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STUDY GUIDES

SHRM-SCP

Practice Questions

Set 5

400 Questions

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 5

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

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

1. A CHRO notes that the company often adopts promising external technologies poorly because staff lack related expertise. What concept describes the capability the company is missing?

A. Absorptive capacity
B. Structural capital
C. Organizational inertia
D. Knowledge codification

2. An employer's fully insured health plan paid $8.5 million in claims during a year in which the employer paid $10 million in premiums. What is the plan's loss ratio?

A. 15%
B. 85%
C. 118%
D. 8.5%

3. After an executive scorecard began rewarding division heads for lower reported safety incident rates, recorded incidents fell sharply while workers' compensation claims rose. Which principle BEST explains this pattern?

A. Goodhart's law, in which a measure loses its value once it becomes a target
B. The Hawthorne effect, in which people improve because they know they are observed
C. The halo effect, in which one strong impression colors judgments of other traits
D. Regression to the mean, in which extreme results drift back toward the average

4. Before approving a major restructuring, an executive team is asked to assume it is two years later and the restructuring has failed badly, and then to write down every reason why it failed. Which decision technique is this?

A. A pre-mortem
B. A post-mortem review
C. A force-field analysis
D. A nominal group session

5. After several acquisitions, a company has 4,000 unique job titles with no common structure. Why should the CHRO build a consistent job architecture of families and levels before redesigning talent acquisition?

A. It is mainly a compensation tool, so it has little effect on workforce planning or recruiting.
B. Common families and levels make roles comparable, so supply, demand, and pay can be analyzed across units.
C. It lets each unit keep its own job titles so that it can compete for talent effectively in its own local labor market.
D. It removes the need for job descriptions, since all roles are grouped into a few broad pay bands.

6. Before an acquisition closes, the CHRO must assess the target company's culture. The team can run a survey, interview a sample of leaders and employees, and review artifacts such as policies, recognition programs and meeting practices. What is the BEST design?

A. Rely on the survey alone, since a quantitative instrument gives the most objective and comparable culture data.

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

C. Rely on interviews with the target's senior leaders, since they shape the culture and can describe it most accurately.

D. Review the values statement and policies, since documented values define how the culture operates in practice.

7. The board's compensation committee asks the CHRO who could succeed her if she left. Her two direct reports have strong functional skills but limited exposure to the board and to business strategy. What is the BEST response?

A. Recommend relying on an external search, since internal HR leaders lack board exposure

B. Name the stronger direct report as successor to show confidence in the HR leadership team

C. Ask the CEO to answer the question, since the CHRO cannot be objective about her successor

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

8. A global apparel company is redesigning its grievance mechanism for supply chain workers and wants it to be legitimate, accessible, predictable, equitable, transparent, and rights-compatible. Which framework sets out these effectiveness criteria?

A. The ISO 45001 standard for occupational health and safety

B. The UN Guiding Principles on Business and Human Rights

C. The ILO Declaration on Fundamental Principles and Rights at Work

D. The Global Reporting Initiative's universal reporting standards

9. At a 15,000-employee insurer, exit interviews show many high performers leave because managers block their applications for internal roles. Internal moves are lowest among women and employees of color. What strategy should the CHRO pursue?

A. Ask managers to nominate employees for internal roles so they control the timing of transitions.

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

C. Require employees to get their manager's approval before applying so managers can plan for coverage.

D. Raise pay for high performers who stay in their current roles to offset their interest in internal moves.

10. During a two-year systems migration, a CHRO recommends retention agreements for 12 engineers who hold undocumented knowledge of the legacy platform. What is the PRIMARY business continuity rationale for targeting these roles?

A. Losing them would disrupt critical operations before their knowledge can be transferred

B. Retention agreements prevent them from working for competitors after they leave the company

C. Targeting a few roles keeps retention spending lower than giving raises to all of IT

D. Retention agreements satisfy a federal requirement to protect employees during transitions

11. An enterprise turnover report ranks 120 business units. Both the highest and the lowest turnover rates belong to units with fewer than 10 employees. What BEST explains this pattern?

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

B. Small units tend to have weaker managers, which drives both extreme outcomes.

C. Small units are more likely to record their departures incorrectly in the HRIS.

D. Turnover formulas are biased upward for units with low average headcount.

12. A multinational signs a global framework agreement with an international union federation. What does such an agreement typically establish?

A. A bargaining obligation that replaces local collective agreements worldwide

B. Minimum labor standards the company will respect across its operations

C. Binding union recognition at every subsidiary regardless of local law

D. A single wage scale that applies to employees in every country of operation

13. A medical staffing firm is considering continuous criminal and license monitoring for its nurses after hire. Which statement BEST captures the key trade-offs and FCRA requirements?

A. It needs no FCRA steps after hire, since the FCRA governs only screening done before an offer of employment

B. It requires a court order each time the firm requests an updated report on a nurse

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

D. It removes negligent retention risk entirely, so it is worth any cost or employee concern

14. Two years into a culture change aimed at faster decisions and more collaboration across units, the executive team asks the CHRO for progress indicators beyond the annual engagement score. Which indicators should the CHRO propose?

A. Completion rates for culture training modules across all employees and people managers in each business unit.

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

C. Counts of culture town halls held, culture emails sent and participants attending leadership culture workshops each quarter.

D. Employee awareness of the new values statement, measured by a short quiz added to the onboarding process.

15. A CEO asks HR how executives can gauge the labor relations climate across unionized sites. Which set of indicators is most useful?

A. Revenue per site, capital spending and the age of key equipment

B. Number of contract clauses and length of each collective agreement

C. Turnover in the union's officer ranks and the current size of its strike fund

D. Grievance rates, arbitration volume, ULP charges and trust survey results

16. With a contract expiring in four months and strike talk increasing, the CEO asks HR to make sure the company's strike contingency plan strengthens its bargaining position. Which set of components makes the plan MOST credible?

A. Updated employee handbooks and a refreshed open-door complaint procedure

B. Staffing plans, security, customer and supplier communications, and legal review

C. A final offer drafted in advance and a firm deadline announced to employees and the union

D. Additional overtime budgets and a hiring freeze in all union departments

17. After several employees reported sexual harassment by a regional director, the executive team proposes asking every employee who raised a concern to sign a broad non-disparagement and confidentiality agreement in exchange for a one-time bonus. The investigation is still open. What is the BEST advice from the CHRO?

A. Support the agreements as long as signing is voluntary and the bonus is large enough to be meaningful to the employees who sign.

B. Support the agreements but wait until the investigation closes so they do not interfere with witness interviews.

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

D. Support the agreements but narrow them to bar only comments on social media rather than all communications.

18. A CHRO is presenting a roadmap to build the organization's workforce analytics capability. Which sequence correctly orders the levels of analytics from least to most mature?

A. Descriptive, predictive, diagnostic, prescriptive

B. Descriptive, diagnostic, prescriptive, predictive

C. Descriptive, diagnostic, predictive, prescriptive

D. Diagnostic, descriptive, prescriptive, predictive

19. HR leaders at a public company are planning a large layoff that has not been announced. The general counsel places them under a trading blackout. Why is this restriction appropriate?

A. Company policy may restrict trading, but federal securities law does not reach HR staff members below the executive level

B. The WARN Act bars HR staff from trading company stock during the 60-day layoff notice period

C. Trading blackouts are legally required only for the executive officers named in the proxy statement

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

20. A fast-growing technology company doubled headcount to 3,000 in 18 months. Quality-of-hire data show falling first-year performance ratings and higher early turnover, especially among hires by new managers who received no interviewer training. What is the BEST strategic response?

A. Train hiring managers and adopt structured interviews with job-related selection criteria

B. Slow hiring across the company until first-year performance ratings recover fully

C. Shift all final hiring decisions to the central recruiting team instead of the individual hiring managers

D. Raise starting salaries to attract more experienced candidates for each open role

21. A sales organization's incentive plan pays commissions solely on revenue booked. Over two years, revenue grows 20% but gross margin falls sharply. Which incentive design risk does this illustrate?

A. Commission plans can't motivate experienced salespeople, who respond mainly to recognition rather than pay.

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

C. Revenue incentives cause salespeople to slow down closed sales to avoid being assigned higher quotas in the following year.

D. Revenue-based plans lower total compensation costs, which leaves less money to fund other initiatives.

22. In a struggling transformation, executives avoid raising problems in meetings, soften bad news into vague updates, and treat the avoidance itself as off-limits to discuss. Chris Argyris called behaviors like these:

A. Defensive routines

B. Espoused theories of action

C. Single-loop learning

D. Change fatigue responses

23. A plant has 500 hourly employees who each work 2,080 hours a year at $22 per hour. Unplanned absence runs at 4% of scheduled hours, and all absent hours are covered by coworkers at time-and-a-half. What is the estimated annual overtime premium, meaning the cost above straight-time pay?

A. $1,830,400

B. $1,372,800

C. $915,200

D. $457,600

24. During a companywide cost-cutting cycle, the CFO proposes cutting the HR technology budget by 30%, which would end a second-year AI investment in skills matching. The program has reduced external hiring for hard-to-fill roles but has not yet reached break-even. What is the CHRO's BEST response?

A. Ask the CEO to overrule the CFO, since the CHRO has primary responsibility for all decisions on HR spending.

B. Accept the full cut to show support for the CFO and plan to restart the skills program once budgets recover.

C. Argue that AI programs should be exempt from all cuts because they are strategic for the company's future growth.

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

25. After four years of back-to-back restructurings, system rollouts and process changes, a company's engagement scores have fallen for three straight cycles, and comments cite exhaustion and 'initiative overload.' The executive team wants to launch three more enterprise initiatives this year. What should the CHRO recommend?

A. Postpone all new initiatives indefinitely until engagement scores return to their earlier, higher levels

B. Add resilience and stress-management training so employees can better absorb continued change

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

D. Launch all three initiatives with a stronger communication campaign explaining why each is needed

26. A CHRO is estimating the cost of last year's discharge arbitrations for the board. The company took 25 cases to arbitration and lost 15. Each lost case cost an average of $40,000 in back pay, and the company paid an average of $8,000 per case in arbitrator and legal fees. What was the total cost?

A. $720,000

B. $1,200,000

C. $600,000

D. $800,000

27. Members of a newly formed retirement plan committee ask how they are protected from personal liability. Which statement is accurate?

A. Members are shielded from personal liability when they act on the CFO's instructions.

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

C. The ERISA bond covers members personally for breaches, so other insurance is not necessary.

D. The plan document may relieve committee members of liability for any breach of their fiduciary duties.

28. A confidential investigation report about a senior vice president's conduct appears in a national newspaper. Employees named in the report are distressed, and leaders want to find the leaker. What should the CHRO do?

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

B. Issue a detailed public rebuttal of the report's findings to restore the senior vice president's reputation.

C. Say nothing internally so that the leak does not draw more attention, and resume normal operations at once.

D. Launch an immediate search of all employees' email to find the leaker and terminate whoever is responsible.

29. A CHRO is drafting the religious accommodation policy. Managers want to question every requester about whether the belief is sincere. Which policy principle is BEST?

A. Challenge sincerity when the employee's practice has changed or was not followed before

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

C. Require every requester to provide a letter from a clergy member or religious leader confirming the belief

D. Allow managers to deny requests when the belief is not a teaching of an organized religion

30. A company's total rewards spend is $42 million, and its annual revenue is $280 million. What is total rewards cost as a percentage of revenue?

A. 6.7%

B. 17.6%

C. 13.0%

D. 15.0%

31. A delayering plan removes 40 manager roles with an average loaded cost of $130,000 each. To support the wider spans, the company will pay team-lead stipends totaling $1.2 million per year. What is the net annual savings?

A. $5.2 million

B. $4.0 million

C. $6.4 million

D. $1.2 million

32. A consumer brand's leadership wants HR to proactively monitor employees' personal social media accounts to spot reputational threats early. What is the most significant strategic downside?

A. It is unlawful in all cases to view any public post an employee makes on a personal social media account.

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

C. It will satisfy the company's legal duty to discipline employees for all off-duty conduct online.

D. It costs more than traditional monitoring and offers no information about potential reputational risk.

33. A company plans to amend its defined benefit pension plan to significantly reduce the rate of future benefit accruals. Under ERISA Section 204(h), what must the plan administrator do?

A. Notify participants within 30 days after the reduced accruals take effect

B. File the amendment with the PBGC and wait for approval before announcing it

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

D. Get written consent from a majority of affected participants before the plan sponsor adopts it

34. A benefits vendor offers free genetic testing to employees as a perk. The CEO likes the idea but wants a report on which business units have the most 'genetic risk.' Which safeguard is MOST important?

A. Keep testing voluntary, and give the employer individual results only for employees who work in safety-sensitive roles.

B. Make testing mandatory for all units so that the aggregate report reflects the whole workforce accurately.

C. Keep testing voluntary, and give unit leaders individual results so that they can plan staffing around them.

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

35. The CEO of a 5,000-employee financial services firm wants all employees back in the office five days a week. The CHRO's data show hybrid teams meet productivity targets, and an exit survey ranks flexibility as a top reason for leaving. What should the CHRO do?

A. Present the attrition data to the board and ask it to block a full return to office as a retention risk.

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

C. Implement the CEO's decision as directed, since the CEO has final authority over company workplace policy decisions.

D. Survey all employees on their preferences and share the results as evidence against the return to office.

36. In a family-owned company with 3,000 employees, several second-generation family members expect to be placed in senior roles. Nonfamily executives worry that their own advancement is limited, and turnover among high performers is rising. What should the CHRO recommend?

A. Placing family members in senior roles while keeping the arrangement confidential from staff

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

C. A ban on family members holding senior roles, to protect the morale of nonfamily employees

D. Limiting family members to senior roles that have no direct reports or budget responsibility

37. Two companies are forming a joint venture staffed mostly with employees seconded from each parent. What is the main HR governance risk, and what is a common mitigation?

A. Pay compression between parents; equalize all secondee salaries at the higher parent's level before the venture starts operating.

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

C. Loss of parent culture; require secondees to follow only their home parent's policies and values while working in the JV.

D. Co-employment liability; have each parent terminate secondees and rehire them as JV employees on the venture's first day.

38. A CHRO wants more employees with disabilities to feel comfortable sharing that information so the company can offer support and measure progress. Which organizational condition is MOST strongly associated with employees choosing to disclose a disability?

A. A one-time bonus or gift card for employees who complete the voluntary disability self-identification form

B. A detailed written policy explaining the legal penalties the company would face for misusing the information

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

D. A yearly mandatory survey that requires every employee to answer a disability question by a deadline

39. A manufacturer's three-year plan assumed stable input costs, but new tariffs raise its material costs by 18%. When building the workforce plan, the CHRO and CFO set trigger points tied to cost and demand thresholds, each linked to predefined workforce actions. Two triggers have now been crossed. What should the CHRO do NOW?

A. Confirm the crossed thresholds with finance and activate the planned responses

B. Ask each business unit leader to propose headcount changes based on local judgment

C. Keep the workforce plan unchanged until the next annual cycle confirms the actual impact

D. Start an immediate hiring freeze and layoff plan sized to offset the full cost increase

40. The CEO of a 2,000-employee manufacturer wants to delay announcing a plant closing that will eliminate 400 jobs at a single site, to limit early attrition. Under the federal WARN Act, at least how much advance written notice must the company give affected employees?

A. 45 calendar days

B. 90 calendar days

C. 30 calendar days

D. 60 calendar days

41. A public company's CEO-to-median-employee pay ratio of 450:1 has drawn media criticism and shareholder questions. Most of the company's workforce is part-time retail staff in several countries. What is the BEST response from the CHRO, working with the compensation committee?

- **A.** Recommend an immediate cut to the CEO's pay to bring the ratio closer to the average for the company's industry.
- **B.** Change the ratio's calculation method, within the rules, so that next year's reported figure is lower.
- **C.** Decline to comment publicly, since the ratio was calculated and disclosed in line with legal requirements.
- **D.** Explain the context behind the ratio, such as workforce makeup, and have the committee review pay philosophy.

42. A manufacturer's contract has expired, talks continue, and the union has not struck. The CHRO asks counsel whether the company could lock out employees to pressure the union to accept its proposals. Under current NLRA principles, when is such an offensive lockout MOST likely to be lawful?

- **A.** Only after the union has gone on strike at least once during the current round of negotiations
- **B.** When it supports a legitimate bargaining position and is not motivated by hostility toward the union
- **C.** Only after the NLRB has certified that the parties have reached a genuine bargaining impasse on all open issues
- **D.** Only when it expects a strike and locks out to protect its operations from it

43. An HR technology investment costs $220,000 up front. The present value of its expected savings over three years is $257,700. What is the net present value (NPV), and what does it indicate?

- **A.** 17.1%; the investment returns about 17 cents of profit for every dollar spent on it
- **B.** $37,700; the investment will pay back its initial cost within the first year of operation
- **C.** $477,700; the investment's total value is more than twice its initial cost to the company
- **D.** $37,700; it is expected to earn more than the company's required rate of return

44. A contractor's manual workers' compensation premium is $400,000, and its experience modification rate is 1.25. What is the modified premium before any other credits or debits?

- **A.** $300,000
- **B.** $500,000
- **C.** $320,000
- **D.** $100,000

45. In an executive meeting, the CHRO presented data showing that a four-day return-to-office mandate is likely to increase attrition among engineers. After full debate, the CEO decided to proceed, and the decision is final. What should the CHRO do?

- **A.** Support the decision fully in rollout and track attrition data to inform a future review
- **B.** Ask the board to review the decision, given the attrition risk it poses to the company's engineering talent
- **C.** Tell managers that HR opposed the decision but is required to carry it out regardless
- **D.** Delay the rollout in HR's own areas until more data shows whether the mandate works

46. Eighteen months before a key labor contract expires, a CEO asks what the company can do to most improve its bargaining position. Which long-term action MOST strengthens the employer's BATNA?

A. Preparing an aggressive opening proposal to anchor expectations early

B. Building contingency staffing and supply options to keep operating

C. Hiring a well-known outside negotiator to lead the employer's team

D. Delaying the start of talks so the union has less time to prepare

47. Institutional investors file a shareholder proposal asking the board to adopt a policy on employees' freedom of association. The CEO asks the CHRO for a recommended response. What is the BEST recommendation?

A. Ask managers to collect employees' views on unions so the board can show how little support exists.

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

C. Adopt a neutrality agreement for all sites right away so the proponents withdraw the proposal quickly.

D. Seek to exclude the proposal from the proxy and decline to meet with the proponents until the exclusion question is resolved.

48. An oil and gas company's board has approved a ten-year strategy to shift most of its capital spending to renewable energy. Many current employees have process engineering and field operations skills, and the new business will need grid, storage and project development expertise. What should the CHRO do FIRST to build the long-range workforce strategy?

A. Recruit an experienced renewable energy leadership team so that the new business has credible people in place quickly.

B. Launch a voluntary early retirement program for field staff so the company can begin hiring renewable specialists.

C. Enroll all engineers in renewable energy certification courses so the existing workforce is ready for the transition.

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

49. A company is selling a division that represents 30% of its employees. After the sale, much of the HR infrastructure that supported the division will remain. What is the CHRO's BEST approach to these stranded costs?

A. Cut HR staff by 30% on the closing day to match the headcount that was sold.

B. Keep HR staffing unchanged, since future growth is likely to absorb the capacity.

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

D. Charge the stranded HR costs to the buyer as an adjustment to the final purchase price of the division.

50. A manufacturer plans a company-wide engagement survey. Employees at one plant are represented by a union, and contract negotiations begin in three months. The draft survey asks about pay, scheduling and benefits. What should the CHRO do?

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

B. Exclude the plant from all employee surveys permanently, since employers may not survey union-represented employees.

C. Use the plant's pay and scheduling results to shape the company's opening proposals in the upcoming negotiations.

D. Survey the plant with the same items used at other sites, since consistent content is needed for company-wide comparisons.

51. A manufacturer with six bargaining units, each with its own contract and union local, plans to roll out AI scheduling company-wide next year. All six contracts address scheduling. The CHRO is designing the labor strategy. What is the BEST approach?

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

B. Pilot at nonunion sites first, then implement at union sites without bargaining once results are proven.

C. Implement the system at every site at once, since management-rights clauses typically cover new technology.

D. Negotiate with the largest union first, then apply its agreement to the other five units as the standard.

52. An AI system sets pick rates for warehouse workers and raises the targets whenever output rises. Why does this make work pace an enterprise safety risk rather than only a productivity choice?

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

B. Work pace becomes a safety issue only when a union contract sets agreed production standards in writing.

C. OSHA sets maximum pick rates by industry, and AI-set targets above those limits are automatic violations.

D. AI-set targets shift safety responsibility to the vendor, so the employer must document that transfer.

53. A company is considering a two-year expatriate assignment for a high-potential manager, at a cost about three times her current compensation. The goal is to prepare her for a global executive role. What should the CHRO weigh MOST in deciding whether to proceed?

A. Whether other high-potential managers will expect similar assignments if this one is approved.

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

C. Whether the manager's family is enthusiastic about the move, since that guarantees a successful outcome.

D. Whether the host country has the lowest cost of living among the available assignment locations.

54. After a return-to-office mandate, dozens of employees who worked remotely without issues during the past three years ask to continue working remotely as an ADA accommodation. Which enterprise approach is BEST?

A. Approve all requests, because successful remote work proves remote work is a reasonable accommodation

B. Deny all requests, because the new RTO mandate automatically makes in-office attendance an essential function of every job

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

D. Approve requests only from employees who had a remote accommodation before the mandate

55. A global company is rolling out upward and peer feedback, including to an Asian region where employees show strong deference to hierarchy. Local leaders expect few honest responses. What is the BEST adaptation?

A. Require each employee to give at least one critical comment per manager so the feedback cannot be uniformly positive.

B. Run the same process as other regions, since a single global standard is needed for the data to be fully comparable.

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

D. Delay the rollout in the region indefinitely, since upward feedback cannot work in any culture with high power distance toward managers.

56. A 2,000-employee company is planning a reduction in force. Applying the documented selection criteria, an engineer who filed an EEOC charge four months ago ranks in the bottom group of her department and falls into the layoff pool. What should the CHRO do before the selection is final?

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

B. Remove her from the layoff list, since selecting an employee with a pending charge is presumed to be retaliation.

C. Offer her a larger severance if she withdraws the charge before the reduction in force takes effect.

D. Proceed without review, since a reduction in force is a business decision that cannot support a retaliation claim.

57. Three business units report different turnover rates for the same quarter because they define turnover differently and pull data from separate systems. The CEO has lost confidence in HR metrics. What should the CHRO put in place FIRST?

A. A rule that only the central HR team may produce or publish people metrics

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

C. A new analytics platform that pulls all of the HR data into one dashboard

D. A quarterly process in which each unit explains why its numbers differ

58. A private equity firm acquires a mid-sized distribution company. Its value creation plan targets EBITDA growth through pricing discipline and warehouse automation, with an exit planned in four years. In the 100-day plan, which people action should the CHRO prioritize?

A. Redesign the performance management system for all employees before other changes

B. Launch a company-wide engagement survey and culture program to rebuild trust after the sale

C. Secure and incentivize the leaders and roles critical to the pricing and automation work

D. Harmonize all benefit plans with those of the firm's other portfolio companies

59. An attrition model flagged 200 employees as likely to leave within a year. Of those flagged, 50 actually left. In total, 80 employees left during the year. What were the model's precision and recall?

A. Precision 25% and recall 62.5%

B. Precision 40% and recall 62.5%

C. Precision 62.5% and recall 25%

D. Precision 25% and recall 40%

60. A senior vice president asks the CHRO to design a reorganization of his department that eliminates the position of a 58-year-old manager who recently filed an internal complaint about him. He says the manager is a poor fit but has no documented performance problems. What is the BEST response?

A. Decline to target the role and explain the retaliation and discrimination risks involved

B. Agree to the reorganization if the manager receives a generous severance package

C. Design the reorganization but include several other positions so the change looks broader and neutral

D. Delay the reorganization until the manager's complaint has been fully resolved

61. Eighteen months before a planned IPO, the CEO of a 6,000-employee technology company tells the CHRO, "Fix our culture before the roadshow." No problem statement, budget or timeline accompanies the request. What should the CHRO do FIRST?

A. Engage a culture consultancy with IPO experience to propose a program and timeline that the CEO can approve.

B. Draft a new set of company values and a leadership behavior model for the executive team to review and endorse.

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

D. Launch an enterprise-wide culture survey so the company has a baseline before agreeing on the scope of the work.

62. In an organizational network analysis, an employee shows high betweenness centrality. What does this MOST likely indicate?

A. The employee often links otherwise unconnected groups, acting as a broker.

B. The employee is connected mainly to other people who are highly connected.

C. The employee has the largest number of direct connections in the network.

D. The employee can reach everyone in the network in the fewest possible steps.

63. Leaders of a company's subsidiaries in Asia and Latin America say global decisions on products, talent and policy are made at headquarters without their input, and engagement among their managers is falling. What governance change should the CHRO propose?

A. Hold an annual global leadership conference where subsidiary leaders can share their feedback

B. Give subsidiary leaders seats on global decision bodies with defined decision rights

C. Let each subsidiary make all of its own decisions independently without any input from headquarters

D. Send a monthly headquarters update explaining recent global decisions and the reasons behind them

64. With a fixed budget, an HR leadership team can fund either a manager-development program or a recruiting-technology upgrade, but not both. It chooses the upgrade. Which consideration reflects the opportunity cost of that choice?

A. The discounted present value of the savings the upgrade will produce over five years

B. The expected net benefit of the manager program given up by funding the upgrade

C. The added cost of extending the upgrade to one more business unit later in the year

D. The money already spent evaluating recruiting vendors, which cannot be recovered now

65. A multi-site employer is moving from paper Forms I-9 to an electronic system. Which governance requirement is MOST important under DHS rules for electronic I-9s?

A. Advance approval of the chosen vendor's software by USCIS before the system rolls out

B. Separate storage of each site's forms in that site's own local records system

C. A signed paper copy of each electronic form kept on file at each separate worksite

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

66. A new CHRO joins a company where the previous HR leader was fired for mishandling harassment complaints against executives. Surveys show employees no longer trust HR to act fairly or keep concerns confidential. What should the CHRO do FIRST to rebuild trust?

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

B. Replace the entire HR team right away to show employees that a clean break has been made

C. Rebrand the HR function with a new name and logo and launch a campaign promoting its people focus

D. Rewrite all HR policies and procedures before engaging employees about their concerns

67. The board asks the CHRO for a single measure of the overall financial return the company earns on its investment in people. Which measure should the CHRO select?

A. Training ROI, which compares the benefits of learning programs with their costs to show the return on development.

B. Total compensation as a share of revenue, which shows how much of each revenue dollar is spent on the workforce.

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

D. Revenue per employee, which divides total revenue by headcount to show how productive the workforce is over time.

68. A CHRO tells the executive team that competitors can copy the company's products and technology, but not its ability to move faster than rivals and attract top talent. Which concept is the CHRO describing?

A. Human capital assets, the total market value of the workforce reported in financial statements

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

C. Operational efficiencies, the cost savings gained by standardizing processes across all functions

D. Core employee competencies, the individual skills that each employee must show in their own specific role

69. The new CEO of a long-established insurer wants to shift its risk-averse culture toward innovation and asks the CHRO to lead the effort. Employees say mistakes have historically ended careers. What should the CHRO do FIRST?

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

B. Train all managers on design thinking so they can lead innovative projects in their own units.

C. Launch an innovation awards program to recognize employees who bring forward new product ideas.

D. Revise the company's values statement to name innovation as a core value and communicate it widely to all staff.

70. A CHRO is building a three-year workforce demand model for a customer support organization. Which approach will MOST likely produce a reliable forecast?

A. Base headcount on total company revenue, since that is the figure the executive team watches most.

B. Ask each department head to estimate the staff needed for each of the next three planning years.

C. Apply last year's headcount growth rate to each year of the planning period for every support team and location.

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

71. After a regional retailer laid off 300 employees on a group video call, a recording went viral, and job applications fell 40% within two months. The CEO asks the CHRO for a recovery strategy. What is the BEST approach?

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

B. Ask current employees to post positive reviews on job sites to counter the negative coverage.

C. Launch a large paid advertising campaign that highlights the company's benefits and culture.

D. Wait for the story to fade from the news before resuming normal employer branding activities.

72. An AI business case shows results under low, expected and high adoption scenarios. What is the main purpose of this sensitivity analysis?

A. To calculate each scenario's payback period using the organization's weighted cost of capital

B. To demonstrate the statistical significance of the pilot results used to build the business case

C. To identify the single most likely outcome so the executive team can approve one fixed figure

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

73. A professional services firm wants to base salary increases on assessments of competencies such as strategic thinking and collaboration. Why is competency-based pay often difficult to defend?

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

B. Competency-based pay is prohibited for exempt employees under the Fair Labor Standards Act and related DOL rules

C. Competency models can be applied only to manual jobs with clear, observable task outputs

D. Competency-based pay rewards only seniority, so it fails to reflect any change in capability

74. Two senior employees have made sexual harassment allegations against the COO, who is a close ally of the CEO and supervises the head of HR. The board's audit committee asks the CHRO for a recommendation on who should conduct the investigation. What is the BEST recommendation?

A. Have the head of HR lead the investigation, since HR has the most experience with harassment complaints.

B. Retain an outside investigator who reports to the CEO, to keep the matter at the management level.

C. Have the CEO appoint an investigator, since the COO reports directly to the CEO and the CEO is accountable for his conduct.

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

75. After a merger, the acquirer has a short, values-based code of conduct, while the target uses a long code of detailed rules. Employees at both legacy companies say they prefer their own code. The CHRO must create one code and plan its rollout. What is the BEST approach?

A. Adopt the target's rule-based code for everyone, since detailed rules give the most legal protection.

B. Replace the target's code with the acquirer's code on closing day so all staff share one standard at once.

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

D. Let each legacy company keep its own code for good and require both to meet shared legal standards.

76. Soon after an insurer launched a people analytics program, rumors spread that it monitors employees' email and is being used to pick people for layoffs. Survey participation has dropped by half. What is the BEST response from the CHRO?

A. Offer gift-card incentives for completing surveys so that participation rates return to the earlier levels.

B. Continue the program without comment, since Legal has confirmed that all of its data collection is lawful.

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

D. Pause the program indefinitely until employee concerns fade and then relaunch it under a different name and brand.

77. An employee reports to the CHRO that a regional operations director has been using an AI sentiment-analysis tool on chat messages to identify union supporters and steer them toward low-rated shifts. The director denies it. What should the CHRO do FIRST?

A. Ask the director to show the tool's settings, and close the matter if no union-related queries appear.

B. Discipline the director immediately, since the conduct described would violate the National Labor Relations Act.

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

D. Notify the union that the tool may have been misused and invite it to take part in the investigation.

78. In the codification and personalization model of knowledge management strategy, what does codification emphasize?

A. Developing networks that link people so they can share tacit knowledge in direct dialogue

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

C. Rewarding experts for mentoring junior staff in one-on-one sessions about client work

D. Hiring people with deep expertise who can create new solutions for each unique problem

79. In the book Difficult Conversations by Stone, Patton and Heen, what does it mean for a leader to adopt a learning conversation stance?

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

B. Prepare a clear message in advance and deliver it firmly so that it cannot be misunderstood

C. Set aside positions and negotiate on underlying interests using objective standards of fairness

D. Establish the true facts first so the conversation can settle who was right and who was wrong

80. A board is considering a public, visible competition among three internal executives to decide who will become the next CEO. What is the MAIN risk of this horse-race approach?

A. The board may be unable to compare the candidates because they work in different areas

B. Investors may see the company as lacking any qualified internal candidates for the chief executive role

C. The current CEO may lose all authority as soon as the competition is publicly announced

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

81. A pay equity audit at a 7,000-employee company finds unexplained gender pay gaps that would cost $3 million a year to close. The CFO resists, citing tight margins. How should the CHRO build the business case?

A. Present research showing pay equity improves engagement, since cultural benefits are the strongest argument for the CFO.

B. Suggest waiting until the next merit cycle to fold fixes into normal raises, since this spreads the cost over several years.

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

D. Propose closing the gap by holding raises for the higher-paid group, since this removes the gap without adding new payroll cost.

82. After outsourcing most HR administration, why should an employer keep a skilled internal vendor governance team?

A. To repeat the vendor's processing as an independent check on the accuracy of each transaction

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

C. To keep enough capacity to take the work back in-house on short notice if needed

D. To handle all employee questions directly so that the vendor never interacts with staff

83. A CEO must cut 15% of the workforce and is considering either one reduction now or three smaller rounds over the next year to see whether results improve. The CEO asks the CHRO about the effect on employee trust. What should the CHRO advise?

A. Several smaller rounds are usually better, since each round affects fewer employees

B. The choice has little effect on trust as long as severance terms are the same in either approach

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

D. Several smaller rounds are usually better, since they avoid triggering WARN notice

84. The executive team is split: sales leaders want to expand headcount aggressively to pursue growth, while finance insists on a hiring freeze to protect margins. What is the CHRO's most appropriate role?

A. Propose splitting the difference by approving half of the requested positions evenly across all business units

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

C. Side with finance, since controlling labor costs is HR's primary responsibility to the business

D. Support the sales plan, since growth targets drive long-term value creation for the company

85. A multinational surveys candidates with a Net Promoter-style question at each stage of the hiring process and reports the results by business unit. What is the main advantage of this approach?

A. It replaces the need for quality-of-hire data when the firm evaluates individual recruiters.

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

C. It measures only hired candidates, giving a clear view of how well the offer and preboarding process works.

D. It mainly shows brand awareness among people who have not yet applied for any of the jobs.

86. A board member asks why the CEO earns three times what each executive vice president earns, even though their jobs do not differ that much in content. Which explanation does tournament theory offer?

A. Employees compare their outcomes with others' and adjust their effort when they perceive inequity

B. Pay reflects each executive's marginal product, so the CEO must produce three times the value

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

D. Pay should be tied to shareholder returns so that executive and owner interests stay closely aligned

87. A company introduces structured interviews to replace its long-standing informal hiring conversations. Which manager reaction BEST illustrates status quo bias?

A. Asking for evidence that structured interviews predict job performance better than informal conversations do.

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

C. Raising concerns that the new process will add time to each hire during a period with a very high number of open requisitions.

D. Requesting training on the new interview guides before using them with candidates in the next hiring cycle.

88. A CHRO notices growing activist and media attention to algorithmic bias in hiring tools, though no regulation yet applies. Why does the issue life cycle model favor engaging stakeholders now rather than later?

A. Regulators review only issues that companies have already addressed, so early action triggers new rules.

B. Early engagement guarantees that no regulation will be adopted, since stakeholders will then drop the issue.

C. Issues lose public attention as they mature, so waiting allows them to fade before the firm commits resources.

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

89. A company is exiting one product line for economic reasons, which will eliminate 90 union jobs at a plant that will keep operating. The decision is not subject to bargaining, but the union wants to negotiate severance and transfer rights. What should the CHRO do?

A. Offer severance directly to affected employees in exchange for releases, without involving the union in the terms.

B. Bargain over effects only after the jobs end, so that the union cannot use the talks to delay or reverse the company's product line exit.

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

D. Announce the decision on the day it takes effect, since the company has no duty to bargain over a partial closure.

90. News reports reveal wage violations at several franchisee-owned restaurants of a national brand. The franchisor's CHRO wants to protect the brand without increasing the franchisor's exposure as a possible joint employer. What is the BEST approach?

A. Have franchisor HR set pay rates and approve schedules at franchise locations to prevent future violations.

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

C. Require franchisees to adopt the franchisor's employee handbook and use its central HR team for all disciplinary cases.

D. Avoid any comment or action, since franchisees are independent businesses responsible for their own staff.

91. Marketing's OKR requires launch campaigns in March, while Product's OKR prioritizes quality testing that pushes the launch to May. Both teams are missing results. What is the BEST mechanism to align them?

A. Move both OKRs to the next quarter so that the two teams have enough time to resolve the conflict.

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

C. Have the CEO decide which team's OKR takes priority and require the other team to revise its plan.

D. Have each team keep its own OKRs but agree on a service-level agreement for handoffs between them.

92. Research on global leadership describes global mindset as having three components. Which set names them?

A. Strategic, operational and cultural awareness

B. Knowledge, skills and abilities in global roles

C. Intellectual, psychological and social capital

D. Cognitive, emotional and cultural intelligence

93. A multinational with staff in 18 countries wants one global EEO and harassment code. Some countries protect more characteristics than U.S. law does, and some restrict anonymous reporting hotlines. What is the CHRO's BEST approach?

A. Adopt the U.S. standard worldwide, since a single rule set is simplest and U.S. law is generally the most protective.

B. Let each country write its own code, since a global standard cannot account for the different local legal systems.

C. Adopt the strictest rule from any country for every location, including the hotline limits, so one code covers everyone.

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

94. The CEO of a 60-person company wants to join a professional employer organization (PEO) to lower benefits costs and assumes the PEO will take over all employer liability. What should HR advise?

A. A PEO should be avoided, since co-employment makes clients liable for each other

B. The PEO becomes the sole employer, so the company keeps no remaining liability

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

D. Liability transfers fully once the IRS certifies the PEO as a certified professional employer organization

95. After an AI résumé screener was introduced, average time-to-fill fell from 44 days to 22, but hiring-manager satisfaction with new hires dropped from 82% to 61%, and 90-day turnover rose. What should the CHRO do?

A. Ask hiring managers to adjust expectations, since faster hiring naturally brings some loss of fit.

B. Remove the screener and return to manual screening, since quality of hire matters more than speed.

C. Keep the screener exactly as configured, since the time savings clearly outweigh the drop in manager satisfaction.

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

96. A manager suspects that an employee receiving workers' compensation benefits is faking his injury and wants to fire him. What should HR do?

A. Require him to return to full duty right away to test whether the injury is real

B. Fire him now for dishonesty, since suspected fraud is a legitimate business reason

C. Have the manager monitor his social media accounts and confront him with any of the findings

D. Refer the concern to the insurer to investigate, and act only on documented evidence

97. Two years after moving to broad bands with more manager discretion, a company's pay equity review finds widening unexplained pay gaps by gender and race within several bands. The CEO asks the CHRO for an enterprise response. What is the BEST course of action?

A. Return all employees to their pre-band pay levels and remove manager discretion permanently

B. Remediate unexplained gaps with counsel and tighten controls on discretionary pay

C. Give every employee in the affected bands an equal raise to narrow the gaps across the board

D. Explain the gaps as normal results of manager discretion and monitor them again next year

98. A market-leading consumer goods company has just posted record profits, and most of the executive team sees no reason to change course. The CEO believes digital-native competitors will erode the core business within five years and asks the CHRO to help build urgency without resorting to scare tactics. What should the CHRO recommend FIRST?

A. Launch a company-wide communication campaign explaining why the business must change despite strong results

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

C. Commission a detailed consultant report on the competitive threat and circulate it before the next executive offsite

D. Announce an enterprise-wide cost reduction target to signal that record profits will not protect the status quo

99. An audit of religious accommodation requests shows that one region denies 45% of requests, compared with under 10% elsewhere in the company. The region's operations are similar to those of other regions. What should the CHRO do FIRST?

A. Reverse all of the region's denials and offer each affected employee the accommodation that was originally requested.

B. Retrain the region's managers on religious accommodation and then resume normal processing of requests.

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

D. Replace the regional HR leader, since the pattern shows a clear failure to apply company policy.

100. Two years after eliminating performance ratings, a company must reduce its workforce by 8%, and leaders want to select employees based on performance. What is the BEST approach for the CHRO to recommend?

A. Let each manager choose whom to release based on their own judgment, since managers know their teams best.

B. Reconstruct performance ratings for the last two years from manager memory so the layoff can be based on ratings.

C. Use seniority as the only criterion for selection, because that is the sole method courts will accept as neutral.

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

101. The board's compensation committee engages an outside consultant to review the CEO's pay, and the CHRO is asked to coordinate the work. Why does the committee rely on an independent external consultant?

A. To obtain objective advice free of management's interest in the outcome

B. To give the CEO a trusted adviser who can advocate for a larger pay package

C. To shift legal accountability for the pay decision from the board to the consultant

D. To lower the cost of the review compared with having HR conduct it internally

102. Near-miss reports at an airline maintenance operation have dropped by half in a year, while workload and schedule pressure have increased. A recent disciplinary action against a technician who reported his own error was widely discussed. What is the BEST response from the CHRO?

A. Offer bonuses to the crews that report the most near misses in each quarter

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

C. Require supervisors to submit near-miss reports for each of their crews at the end of every week

D. Treat the drop as evidence that recent safety training has reduced errors in maintenance

103. In bargaining, the union insists on seniority-based shift bidding. Management needs flexibility to staff shifts with workers who hold specific certifications. The CHRO is asked to design a trade. What is the BEST proposal?

A. Rotation of all shifts on a fixed schedule so that neither seniority nor management choice controls who staffs each shift

B. Management assignment of all shifts, with a premium paid to senior employees to offset losing bidding rights

C. Seniority bidding for all shifts, with management making changes informally afterward when skill gaps appear

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

104. After reading about four-day workweek trials, the CEO of a 1,200-employee company with call centers, field service and corporate staff asks the CHRO whether the company should adopt one. What is the BEST approach to evaluating the idea?

A. Reject the idea for the whole company, since call center and field roles cannot reduce hours without hurting customers.

B. Adopt it companywide on the same schedule, since published trials show productivity holds steady when hours are reduced.

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

D. Survey employees about the idea and adopt it if most are in favor, since employee support is the main driver of success.

105. The CHRO is considering piloting pay range disclosure in one of five divisions before deciding on a companywide approach. Employees frequently collaborate and transfer across divisions. What should she consider MOST carefully before launching?

A. Spillover to other divisions and messaging for employees outside the pilot.

B. Whether the pilot can be kept confidential from employees in other divisions.

C. Whether the pilot division has the highest engagement scores in the company.

D. How quickly the pilot's results can be applied across all the other divisions.

106. A diversified holding company runs separate talent reviews in each of its five business units, and leaders rate potential using different definitions. The CEO wants to move leaders across units but finds the ratings cannot be compared. What is the BEST way for the CHRO to design an enterprise talent review?

A. Let each unit keep its own review and ask unit heads to nominate their top people for an enterprise list.

B. Have HR business partners rerate every leader using the CHRO's judgment to make the ratings consistent.

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

D. Rank all leaders company-wide on a single forced curve so that each unit has the same share of high potentials.

107. Employees with a performance score of 80 or higher qualify for a retention bonus. To estimate the bonus's effect, an analyst compares retention for employees who scored 78 or 79 with retention for employees who scored 80 or 81. Which design is the analyst using?

A. Difference-in-differences design

B. Regression discontinuity design

C. Propensity score matching

D. Interrupted time series design

108. In Ames v. Ohio Department of Youth Services (2025), the Supreme Court addressed Title VII claims by majority-group plaintiffs. What is the main implication for corporate recruiting programs?

A. Majority-group plaintiffs must show background facts suggesting an unusual employer

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

C. Majority-group plaintiffs can bring claims only for hiring, not for promotions

D. Majority-group plaintiffs must show statistical evidence of a pattern of bias

109. A company acquires two unionized companies through stock purchases, so their collective bargaining agreements remain in effect, and wants to integrate them with its own unionized operations. The three units are covered by different agreements with different terms and expiration dates. What is the most appropriate strategic approach?

A. Merge the three units into one bargaining unit and announce a single set of terms for all employees

B. Cancel the acquired units' agreements and move those employees onto the company's existing contract

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

D. Apply the most favorable contract terms to all three units right away so no employee loses any existing pay or benefit

110. The company now has 45 employees in Brazil, all hired through an employer of record, and the business plans to keep growing there. The CFO asks whether the arrangement should continue. What should the CHRO recommend?

A. Keep using the EOR indefinitely, since it removes all employment liability from the company.

B. Reclassify the employees as independent contractors to reduce long-term costs.

C. Move the employees to a staffing agency until local headcount reaches 100.

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

111. In hoshin kanri (policy deployment), breakthrough objectives are BEST described as:

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

B. Weekly operating metrics reviewed at the team level to drive quick fixes

C. Individual employee goals set during the annual performance appraisal

D. Annual department targets for maintaining current daily operating performance levels

112. At a decentralized manufacturer, a line manager pressured a National Guard member to skip drill weekends during a busy quarter. The CHRO sees a broader culture problem among managers. Which principle should guide the response?

A. Hold managers accountable through training, clear expectations and consequences for violations.

B. Ask Guard members to schedule drills outside busy periods so managers have less reason to object.

C. Address USERRA issues only through employee complaints, since the rights belong to individuals.

D. Centralize all military leave approvals in HR so that managers play no role in these decisions.

113. Research distinguishes ethical leadership from transformational leadership, although both involve integrity and role modeling. Which behavior MOST distinguishes ethical leadership?

A. Articulating an inspiring vision that motivates followers to exceed their own expectations

B. Explicitly communicating ethical standards and using rewards and discipline to hold people to them

C. Giving individualized attention that develops each follower's personal potential and skills over time

D. Challenging followers to question assumptions and to approach problems in new ways

114. In a global talent review, managers at a U.S. headquarters consistently rate expatriate employees higher than local nationals in the same overseas offices, even though both groups meet the same goals at similar rates. What should the CHRO do?

A. Give expatriates and local nationals separate talent pools so they are never directly compared with each other.

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

C. Have each overseas office run its own talent review using criteria tailored to its local culture.

D. Explain to local nationals that expatriate assignments carry more visibility with headquarters leaders.

115. A board's governance committee is reviewing its CEO succession planning. How does an emergency CEO succession plan differ from a long-term CEO succession plan?

A. It focuses on developing a pool of high-potential internal executives who could be ready to serve as CEO in three to five years.

B. It transfers the CEO's duties to the board chair, who serves as chief executive until the current CEO's term ends.

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

D. It identifies the permanent successor who will take over when the current CEO retires on a planned date in the future.

116. Midway through a two-year HR transformation that includes a new HR system and a shared services center, the CFO cuts the HR budget by 20% as part of companywide savings. What is the CHRO's BEST response?

A. Spread the 20% cut evenly across all HR programs, so that no single initiative carries the full burden of the reduction.

B. Pause the transformation until funding is restored, since a partly finished transformation adds risk without any benefit.

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

D. Appeal the cut to the CEO, since the transformation was approved earlier and its funding should be protected from cuts.

117. An owner holds 100% of two corporations: a 200-employee manufacturer and a 40-employee design firm. She wants to offer a 401(k) plan only to the design firm's staff. How do the controlled group rules affect this plan?

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

B. The rules apply only to health plans, so the 401(k) can exclude the manufacturer with no testing at all.

C. Both companies count as one employer, so the plan must automatically cover every worker in both firms.

D. Each company is a separate employer, so the plan needs to cover only the design firm's own employees.

118. A company has 600 fully remote employees who each report to one of three hubs, and only the hubs have 50 or more employees within 75 miles. How is FMLA eligibility determined for the remote employees?

A. Each remote employee's home is the worksite, so most remote staff will fail the 50-within-75 test.

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

C. Remote employees count toward employer coverage but cannot meet the FMLA eligibility tests.

D. Remote employees are eligible only if they live within 75 miles of a hub with 50 or more employees.

119. A state transportation agency adopts a balanced scorecard copied from a private-sector template, with financial results at the top of the strategy map. The agency director asks the CHRO for advice on the design. What should the CHRO recommend?

A. Remove the financial perspective entirely because government agencies do not earn profits

B. Keep financial results at the top because budget discipline is the agency's main constraint

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

D. Replace the scorecard with the compliance measures required by the state legislature

120. A company is building its first formal job architecture. Which set of components does a job architecture typically include?

A. Job functions and families, career streams such as management and professional, and job levels

B. Employee handbooks, codes of conduct, disciplinary procedures and grievance processes

C. Organization charts, reporting lines, spans of control and annual headcount plans for each business unit

D. Performance ratings, merit increase matrices, bonus targets and annual budget guidelines

121. An appreciative inquiry consultant tells executives that the organization moves toward the images of the future its members hold, so building a compelling shared image will shape behavior today. Which appreciative inquiry principle is this?

A. Anticipatory principle

B. Constructionist principle

C. Simultaneity principle

D. Poetic principle

122. A software company is introducing AI agents that complete tasks alongside employees in product and support teams. Many employees fear the agents will replace them, and some managers are quietly limiting their use. What should the CHRO do to lead the culture shift?

A. Wait for adoption to grow on its own, since culture change cannot be directed from the top down.

B. Require every team to use the AI agents for a set share of its tasks and report results each month.

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

D. Announce that no jobs will ever be affected by AI agents, so employees feel secure enough to start using them.

123. Leaders of a company with operations in 22 countries want one set of global policies to simplify compliance. Local HR leaders warn that several policies conflict with national laws and customs. What should the CHRO recommend?

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

B. The U.S. policy set in every country, since U.S. law sets the highest standards for most employers.

C. Fully separate policy sets in each country, with no shared standards linking the operations together.

D. One identical policy set in every country, since global consistency outweighs any local legal or cultural differences.

124. A general counsel proposes that outside counsel direct all investigations of executive-level harassment complaints instead of HR conducting them. What is the MAIN strategic trade-off of this approach?

A. Counsel-led work is never discoverable, but the company loses any right to discipline based on it

B. Counsel can represent both the company and accused executives, but interviews take much longer

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

D. HR-led fact-finding is always privileged, so counsel adds cost and delay without adding any legal protection

125. A CHRO is designing a coaching program for the company's top 50 executives, including the CEO's direct reports. Executives have said they worry about confidentiality when discussing sensitive issues with people inside the company. What sourcing approach is BEST?

A. Have each executive's direct manager serve as coach, as part of the regular performance management process.

B. Let each executive hire any coach they prefer and expense it, so that each leader keeps full personal control of the choice.

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

D. Use internal HR business partners as coaches, since they already know the culture and the program costs much less.

126. A company's self-insured medical plan costs rose 14% last year, and the CHRO plans to propose plan design changes in upcoming negotiations with the union that represents 60% of the workforce. What should the CHRO do to give the proposal the BEST chance of acceptance?

A. Present one design change as final, since multiple options would signal that the company's cost targets are negotiable.

B. Implement the design changes at the start of the plan year and offer to bargain over their effects once they are in place.

C. Share individual claims records with the union committee so it can see which conditions are driving the cost increase.

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

127. A recently terminated employee posts messages online saying the CFO and CHRO "will get what they deserve" and includes photos of the building entrance. What should the CHRO do?

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

B. Report the posts to the social media platform for removal and monitor the account for further messages before acting.

C. Offer the former employee additional severance in exchange for removing the posts and signing a mutual nondisparagement agreement.

D. Contact the former employee directly to calm the situation and learn whether the posts were meant as a real threat.

128. Salary survey data are effective January 1. The company's plan year runs from April 1 through March 31, and it ages data to the midpoint of the plan year. Market pay is expected to rise 4% per year. By what percentage should the data be aged?

A. 3%

B. 4%

C. 6%

D. 2%

129. The CEO wants the recruiting function judged only on cost per hire, which has fallen 15% this year. The CHRO notes that 30% of this year's hires left within six months. What measure should the CHRO propose to show recruiting's value?

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

B. Offer acceptance rate, since a high rate shows that candidates value the offers and the company's employer brand.

C. Time to fill, since filling roles faster shows that recruiting is efficient and keeps business operations fully staffed.

D. Cost per hire benchmarked against peers, since comparison shows whether the lower cost truly reflects better practice.

130. The CEO of a fast-growing logistics company directs talent acquisition to cut cost-per-hire by 20% this year, while hiring volume is expected to double. The company also needs to fill warehouse and driver roles quickly to meet customer demand. What is the BEST response from the CHRO?

A. Accept the target and report cost-per-hire excluding agency fees so that the company appears to meet the goal.

B. Explain that cost-per-hire is the wrong metric and recommend that the company stop tracking it altogether.

C. Accept the target and cut agency fees and job advertising across the board to bring cost-per-hire down quickly.

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

131. A company adds items measuring integrity, such as keeping commitments and admitting mistakes, to the 360-degree feedback used for its senior executives. What is the main strategic purpose of this change?

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

B. To replace annual performance ratings for executives with a single trust score that determines bonus payouts.

C. To create documentation that supports terminating executives whose integrity scores fall below a set threshold.

D. To give the board a confidential tool for comparing executives' integrity ratings against those of peers at competing companies.

132. An HR function has 14 active initiatives but staff capacity to deliver about six well. Several initiatives were requested by individual executives, and progress on all of them is slipping. What prioritization method should the CHRO use?

A. Finish initiatives in the order they were launched until capacity frees up

B. Let each HR leader choose which initiatives their own team continues

C. Keep all 14 active but extend each timeline to match current capacity

D. Score each on strategic impact and effort, then agree on what to pause

133. A US-based multinational wants to roll out its standard 60-day PIP to employees in Germany, France, Brazil and Japan. In the US, failed PIPs usually lead to at-will termination. What is the BEST strategy for the CHRO?

A. Exempt the non-US countries from PIPs and let local managers handle poor performance

B. Use the US PIP process but extend it to 120 days outside the US to reduce legal risk

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

D. Apply the US PIP process everywhere so all employees are treated the same way

134. A multinational wants to reduce its reliance on expatriate managers to control foreign subsidiaries without losing alignment with headquarters. Which approach BEST reflects normative control?

A. Tying subsidiary managers' bonuses exclusively to local financial results measured against strict budgets.

B. Requiring subsidiaries to obtain headquarters approval for every hiring, pay and spending decision they make.

C. Placing a parent-country national in each subsidiary's finance director role to audit local decisions.

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

135. The CFO rejects the CHRO's claim that a wellness program returned 300%, calling the assumptions inflated and the attribution weak. The CHRO wants to rebuild credibility before the next budget cycle. What is the BEST approach?

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

B. Stop reporting ROI and present participation and satisfaction data in future reviews

C. Commission an outside consultant to validate the 300% figure for the executive team

D. Present the vendor's published ROI benchmarks to show that the 300% claim is in line with industry results

136. Six months into a strategic initiative, a company has formed eleven task forces, executives' calendars are full of status meetings, and teams report long hours, yet none of the critical strategic decisions has advanced. In John Kotter's work on urgency, this pattern BEST illustrates which condition?

A. True urgency, in which a high level of energy and activity shows the organization is fully mobilized

B. Psychological reactance, in which people push back because they feel their freedom of choice is threatened

C. Complacency, in which people feel content with the status quo and see little reason to take action

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

137. An employee is assaulted by a former partner in a facility parking lot and hospitalized overnight. The CHRO is leading the company's response. What should the CHRO prioritize?

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

B. Leave the response to law enforcement, since domestic violence by a non-employee is a criminal matter outside the company's control.

C. Begin with a full review of the prevention program, then address safety and support once the review has identified the root causes.

D. Focus on communications so employees and media hear the company's account first, then assess safety needs and support afterward.

138. A company ends a sabbatical benefit that leaders had promoted for 15 years as part of "who we are." The annual savings are small, yet commitment scores and retention fall sharply. Which concept BEST explains the reaction?

A. Hygiene factor removal, because benefits are a source of job dissatisfaction

B. Psychological contract breach, because employees see a broken implicit promise

C. Loss aversion, because people value losses more than equivalent financial gains

D. Distributive injustice, because the cut affected some employees more than others

139. During an AI transformation, leaders cannot yet say which roles will change. Which communication principle BEST builds trust in this situation?

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

B. Wait to communicate until decisions are final so employees do not react to incomplete information

C. Emphasize that every role is safe, since reassurance reduces anxiety while plans are being finalized

D. Share the full list of roles under review so that employees can draw their own conclusions on impact

140. A health system faces rising nurse burnout and turnover, and its spending on agency nurses has tripled in two years. What is the BEST enterprise job redesign strategy?

A. Offer resilience training and wellness apps to all nursing staff across the health system's hospitals

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

C. Increase pay for staff nurses so that it matches the hourly rates the system pays agency nurses

D. Raise the agency nurse budget to cover shortages until staff burnout begins to ease

141. The Learning Transfer System Inventory (LTSI) developed by Holton and colleagues is used to assess which of the following?

A. Participants' satisfaction with the trainer, content and facilities at the end of each training session.

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

C. Each participant's preferred learning style, so that future training can be matched to the profile.

D. The financial return of a program, calculated by comparing monetary benefits with total costs.

142. A change team rated how a new operating model will affect five employee groups on four dimensions (process, technology, role and reporting), each scored 1 (low) to 5 (high). Finance: 3, 4, 2, 1. Customer Service: 4, 4, 4, 3. Sales: 2, 3, 3, 4. Field Operations: 5, 5, 2, 1. IT, the largest group: 1, 2, 3, 2. Based on total impact, which group needs the MOST change support?

A. Customer Service

B. Field Operations

C. Sales

D. Information Technology

143. The EEOC has issued a reasonable-cause determination on a discrimination charge and invited the company to conciliation. What is the main strategic benefit of resolving the matter through conciliation?

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

B. It permits the company to settle without agreeing to any relief beyond back pay to the charging party

C. It allows the company to have the reasonable-cause finding withdrawn from the agency record

D. It gives the company an independent mediator who will weigh the evidence and decide the charge

144. Which description BEST captures an agile organization as described in management research?

A. A flat structure with no managers in which teams set their own goals without central direction

B. A matrix structure in which employees report to both a functional manager and a project manager

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

D. A traditional hierarchy that uses Scrum methods within its software development function only

145. A CFO sponsors a new decentralized approval process meant to speed decisions. Three months in, he still requires managers to send approvals to him under the old process, and managers have stopped using the new one. What should the CHRO do?

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

B. Retrain managers on the new process and remind them that it is now the official requirement

C. Ask the project team to build an exception path so that his own approvals fit into the new process

D. Raise the issue with the CEO first so she can direct the CFO to follow the new process

146. An NGO report alleges that a key overseas supplier to a consumer brand fires workers who try to form a union. The brand's supplier code requires respect for freedom of association. What should the brand's CHRO recommend FIRST?

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

B. Issue a public statement that the code bans interference with unions and treat the matter as closed unless new reports come in.

C. Ask the supplier's managers to certify in writing that they follow the code, and keep the signed statement on file for audits.

D. End the supplier contract at once and shift its orders to other suppliers so the brand is not linked to the alleged violations.

147. Research by Joel Brockner and others on layoff survivors has examined how the fairness of a layoff affects employees who remain. Which finding is MOST consistent with that research?

A. Survivors stay more committed when the layoff is quick, whatever process is used

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

C. Survivors stay more committed mainly when severance pay for those let go is generous and prompt

D. Survivors stay more committed when leaders say little about how cuts were decided

148. A hospital system adopts a just culture model for safety events. How does the model treat an honest human error compared with reckless behavior?

A. It disciplines the honest error only when harm results and excuses reckless conduct whenever no harm occurs at all.

B. It disciplines both equally, since the outcome of each was harmful to the patient involved in the event.

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

D. It disciplines neither, since a blame-free culture holds that system design causes every safety event.

149. In a selection process, 30% of applicants from one group and 50% from another group are hired. What is the impact ratio, and how should the CHRO explain it to executives?

A. 0.20; the 20-point gap is under the 80% rule of thumb, so no further review is needed.

B. 1.67; it exceeds the 80% rule of thumb, which shows that the process has no adverse impact.

C. 0.60; it falls below the 80% rule of thumb, which proves the process unlawfully discriminates.

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

150. A software company takes an average of 110 days to fill senior engineering roles, and product launches have slipped as a result. The CHRO wants to invest in a recruiting CRM to build ongoing talent pools. How should the CHRO BEST frame the business case to the executive team?

A. Emphasize lower job board and agency spending as the main source of savings from the system.

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

C. Highlight the CRM's features, such as automated nurture campaigns and AI-driven scoring of engineering candidates.

D. Show that leading competitors already use recruiting CRMs to build their engineering pipelines.

151. A CEO asks the CHRO to "fix" the executive team. The CHRO observes that meetings are mostly status updates, members disagree privately about strategic priorities, and trust is low. The CEO wants a two-day offsite next month. How should the CHRO design it?

A. Hire an outside facilitator to run two days of outdoor team-building exercises aimed at building trust

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

C. Use the offsite to share each executive's 360 results openly with the full team for discussion

D. Have the CEO open the offsite by naming the specific behaviors each executive needs to change

152. A five-year enterprise transformation depends heavily on its sponsor, the COO, who is widely rumored to be a candidate for CEO roles at other companies. What should the CHRO do to BEST protect the program?

A. Speed up the timeline to finish key phases before the COO has a chance to leave the company

B. Ask the board to offer the COO a retention agreement that runs through the end of the program

C. Shift program ownership to the PMO so it no longer depends on any one executive sponsor

D. Build sponsorship across the executive team and document a sponsor succession plan

153. A retailer built a data science team that is valuable, rare and hard for rivals to copy. Two years later, the team's insights rarely reach store operations because there are no decision rights, incentives or processes for using them, and no advantage has resulted. Under the VRIO framework, why has the capability failed to produce an advantage?

A. Competitors can easily copy the capability by hiring similar data scientists

B. The firm lacks the systems and structures it needs to exploit the capability

C. The capability is common in the industry, so it cannot set the firm apart

D. The capability does not create value for customers in the retailer's market

154. The CHRO of a publicly traded retailer will present the results of a three-year, $6 million leadership development investment to the board. The CLO's draft deck is filled with completion counts, satisfaction scores and course catalogs. What should the CHRO emphasize instead?

A. Participant testimonials and high satisfaction scores showing how much leaders valued the experience

B. Benchmark data showing the company's per-employee learning spend compared with industry peers

C. A detailed walkthrough of program design, vendor selection and the learning methods used in each of the program's modules

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

155. Which statement BEST describes how responsibility for CEO succession is divided in leading governance practice?

A. The nominating committee owns the process, and the CEO selects the finalists.

B. The sitting CEO owns the decision, and the board approves the chosen successor.

C. The board owns the decision, and the CHRO designs and manages the process.

D. The CHRO owns the decision, and the board ratifies the CHRO's recommendation.

156. A professional services firm's CHRO proposes funding a formal alumni network for former employees. What is the PRIMARY strategic value of this investment?

A. It replaces exit interviews as the firm's main and most reliable source of turnover insights

B. It lowers unemployment insurance costs by tracking former staff reemployment

C. It is a source of boomerang rehires, referrals, and client and knowledge access

D. It makes post-exit confidentiality obligations easier for the firm to enforce

157. A restructuring creates new business units, and about 600 job descriptions must be rewritten within six months. What is the CHRO's BEST approach to updating job analysis at this scale?

A. Have each manager rewrite their own team's descriptions independently, all by one common company deadline.

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

C. Hire consultants to interview every incumbent and write each new description from scratch.

D. Reuse the current descriptions and update only the job titles to match the new business units.

158. A diversified company buys a specialty consulting firm mainly to gain a foothold in a new market and to learn from it. Little value depends on combining operations, and the firm's distinctive culture is the source of its success. Which integration approach should the acquirer use?

A. Preservation, keeping the firm largely independent

B. Symbiosis, gradually blending the two organizations

C. Absorption, fully merging the firm into the parent

D. Holding, treating the firm only as a financial asset

159. A company's workforce spans four generations, and engagement survey comments show very different benefit priorities, from student loans and child care to caregiving and retirement. The CHRO wants more personalization without large new costs. What is the BEST approach?

A. Replace all benefits with a single cash allowance that employees can spend in any way they choose.

B. Add separate new programs for each generation so that every age group gets benefits designed specifically for its needs.

C. Redesign the package around the needs of the largest generation, since that maximizes overall value.

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

160. A multinational has entered a deferred prosecution agreement that requires it to retain an independent compliance monitor for three years. The CHRO asks what the monitor will do. What is the monitor's primary role?

A. Direct the company's day-to-day compliance operations in place of the chief compliance officer

B. Represent the company in negotiations with prosecutors over the terms of the agreement

C. Investigate and prosecute the individual employees responsible for the original misconduct

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

161. Line managers at a global manufacturer increasingly skip their HR business partners and take issues directly to the CHRO, who has been resolving them personally. HRBPs report feeling undermined. What is the CHRO's BEST response?

A. Replace the HRBPs whose client managers bypass them most often with stronger performers

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

C. Keep resolving the issues personally to protect important relationships with line leaders

D. Announce that the CHRO will no longer meet with line managers about any operational issues

162. A company's new strategy is to sell integrated solutions that combine products from its three divisions, but each division has its own sales force, pricing and customer relationships. What should the CHRO recommend?

A. Merge all three divisions into one functional organization under a single leader

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

C. Create a matrix in which every employee reports to both a division head and a region head

D. Keep the separate divisions and ask them to share customer leads and account plans with each other more often

163. A private equity firm that has acquired a healthcare IT company sets a target of increasing revenue per employee by 25% within two years. The company's plan also calls for hiring sales and implementation staff ahead of expected revenue growth. What is the BEST response from the CHRO?

A. Accept the target and freeze all hiring until revenue per employee has risen by the full 25% required.

B. Meet the target by shifting implementation work to contractors, since they are not counted as employees.

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

D. Ask the owners to replace the target with profit per employee, since revenue per employee can be misleading.

164. A company plans to introduce lean manufacturing at a unionized plant with a history of distrust. Which change management principle should guide the rollout?

A. Use outside consultants to design and run the change alone

B. Announce the plan to employees first, then brief the union

C. Pilot lean in a nonunion plant first and only then tell the union

D. Involve union leaders early as part of the guiding coalition

165. A U.S. headquarters values direct, open feedback given in public settings. Leaders in several Asian subsidiaries report that this norm causes loss of face and disengagement. What is the BEST approach for the CHRO?

A. Drop the value worldwide to avoid any further conflict with local norms

B. Exempt the Asian subsidiaries from the company's global values framework

C. Keep the core value but let subsidiaries adapt how feedback is given locally

D. Require all subsidiaries to follow the headquarters feedback practices exactly

166. A competitor considering acquiring the company asks, during due diligence, for a file with every employee's name, salary, performance rating and medical leave history. The deal has not been signed, and the company has employees in the U.S. and the EU. Working with legal counsel, what is the CHRO's BEST approach?

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

B. Share the full file under the existing nondisclosure agreement, since a buyer needs complete data to price a deal.

C. Refuse to share any employee information until both parties have signed the purchase agreement.

D. Share the file with names removed but keep salary, rating and leave history for each employee.

167. Two quarters into a three-year culture transformation program, a board director questions the spending because quarterly earnings missed analysts' expectations. The CEO asks the CHRO to address the director's concern at the next board meeting. What is the BEST approach?

A. Pause the program until quarterly results recover to show fiscal discipline

B. Present leading indicators and milestones linking the program to long-term value

C. Compress the program into one year so results arrive within the board's annual review cycle

D. Explain that culture benefits are intangible and cannot be measured reliably

168. After a new workflow platform is adopted, 400 users each save 2 hours per week. Their loaded labor cost is $45 per hour, and they work 48 weeks per year. What is the annual value of the time saved?

A. $864,000

B. $1,728,000

C. $1,872,000

D. $36,000

169. A CHRO is assessing how generative AI will affect the company's workforce. Why should the analysis be done at the task level rather than the job level?

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

B. Most jobs consist of one main task, so automating that task determines the job's entire future

C. Job-level analysis is restricted by federal employment law when it is used to plan workforce reductions

D. Task-level data is easier to collect because job descriptions already list every task performed

170. A CHRO is designing a program that pairs senior leaders with high-potential employees as sponsors. In an earlier informal effort, executives chose protégés who resembled themselves, and many qualified employees were never considered. Which design element is MOST important?

A. Keeping participation confidential so employees not selected are not discouraged

B. Matching pairs only within a function so sponsors can judge protégés' technical skill

C. Open, criteria-based nomination and selection with transparent eligibility and review

D. Letting executives pick protégés they already know and trust to ensure commitment

171. The CHRO plans to introduce an AI résumé-screening tool across a 20,000-employee organization. Which pilot design is MOST appropriate before scaling?

A. Launch in the busiest region, and set success criteria after the results come in.

B. Pilot it for one quarter, and scale it if recruiters report that it saves time.

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

D. Rely on the vendor's bias audit, since it already covers fairness across all of its clients.

172. A company is outsourcing its IT infrastructure operations, and the CHRO is reviewing the contract. Why should it include knowledge transfer phases and exit provisions?

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

B. To set service-level targets and the penalties owed if the provider misses them

C. To allow the company to audit the provider's compliance with wage and hour laws

D. To ensure the provider hires the company's affected employees on comparable terms

173. A CHRO is weighing how much pay information to share as part of a company's transparency strategy. Which choice describes a progression from LEAST to MOST transparent?

A. Each employee's actual pay, then pay ranges for each job, then pay philosophy

B. Pay philosophy, then each employee's actual pay, then pay ranges for each job

C. Pay philosophy, then pay ranges for each job, then each employee's actual pay

D. Pay ranges for each job, then pay philosophy, then each employee's actual pay

174. An operations executive wants to replace supervisor-judged excused and unexcused absences with a no-fault point system. Which trade-off should the executive weigh most carefully?

A. It applies only to exempt staff, so a separate fault-based system is still needed for hourly workers

B. It gives supervisors more discretion over reasons for absence, but it makes points harder to defend

C. It removes all legal risk from attendance discipline, but it raises the cost of tracking each absence

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

175. After headcount cuts, a company's ER case backlog has doubled and the average case now takes 90 days to close. Employees are complaining that concerns go nowhere. What should the CHRO do?

A. Close the oldest half of the open cases without findings so the team can concentrate on the new cases.

B. Send every open case to business-unit managers so they can resolve the matters within their own teams.

C. Handle cases strictly in the order they were received so that every employee is treated the same way.

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

176. Which practice by an internal OD consultant violates widely accepted ethical guidelines for OD practitioners?

A. Declining an assignment because the sponsor wants specific results promised before any diagnosis

B. Referring a client to an outside specialist when a need falls outside her expertise

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

D. Telling survey participants in advance how their responses will be reported and used

177. Several hundred employees at a technology firm publicly protest a new government contract, drawing media coverage. Executives are divided on how to respond. What response framework BEST manages reputational and ER risk?

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

B. Issue a public statement condemning the protest and remind employees that public criticism is grounds for firing.

C. Decline all comment internally and externally until the media attention fades and employees lose interest.

D. Cancel the contract right away to end media coverage, then announce that the protest leaders were right.

178. A CHRO wants a composite quality-of-hire index to compare sourcing channels. Which combination of components is MOST typical of such an index?

A. Assessment scores, starting salaries, referral rates and the number of interview rounds

B. Candidate experience scores, interview counts, recruiter workload and job board spending

C. New hire performance ratings, retention, hiring manager satisfaction and time to productivity

D. Time to fill, cost per hire, number of applicants and the offer acceptance rate for each open position

179. The CEO of a public company resigns without notice after a dispute with the board, effective immediately. Employees are hearing rumors, and the earnings call is in two weeks. What should the CHRO do FIRST?

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

B. Ask each executive to reassure their own teams in their own words while the board considers its options.

C. Hold town halls with each business unit to hear employee concerns before any leadership decisions are made by the board.

D. Launch a search firm process at once so that the board can name a permanent CEO before the earnings call.

180. A forklift struck and killed a worker at a distribution center. The site reported the fatality to OSHA within 8 hours and secured the scene. Operations leaders want to close the matter quickly by disciplining the forklift driver. What should the CHRO advocate?

A. Immediate termination of the driver to show employees and OSHA that the company takes it seriously.

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

C. Holding all internal review until OSHA issues its findings, to avoid conflicting conclusions.

D. A review limited to the driver's training records, to keep the legal exposure as narrow as possible.

181. After federal agencies said they would deprioritize disparate impact enforcement, an executive proposes dropping adverse impact analysis of selection tools. Why should the CHRO advise against it?

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

B. Agency enforcement priorities expire after each election cycle, so the deprioritization will lapse before any claims are filed.

C. Only the EEOC can bring disparate impact claims, so the risk returns if the commission changes its position in the future.

D. The agencies' shift applies only to federal contractors, so private employers remain under the full enforcement program.

182. The CHRO is building an employee relations risk dashboard for the board. Which indicator is the BEST leading predictor of future legal claims?

A. Total dollars paid in employment settlements and judgments during the fiscal year

B. Number of EEOC and state agency discrimination charges filed against the company in the past year

C. Count of employment lawsuits served on the company during the most recent quarter

D. Trend in internal complaints alleging discrimination, harassment or retaliation by unit

183. The CEO of a publicly traded company wants the annual report to announce that the company has achieved '100% pay equity.' The latest privileged audit found no statistically significant unexplained gaps after remediation, but the unadjusted gender gap is 15%. What should the CHRO advise?

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

B. Approve the claim, since the audit found no statistically significant gaps after the remediation was made.

C. Recommend publishing the full privileged audit so that investors can verify the claim for themselves.

D. Approve the claim but add a footnote saying it applies only to employees in the United States workforce.

184. The board has decided to remove a division president whose employment contract provides severance only if termination is without cause. Evidence of cause is weak, and the executive has hinted at going public. What is the CHRO's BEST negotiation strategy?

A. Require the executive to resign immediately and decide on severance after the departure is complete.

B. Terminate for cause based on the available evidence to avoid paying the contractual severance.

C. Offer the executive an advisory role at the same salary so that the board can avoid a dispute.

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

185. Management at a unionized distribution center wants to replace the current appraisal with a new system that ties merit pay to ratings for bargaining-unit employees. The contract does not address appraisals. What should the CHRO do?

A. Pilot the system with employees who volunteer, then present the results to the union during the next contract talks.

B. Implement the new system now, since appraisal methods are a management right that the union cannot bargain over.

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

D. Explain the new system directly to unit employees first, then give the union formal notice once a majority of employees have shown support.

186. During calibration, a CHRO notices that nearly every employee rated high on performance in the nine-box grid is also rated high on potential, and few are placed elsewhere. What should the CHRO do to improve the validity of potential ratings?

A. Force a normal distribution so that a fixed share is placed in each of the nine boxes

B. Ask each manager to rate potential first, before reviewing any performance data

C. Require that potential ratings match performance ratings to keep the grid consistent

D. Define potential criteria, such as learning agility, and assess them separately

187. The board's audit committee asks the CHRO whether using third-party AI hiring tools shifts discrimination liability to the vendors. The company uses three such tools. What is the BEST message for the CHRO to give?

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

B. Liability moves to the vendors because they designed and trained the models the company uses

C. Liability arises only if the company intended to discriminate when choosing the AI tools

D. Liability is shared equally with vendors, so contract indemnity removes most of the exposure

188. A CHRO is designing an enterprise listening system to replace a single annual engagement survey. Which element is MOST often missing from listening programs that fail to improve trust?

A. Increasing the number of survey questions so that every issue is measured

B. Using an outside vendor so that responses can be benchmarked externally

C. Requiring all managers to review their own team's results within one week

D. Closing the loop by telling employees what was heard and what will follow

189. A COO proposes offshoring a 200-person finance operation because wages abroad are 60% lower. The CHRO is asked to build a total landed cost estimate. Which set of costs should she add to the wage comparison?

A. Currency gains and local tax incentives only, since these will offset most other one-time transition expenses.

B. Management oversight, higher attrition and retraining, quality rework, and time zone coordination costs.

C. Office rent at the offshore site only, since remaining overhead costs will stay with the vendor.

D. Domestic severance only, since the offshore wages already capture the ongoing cost of the operation.

190. Leadership has spent three years and significant budget on a new performance management system with low adoption and poor results. Executives keep approving more funding because of what has already been invested. What is the CHRO's BEST approach to challenge this?

A. Commission a full audit of all past spending to determine who was responsible for the cost overruns.

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

C. Recommend one more year of funding with stronger change management before deciding whether to stop.

D. Propose that the executive sponsor be replaced so that a new leader can take a fresh look at the system.

191. A company with operations in 12 countries wants one pay equity analysis covering its entire workforce. Pay structures, labor markets and legally protected characteristics vary from country to country. What methodology should the CHRO recommend?

A. Let each country choose its own method and then compile the results without a common approach.

B. Analyze only countries with pay transparency laws and leave the remaining countries for later.

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

D. Pool all employees into one global regression and convert every salary to U.S. dollars before running it.

192. The CEO will be deposed in a discrimination lawsuit brought by a former vice president. The CEO plans to explain the company's culture at length and give opinions on why the plaintiff failed. How should the CHRO support preparation?

A. Encourage the CEO to explain the company's values in detail so the jury sees a fair culture

B. Have HR write a script of answers for the CEO to memorize so testimony matches HR's records

C. Arrange counsel-led preparation stressing truthful, concise answers and no speculation

D. Advise the CEO to say they cannot recall any detail the CHRO has not personally confirmed

193. In an engagement survey, Division A had 500 employees and 70% favorable, and Division B had 1,500 employees and 60% favorable. The CEO asks for a single company-wide percent favorable. What is it?

A. 62.5%

B. 65.0%

C. 67.5%

D. 60.0%

194. A compensation committee wants to replace individually negotiated executive severance agreements with a single severance policy. Which design choices BEST reflect current governance practice?

A. Severance paid for any resignation, with benefits continued for life, so executives are protected regardless of reason.

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

C. Severance set by the CEO for each executive at separation, so terms can reflect the circumstances of each departure.

D. Uniform multiples of three times pay for all executives, single-trigger vesting and excise tax gross-ups at a change in control.

195. A strategy professor describes organizations as experiencing long periods of stability and incremental adjustment that are interrupted by short, intense bursts of fundamental change. Which model of change is this?

A. Action research model

B. Planned change model

C. Continuous transformation model

D. Punctuated equilibrium model

196. The CEO of an at-will employer wants to eliminate PIPs to speed up terminations of low performers. Which risk-benefit point should the CHRO emphasize MOST?

A. Eliminating PIPs has no legal impact because at-will employment allows termination for any reason

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

C. PIPs mainly protect the employer from unemployment claims, which are a minor cost compared to speed

D. PIPs are required by federal law before an at-will employee can be terminated for performance

197. A CFO asks what standard the company must meet to deny a PWFA accommodation on undue hardship grounds. Which statement is CORRECT?

A. The PWFA allows denial whenever an accommodation costs more than a minimal or trivial amount

B. The PWFA allows denial only when the accommodation would force the business to close a facility

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

D. The PWFA uses the Groff standard: substantial increased costs in relation to the conduct of the business

198. A U.S. company with large UK sales must publish an annual slavery and human trafficking statement under the UK Modern Slavery Act. What is the main purpose of that requirement?

A. Registering the company's suppliers with UK authorities so that inspectors can audit their factories

B. Disclosing the steps taken to address slavery risk so stakeholders can scrutinize the company

C. Certifying to the government that the company's supply chain has been audited and found free of slavery

D. Reporting each confirmed case of forced labor to the police within a set number of days

199. A company with 30,000 nonunion employees is considering an arbitration program with class-action waivers for all staff. Which statement BEST captures the strategic benefit and risk?

A. Waivers are unenforceable for nonunion staff, because the NLRA protects concerted legal action

B. Waivers are enforceable only when employees can opt out within 30 days of the rollout date

C. Waivers end all employment litigation, including harassment claims and EEOC enforcement actions

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

200. An external consulting firm recommends that a company adopt forced-distribution ratings and individual sales commissions because top-quartile peers use them. The company's strategy depends on cross-functional collaboration and long customer relationships. What should the CHRO do?

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

B. Ask the firm to provide more benchmark data to confirm the practices are widespread

C. Adopt the recommendations because the practices of top-quartile peers reflect proven, measurable success

D. Adopt the recommendations in a pilot unit to see whether they improve sales results

201. A board's human capital committee asks the CHRO for turnover reporting that will inform strategic oversight. Which set of measures is MOST useful for the board?

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

B. Voluntary and involuntary turnover rates compared with industry benchmarks for the past five years

C. Overall turnover rate, cost per hire and average time to fill open positions across the whole company

D. Turnover by department, exit interview completion rates and the number of resignations each month

202. A leadership development program cost $400,000 in total, and an evaluation using the Phillips ROI Methodology converted its isolated benefits to $1,400,000. What are the program's benefit-cost ratio (BCR) and return on investment (ROI)?

A. BCR of 3.5:1 and ROI of 250%
B. BCR of 3.5:1 and ROI of 350%
C. BCR of 2.5:1 and ROI of 350%
D. BCR of 2.5:1 and ROI of 250%

203. A finance team modeling a union avoidance budget asks HR to define the union wage premium. What does the union wage premium measure?

A. The total cost of wages and benefits in a unit divided by its headcount
B. The extra pay nonunion employers offer to keep their workers from organizing
C. The yearly raise negotiated in a contract minus the inflation rate
D. The wage gap between union workers and otherwise similar nonunion workers

204. A CHRO wants to show the board how talent acquisition contributes to strategy, not just how efficiently it runs. Which metric BEST demonstrates strategic impact?

A. Cost per hire across all roles, such as the total recruiting spend divided by the number of hires made
B. Time to fill across all roles, such as the average days from job posting to accepted offer
C. Applicant volume per opening, such as the number of applications received for each posting
D. Quality of hire in critical roles, such as first-year performance and retention of those hires

205. A company with 1,200 employees had 156 employees take FMLA leave last year. The prior year's FMLA incidence rate was 9%. Which statement correctly describes the trend?

A. The rate is 13%, an increase of 4 percentage points, or about 31%, over the prior year.
B. The rate is 7.7%, a decrease of about 1.3 percentage points from the prior year.
C. The rate is 13%, an increase of 4 percentage points, or about 44%, over the prior year.
D. The rate is 13%, a rise of only about 4%, which is within normal year-to-year variation.

206. A bank is moving 3,000 technology and product employees into agile teams. Team leads complain that existing approval layers slow every decision, while the risk committee worries that removing controls will create regulatory exposure. What should the CHRO recommend?

A. Keep all current approval layers but shorten review times to fit the teams' sprint cycles
B. Route all team decisions through a central steering committee during the transition period to the new model
C. Give teams full decision authority and remove existing approval layers to speed delivery
D. Define guardrails for the decisions that need central control and let teams decide the rest

207. The CEO strongly backs a $1.5 million high-potential leadership program, while the CFO opposes it as unproven and wants the funds held in reserve. Both ask the CHRO for a recommendation before the budget meeting. What is the CHRO's BEST approach?

A. Withdraw the proposal this year to protect the CHRO's working relationship with the CFO for later asks.

B. Side with the CEO, since the program supports long-term strategy and the CEO has the final budget say.

C. Refer the decision to the board's compensation committee, since leadership development is a talent issue.

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

208. An analyst tests all 40 items on an engagement survey for differences between two divisions, using $p < .05$ for each test, and finds three significant items. Why should leaders be cautious about acting on these results?

A. Survey items use rating scales, so significance tests cannot be applied to them at all.

B. The divisions differ in headcount, which inflates the p-value for every survey item.

C. Each additional test reduces the statistical power of the tests that were run earlier.

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

209. After a discrimination verdict, the court must decide between reinstatement and front pay. Why should the CFO plan for front pay that can exceed the statutory damages caps?

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

B. Front pay is capped together with back pay at the employer-size limits set by the Civil Rights Act of 1991

C. Front pay is a form of punitive damages that the court may award without any limit

D. Front pay is awarded only when the employer refuses to comply with a reinstatement order

210. A plant's environmental testing confirms that workers on one line were exposed to a chemical above permissible limits. The CEO wants to delay telling employees for two weeks until the communications team finishes a public relations plan. What should the CHRO advise?

A. Wait for the public relations plan so that employees and the media receive a single consistent message.

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

C. Rotate affected workers off the line quietly without explaining why until the communications team's plan is final.

D. Inform only the line supervisors now and have them watch for symptoms until the full plan is ready.

211. After a harassment complaint against a popular regional director circulated widely on an internal messaging channel, several of his allies stopped inviting the complainant to meetings and began excluding her from client accounts. The investigation of the director is still under way. What should the CHRO do?

A. Let the dynamics settle on their own, since shunning by coworkers is not an adverse action taken by the employer itself.

B. Move the complainant to a different team so that she is away from the director's allies during the investigation.

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

D. Send a company-wide email restating the anti-retaliation policy, and take no individual action against anyone.

212. A regional VP points out that turnover at one 25-person site rose from 8% to 16% in a year and wants an enterprise-wide intervention. What is the BEST response from the HR analytics lead?

A. The rise should be combined with exit interviews to confirm the cause, and then the program can launch

B. The rate doubled, which is a statistically significant change that requires immediate action

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

D. The site should be benchmarked against the industry, since that will show if the rise is significant

213. Survey results point to weak career growth as the main driver of turnover. A CHRO can either redesign career paths over 18 months or implement many small quick fixes. Which approach reflects the BEST trade-off reasoning?

A. Commit fully to the 18-month redesign and avoid quick fixes, which distract from the work that matters most.

B. Implement the quick fixes first and start the redesign only if turnover remains high after one more annual survey cycle.

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

D. Choose the quick fixes, since employees value immediate changes more than structural programs that take time.

214. A strike at a components plant in South Korea will halt U.S. assembly lines in about two weeks. U.S. executives want the plant kept running at any cost. What should the CHRO advise?

A. Have U.S. executives negotiate directly with the union to settle the dispute.

B. Threaten to move production permanently unless the strike ends within a week.

C. Arrange alternative supply while local management bargains within Korean labor law.

D. Bring in temporary replacement workers from other sites so the Korean plant can keep producing.

215. Leaders want to rank employees from best to worst to choose who will be laid off. What should the CHRO insist on to make the rankings defensible?

A. Rankings based mainly on managers' views of each employee's future potential and adaptability to new strategy.

B. Rankings kept verbal and undocumented so that the company is not exposed to discovery in a later lawsuit.

C. Rankings completed by a single senior leader for the whole unit so that every ranking reflects one consistent view.

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

216. A company plans a voluntary separation program to reduce headcount by 10%. Leaders worry that offering it to everyone will prompt many high performers in hard-to-fill engineering roles to leave. What should the CHRO recommend?

A. Offer the program only to employees whom managers rank as lower performers

B. Offer the program to everyone and add retention bonuses for anyone who declines

C. Offer the program to everyone and quietly reject the applications from any critical employees

D. Set eligibility by role or unit using clear criteria and explain those criteria openly

217. An enterprise health and safety council is aligning its program with ISO 45003. How does the standard frame workplace bullying?

A. As an individual conduct issue to be handled mainly through the disciplinary policy once a complaint has been substantiated

B. As a legal compliance risk that applies only where national law specifically prohibits bullying or psychological harassment

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

D. As a wellbeing concern best addressed by resilience training and employee assistance services offered to affected staff

218. A company uses AI-scored video interviews, gamified tests and timed skills assessments for 40,000 applicants a year. The CHRO wants one enterprise accommodation process covering all of them. What should the process include?

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

B. A standard alternative assessment offered only after an applicant has failed the AI-scored assessment.

C. A requirement that applicants submit medical documentation before any accommodation request is considered.

D. A policy of waiving all assessments for any applicant who discloses a disability during the process.

219. At a large retailer, the CFO and CHRO report different headcount and turnover figures to the board, and two business unit presidents insist on using their own definitions. The disagreements are slowing down decisions. What is the BEST approach for the CHRO?

A. Allow each executive to keep using their own definitions and show the differences in board reports.

B. Insist that HR is the sole owner of all people metrics and that other functions must use HR's figures.

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

D. Escalate each metric disagreement to the CEO as it comes up so that the CEO can make a final ruling.

220. A union opens bargaining with 12 economic demands, and the CFO asks the CHRO for their total cost. Which costing approach should the CHRO use?

A. Price only the base wage demand, since the other economic demands will likely be dropped before a final agreement is reached.

B. Present each demand's cost separately without a total, so the CFO can judge which items to accept on their individual merits.

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

D. Price each demand for the first contract year only, since later years can be estimated once the agreement is ratified.

221. During contract negotiations, management's team proposes limiting family and medical leave for bargaining-unit employees to 8 weeks per year. The union seems willing to accept it in exchange for a wage increase. What is the BEST advice from the HR leader?

A. Accept the provision but apply the full 12 weeks of FMLA leave to nonunion staff only.

B. Accept the provision only if the union obtains signed waivers from each covered member.

C. Accept the provision, since rights negotiated through a union replace statutory leave rights.

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

222. A board member urges the CEO to adopt forced ranking, citing a competitor's strong productivity gains in the first two years. What is the CHRO's BEST argument?

A. Gains tend to grow over time, but they appear only in firms that already have a culture of high employee engagement.

B. Forced ranking costs more to administer than other systems, so its gains would not cover the extra software expense.

C. Forced ranking is prohibited under federal law because it sorts employees into fixed categories based on their ratings.

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

223. What standard governs employer liability for harassment by a coworker, and how should it shape policy design?

- **A.** Actual malice: the employer intended the harm, so policies should focus on executive conduct rules
- **B.** Strict liability: the employer is always liable, so policies should focus on settling claims quickly
- **C.** Negligence: the employer knew or should have known and failed to act, so reporting must be easy
- **D.** Vicarious liability with a defense, so policies should require all complaints to go to direct managers

224. Tsedal Neeley studied companies that adopted English as a lingua franca. What did her research find about the effect on employees who are not native English speakers?

- **A.** Most gained influence because the policy rewarded their multilingual skills over native speakers
- **B.** Concerns faded within the first year as fluency improved and status worries no longer appeared
- **C.** Effects were limited to social ties and did not change employees' sense of status or job security
- **D.** Many felt a loss of status and job security, which led some to withdraw from communication

225. A global manufacturer launches an employee listening program with surveys and town halls. Unions in several European countries object, saying the program is designed to bypass them and weaken collective representation. What is the BEST strategy for the CHRO?

- **A.** Suspend the program in all unionized locations to avoid conflict with employee representatives.
- **B.** Run the program anonymously through a third party so unions cannot claim that management is involved.
- **C.** Involve union representatives in the design and show it complements collective channels.
- **D.** Continue the program as planned, since the company has a right to communicate directly with employees.

226. A company's international assignments have a high early-return rate even though the assignees were all top technical performers at home. Which selection criteria would BEST improve expatriate success?

- **A.** Choosing assignees who already speak the host language, regardless of their other characteristics
- **B.** Assessing cultural intelligence, adaptability and the family's readiness for the move
- **C.** Selecting assignees with the strongest technical ratings and longest tenure in the home office
- **D.** Offering assignments first to employees who volunteer for the largest relocation package

227. Which vendor relationship characteristics MOST justify managing an HR vendor as a strategic partner rather than as a transactional supplier?

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

B. A long relationship history, friendly account managers, and favorable payment terms

C. A vendor that has recently entered the market and needs a well-known reference client

D. Low spend, many alternative suppliers, and standard services bought on short contracts

228. A technology company's product teams are highly diverse in background and experience, yet their innovation metrics lag peers and their inclusion survey scores are among the lowest in the company. Employees say meetings are dominated by a few senior voices. What should the CHRO conclude?

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

B. Low scores reflect survey fatigue, so the company should survey less often and then recheck results.

C. Innovation lags because of limited funding, so the low inclusion scores are probably unrelated.

D. The teams are too diverse to align quickly, so hiring should favor candidates who fit the current culture.

229. A manufacturer fills 30% of its production roles with workers supplied by staffing agencies. How do FMLA duties generally divide in this joint employment relationship?

A. Neither firm owes leave, since neither is the sole employer of the contingent workers.

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

C. The client grants leave and gives notices, since it directs the workers' daily tasks and schedules.

D. Each firm owes 12 weeks, so a jointly employed worker may take up to 24 weeks a year.

230. A CHRO's planning team describes three plausible futures for the next five years: rapid automation, tighter regulation and a deep demand slump. It estimates workforce needs under each, then identifies talent actions that make sense across all three. Which workforce planning approach is the team using?

A. Delphi technique

B. Trend analysis

C. Workforce gap analysis

D. Scenario planning

231. A company's AI governance committee approved a promotion-recommendation model, then discovered that job history data in the HRIS was incomplete and coded inconsistently across regions. Which principle does this situation BEST illustrate?

A. AI governance depends on mature data governance, because model quality and fairness rest on data quality.

B. Regional data gaps are acceptable, since global models average out inconsistencies across sites.

C. AI governance should replace data governance, since model reviews will catch any data issues anyway.

D. Data quality is a vendor matter, since a well-built model should detect and correct for inconsistent inputs on its own.

232. A risk manager is asked to compute the company's total cost of risk (TCOR) to compare it with peers. Which set of costs belongs in TCOR?

A. Insurance premiums, broker commissions, and losses that insurers reimbursed

B. Insurance premiums, retained losses, and the cost of administering risk programs

C. Retained losses, lost revenue from business downtime, and the cost of ordinary employee wages

D. Insurance premiums, losses paid by insurers, and the cost of safety equipment

233. An organization's strategic workforce plan projects that demand for data engineering skills will triple over four years while demand for several legacy roles will decline. How should this forecast MOST directly shape L&D investment?

A. It replaces training needs analysis, since the forecast already specifies course content needed.

B. It shows that the needed skills should be hired externally, so the L&D budget can be reduced.

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

D. It confirms that L&D should keep funding current programs until the shortages actually appear.

234. An executive team is deciding whether to fund a new selection assessment for a large hiring program. Under the Brogden-Cronbach-Gleser utility model, which factors MOST determine the dollar value of the assessment?

A. Its face validity, candidate reactions, and the total number of applicants

B. Its validity, the dollar value of performance differences, and the selection ratio

C. Its reliability, the cost per candidate tested, and the average time-to-fill for open requisitions

D. Its pass rate, the average starting salary, and the annual turnover rate

235. A European subsidiary's leadership refuses to adopt the parent company's new global performance-rating policy, saying forced ratings clash with local norms and would require works council consultation. The CEO wants the policy in place everywhere this year. What should the CHRO do?

A. Escalate the dispute to the CEO and ask for a decision that the subsidiary's leadership must accept

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

C. Exempt the subsidiary permanently from the policy because its leaders understand local conditions best

D. Direct the subsidiary to implement the policy as written and handle works council objections afterward

236. A CHRO's 25-person HR team is supporting seven concurrent enterprise projects, and two key HR leaders have just resigned. She must stop two projects. What is the BEST way to proceed?

A. Stop the two projects that are furthest behind schedule, since they are the least likely to finish on time or on budget anyway.

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

C. Stop the two projects whose sponsors are least senior, since they are the least likely to escalate the decision.

D. Pause all seven projects for one quarter until the two vacancies are filled, and then restart them all together.

237. After a benchmarking study, the CHRO's team proposes adopting the same benefits, flexible-work and learning practices that the top five competitors use. What is the main strategic limitation of this proposal?

A. Benchmarking measures inputs rather than outcomes, so it cannot inform people strategy.

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

C. Benchmark data is usually too old to guide current decisions about benefits and learning programs.

D. Matching competitors' practices typically raises costs faster than it raises productivity.

238. During a heated executive meeting about budget cuts, the CHRO mentally steps back from the debate to notice who is aligned with whom, which topics are avoided and how the group is reacting. In Heifetz's adaptive leadership, what is this practice called?

A. Regulating the distress

B. Getting on the balcony

C. Giving the work back

D. Holding steady

239. An executive team has delayed a pricing restructure for six months because the CEO insists on unanimous agreement, and one or two members keep raising new objections. Competitors are moving. What process should the CHRO recommend?

A. Keep working toward unanimity with an outside facilitator, since full agreement produces the strongest commitment

B. Let the CFO make the decision, since pricing is mainly a financial issue rather than a team matter

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

D. Put the decision to a majority vote of the executive team so the members who object are outvoted

240. A multinational wants to extend its U.S. criminal and credit checks to new hires in 12 countries. What is the BEST approach?

A. Drop all screening outside the U.S. to avoid conflicting legal requirements abroad

B. Apply the U.S. process everywhere, since FCRA compliance also satisfies foreign laws

C. Build country-specific screening that follows local privacy and data-transfer laws

D. Use the U.S. process with written consent, which overrides any local restrictions

241. A company shifts from a low-cost strategy to a product-innovation strategy but keeps its existing balanced scorecard unchanged. What is the MAIN risk?

A. Its lagging financial measures will no longer be accepted by the board for reporting.

B. Its targets will be too easy to reach because the historical baselines are now outdated.

C. Employees will lose trust in the scorecard because its format, layout and reporting cycle have not changed.

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

242. A proposed enterprise leadership program will require about 10% of the top 40 executives' time for 18 months. The business case lists only vendor fees and HR staff costs. Why should the CHRO also account for the executives' time?

A. Executive time needs to be counted only when executives receive overtime for the work.

B. Executive salaries are fixed, so their time adds no incremental cost to the business case.

C. Accounting rules require executive time on programs to be capitalized as a project asset.

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

243. A company receives Social Security no-match letters covering 50 employees. Operations wants the 50 employees suspended until their records are fixed. What is the BEST response?

A. Suspend the 50 employees without pay until each one brings in a corrected Social Security card

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

C. File the letters without action, since they have no bearing on the employment relationship

D. Have the 50 employees complete new Forms I-9 using different identity and work documents

244. A software company's volunteer program consists mainly of painting schools and park cleanups. Participation is falling, and nonprofits say they need help with technology. What is the BEST way to redesign the program?

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

B. Increase paid volunteer time from one day to three days a year to boost participation in events.

C. Replace the program with a single corporate cash donation to the nonprofits that employees have chosen.

D. Let each employee choose any volunteer activity and track only the total hours that they log.

245. A rigorous field study found that predictable scheduling reduced turnover among hourly retail workers. The CHRO of a software company considers citing it to justify a new scheduling policy for its engineers. What is the main limitation of using this evidence?

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

B. Its sample is too narrow to be statistically significant for any population of workers.

C. It offers only correlational evidence, because field studies cannot establish causation.

D. Its internal validity is undermined, because the study took place in a different industry.

246. A CHRO is presenting an early-return-to-work program to the executive team. The program costs $300,000 a year and is projected to eliminate 4,000 lost workdays, each valued at $320 in lost productivity and replacement cost. What is the program's projected ROI?

A. About 77%

B. About 23%

C. About 327%

D. About 427%

247. During scenario planning, a CHRO identifies actions, such as building managers' data literacy, that would benefit the company under every plausible future scenario. What are these actions called?

A. Hedging moves

B. Strategic big bets

C. Staged options

D. No-regret moves

248. A CHRO estimates a 30% chance that the chief technology officer will leave within the next year, with a $2 million impact from delayed projects and replacement costs. A $250,000 retention award is expected to cut the chance of departure to 10%. What is the net expected financial benefit of the award?

A. A net benefit of $150,000

B. A net benefit of $1,750,000

C. A net benefit of $350,000

D. A net cost of $50,000

249. In an FMLA certification for leave to care for a parent, an employee includes details of the parent's inherited heart condition. An EAP report sent to HR also mentions a family history of illness. Which policy principle should apply?

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

B. Purge the information right away, since GINA makes it unlawful for the employer to hold it under any circumstances at all.

C. Treat the information as part of the personnel file, since the employee chose to provide it voluntarily.

D. Share the information with the employee's manager so that the manager can plan for future leave requests.

250. A benchmark study shows that a healthcare system's HR cost per employee is in the bottom quartile of its peers. At the same time, time-to-fill for nurses has doubled, and managers rate HR service poorly. The CHRO wants to request more HR investment. What is the BEST way to make the case?

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

B. Survey employees and managers about HR service and present the low satisfaction scores as the case for funding.

C. Propose outsourcing all transactional HR work so that the current budget can be used for more strategic work.

D. Request a budget at the peer median, citing the benchmark study as evidence that HR is currently underfunded.

251. A company is selecting a single global cloud HRIS, but several countries where it operates have data localization laws covering employee personal data. What is the main architecture implication?

A. All employee data must be stored in the company's headquarters country

B. Covered data may need in-country storage or an approved regional instance

C. Employees in those countries must be left out of the global HRIS entirely

D. Employee consent forms remove the need for any local storage arrangements

252. After a large layoff, an executive team asks the CHRO what will most influence the commitment of the employees who remain. What does research on layoff survivors indicate?

A. Survivors' commitment depends mainly on receiving retention bonuses after the layoff

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

C. Survivors' commitment depends mainly on how many colleagues were laid off in total

D. Survivors' commitment depends mainly on whether their own workload went unchanged

253. During a shift to hybrid work, 200 employees moved to other states, but payroll has not registered with any new state. What should HR and payroll do?

A. Treat the movers as contractors until they return to the office's home state

B. Keep withholding for the office's state, since employees are still assigned there

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

D. Ask employees to pay their new states' income taxes themselves through estimates

254. A company describes its AI program to employees as "augmentation, not replacement," while its workforce plan calls for eliminating 1,200 roles. Why must the framing match actual workforce plans?

A. Employees ignore corporate messaging anyway, so the framing has little effect on trust or engagement.

B. The framing is acceptable as long as the reductions take place gradually over more than a single year.

C. Federal law requires internal AI communications to disclose the exact number and titles of roles that are affected.

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

255. A CHRO is building an enterprise mental health strategy that includes expanding therapy access in the self-funded medical plan, adding a digital mental health app and training managers. The plan also requires prior authorization for outpatient therapy but not for most outpatient medical visits. What should the CHRO address as part of the strategy?

A. Launch the app first, since it falls outside parity rules and shows quick, visible action to employees and managers.

B. Shift therapy coverage into the employee assistance program to avoid parity rules entirely.

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

D. Remove all utilization review from the plan so no mental health limit could be challenged.

256. A CHRO tells the executive team that a vendor's discounted price for a leadership assessment platform expires at the end of the quarter and that only three implementation slots remain this year. Which of Cialdini's principles of influence does this framing use?

A. Social proof

B. Scarcity

C. Unity

D. Liking

257. All of a company's finance and HR staff work in one building in a hurricane-prone coastal city, and payroll for 8,000 employees runs from that site. What should the CHRO recommend?

A. Move payroll to an outside vendor located in the same city so that the risk is shared with a business partner.

B. Write an evacuation plan for the building and run a full drill before the start of each hurricane season.

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

D. Buy more property and business-interruption insurance to cover storm damage and downtime costs.

258. During an extended facility closure, a company let nearly all of its account managers work remotely for 14 months, and performance held steady. Leaders now require full in-office attendance and plan to deny telework accommodation requests on the ground that physical presence is essential. Which risk should the CHRO raise?

A. The ADA requires employers to offer telework to everyone who worked remotely during an emergency period.

B. Telework cannot be a reasonable accommodation once an employer has adopted a full in-office attendance policy.

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

D. Any remote work allowed during an emergency becomes a binding contract term that cannot later be withdrawn.

259. A CHRO is building a balanced scorecard to report the value of the HR function's AI tools to the board. Which set of measures BEST reflects the four balanced scorecard perspectives?

A. Model accuracy, model precision, model recall, and the number of retraining cycles run each quarter

B. Total AI spending, total HR budget, HR cost per employee, and the cost savings each AI vendor reports to the board

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

D. Number of AI tools deployed, number of licenses purchased, user log-ins per week, and vendor uptime

260. Forty percent of a utility's licensed operators will be eligible to retire within five years, and becoming licensed takes about two years. What should the CHRO recommend?

A. Offer retention bonuses to every eligible operator to delay their retirements as broadly as possible.

B. Raise operator pay to attract already licensed operators from other utilities.

C. Wait for retirement notices and then post the openings externally as they come up.

D. Model retirement timing by role and begin building pipelines and knowledge transfer now.

261. Two firms with different product lines have just merged, and leadership worries that key expertise will be lost during integration. Which knowledge management step should come FIRST?

A. Migrate both firms' document repositories into one shared platform as early as possible.

B. Launch joint communities of practice so employees from both firms can begin to collaborate right away.

C. Standardize both firms' processes on whichever company has the larger revenue to report.

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

262. A food manufacturer plans to move its plant from 8-hour to 12-hour rotating shifts to improve coverage and cut handoffs. Several jobs involve operating heavy machinery. What should the CHRO and plant leadership do BEFORE making the change?

A. Confirm that federal law does not set a maximum shift length for adult employees in manufacturing.

B. Calculate the overtime savings from the new schedule and present them to the executive team for approval.

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

D. Survey employees and adopt the new schedule only if a majority prefer the 12-hour shifts.

263. A CHRO and CFO are mapping the company's value chain to decide which HR and operational activities to outsource. Which criterion MOST strongly supports keeping an activity in-house?

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

B. It is a high-volume, rules-based process that several vendors already perform at lower cost.

C. It accounts for a large share of total operating expense and has steady, predictable demand.

D. It is performed by long-tenured staff who would face real hardship if the work were moved to an outside vendor.

264. A U.S.-based multinational wants a single global policy on after-hours email and messaging. Several countries where it operates, including France and Portugal, have right-to-disconnect laws. What is the BEST approach?

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

B. Adopt the U.S. policy worldwide, since a single policy is simpler to communicate and enforce in all countries.

C. Adopt the strictest country's rules everywhere so the company never falls below any local legal standard.

D. Let each country design its own policy without a global baseline, since local law differs too widely.

265. Counsel tells the CEO that a representation hearing could add several weeks before an election but might widen the unit. Stipulating to the petitioned unit would allow a faster vote. Which criterion should drive the CEO's decision?

A. Whether a stipulation would waive the company's right to communicate with employees before the vote.

B. Whether the hearing will allow the company to choose which individual employees are eligible to vote.

C. Whether the hearing can push the election past the one-year mark after the petition was filed.

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

266. An insurer spent $15 million on a new claims-processing platform expecting a 25% productivity gain. A year later, claims processed per adjuster are unchanged. What is the BEST response from the CHRO?

A. Schedule another round of system training for every adjuster so that they become more proficient with it.

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

C. Recommend replacing the platform with a different vendor's product that has stronger industry reviews.

D. Reduce adjuster headcount by 25% so that the expected productivity savings from the investment are captured.

267. The CEO of a 4,000-employee company is removing two management layers to speed decision-making, and the 12 pay grades will be consolidated into five broad bands. Many managers worry that they are losing promotion opportunities and status. What should the CHRO prioritize in planning the change?

A. Implement the new bands quietly and address concerns only if employees raise them later through formal grievance channels

B. Promise affected managers that they will be promoted into the new senior bands within the first year

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

D. Reduce pay for managers whose layers are removed so their pay aligns with the new, flatter structure

268. A company plans to launch an AI-driven internal talent marketplace that matches employees to projects, gigs and open roles based on their skills. Which prerequisite is MOST critical to its success?

A. Replacing job descriptions with open-ended role profiles written by employees

B. A governed skills taxonomy and reliable, current skills data for employees

C. A vendor with the largest library of learning content linked to the platform

D. A rule that every employee must apply for at least one internal project yearly

269. In O'Reilly and Tushman's model of the ambidextrous organization, how does a firm pursue both exploration and exploitation?

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

B. The firm spins off new ventures entirely and manages them only as financial investments

C. Exploratory projects run inside core units and share their existing processes, metrics, and reviews

D. The firm alternates between periods focused on exploring and periods focused on exploiting

270. Eighteen months ago, a CEO told employees and the media that the company would not conduct layoffs during its digital transformation. Revenue has since fallen sharply, and the CEO tells the CHRO privately that a 10% reduction will be announced next month with a brief statement that conditions changed. How should the CHRO counsel the CEO?

A. Recommend replacing the layoff with attrition and a hiring freeze, since breaking a public commitment would cause greater lasting harm.

B. Suggest that the CEO let business unit leaders deliver the news so that the reversal is not personally linked to the original pledge.

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

D. Advise the CEO to describe the reduction as a restructuring rather than a layoff so that the earlier pledge is not directly contradicted.

271. Why should success metrics for a major learning program be defined during the design phase, before development begins?

A. So that the program can be justified to auditors as meeting all mandatory training requirements.

B. So that the evaluation can be skipped after launch if early reaction scores are strongly positive.

C. So that the design team can measure learner satisfaction before investing in evaluation of results.

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

272. A global code of conduct discourages collecting employees' religious affiliation. In one country where the company operates, the law requires employers to record and report each employee's religious community background for equality monitoring. What should the CHRO do?

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

B. Follow the global code in that country, since a single global standard is the basis of an ethics program.

C. Collect the data but store it with the employee's other HR records, since local law requires its collection.

D. Revise the global code everywhere to permit collecting religious data, so it no longer conflicts with any law.

273. A utility expects 30% of its engineers to become retirement eligible within five years. Which sequence BEST reflects strategic workforce planning for this risk?

A. Offer early retirement incentives, then hire replacements at lower pay to reduce long-term labor costs.

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

C. Launch an engineer hiring campaign, then build succession plans for critical roles once the new hires are fully trained.

D. Ask older engineers for their retirement dates, then post each job once a date has been confirmed.

274. A health system's strategy requires shifting staff quickly among clinics and service lines as patient demand changes, but 1,400 narrowly defined job descriptions block redeployment. What case should the CHRO make to the executive team?

A. Move to a skills-based model that matches people to work by verified skills

B. Create a central float pool of nurses and keep the existing job structure for others

C. Add 'other duties as assigned' to each job description so managers can reassign staff

D. Hire a pool of contingent workers so permanent roles and job structures can stay unchanged

275. A company depends heavily on one vendor for its HCM platform and outsourced payroll. Which contract provision BEST reduces the strategic risk of vendor lock-in?

A. Service-level credits that the vendor pays whenever monthly performance falls below target

B. A requirement that the vendor's staff work on-site during the first year of the contract

C. Data portability, exit assistance obligations, and caps on renewal price increases

D. A longer initial contract term in exchange for a deeper discount on annual subscription fees

276. A company is being acquired, and the CHRO will leave after closing with a change-in-control severance package. The CEO asks her to negotiate separation terms for the other departing executives. What should the CHRO do?

A. Delegate the negotiations to her direct report and review the results personally before sign-off

B. Negotiate the terms herself, since she knows the plans best and the full board will review and approve the final result

C. Negotiate the other executives' terms only after her own separation package has been finalized

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

277. The CFO proposes freezing the company's defined benefit pension plan and buying annuities from an insurer to transfer retiree obligations. What strategic input should HR provide?

A. The annuity purchase must use the lowest-cost insurer, since price is the controlling legal test.

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

C. The freeze and the annuity purchase are both settlor choices, so no fiduciary review is required.

D. The freeze would cut benefits already earned, so every participant would have to consent to it.

278. A board's governance committee asks the CHRO when it should start planning for the eventual retirement of a CEO who is performing well. What lead time do governance experts generally recommend?

A. Only after the CEO resigns, so the board avoids signaling that the CEO is leaving soon

B. About 12 months ahead, once the CEO has formally announced a planned retirement date

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

D. About six months ahead, so that the search reflects the company's current strategy

279. An employer failed to give required WARN notice. Which payment can reduce its liability for back pay?

A. A payment of accrued vacation that state law already required the employer to make

B. A severance payment made only to employees who agree to sign a release of all claims

C. A voluntary, unconditional payment to the employee that no legal obligation required

D. A payment owed under the employer's existing severance plan for laid-off employees

280. Analysis shows that manager quality affects turnover mainly because better managers raise employee engagement, which in turn lowers turnover. What role does engagement play in this relationship?

A. Mediator

B. Confounding variable

C. Moderator

D. Control variable

281. Leaders are weighing layoffs, across-the-board pay cuts and furloughs to reduce labor costs in a downturn expected to last about six months. Which statement BEST reflects the typical trade-offs?

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

B. Furloughs suit long-term declines best because they permanently cut the fixed labor costs

C. Pay cuts suit long downturns best because employees adjust and morale recovers fast

D. Layoffs tend to lift survivor engagement because remaining staff feel more secure

282. Only 55% of employees at a multinational company have completed voluntary demographic self-identification, which makes inclusion metrics unreliable. Focus groups reveal employees don't know how the data will be used and fear it could affect their careers. What should the CHRO do?

A. Have managers fill in missing data based on their knowledge of each employee on their teams.

B. Make self-identification mandatory for all employees as part of the annual benefits enrollment.

C. Offer a cash incentive to every employee who completes the self-identification form before the year ends.

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

283. In Bartlett and Ghoshal's framework, what characterizes a transnational strategy?

A. Pursuing global efficiency and local responsiveness together, with shared learning

B. Transferring home-country knowledge and products to foreign units for local adaptation

C. Centralizing decisions at headquarters to maximize global efficiency and economies of scale

D. Giving each country unit autonomy to respond to its local market and customer needs

284. Why do critics argue that a single unfreeze-change-refreeze cycle fits poorly with change in many large organizations today?

A. The model ignores resistance, so it gives leaders no way to deal with it

B. The model omits creating urgency, which is the first step in any change

C. The model applies only to small groups, so it cannot guide enterprise-wide transformation work

D. Change is continuous and overlapping, so a stable refrozen state rarely lasts

285. A company plans a five-year transformation in a country whose culture values persistence, thrift and sacrificing short-term gains for future rewards. Which Hofstede dimension applies, and what does it imply for leading the change?

A. Uncertainty avoidance; frame the change around durable future benefits and expect patience with a multi-year horizon.

B. Long-term orientation; stress quick wins in the first quarter, since employees will judge the change on early results.

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

D. Indulgence; stress personal rewards and enjoyment along the way, since employees value gratification of their needs.

286. A CHRO is building the business case for a retention initiative. Last year 40 employees left the company; their average salary was $70,000, and finance estimates the full cost of replacing each one at 50% of annual salary. What was the estimated total cost of turnover last year?

A. $700,000

B. $35,000

C. $2.8 million

D. $1.4 million

287. A company is buying the assets of a unionized plant and planning compensation for the workforce it will hire. Which legal principle should guide its plans for initial terms?

A. A successor must continue the predecessor's wages and benefits for at least one year after it acquires the operation, then may change them.

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

C. A successor may set initial terms only after bargaining to impasse with the union over its proposed new compensation plan.

D. A successor may set initial terms only if fewer than half of its new workforce come from the predecessor's employees.

288. A CHRO proposes adding new-hire retention and ramp-up targets to every people manager's annual goals. Why does this tend to improve onboarding outcomes across the enterprise?

A. It makes retention results easier to measure, because managers will report them directly to HR.

B. It moves responsibility for onboarding results from HR to managers, so HR can reduce the size of its own onboarding staff.

C. It lets the company penalize managers for every resignation on their team, regardless of its cause.

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

289. A biotech firm prizes experimentation, rapid prototyping and entrepreneurial risk-taking. Using the Competing Values Framework, which culture type and HR practice fit best?

A. Adhocracy culture, supported by rewards for innovation and tolerance for intelligent failure

B. Clan culture, supported by long-term mentoring programs and consensus decisions on every project

C. Market culture, supported by forced rankings and individual quarterly sales targets

D. Hierarchy culture, supported by detailed procedures and multiple levels of approval

290. A board compliance committee asks how an effective compliance and ethics program affects a corporation's sentence under the U.S. Federal Sentencing Guidelines for Organizations. Which statement is most accurate?

A. It reduces the base fine directly by a fixed share but has no effect on the culpability score itself

B. It guarantees that prosecutors will decline to bring charges if the program existed before the offense occurred

C. It counts only when the program was certified by an outside auditor in the year before the offense

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

291. The union will accept new work rules expected to raise productivity 3% on a $40 million annual labor cost, but only with a wage increase of $1.50 per hour for 400 employees who each work 2,080 hours a year. Wage-related benefits add 20% to every wage dollar. What is the net annual effect of the trade?

A. The trade costs about $48,000 more per year than it saves.

B. The trade costs about $57,600 more per year than it saves.

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

D. The trade saves about $297,600 more per year than it costs.

292. After an audit finds unpaid overtime, the general counsel proposes paying each affected employee the back wages owed in exchange for signing a release of all FLSA claims. What should the CHRO raise before the plan proceeds?

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

B. Nothing, since a signed release with any payment is enforceable once employees have had a reasonable time to review it.

C. The release should include a confidentiality clause so that other employees do not learn of the payments.

D. The release must follow OWBPA timing, with 21 days to consider and 7 days to revoke, to be enforceable.

293. Three internal executives are openly competing to succeed the retiring CEO, and the contest is widely known inside and outside the company. The board expects to choose within a year. What should the CHRO do to reduce the risk of losing the two runners-up?

A. Tell the runners-up after the decision that they will be first in line for the next CEO opening there

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

C. Have the board name a winner within 30 days to cut the contest short and limit further damage

D. Ask the board to keep the finalists' names confidential from now on to lower the stakes

294. A CHRO is deciding which recruiting tasks to automate with AI. Which principle should guide the allocation of tasks between AI and people?

A. Automate final hiring decisions first, since those decisions gain the most from consistency.

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

C. Keep every candidate-facing task human and limit AI to internal reporting and analytics work.

D. Automate every task where AI is cheaper than a recruiter, then review any quality problems as they come to light.

295. The company has 6 pending employment claims. Each has a 30% chance of settling at an average of $150,000, and each will cost $40,000 in defense fees whether or not it settles. What expected exposure should HR and legal budget?

A. $270,000

B. $1,140,000

C. $510,000

D. $342,000

296. A company has adopted one change management methodology, with common templates and training, and applies it consistently on projects across all business units. However, change capability is not yet built into leader roles, competencies and performance expectations. Under the Prosci change management maturity model, which level has the company reached?

A. Level 5, organizational competency

B. Level 2, isolated projects

C. Level 3, multiple projects

D. Level 4, organizational standards

297. A company planning a major restructuring discovers that its labor agreement contains an evergreen clause. What is the main risk of this clause for its plans?

A. If notice deadlines are missed, the existing contract terms roll over

B. The union may strike at any time once the original term has passed

C. The company may change any terms after the original expiration date

D. The contract expires automatically as soon as the restructuring begins

298. An L&D function wants to stop acting as an order-taker that delivers whatever courses business leaders request. Which approach BEST describes the shift to performance consulting?

A. Building a self-service catalog so leaders can choose and schedule courses without help from L&D.

B. Requiring a completed training request form with learning objectives before any course is designed.

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

D. Charging business units for each course so that leaders request only the programs they really need.

299. A board member urges the CHRO to require all 6,000 employees to sign mandatory arbitration agreements with class-action waivers. The CHRO has been asked to present a balanced view at the next board meeting. What should the presentation emphasize?

A. Waivers reliably lower total dispute costs because arbitration is cheaper and faster than court in nearly all employment cases.

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

C. Waivers are unenforceable for nonunion employees because the NLRA protects concerted legal action by employees.

D. Waivers are lawful for new hires only, so the board should apply them when hiring rather than to current staff.

300. A CHRO's title and reporting line have not changed, but since she was given control of the company's limited AI reskilling budget, business leaders seek her support far more often. According to Pfeffer, what is the main source of her increased power?

A. Personal charisma and reputation with peers

B. Control over scarce resources that others need

C. Formal authority based on her position title

D. Technical expertise in AI and in workforce data

301. Over the past year, candidates for a 12,000-employee retailer have increasingly reported that they could not complete the online application, timed skills assessments or one-way video interviews because of disabilities. Several complaints have reached social media, and two came through state civil rights agencies. What should the CHRO prioritize FIRST in the remediation plan?

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

B. Remove all timed assessments and video interviews from the hiring process for every open role

C. Add a disclaimer telling applicants to call HR if they need help, and keep the current tools in place

D. Replace the applicant tracking system with a vendor that advertises accessibility compliance

302. What did Frank Dobbin and Alexandra Kalev's research on corporate diversity programs find about mandatory diversity training?

A. Mandatory training had no measurable effect at all, while voluntary training reliably reduced managers' implicit bias scores.

B. Mandatory training worked better than voluntary training because it reached the managers who most needed it.

C. Mandatory training produced lasting gains in representation when it was repeated at least once a year.

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

303. Several senior executives have accepted paid seats on outside corporate boards, and the CEO is concerned about time commitments and possible conflicts. The CEO asks the CHRO to design a policy. Which approach is BEST?

A. Prohibit all paid outside board service by executives to remove any risk of distraction or conflict

B. Let each executive's direct supervisor approve outside seats based on their development value

C. Allow outside seats freely but require executives to list each of them on their annual disclosure forms

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

304. During an enterprise ERP rollout, employees say they support the change and have completed training that explained the new processes. Months later, many still cannot perform the new tasks proficiently on the job. Which ADKAR element is MOST clearly missing?

A. Ability

B. Knowledge

C. Desire

D. Reinforcement

305. Unplanned absence at a 7,000-employee health system has risen 25% in a year. Survey data show rising burnout scores, and overtime has doubled because of open positions. What is the BEST strategic response?

A. Offer an attendance bonus to employees with no unplanned absences each quarter

B. Address staffing and workload drivers while strengthening wellbeing support

C. Tighten the attendance policy and apply progressive discipline more consistently

D. Expand the employee assistance program and promote its counseling services

306. A CHRO at a 15,000-employee retailer wants predictive attrition models within three years. HR data now sits in three unintegrated systems, definitions vary by region, and the small team produces manual monthly reports. Which plan is MOST appropriate?

A. Standardize definitions, integrate data and automate reports, then add predictive work.

B. Outsource all analytics permanently, since building internal capability takes too long.

C. Hire data scientists at once to build attrition models from the existing regional data sets.

D. Buy a predictive analytics platform now so vendor models can make up for data gaps.

307. A software company's analysis shows that many senior engineers now earn little more than recent hires in the same roles. The CHRO proposes a targeted adjustment program, but the CFO calls it a cost with no return and wants to wait for the next merit cycle. What is the CHRO's BEST next step?

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

B. Ask the CEO to approve the adjustment program directly, since pay strategy is ultimately a people decision, not a finance one.

C. Defer to the CFO and plan to direct a larger share of the next merit budget to the affected engineers.

D. Present external salary survey data showing the company's ranges trail the market at several job levels.

308. After years of autonomous business units, a company has duplicated systems and makes conflicting offers to the same customers, which is hurting sales. What structural recommendation is BEST?

A. Add a corporate audit team to review each unit's systems spending each year

B. Centralize all decisions at headquarters and eliminate business unit leadership

C. Centralize shared platforms and customer coordination while units keep accountability

D. Keep full autonomy and ask unit heads to coordinate informally on key accounts through quarterly calls

309. A retailer with 400 stores is designing its Pregnant Workers Fairness Act program. Store managers ask for a single list of approved accommodations so they will not have to evaluate requests. Which principle should guide the design?

A. Use the store's leave policy first, and consider other changes only after the employee has used up all of her leave.

B. Use a fixed list of approved accommodations, and treat requests for other changes as outside the law.

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

D. Use a written request form, and treat any request not made on the form as not received by the employer.

310. A company is redesigning its speak-up program and must divide responsibilities between the board's audit committee and management. Which responsibility belongs with the audit committee?

A. Triaging incoming hotline reports and assigning each one to a qualified internal investigator

B. Selecting the hotline vendor and approving the speak-up program's annual operating budget and staffing

C. Interviewing witnesses and reaching findings in the investigations of significant allegations

D. Overseeing the program's design and effectiveness and reviewing cases involving senior leaders

311. A manufacturer plans to automate several production lines over three years, and the union fears large job losses. The CHRO proposes a joint labor-management committee. What should the partnership include to be MOST effective?

A. A guarantee that no bargaining-unit jobs will be eliminated for the full three-year automation period.

B. A focus on safety issues only, since automation decisions are reserved to management under the contract.

C. Shared timeline data, a joint planning role, and commitments on retraining and redeployment.

D. An advisory role for the union, with management briefing the committee after decisions are final.

312. A global company with a matrix structure is benchmarking spans of control. Many employees have a solid-line manager in their country and a dotted-line manager in a global function. What is the MAIN measurement challenge?

A. Counting both lines double-counts employees, so spans should be halved to make them comparable

B. Spans cannot be meaningfully calculated in a matrix, so layers should be the only structural metric used instead

C. Dotted-line relationships are informal, so they should be excluded and spans reported only by country

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

313. A 40,000-employee company's profit sharing plan has little measurable effect on productivity. Which explanation BEST accounts for this?

A. Profit sharing payouts are too frequent, so employees come to view the awards as an entitlement rather than a reward.

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

C. Profit sharing measures performance at the team level, which is too narrow to align employees with company results.

D. Profit sharing is paid in cash, which employees value less than equity or other deferred forms of compensation.

314. A U.S. company uses local recruiting and immigration agents to obtain work permits and hire staff in several high-corruption countries. Why do these agents require anti-corruption due diligence?

A. Agents are treated as employees for FCPA purposes, so they must take the company's compliance training.

B. The FCPA applies only to payments made through third parties, not to payments made directly by employees.

C. Agents' fees count as facilitating payments, which must be reported to the government each year.

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

315. The board of a public company terminated its chief revenue officer for harassment and wants to recover incentive pay he received over the past two years. The company's financial statements have not been restated. What should the CHRO advise?

A. Withhold his final paycheck and unpaid commissions until the board decides how much it will recover.

B. Drop the idea, since incentive pay that has already vested and been paid out can never be recovered by the company.

C. Proceed under the SEC-required clawback policy, which covers pay of any executive terminated for cause.

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

316. A U.S. multinational covers its overseas operations under a single U.S. master liability policy. The risk manager recommends adding locally admitted policies in several countries. What is the MAIN reason?

A. Admitted policies let the company avoid paying local insurance premium taxes in the host countries.

B. Locally admitted policies always cost less than coverage under a U.S. master policy for the same risk.

C. A U.S. master policy cannot cover any claims that are brought by non-U.S. employees in foreign courts.

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

317. The CEO is convinced that below-market pay is driving 22% turnover and wants to fund a 6% raise for all staff. HR's exit interviews and engagement data show pay ranks fourth among reasons for leaving, behind manager relationships, and that turnover clusters under a few managers. What is the CHRO's BEST approach?

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

B. Commission an outside pay benchmarking study first, so that an external source can settle the disagreement with the CEO.

C. Present only the manager findings to the leadership team, since the data already shows that pay is not the main cause.

D. Fund the 6% raise as directed, since the CEO has the final say and higher pay will reduce some turnover in any case.

318. A CHRO must prepare 400 front-line managers at 15 sites to act lawfully if organizing begins, using TIPS and FOE guidance. The budget is tight. What is the BEST approach?

A. Train only the managers at sites with current organizing activity and defer the rest until needed.

B. Send a one-page TIPS memo to every manager and require each to sign an acknowledgment that it was read.

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

D. Wait until a petition is filed and then hire outside trainers to brief the managers at that site.

319. An industrial company's markets are being disrupted by digital competitors. The CEO says the company needs "dynamic capabilities" and asks the CHRO about HR's role. Which description is accurate?

A. Optimizing current routines for efficiency, aided by HR standardization of jobs

B. Holding resources constant to protect core competencies against disruptive change

C. Sensing change and reconfiguring resources, aided by HR systems that redeploy talent

D. Acquiring scarce assets that rivals can't buy, aided by HR acquisition due diligence

320. After a merger, a company owns one union plant and one nonunion plant 200 miles apart that make the same products. The union demands that its contract be applied to the nonunion plant to remove pay differences. Nonunion employees have shown no interest in joining. What is the BEST response?

A. Merge both plants into one seniority list at once, so that work and layoffs can be assigned evenly across the combined workforce.

B. Cut the union plant's pay and benefits to match the nonunion plant, since the merger allows the company to set uniform terms.

C. Agree, because applying one contract to both plants removes pay differences and lowers the risk of a future organizing drive.

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

321. The financial model for a pending acquisition assumes $20 million in annual headcount savings. The CHRO's due diligence shows that many of the target company's key engineers are likely to leave during integration. What should the CHRO do?

A. Quantify the retention risk and its cost and present a revised synergy plan.

B. Offer retention bonuses to every employee of the target company at closing.

C. Recommend that the company abandon the acquisition because of the talent risk.

D. Accept the savings target and deal with retention issues after the deal closes.

322. A long-serving executive team is close-knit and makes decisions quickly, but recent strategic misses suggest it is out of touch with customer and frontline realities. Meetings rarely include dissent. What should the CHRO introduce?

A. A team-building retreat to strengthen trust so executives feel safe enough to start openly disagreeing with each other

B. A requirement that all major decisions be approved by the board before the executive team acts on them

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

D. A new executive hire from outside the industry who can bring a fresh view to the team's strategic discussions

323. A company's employee trust index combines three survey dimensions: leader integrity (score 70, weight 0.5), fairness (score 80, weight 0.3) and communication (score 60, weight 0.2). What is the composite trust index?

A. 70

B. 68

C. 73

D. 71

324. After a sudden reorganization announcement with few details, employees trade stories and interpretations in team chats to work out what the change means for them. Which concept, associated with Karl Weick, describes this process?

A. Cognitive dissonance

B. Social loafing

C. Groupthink

D. Sensemaking

325. The CEO asks whether the company should pay its software engineers at the 50th or the 75th percentile of the market. Engineers are central to the growth strategy, and offer-decline and regretted-turnover rates for engineers are well above company norms. How should the CHRO frame the recommendation?

A. Tie the position to the strategic value of the role and to hiring and retention evidence

B. Recommend matching the pay level of the largest competitor for engineering talent

C. Recommend the 50th percentile, since paying at market median is the standard practice

D. Recommend the 75th percentile for all roles, so that pay policy is consistent and simple to explain company-wide

326. After a public scandal in which two senior executives were found to have harassed employees, survey trust in leadership falls to 28%. The board asks the CHRO for a culture repair plan. What should the plan lead with?

A. A quick return to business as usual, with leaders avoiding further discussion of the scandal so that the issue can fade.

B. A new company-wide harassment training program and an updated code of conduct rolled out to all employees within 30 days.

C. A rebranding of company values and a campaign that highlights positive stories about leaders to rebuild trust in leadership.

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

327. A general contractor signs a building trades agreement that makes the union hiring hall its primary source of craft workers. What does this mean for the contractor's control over selection?

A. It must accept every worker the hall refers, whatever the worker's qualifications or past job record.

B. It shifts all legal liability for selection outcomes to the union, which now makes the referral decisions.

C. It can require that referrals be current union members, since the hall exists to place members first.

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

328. A plant safety committee proposes a $400,000 engineering control that is expected to cut injury costs by $150,000 a year. The control will cost $30,000 a year to maintain. What is the simple payback period?

A. About 3.3 years

B. About 2.9 years

C. About 2.7 years

D. About 0.3 years

329. Using the Nadler-Tushman congruence model, a CHRO notes that the company's new strategy requires cross-unit collaboration on every client account, yet bonuses are based only on individual sales. Which misfit does this illustrate?

A. Between the strategy and the external environment

B. Between the people and the informal organization

C. Between the people and the work itself

D. Between the work and the formal organization

330. Which statement BEST describes the employer of record (EOR) model and its main trade-off?

A. A staffing agency places temporary workers abroad; it is cheap but restricted to short-term project assignments.

B. The workers contract with the company as freelancers; it is flexible but invites misclassification.

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

D. The company employs the workers directly abroad; it gives full control but takes months to set up.

331. A CHRO's audit finds that bylaws for three employee resource groups limit membership to employees of a particular race or sex. The groups support mentoring, recruiting events and product feedback that leaders value. What is the BEST redesign?

A. Keep the bylaws but stop funding the groups, so that membership limits no longer involve company resources or benefits.

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

C. Disband the three groups and replace them with a single all-employee council, since any identity-based group is now unlawful.

D. Keep the bylaws but add an exception process so that employees outside the group can apply to join with the leader's approval.

332. A large industrial company acquires a software firm whose employer brand is far stronger with technology talent, as shown by applicant volume and candidate surveys. The acquirer plans to retire the software firm's name within 90 days. What should the CHRO recommend for the talent brand?

A. Rebrand the whole company under the software firm's name, since its reputation is stronger with the talent that will matter.

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

C. Retire the acquired brand on schedule, since one corporate brand is simpler to manage and signals a fully integrated company.

D. Let recruiters choose whichever brand they prefer for each posting, so the company can test what attracts the most applicants.

333. A retailer's board asks whether a new digital subscription venture, with a different business model that could cannibalize store sales, should sit inside the core business or as a separate unit. What should the CHRO counsel?

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

B. Spin it off as a fully independent company with no ties to the parent business

C. Place it within the core business so it can use the existing processes, budgets, and approvals

D. Assign it to the head of the store division as an added performance objective

334. A company hires in 30 U.S. states and plans to use one AI screening platform nationwide. Several states and cities have passed or proposed AI hiring laws with different notice, audit and opt-out rules. The CHRO and general counsel must design the enterprise risk strategy. What is the BEST approach?

A. Use federal law as the single standard, since federal discrimination law preempts state AI hiring laws.

B. Follow each jurisdiction's rules separately, with recruiters checking local law before each new posting.

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

D. Turn the platform off in any jurisdiction with an AI hiring law and use it only in the remaining states.

335. A company cascades its balanced scorecard to a call-center supervisor. Which set of goals BEST covers all four scorecard perspectives?

A. Cut cost per call; raise revenue per call; certify team members in new products; cut agent turnover across all shifts in the center.

B. Raise customer satisfaction; cut complaint volume; raise first-call resolution; shorten average hold time.

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

D. Cut cost per call; cut overtime spending; raise customer satisfaction; raise first-call resolution.

336. A CHRO preparing a proposal for a new leadership academy opens the executive presentation with a benchmark showing peer companies spend $4 million on similar programs, then presents her own $1.5 million request. Which cognitive bias is she relying on to shape how executives judge the request?

A. Recency bias, because the last number presented carries the most weight in the final decision

B. Confirmation bias, because executives look for facts that support the funding views they already hold

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

D. The framing effect, because describing a cost as a loss rather than a gain changes how risky it seems

337. A newly hired CHRO is asked to build a three-year internal communication strategy for a company that is entering two new markets and consolidating its product lines. Which input should shape the communication strategy FIRST?

A. An audit of the channels employees currently use and how often they use them

B. The engagement survey items on which employees rated communication lowest

C. The business strategy and the employee behaviors needed to deliver it

D. Benchmarks of communication budgets and staffing at peer organizations

338. A newly hired CEO has had several tense board meetings in which she argued positions forcefully and dismissed directors' questions as micromanagement. The board chair asks the CHRO to help. What is the BEST coaching approach?

A. Advise the CEO to present all proposals as final decisions so the board sees decisive leadership

B. Suggest the CEO limit what she shares with the board until relationships improve, to avoid further conflict in meetings

C. Coach the CEO to accept board direction on contested issues until she has built enough credibility

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

339. Local law in one country permits 72-hour workweeks, but the company's global principles set a lower limit on working hours. The local plant manager says competitors work 72 hours and the limit is hurting output. What should the global HR leader do?

A. Grant a temporary exception until the plant's output catches up to competitors.

B. Ask the board to lower the global standard to match local law in every country.

C. Uphold the global limit and help the plant meet output through staffing and scheduling.

D. Allow 72-hour weeks at that plant, since doing so fully complies with the host country's local labor law.

340. During due diligence on a 4,000-employee acquisition target, the CHRO learns the target uses an AI resume screener and an AI tool that flags employees as attrition risks. The deal team asks what HR should examine about these tools. What should the CHRO prioritize?

A. Compare the tools' features with the acquirer's platforms to decide which systems to keep after integration.

B. Confirm that the license terms allow the contracts to transfer so the tools can keep running after closing.

C. Interview the target's recruiters about how satisfied they are with the tools' speed and ease of use.

D. Request bias audits, validation evidence, notices, contracts and complaints to size liability.

341. A manufacturer's board has approved a five-year strategy to expand into healthcare and aerospace markets, which require stricter quality systems and consultative selling. The chief learning officer is asked how the L&D portfolio should change. What should the CLO do FIRST?

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

B. Survey managers on the courses their teams most want and expand the catalog around the top requests.

C. Buy an off-the-shelf consultative selling program for the sales force so it is ready before market entry.

D. Benchmark the training budgets of healthcare and aerospace firms and adjust the L&D budget to match.

342. A CHRO serving on the deal team for a confidential acquisition realizes that she owns a modest number of shares in the target company, which she bought years ago. The deal has not been announced. What should she do FIRST?

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

B. Sell the shares right away so that she no longer has a financial interest in the acquisition target

C. Stay on the deal team and disclose her holding once the acquisition has been publicly announced

D. Quietly step back from the deal team without explaining the reason to anyone, so that the deal stays confidential

343. A company's fiscal year runs January through December, and its merit increases take effect October 1. The CFO notes that this year's budget shows only a small cost for the increases. What should the CHRO explain about next year's budget?

A. Next year's cost will match this year's small cost, since merit increases are funded only in the fiscal year that they take effect.

B. Next year's cost will be lower, since some employees who received increases will leave and their raises will lapse.

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

D. Next year's cost cannot be estimated until the new merit cycle closes, since annualized cost depends on new ratings.

344. A company is automating most of its accounts payable function over the next year. Several high performers in that unit have strong analytical skills and are already receiving outside offers. What is the CHRO's BEST retention strategy?

A. Offer stay bonuses to everyone in the unit, paid only if they remain until the automation is complete.

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

C. Let the high performers leave, since their current roles will be automated and are no longer needed.

D. Say nothing about the automation until it is finished, so employees do not leave before the change.

345. A CHRO is drafting principles for a new people analytics strategy that will use engagement, performance and collaboration data. Which principle should guide the strategy?

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

B. Analytics should be limited to aggregate reports, so that no individual-level data is ever collected

C. Analytics should collect all available data, since larger data sets produce more accurate predictions

D. Analytics methods should stay confidential, so that employees cannot change their behavior to game the results

346. A CEO unveils a new company vision through a polished video and asks every manager to display it in their workspace. Months later, employees can recite it but say it has nothing to do with their work. According to Senge's shared vision discipline, what was missing?

A. Repeating the vision more often across channels so that employees remember it and apply it in their work

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

C. Linking the vision to annual performance ratings so that employees are held accountable for supporting it

D. Making the vision more specific with numeric targets so that employees can see how to measure progress

347. A company is seeking a wage freeze in bargaining when its proxy statement discloses a large bonus for the CEO. The union is publicizing the disclosure. What should the CHRO do?

A. Tell the union executive pay is not a bargaining subject and decline to discuss it any further.

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

C. Withdraw the wage freeze proposal entirely so the company's positions no longer look inconsistent.

D. Ask that the bonus disclosure be delayed until the negotiations end so it does not affect the company's bargaining position.

348. Badge data for a 3,000-employee company shows its headquarters averages 30% utilization, with peaks of 55% on Tuesdays and Wednesdays. The lease renews in 18 months, and the CFO wants to cut space. What is the BEST approach for the CHRO?

A. Keep the current space at renewal, since utilization will rise again as the company continues to grow.

B. Cut office space by 70% to match average utilization and require employees to book desks in advance.

C. Require employees to come to the office four days a week so that the current space is fully used.

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

349. A CHRO briefing the board on the economics of unionization cites Freeman and Medoff's view that unions have two faces. Which face is associated with lower quit rates and better flow of information between workers and management?

A. The bargaining power face, which shifts rents from owners to workers

B. The political face, which lobbies legislators for labor-friendly public policy

C. The monopoly face, which raises wages above competitive market levels

D. The collective voice face, which gives workers a channel to raise problems

350. A bank is adopting agile teams across its technology division, which will widen managers' spans of control from about 6 to 15 direct reports. Many managers currently spend most of their time assigning and reviewing work. What is the BEST approach for the CHRO?

A. Widen spans to 15 in every unit at once and let managers adjust their own practices over time.

B. Keep the current spans for now and introduce agile team practices on top of the current structure.

C. Eliminate the manager layer in technology and have agile team members manage themselves entirely.

D. Redefine manager roles around coaching and capability, and measure team outcomes over time.

351. The CHRO discovers that an HR analyst's spreadsheet error understated the CEO's equity award value in the proxy statement filed last month. The compensation committee chair is known for valuing accuracy. What should the CHRO do?

A. Tell the chair promptly, own the error and present the correction plan and new controls

B. Wait to inform the committee until a full root-cause analysis and audit are complete

C. Work quietly with legal to correct the filing, then mention it at the next scheduled meeting

D. Explain that the outside compensation consultant reviewed the figures and missed the error

352. A sales leader is choosing between top-down and bottom-up quota setting for a new fiscal year. Which statement BEST describes the trade-off?

A. Top-down builds rep buy-in but may miss the corporate goal; bottom-up ties quotas to the goal but ignores territory potential.

B. Top-down suits new products with no sales history; bottom-up suits mature products where the corporate goal is already met.

C. Top-down is more accurate because it relies on historical sales data; bottom-up is less accurate because it ignores past results.

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

353. A CHRO argues that a retailer should invest more in improving the performance of its store managers than of its cashiers, even though the company has far more cashiers. Which principle supports this position?

A. Investment should go to the roles with the highest pay, since those employees cost the most to replace.

B. Investment should go to the roles with the highest turnover, since those positions are hardest to keep filled.

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

D. Investment should go to the roles with the most employees so that development spending reaches more people.

354. A company with 12,000 employees receives only about 15 hotline reports a year, far below typical benchmarks for organizations of its size. The board asks the CHRO what this means. What is the BEST interpretation?

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

B. Low volume cannot be interpreted until the company has several more years of reporting data

C. Low volume shows that the company has a strong ethical culture with very few misconduct problems to report

D. Low volume shows that the hotline itself has failed and should be replaced with a new vendor

355. A company learns that an EEOC commissioner has filed a charge against it. How does this differ from an individual employee's charge?

A. It can lead only to a conciliation agreement, never to an EEOC lawsuit in court

B. It must be based on a complaint from at least one current employee who agrees to be named

C. It is limited to the facts affecting one employee and one decision, like an individual charge

D. No individual complainant is needed, and it often signals a systemic investigation

356. The CEO asks the CHRO to contribute human capital inputs to a SWOT analysis for the company's five-year strategic plan. Which contribution would be MOST useful?

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

B. The latest engagement survey results by department, since engagement is the single best indicator of workforce strength.

C. An inventory of the HR programs the company offers today, such as training, wellness and recognition, with usage rates.

D. A summary of the HR department's planned process improvements and the HR budget needed over the five-year planning period.

357. When a German employer and its works council negotiate over a plant closure, what does the social plan provide?

A. A schedule for notifying the federal employment agency of planned dismissals

B. A ranking that sets the order of dismissals based only on employee seniority

C. An agreement on whether, when and how the closure itself will be carried out

D. Compensation or relief for economic harm to employees, such as severance pay

358. A CHRO is designing a technical apprenticeship program to address skill shortages. Early drafts limit eligibility to applicants who graduated within the past three years, and recruiting targets only college campuses. Which change BEST supports an age-inclusive design?

A. Keep campus recruiting but let managers waive the graduation limit for strong outside candidates.

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

C. Keep the graduation limit but add a separate program for experienced workers who are age 40 or older.

D. Remove the graduation limit but require a recent degree in a related technical field to qualify.

359. Six months after a RIF, demand recovers and the business needs to fill 120 positions. Several managers want to rehire only the 'high-energy' younger employees they lost. What should the CHRO do?

A. Recall employees strictly in reverse order of layoff date, without regard to skills or the jobs now open.

B. Fill the roles with new external hires only, so that no recall decision can be challenged as age-based.

C. Let managers choose recalls freely, since former employees have no legal right to be rehired after a layoff has occurred.

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

360. Divisions of a large company are reporting very different results from hybrid work, and no one can predict which arrangement will work best. The CEO wants a single company-wide policy within a month. What should the CHRO recommend?

A. Let each division set its own hybrid policy permanently, without shared measures or a later review.

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

C. Adopt the hybrid policy of the best-performing competitor and apply it across every division now.

D. Commission a detailed study of all divisions and set one company-wide policy only after the analysis is complete.

361. A subprocessor used by the company's benefits vendor suffers a breach that exposes the personal data of 5,000 employees. What should the CHRO's executive-level priorities be?

A. Leave the response to the vendor, since the breach occurred at its subprocessor and not internally

B. Terminate the benefits vendor's contract immediately and announce the decision to all employees

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

D. Notify employees once the vendor's forensic investigation has determined the full scope of the breach

362. A company is selling one of its divisions to a buyer that lacks payroll and HR systems for the incoming employees. What is the main purpose of a transition services agreement (TSA) in this deal?

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

B. To guarantee that all division employees keep their jobs with the buyer for at least one year

C. To transfer the seller's benefit plan liabilities permanently to the buyer at closing

D. To prevent the buyer from hiring any of the seller's remaining employees after the sale

363. A bank is automating many back-office roles and plans both an upskilling program and a reduction in force. Early data show that employees over 50 are enrolling in digital training at half the rate of younger peers, and managers nominate them less often. What should the CHRO do?

A. Offer employees over 50 an early retirement package as an alternative to taking part in digital retraining.

B. Exempt all employees over 50 from the RIF so that the bank avoids any age discrimination claims under the ADEA.

C. Keep enrollment voluntary and base RIF selections on whether employees have completed the digital training program.

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

364. A hardware manufacturer is shifting its strategy from one-time equipment sales to recurring subscription services. Sales reps are paid commissions on initial deal size, and the company has no customer success function. What should the CHRO prioritize?

A. Build customer success capability and reward retention and renewal results

B. Retrain the sales team on subscription offerings while keeping current incentives

C. Raise commission rates so reps are motivated to close more subscription contracts

D. Outsource service delivery so the company can keep its current structure and roles

365. Research by Philip Tetlock found that accountability can reduce biased judgment. Under which condition is the effect STRONGEST?

A. Decision-makers learn after deciding that a senior leader will review their decisions for errors.

B. Decision-makers are rewarded based on how quickly they reach decisions that are later approved.

C. Decision-makers know their reviewer prefers a particular outcome and can adjust their reasoning to fit it in advance.

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

366. A new CEO tells the CHRO he plans to eliminate the company's five-person internal OD team and use an external consulting firm for all change work, believing it will be cheaper and more expert. The CHRO believes the team adds unique value. What is the BEST way for the CHRO to respond?

A. Argue that external consultants cannot understand the culture well enough to help

B. Agree to the change to preserve the new relationship and raise concerns later

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

D. Ask the OD team's internal clients to lobby the CEO directly on behalf of keeping the team intact

367. Over three years, the company had 120 leadership vacancies. Internal candidates filled 78 of them and external hires filled the rest. What was the internal fill rate for leadership roles?

A. 54%

B. 35%

C. 65%

D. 186%

368. ICE serves a Notice of Inspection at company headquarters on a Tuesday. The plant manager wants to spend the next day 'cleaning up' the Forms I-9 before anything is produced. What should HR do?

A. Produce all forms that same day without counsel to show full cooperation with the inspection

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

C. Ask ICE for a 30-day extension so that all of the forms can be corrected before production

D. Have the plant manager redo any flawed forms on new blank forms before anything is produced

369. A CHRO is standardizing lactation support across 25 sites. Counsel explains how the FLSA's PUMP Act and the PWFA work together. Which statement is MOST accurate?

A. The two laws conflict, so employers follow whichever law gives the company more scheduling control

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

C. The PUMP Act covers only nonexempt employees, and the PWFA covers exempt employees who are nursing

D. The PWFA replaced the PUMP Act, so lactation needs are handled only through the PWFA process

370. During an acquisition, employees of the acquired company who have pending internal complaints fear the new owner will push them out. Integration will include restructuring decisions. What safeguards should the CHRO put in place?

A. Ask the acquired company's former HR team to resolve pending complaints before they are let go.

B. Close all pending complaints at closing and invite the employees to refile them under the acquirer's process.

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

D. Exclude all employees with pending complaints from any restructuring decisions for the first two years.

371. A 7,500-employee company had an operating loss this year, so its profit sharing plan will pay nothing for the first time in a decade. Employees typically count on the payout, and the board is worried about losing critical talent. What should the CHRO do?

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

B. Wait until the normal payout date to announce the result, so that the news does not hurt productivity during the year.

C. Give an across-the-board base increase to replace the lost payout, so that employees' total pay stays at last year's level.

D. Pay a reduced profit sharing award from cash reserves this year to protect morale and trust, then return to the normal formula next year.

372. A U.S. multinational plans to roll out one global ethics hotline with the same anonymous, all-topics format in every country. Why may it need country-specific configurations?

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

B. Foreign laws generally require all hotline reports to be forwarded to local police for investigation

C. International standards prohibit using an outside vendor to receive reports outside the United States

D. U.S. law requires that the hotline be offered only to U.S. citizens working at foreign locations abroad

373. Institutional investors ask a public company to disclose data on substantiated misconduct and resulting discipline. The board supports more transparency but worries about privacy and litigation. What should the CHRO recommend?

A. Report only the total number of helpline contacts, since this figure carries the least legal risk.

B. Decline the request because investigation outcomes are confidential personnel matters for the company.

C. Publish summaries of each substantiated case, with names and job titles removed, so investors can judge each outcome.

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

374. A nonunion employer has an employee action committee created by management. Under the NLRB's Electromation decision, which fact would most likely make the committee a labor organization under the NLRA?

A. Members include both supervisors and hourly employees from several departments.

B. Members meet on paid time in a company conference room once each month.

C. Members propose attendance and pay policy changes, and management responds.

D. Members discuss product quality and production methods with the plant's engineers.

375. In Coombs' situational crisis communication theory (SCCT), which factors intensify the responsibility stakeholders attribute to an organization for a crisis?

A. Media attention and the total number of people affected

B. Industry regulation and the CEO's public profile

C. Crisis history and an unfavorable prior reputation

D. Crisis type and the speed of the first response

376. A manufacturer has dozens of specialized jobs with only a few incumbents each, too few for a criterion-related validation study in any single job. Which approach infers a test's validity by linking test components to job components shared across jobs?

A. Synthetic validity

B. Concurrent validity

C. Validity generalization

D. Face validity

377. Using a power-interest grid, how should a CHRO handle stakeholders who have both high power and high interest in a major restructuring?

A. Monitor them with minimal effort and respond to their concerns as they arise

B. Keep them satisfied with periodic updates while limiting their role in decisions

C. Manage them closely through active engagement and involvement in key decisions

D. Keep them informed through regular communication about progress and changes

378. A board's risk committee asks the CHRO for indicators of culture risk rather than only financial and compliance metrics. Which set of indicators BEST serves this purpose?

A. Headcount growth, payroll cost, revenue per employee and training hours per employee

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

C. Customer satisfaction, product defects, on-time delivery and market share

D. Benefit enrollment, time to fill, offer acceptance and agency spending

379. A multinational is considering a global payroll aggregator to replace separate in-country payroll providers. What is the main advantage of the aggregator, and its main trade-off?

A. Lower payroll processing fees, at the cost of losing the ability to pay employees locally

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

C. Faster compliance with local tax law, at the cost of less consistent reporting across countries

D. Elimination of local payroll vendors, at the cost of higher internal payroll staffing levels

380. Six months after deploying an AI tool that rates employees' promotion readiness, monitoring shows that employees age 40 and older are recommended at a much lower rate than younger peers. What should the CHRO do?

A. Keep using the tool, since the vendor validated it and its ratings are job-related

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

C. Notify the vendor and keep using the tool as is until the vendor releases a new version

D. Adjust the scores of older employees upward so that the rates come out even

381. A CEO tells the board that management must balance the interests of employees, customers, suppliers, communities and shareholders, because each group affects or is affected by the firm. Which theory does this reflect?

A. The Friedman doctrine

B. Freeman's stakeholder theory

C. Agency theory

D. Pfeffer and Salancik's resource dependence theory

382. Why do OD scholars value appreciative inquiry for strategic, transformational change?

A. It produces precise financial forecasts that support approval of transformation budgets

B. It corrects performance problems more quickly than root-cause analysis in most organizations

C. It removes the need to discuss problems, which keeps resistance to change at very low levels

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

383. An executive team adopts Kim Scott's radical candor as an operating norm. Which behavior BEST reflects that norm in leadership meetings?

A. Holding back criticism of a peer's plan to keep the relationship strong

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

C. Praising a peer's plan in the meeting and then raising concerns with others afterward

D. Pointing out every flaw in a peer's plan bluntly to keep meetings efficient

384. A manufacturer earns 60% of its revenue outside the United States, but almost none of the candidates in its senior leadership succession pool have worked outside their home country. What is the BEST strategy for the CHRO?

A. Send any willing high potential abroad to build the pool's global exposure quickly

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

C. Hire successors from outside the company who already have experience leading international operations

D. Add cross-cultural training to the development plans of all successors in the pool

385. A CHRO learns that a vendor's compensation benchmark is built only from companies that buy the vendor's survey products. Why might the benchmark misrepresent the broader labor market?

A. Participating companies must legally be weighted equally, which distorts the reported pay levels.

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

C. Benchmarks that include many participating companies automatically average out sampling bias.

D. Vendor databases are updated too rarely to reflect current pay rates for most jobs in a market.

386. A company learns that it will have to restate prior earnings. Before analysts or reporters discover the problem, executives announce it themselves, along with the steps they are taking. Which crisis communication tactic is this?

A. Stealing thunder
B. Bolstering
C. Strategic ambiguity
D. Inoculation

387. Last year a company filled 60 roles through internal moves. Its average cost per external hire is $25,000, and its average cost per internal move, including reskilling, is $8,000. Assuming each role would otherwise have been filled externally and ignoring backfill costs, how much did internal filling save?

A. $1,020,000
B. $1,500,000
C. $1,980,000
D. $480,000

388. The company's AI tools generate interview scores, meeting transcripts and inferred attributes such as engagement risk on 30,000 employees and many more applicants. No retention rule covers these outputs, and some business leaders want to keep everything for future model training. What retention standard should the CHRO set?

A. Let each business unit set its own retention period based on how useful the data is to its work.
B. Keep all AI outputs indefinitely, since they may become valuable for training future AI models.
C. Keep AI outputs for legal minimums and set purposes, then delete them unless a legal hold applies.
D. Delete all AI outputs after 30 days, since inferred data does not count as an employment record under federal law.

389. A global company's business units compete for resources and rarely share information, which causes repeated cross-unit conflict and slow responses to customers. Drawing on the 'team of teams' approach, which leadership practice would best reduce this silo conflict?

A. Build shared awareness through transparent cross-unit briefings and by embedding liaisons in other teams
B. Centralize decisions with the executive team so units no longer need to negotiate with each other
C. Add a coordinating layer of managers who resolve disputes between units and approve all shared cross-unit decisions
D. Tie each unit leader's bonus more tightly to unit results so accountability for performance is clearer

390. Under Title VII, an employer remains liable for disparate impact caused by a hiring tool even when a vendor designed and runs the tool. What is the MOST important implication for the company's AI procurement policy?

A. Buy only from vendors whose tools the EEOC has certified as free of adverse impact on protected groups.

B. Leave validation to the vendor, since the vendor is better positioned to prove the tool is job related.

C. Require vendor indemnification clauses, which remove the employer's liability for any tool-caused disparate impact.

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

391. At a diversified manufacturer, the president of the software division asks the CHRO to approve hiring 300 engineers for a growth product, while the industrial division's president must cut costs 10% and plans layoffs of plant staff. Each president expects HR to support his plan independently. What should the CHRO do?

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

B. Support both requests in full and let each division manage within its own budget

C. Fill the engineering roles by redeploying the plant staff slated for layoff

D. Apply a uniform hiring freeze across both divisions to keep treatment consistent

392. A CHRO is explaining to the executive team how a new grant of restricted stock units that vest evenly over four years will affect reported earnings. Under U.S. GAAP, how is the cost of these equity awards generally recognized?

A. The value is disclosed in footnotes but never charged to earnings

B. The grant-date fair value is expensed over the vesting period

C. The value on each vesting date is expensed only when the shares vest

D. The full grant-date fair value is expensed in the year of the grant

393. A top revenue producer belittles staff, and two team members have quit. Leadership still rates him highly overall because of his sales. What should the CHRO recommend?

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

B. Move his remaining team members to other managers so that he can focus only on his own selling.

C. Keep his high rating but provide an executive coach so that he can improve his behavior over time without losing any pay.

D. Reduce his bonus this year without changing the rating so that his sales record remains undisputed.

394. Which description fits a Scanlon plan?

A. An individual piece-rate plan that pays employees a set amount for each unit they produce

B. An employee stock ownership plan that gives workers company shares held through a trust

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

D. A profit-sharing plan that defers a share of annual company profits into employee retirement accounts

395. The CEO wants to hire a branding agency to write new company values that will 'sound inspiring.' What is the BEST counsel from the CHRO?

A. Build the values from employee input and the behaviors the strategy needs

B. Let the agency write the values, then train employees on what they mean

C. Keep the current values, since changing them could confuse employees

D. Have the executive team write the values privately and then announce them

396. A leader creates psychological safety within each of two merging teams by clarifying their separate roles, then brings members together across the boundary on joint projects to build trust. Which framework do these practices, known as buffering, reflecting and connecting, come from?

A. Leader-member exchange theory

B. Servant leadership

C. Transformational leadership

D. Boundary-spanning leadership

397. After a new enterprise strategy was announced, each of five business units translated it in its own way, producing conflicting priorities and duplicate projects. The CEO asks the CHRO to help. What is the BEST action?

A. Let each unit continue its plan but require a quarterly written progress report to the CEO.

B. Rewrite the strategy document in more detail so no business unit can misinterpret it again.

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

D. Hold a one-time alignment workshop where unit leaders agree on a common set of priorities.

398. A CEO's 360 results show that direct reports rate him low on listening and say he dismisses dissent in meetings. The CEO asked the CHRO to deliver the results personally. What should the CHRO do?

A. Soften the results by highlighting strengths and leaving out the most critical comments

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

C. Ask the board chair to deliver the results so the CHRO is not in a difficult position

D. Send the full written report by email and offer to meet if he has any questions after reading it

399. From a validity and cost standpoint, how does a multiple-hurdle selection model differ from a compensatory model?

A. It combines all predictor scores into one total, so strength on one offsets weakness on another.

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

C. It has higher validity than a compensatory model because each step uses a different evaluator.

D. It requires every candidate to complete all steps, which raises cost but improves overall accuracy.

400. The board notes that every member of the top team has spent their entire career in finance or operations within one region. It asks the CHRO to widen the leadership pipeline while keeping selection merit-based. Which strategy is BEST?

A. Hire several outside executives at once to change the top team's mix of backgrounds as quickly as possible

B. Ask each executive to nominate one successor from their own team to speed up readiness

C. Reserve the next two executive openings for candidates from functions not on the top team

D. Broaden sourcing and give high potentials cross-functional and global moves before selection