

A CEO decision should be influenced with evidence: the full cost of external fees, the team's record of results, its knowledge of the organization's context and relationships, and options such as a blended model that uses outside firms for specialized needs. Agreeing immediately gives up the chance to inform the decision, an organized lobbying campaign can look political, and a blanket claim about outsiders is opinion rather than a business case.

367. Answer: C — 65%

Internal fill rate = internal fills / total vacancies = 78 / 120 = 65%. The 35% figure is the external fill rate (42 / 120), and 186% comes from dividing internal fills by external fills (78 / 42).

368. Answer: B — Contact immigration counsel and produce the forms as they exist within three business days

An employer generally has three business days to produce Forms I-9 after a Notice of Inspection, and counsel should be engaged right away. Hasty alterations or new forms made after the notice can look like concealment and can turn paperwork problems into far more serious violations. Producing without counsel forgoes review of what is owed, and an extension request aimed at fixing forms invites the same concern.

369. Answer: B — The PUMP Act sets a floor for breaks and private space; the PWFA may require more

The PUMP Act requires reasonable break time and a private space, other than a bathroom, to express milk for up to one year after a child's birth. Lactation is also a pregnancy-related condition under the PWFA, so a covered employer may have to provide further accommodations, such as more frequent breaks or a change in duties, unless doing so would cause undue hardship. The PUMP Act now covers both exempt and nonexempt employees, and neither law displaces the other.

370. Answer: C — Carry over pending complaints, commit to non-retaliation, and review actions affecting complainants.

Continuity of pending cases, a clear non-retaliation message, and independent review of restructuring decisions that affect complainants protect both the employees and the company. Closing cases and asking employees to refile signals that their concerns do not matter. Blanket exclusions for two years are unworkable and treat other employees unequally.

371. Answer: A — Explain early and plainly why the plan will not pay and what drives a return, and use targeted retention for critical talent.

Communicating early and transparently keeps trust and reinforces that profit sharing is variable by design, while targeted retention tools address the real risk of losing key people. Paying from reserves teaches employees that the plan pays regardless of results. Late announcements damage trust, and a broad base increase turns variable cost into permanent fixed cost in a loss year.

372. Answer: A — Data protection and labor laws in some countries limit anonymous reports, topics or data transfers

Privacy regulators and laws in some countries, particularly in Europe, have restricted the scope of hotlines, discouraged or limited anonymous reporting and regulated transfers of personal data outside the country. Works councils may also have consultation rights before a hotline is introduced. A global program therefore needs local legal review and configuration.

373. Answer: D — Report aggregated, consistently defined metrics by category and outcome, reviewed by counsel to protect privacy.

Aggregated data with clear definitions, such as cases by category, substantiation rates and ranges of outcomes, meet investors' needs while protecting individuals and limiting litigation exposure. Case summaries can identify people even without names. Reporting only helpline volume looks safe but tells investors nothing about whether the company acts on what it learns.

374. Answer: C — Members propose attendance and pay policy changes, and management responds.

Electromation held that a committee is a labor organization if employees take part, it exists at least in part to deal with the employer, the dealing concerns conditions such as pay, hours or grievances, and it acts on behalf of other employees. A back-and-forth of proposals and responses on attendance and pay is the core of dealing with the employer. Paid meeting time may matter to whether the employer unlawfully supports the committee, but by itself it does not make the committee a labor organization, and quality and production topics are not terms of employment.

375. Answer: C — Crisis history and an unfavorable prior reputation

SCCT first classifies the crisis type, then adjusts for two intensifiers, a history of similar crises and a poor prior relational reputation, both of which raise attributed responsibility and the reputational threat. Crisis type is the tempting distractor because it is part of the model, but it sets the initial level of responsibility rather than intensifying it. Response speed affects outcomes, but SCCT does not list it as an intensifier.

376. Answer: A — Synthetic validity

Synthetic (job component) validity infers validity for a job by identifying its components, establishing test validity for each component across jobs that share it, and combining the results. Validity generalization instead uses meta-analysis of prior studies to transport validity evidence, and concurrent validity is a criterion-related design that still needs an adequate sample of incumbents.

377. Answer: C — Manage them closely through active engagement and involvement in key decisions

High-power, high-interest stakeholders are key players who can make or break the initiative, so they warrant close management and real involvement. 'Keep satisfied' is the approach for high-power, low-interest stakeholders, and 'keep informed' fits low-power, high-interest groups. Minimal monitoring is reserved for stakeholders low on both dimensions.

378. Answer: B — Speak-up rates, misconduct trends, exit-interview themes and engagement by level

Boards increasingly treat culture as a risk to oversee, and the most telling signals show whether people raise concerns, whether misconduct is rising, why people leave and whether engagement differs between leaders and frontline staff. Workforce cost and efficiency metrics are tempting, but they say little about the behaviors that lead to ethical or conduct failures.

379. Answer: B — Consistent data, controls and governance, but reliance on the aggregator's local partners

An aggregator gives one contract, a common data model and consistent controls and reporting across countries. Many aggregators still rely on in-country partners for processing, so the employer has less direct visibility into, and control over, local execution. Aggregators don't typically eliminate local processing, and consistency of reporting is their strength rather than their weakness.

380. Answer: B — Stop relying on the tool, find the cause, and review affected decisions with counsel

A significant disparity affecting a protected age group creates ADEA risk, so the employer should pause reliance, investigate the cause with the vendor and analysts, remediate, and review decisions already made with counsel under privilege. Vendor validation does not shield the employer from liability for outcomes. Adjusting scores by age is itself a form of disparate treatment and does not fix the underlying problem.

381. Answer: B — Freeman's stakeholder theory

R. Edward Freeman defined stakeholders as any group or individual who can affect or is affected by the achievement of the organization's objectives, and argued that managers should attend to all of them. The Friedman doctrine focuses on shareholders' profits. Agency theory addresses conflicts between principals and agents, and Pfeffer and Salancik's resource dependence theory focuses on managing critical external resources.

382. Answer: D — Its generative capacity yields new ideas and shared images that open new options for action

Research by Bushe and colleagues found that appreciative inquiry leads to transformational change mainly when it is generative, producing new ideas, images and frameworks that let people see new options and act on them. Its value is not in avoiding problems, and positive focus alone does not reliably lead to transformation.

383. Answer: B — Challenging a peer's flawed plan directly while showing genuine care for the peer

Radical candor combines caring personally with challenging directly, so leaders raise disagreement openly while showing respect and concern for the person. Withholding criticism to protect the relationship is ruinous empathy, and blunt criticism without care is obnoxious aggression. Praising publicly while criticizing behind someone's back is what Scott calls manipulative insincerity.

384. Answer: B — Use targeted international assignments for key successors, with planned roles on their return

Global leadership capability is built mainly through experience, so carefully chosen international assignments for the successors who most need them, paired with a planned return role, close the gap and reduce the high attrition of returning expatriates. Training alone does not create the needed experience, sending anyone who volunteers is costly and untargeted, and relying on outside hires leaves the internal pipeline weak.

385. Answer: B — Subscribing companies may differ systematically, such as in size or pay level, from other firms.

This is a self-selection problem: firms that pay for benchmarking tend to be larger, better resourced or more pay-competitive, so their data may overstate or otherwise skew market rates for the employers the CHRO actually competes with. A large number of participants does not fix bias in who participates. Knowing the participant profile helps the CHRO decide whether the benchmark matches the company's labor market.

386. Answer: A — Stealing thunder

Stealing thunder is the self-disclosure of negative information before another party reveals it, and research shows it tends to reduce reputational damage because the organization appears candid. Inoculation warns audiences in advance about opposing arguments so they resist persuasion later. Strategic ambiguity deliberately leaves messages open to interpretation, and bolstering reminds stakeholders of the organization's past good deeds.

387. Answer: A — $1,020,000

Savings per role = $25,000 - $8,000 = $17,000; 60 roles x $17,000 = $1,020,000. Multiplying only the external cost by 60 gives $1,500,000, which ignores the cost of the internal moves. Multiplying only the internal cost gives $480,000, and adding the two costs before multiplying gives $1,980,000.

388. Answer: C — Keep AI outputs for legal minimums and set purposes, then delete them unless a legal hold applies.

AI-generated scores and inferences used in employment decisions can be records subject to federal retention rules and discovery, so they need a defined schedule that meets legal minimums, limits keeping data beyond its purpose and suspends deletion under litigation holds. Keeping everything indefinitely increases privacy, security and litigation exposure. Deleting after 30 days could violate recordkeeping duties, and unit-by-unit rules create inconsistency.

389. Answer: A — Build shared awareness through transparent cross-unit briefings and by embedding liaisons in other teams

The team-of-teams model (McChrystal) reduces silos by creating shared consciousness, with broad information sharing and people embedded across teams so units build trust and see the whole system, paired with empowered execution. Adding a coordinating hierarchy or centralizing decisions slows the organization, and stronger unit-only incentives tend to deepen silo competition.

390. Answer: D — Require validation and adverse-impact evidence before purchase, plus audit rights and data access after deployment.

Because the employer bears the liability, procurement must give it the evidence and access to show the tool is job related and to detect adverse impact, both before buying and throughout use. Indemnification can shift some costs between the parties, but it does not remove the employer's legal liability to applicants. The EEOC does not certify tools, and relying on the vendor alone leaves the employer without proof it can control.

391. Answer: A — Take both plans to the executive team with trade-off data for a joint decision

When business units' people plans pull against each other, the CHRO's strategic role is to surface the conflict and help the executive team set enterprise priorities using data on cost, risk and return. Supporting both in isolation ignores the enterprise view, and a uniform freeze treats unlike situations alike and could starve the growth business. Redeploying plant staff into software engineering roles is unrealistic given the skill gap.

392. Answer: B — The grant-date fair value is expensed over the vesting period

Under ASC 718, equity-classified awards are measured at fair value on the grant date and expensed over the requisite service period, which is usually the vesting period. Expensing everything at grant would ignore the service the employee must still provide. Footnote-only treatment ended when expensing stock compensation became mandatory in 2006.

393. Answer: A — Treat values-based behavior as a required part of performance, so his rating and rewards reflect conduct.

Rating a "brilliant jerk" highly signals that results excuse mistreatment, which damages culture and retention, so conduct must count as part of performance, with consequences in ratings and rewards. Coaching can help but, paired with an unchanged high rating, sends the wrong message. Reassigning his team rewards the behavior, and cutting the bonus without changing the rating leaves the evaluation and the bonus decision inconsistent.

394. Answer: C — A gainsharing plan pairing employee suggestion committees with bonuses tied to labor cost savings

The Scanlon plan is a plantwide gainsharing approach that combines employee participation through suggestion or production committees with bonuses paid when the ratio of labor costs to the sales value of production improves. Deferred profit sharing is tied to overall company profit rather than labor productivity, an ESOP transfers ownership, and piece rates reward individual output rather than group gains.

395. Answer: A — Build the values from employee input and the behaviors the strategy needs

Values guide behavior only when they reflect the strategy and resonate with employees, so they should come from leaders and employees working together, with agencies helping later on wording if needed. Agency-written or privately drafted values risk being seen as slogans. Refusing to revisit values may leave them misaligned with the strategy.

396. Answer: D — Boundary-spanning leadership

Ernst and Chrobot-Mason's boundary-spanning leadership model describes six practices: buffering and reflecting to manage boundaries, connecting and mobilizing to forge common ground, and weaving and transforming to discover new frontiers. These practices help leaders bridge groups divided by function, geography or identity. Transformational leadership also builds commitment, but it does not define these specific practices for working across group boundaries.

397. Answer: C — Set up a recurring strategy review where unit leaders test plans against shared objectives.

Interpretation gaps are closed through ongoing governance: a recurring review cadence in which unit plans are tested against enterprise objectives, conflicts are resolved and resources are reallocated. A one-time workshop is tempting, but alignment fades without a regular forum to reinforce it. More detailed documents and one-way reports do not resolve conflicts between units.

398. Answer: B — Share the themes candidly in private, with specific examples, and help him choose next steps

Effective upward feedback is private, direct and specific, focusing on behavior patterns and their impact, and it ends with the leader owning concrete development steps. Softening or omitting the hardest messages wastes the process and the CHRO's credibility. Sending the report without discussion leaves the CEO to interpret it alone, and handing the task to the board chair avoids a role the CEO asked the CHRO to play.

399. Answer: B — It requires a passing score at each step, screening out candidates early and reducing later costs.

In a multiple-hurdle model, candidates must pass each stage before moving on, so expensive assessments are given only to those who clear earlier, cheaper hurdles, and a minimum standard is enforced on every critical competency. A compensatory model combines scores so that a high score on one predictor can offset a low score on another, and it usually requires all candidates to complete every assessment. Neither model is inherently more valid because of who scores it.

400. Answer: D — Broaden sourcing and give high potentials cross-functional and global moves before selection

Widening the pipeline at enterprise level means looking more broadly for candidates and deliberately giving high potentials varied functional and geographic experience, then selecting on job-related criteria. Reserving roles for certain backgrounds bypasses merit-based selection, and self-nomination from each executive's own team tends to reproduce the same narrow profile. Hiring many outsiders at once is disruptive and does not build a lasting internal pipeline.