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SHRM-SCP

Practice Questions

Set 6

Answer Key & Explanations

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 6 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: A — Whether the conduct and any notice-and-cure steps meet the contract terms, weighed against a negotiated exit.

The outcome depends on the contract's specific cause definition and any required notice-and-cure process, and HR should weigh the strength of that case against the cost and risk of litigation versus a negotiated settlement. A handbook definition generally does not override negotiated contract terms. Relabeling the termination is unsupportable, and an at-will statement usually yields to a specific employment agreement.

2. Answer: A — Analysis linking recognition to lower turnover, priced as avoided replacement cost

Executives respond to outcomes expressed in financial terms, so showing that recognized employees leave at lower rates and converting the difference into avoided turnover cost directly addresses the CFO's concern. Participation and satisfaction measure activity and sentiment, not business impact, and benchmarks show what others spend without showing value.

3. Answer: A — Keep structured interviews and cut time with shorter guides, scheduling tools and training

Research consistently shows structured interviews predict performance better than unstructured ones and are easier to defend legally, so dropping them would likely worsen quality of hire and turnover. The CHRO can address the real concern, speed, by streamlining the process rather than removing a valid tool. Waiting for turnover to rise further accepts known harm, and relying on one test drops useful information.

4. Answer: A — Recalibrate goals using external benchmarks and a realistic plan, with a wider performance range that pays less at threshold.

The fix is goal-setting rigor: calibrate goals to a realistic plan checked against external benchmarks and history, and widen the performance range so threshold pays a reduced award for meaningful but imperfect results. Catch-up awards and goals set at last year's actuals reward past failure. Converting the plan to base pay gives up variable cost flexibility and pay-for-performance.

5. Answer: C — Trends by category, high-risk and senior-leader cases, and investigation cycle times

An audit committee needs a strategic view: patterns by category and location, matters that are high risk or involve senior leaders, and whether investigations are timely and effective. Full case files bury directors in operational detail, and report volume alone says little about risk. Sharing reporter identities would undermine confidentiality and increase retaliation risk.

6. Answer: D — Move them to host-based pay over a planned transition period with clear communication.

Long-term assignees who plan to stay are prime candidates for localization, which cuts costs, and phasing it in with clear communication limits attrition and employee relations damage. Ending allowances abruptly invites turnover and possible legal claims, keeping packages unchanged ignores a legitimate cost issue, and replacing everyone with new expatriates raises costs further.

7. Answer: C — Check contract, works council and collective agreement limits, then negotiate a phased change.

In the Netherlands, employment terms generally cannot be cut unilaterally, collective agreements bind the employer, and works councils have consent rights over matters such as pension arrangements. Harmonization therefore needs a legal review and a negotiated, often phased plan. Imposing the change with a one-time payment risks legal challenge, and freezing benefits forever gives up a legitimate integration goal.

8. Answer: A — Inventory all AI tools and uses, including AI features inside vendor platforms

An organization cannot tier risk, assign owners, audit or disclose AI use until it knows what AI it has, and many AI capabilities arrive quietly as features in existing HRIS, recruiting and learning platforms. Auditing the newest tools is useful but may miss higher-risk embedded uses. Ethics statements and training matter, but they do not establish what needs to be governed.

9. Answer: B — Use a directive approach with clear, frequent communication, involving key people in carrying out the decisions.

When survival is at stake and time is very short, a more directive change strategy is appropriate, because extensive participation is too slow. Clear, honest communication and involving key people in carrying out decisions limit the damage to trust. Lengthy participative design, extended pilots and waiting for consensus would all use up the cash runway before the change took effect.

10. Answer: D — Model operations, customer and relationship costs, confirm the contract has expired, and define the terms that would end the lockout.

An offensive lockout after contract expiration in support of a legitimate bargaining position can be lawful, but it is a high-stakes choice: the company must be able to operate or absorb lost sales during peak season, and the relationship cost may last well beyond the dispute. The company should also tell the union clearly what terms it must accept to end the lockout. Using permanent replacements during a lockout, locking out only union activists, or locking out while a no-lockout clause is in effect creates serious legal risk.

11. Answer: B — Survival analysis

Survival (time-to-event) analysis models the time until an event and handles censored cases, here employees who have not left yet, without discarding or misclassifying them. Logistic regression predicts whether the event happens within a fixed window, not when it happens. Linear regression on tenure would treat current employees' tenure as final, and cluster analysis groups employees rather than modeling timing.

12. Answer: B — The person who approves a vendor and its invoices is not the person who adds the vendor or pays it.

Segregation of duties prevents any one person from both creating or approving a vendor and controlling payments to it, which is the core control against fictitious vendors and kickbacks. Concentrating selection and invoice approval in one person, or giving one manager end-to-end control, is exactly the weakness fraudsters exploit. An annual budget review is a weak, after-the-fact check that would not catch inflated invoices within budget.

13. Answer: B — Gather input from a cross-section of both workforces, have leaders finalize the values, and build them into HR systems.

Co-creation through surveys, focus groups and cross-company working teams builds ownership and shows employees of both firms that their culture counts, while leaders still decide and model the final values. Embedding them in selection, performance management and recognition makes them real. Executive-only drafting and adopting the larger firm's values would confirm the smaller company's fears, and waiting for natural blending leaves a divided company.

14. Answer: C — 67%, because 8 of the 12 critical roles have a ready-now successor

Bench strength is the share of critical roles with at least one ready-now successor: 8 / 12 = 0.667, or about 67%. The 33% figure is the gap rate (4 / 12), the complement of bench strength. Dividing 12 by 8 inverts the formula and produces a figure above 100%, which cannot be a coverage rate.

15. Answer: D — Bring the CEO two or three concrete growth options, each with its talent implications, and ask which to pursue.

When direction is vague, a strategic HR leader helps the CEO clarify it by framing concrete options, such as organic expansion, new markets or acquisitions, and showing what each would require in talent and capability. That moves the decision forward without the CHRO deciding strategy alone. Planning around the majority view or each unit's own targets risks building capabilities for the wrong strategy, and simply waiting leaves the talent plans stalled.

16. Answer: C — Titles alone do not create supervisor status, so the leads may still be in the unit despite the change.

Under Section 2(11), supervisor status depends on actual authority, such as to hire, discipline or assign, exercised with independent judgment, not on job titles. A paper change leaves the leads in the unit, and making the change because of anticipated organizing can add unfair labor practice risk. One genuine statutory power is enough, and granting real authority for legitimate business reasons is lawful.

17. Answer: A — Analyze productivity, retention, engagement and collaboration data by role, and propose a role-based policy with metrics for review.

A data-driven recommendation ties work arrangements to measurable outcomes and role needs and builds in metrics to revisit the decision, which gives a split executive team an objective basis. Employee preference is one input but not a business case by itself. Peer benchmarks may not fit the company's talent market or work, and recommending one side's view without analysis is not data-driven.

18. Answer: A — The compensation committee, often renamed a talent or human capital committee

Many boards have broadened the compensation committee into a compensation and talent or human capital committee whose charter includes leadership development and executive succession below the CEO. The audit committee focuses on financial reporting and internal controls. Finance and risk committees may touch on talent risk but do not commonly own the leadership pipeline review.

19. Answer: C — Labor stability and predictable costs, at the expense of flexibility to adapt to change

A longer agreement buys years of labor peace and cost predictability, but it locks in terms that may not fit if markets, technology or the business change. A two-year deal keeps flexibility but brings more frequent bargaining and strike risk. A longer contract doesn't by itself lower costs or alter the legal force of a no-strike clause.

20. Answer: A — Uphold the leveling criteria and work with the divisions on other ways to recognize and attract senior experts

Title inflation erodes the credibility of the job architecture, creates internal equity and mobility problems and can distort market pricing, so the sponsor should uphold the approved criteria. The CHRO can still meet the recruiting need through expert or principal titles on the technical track, clear career paths or targeted pay. Granting exceptions undermines the framework, and applying the inflation company-wide or giving up control of titles compounds the problem.

21. Answer: B — Confirm the terms rest on legitimate, documented reasons and that the union weighed the transferred group's interests.

The union's duty of fair representation means its decisions cannot be arbitrary, discriminatory or in bad faith, and in a hybrid suit the employer can also be liable alongside the union. Making sure the terms have a legitimate, documented rationale and that the union considered the affected group's interests reduces that exposure. Keeping terms hidden or dealing with employees individually adds risk and bypasses the bargaining representative.

22. Answer: A — Diagnose the HRBP role and capability gaps and redesign the model with business leaders

The interviews point to a structural problem: HRBPs are absorbed by transactional work and lack the capabilities leaders value, so the CHRO should diagnose the gaps and, with business leaders, redesign the model (for example, moving transactions to shared services or centers of expertise and building consulting skills). Mandating HR approval forces use without fixing value, replacing staff before diagnosing the design is premature, and publicity does not change what leaders experience.

23. Answer: D — As stable within the margin of error, not as clear evidence of improvement.

When intervals overlap substantially, the two-point difference could easily reflect sampling variation, so the honest description is no clear change. Claiming success overstates the evidence and can mislead future investment. Overlap says nothing about a decline, and it is a normal property of estimates, not a sign the survey was flawed.

24. Answer: D — Frame the talent-loss risk in business terms and offer targeted retention steps within the timeline.

Effective influence frames the risk in terms the CEO cares about, such as product delivery and cost, and offers a solution that meets the CEO's goal of speed while reducing the risk. Recommending a full postponement is tempting, but it ignores the CEO's legitimate business need and offers no workable path. Going around the CEO to the board damages trust without first trying direct influence.

25. Answer: C — Test whether payouts fit the year's results and plan a candid explanation of the decision

The committee should test whether full payouts are consistent with the company's performance and the sacrifices asked of employees, consider using discretion, and prepare a candid explanation for the proxy and for employees. Following the plan mechanically ignores serious reputational and morale risk. Deferring to hide the payouts is evasive and will likely surface anyway, while automatic cancellation may break commitments and hurt retention without real analysis.

26. Answer: C — Diagnose whether the drop reflects weak demand, skill mismatch or overhiring, then align hiring and reskilling to demand.

Falling utilization can come from several causes; here the facts point to a skills mismatch with shifting demand and to hiring that outpaced it, so the CHRO should diagnose by practice and skill and then align hiring, reskilling and redeployment with the sales pipeline. Cutting staff to a number may remove people who could be reskilled for growing work. A total hiring freeze could block the data and cloud hires the firm needs.

27. Answer: D — A lockout can be lawful without impasse if it supports clearly stated proposals, but it does not allow implementing the offer.

The NLRB has held that, after contract expiration, an employer may lock out employees in support of a legitimate bargaining position even before impasse, as long as it clearly informs the union of the terms it seeks and acts without antiunion motive. Implementing the offer, however, still requires a genuine impasse. Locking out during the contract term would generally breach a no-lockout or no-strike provision, and notice alone does not make it lawful.

28. Answer: A — Covert resistance, in which public agreement masks a lack of real commitment

Covert or passive resistance is agreement without follow-through: the leader says yes in public but takes no action, which often signals a hidden agenda or unvoiced concerns. Overt resistance is open opposition, and compliance means the action actually happens even if commitment is low. A consultant should surface the unstated concerns directly, because the pattern will not fix itself through more agreement in meetings.

29. Answer: A — Acknowledge past failures, commit to a few visible near-term outcomes, and report progress openly as promised

Cynicism built from broken promises is repaired by candor and follow-through: owning the past failures and then delivering visible results on a consistent schedule rebuilds trust. A bigger launch repeats the very pattern employees have learned to distrust. Ignoring the history looks evasive, and forcing participation through pay may produce compliance but not belief.

30. Answer: A — Whether an auditor independent of the model's builders can test validity and adverse impact credibly

The board is asking for assurance, and assurance depends on independence: reviewers who did not build the model can test its validity and adverse impact without a stake in the result. Timing and budget matter for planning, but they are secondary to whether the review will be credible. Letting the builders decide whether they should be reviewed defeats the purpose of independent validation.

31. Answer: D — Partner with specialist groups, use skills-based assessments, train managers and teams and track retention.

Successful neurodiversity programs replace conversation-heavy interviews with work-based assessments, use community partners for sourcing and support, prepare managers and coworkers, and define success measures such as retention and performance before scaling. Keeping the standard interview screens out the candidates the program aims to reach. Scaling before learning increases the risk of failure, and handing support to an agency leaves managers unprepared.

32. Answer: A — Proctored work samples and live structured interviews with follow-up probing

Methods that require candidates to perform in real time under observation, such as proctored work samples and live structured interviews with probing follow-up questions, are hard to complete with outside AI help, so they still measure the candidate. Unproctored tests, take-home tasks and written screening answers can be completed with AI. Unsupervised self-report inventories are easy to coach as well.

33. Answer: C — 10% to 30% of the monetary sanctions collected

The Dodd-Frank Act directs the SEC to pay eligible whistleblowers between 10% and 30% of the monetary sanctions collected when an action results in sanctions over $1 million. The exact percentage depends on factors such as the significance of the information and the whistleblower's assistance. Awards are based on amounts collected, not merely imposed.

34. Answer: D — Strength-threat (ST)

ST strategies use an internal strength, here the respected leadership academy, to counter an external threat, here the competitor's poaching. SO would apply a strength to an external opportunity, and the WT and WO quadrants start from internal weaknesses rather than strengths.

35. Answer: A — Define a shared recognition philosophy, then design one program that keeps valued elements of each.

Recognition reflects culture, so integration should start with a shared philosophy aligned to the combined company's values and then blend the features each group values. Imposing the acquirer's program signals that one culture won, running both indefinitely blocks a unified culture, and scrapping both discards what employees value.

36. Answer: C — Engage counsel to investigate, remove the manager from broker decisions, and preserve related records.

The first step is to contain the risk and protect the evidence: remove the manager from decisions, preserve records and start a privileged investigation, which will also inform the fiduciary review of whether the plan overpaid. Firing the manager and changing brokers before investigating can destroy leverage and evidence and risks acting on incomplete facts. Asking the broker first tips off a possible participant in the scheme.

37. Answer: D — Audit all AI selection tools on a risk-based schedule in every location, with owners for remediation.

An enterprise program should cover every AI tool used in employment decisions, set audit frequency by risk, include all locations and assign accountability for fixing problems found. Extending one tool's audit leaves other tools unexamined, and a vendor's pooled data may not reflect the company's own applicants or job requirements. Waiting for complaints makes the program reactive and lets harm accumulate.

38. Answer: D — Records kept past their retention period remain discoverable in litigation and exposed in a breach.

Anything the company holds can be requested in discovery, so excess records raise review costs and may surface damaging material, and every stored record containing personal data adds exposure if systems are breached. No federal law sets a general seven-year maximum for personnel records, and retention does not waive privilege. Storage cost is a minor factor compared with legal and breach risk.

39. Answer: D — It sets yearly goals tied to business priorities, such as talent or market insight, and reports results

What separates a BRG from a social ERG is strategic alignment: the group commits to goals tied to business needs, such as recruiting, development, product insight or customer markets, and is accountable for results. Restricting membership is not a BRG trait and creates legal and inclusion risk, since resource groups should be open to all employees. More events keep the group social, and an executive-led agenda removes employee ownership; sponsors advise rather than run the group.

40. Answer: B — Use a recognized framework, pick decision-useful metrics, and verify the data

Investors want comparable, material and accurate information, so anchoring disclosure in a recognized framework (such as ISO 30414 or SASB-based standards), selecting metrics tied to strategy and value, and strengthening data governance best meets their request. Publishing everything buries the signal and raises accuracy risk. While SEC human capital rules are principles-based, declining ignores legitimate investor demand, and copying peers can miss what is material to this company.

41. Answer: C — To provide a framework for consistent internal and external reporting on human capital metrics.

ISO 30414 is the international standard for human capital reporting; its 2025 edition combines required baseline metrics with recommendations. It sets out areas and metrics, such as costs, productivity, recruitment, turnover, and leadership, so organizations can report consistently to internal decision-makers and external stakeholders like investors. It is a reporting standard, not a legal compliance certification, a pay equity mandate, or an appraisal method.

42. Answer: A — 75%

Internal fill rate = openings filled internally / total openings filled x 100 = 45 / 60 x 100 = 75%. The 25% figure is the external fill rate, 33% divides external by internal hires, and 90% divides internal fills by the number of named successors, which is not the correct denominator.

43. Answer: A — Review each jurisdiction's rules, offer a non-biometric option, obtain informed consent where required, and limit retention

Biometric data is highly regulated: in the EU it is special category data where employee consent is often not considered freely given, and several U.S. states and Canadian jurisdictions impose notice, consent and retention rules. A defensible rollout maps each jurisdiction's requirements, offers alternatives, and sets strict retention and destruction limits. A single consent form ignores those differences, and the absence of a federal statute does not remove state-level obligations.

44. Answer: A — Prequalify contractors on safety, align them with site rules, and audit their work in the field.

A contractor safety program covers the full cycle: prequalification using safety records, orientation to site hazards and rules, field oversight and audits, and post-job review. Under OSHA's multi-employer citation policy, a host employer that creates or controls hazards can still be cited, so excluding contractors is risky. Indemnity shifts cost but does not prevent injuries, and replacing all contractors is rarely practical.

45. Answer: A — Expect the midpoint slump, reaffirm the goal, and fix specific problems rather than abandon the effort

Kanter's Law holds that the middle of any change is when costs are visible and benefits are not, so discouragement is predictable rather than proof of failure. Leaders should persist, reinforce the purpose, and solve the specific problems that surface. Abandoning, pausing or replacing the effort at the midpoint is the very mistake the principle warns against.

46. Answer: C — Add leading indicators such as serious near misses and critical control checks to board reports.

Recordable rates are lagging measures dominated by minor injuries, so they can fall while fatal risk stays the same. Leading indicators tied to serious-injury potential, such as high-severity near misses and verification of critical controls, give the board earlier warning. Reporting the same lagging measure more often, benchmarking it, or adding another lagging rate does not close that gap.

47. Answer: D — A freeze is a mandatory subject, so it must be bargained, and benefits already earned stay protected.

Pension benefits for represented employees are a mandatory subject, so the company must bargain over a freeze and cannot implement it unilaterally during a contract. ERISA's anti-cutback rule protects accrued benefits, so a freeze affects only future accruals, and a written notice of the significant reduction in future accruals is required before it takes effect. No advance DOL approval is required to make the proposal.

48. Answer: A — Poor interpersonal relationships

CCL's derailment research consistently cites problems with interpersonal relationships, along with failure to build and lead a team, failure to meet business objectives, inability to adapt during transitions and a too-narrow functional orientation. Derailed managers typically had strong technical records that got them promoted, so a lack of technical skill or credentials is not among the classic derailers.

49. Answer: C — Present turnover segmented by type, role, tenure and location, with the main drivers behind each gap.

An overall turnover rate hides where the problem actually sits. Breaking it down into voluntary versus involuntary, regretted versus non-regretted, and by role, tenure and location shows whether the gap matters and what drives it, which lets the board see a targeted plan. Blaming the market or prescribing a broad pay increase skips the diagnosis, and rebenchmarking may refine the comparison but does not explain the company's own turnover.

50. Answer: C — Use the survey as one input, adding interviews, process data, and unit performance data

A standard engagement survey is broad and not designed to explain a specific unit's performance problems, so effective diagnosis combines it with interviews, process and performance data to find root causes. Benchmarking does not make it diagnostic. Discarding existing data is wasteful, and surveying more often measures the same things again.

51. Answer: D — Losing the internal capability to partner with leaders on strategic people decisions

Outsourcing transactional HR work is common, but outsourcing all of HR removes the internal knowledge and relationships needed to align people decisions with strategy and creates dependence on one vendor. Compliance risk is tempting, but large providers often handle compliance well; scale also tends to lower, not raise, transaction costs.

52. Answer: C — Type I error for the leadership rollout; Type II error for the safety intervention

A Type I error (false positive) in the leadership case would lead the company to spend heavily rolling out a program that does not work, so a stricter threshold makes sense there. A Type II error (false negative) in the safety case would mean abandoning an inexpensive intervention that actually prevents serious injuries, a far greater cost than funding one that turns out to be ineffective. Decision thresholds should reflect these different error costs rather than one rule for every case.

53. Answer: B — An enterprise change calendar that maps each initiative's impact by group and sequences rollouts.

The employees are suffering change saturation, so the fix is enterprise-level portfolio management: see the combined impact on each group and sequence the work so it can be absorbed. Better communication and manager coaching help but do not reduce the load. Delaying only HR's own project ignores the larger collision of initiatives.

54. Answer: C — A documented fallback process and access to current payroll data if the vendor fails

To keep paying employees if a payroll vendor fails or exits, the company needs a tested fallback process and timely access to current pay, tax and deduction data. Notice clauses and vendor lists help with planned transitions but not with sudden failure, and insurance compensates for losses rather than ensuring that pay continues.

55. Answer: B — A risk-based summary of sensitive data, controls, incidents, trends and mitigation plans

Boards need concise, decision-useful information: where the most sensitive data sits, how well it is protected, what incidents and trends have occurred, and what investments would reduce risk. Raw logs and field lists bury the board in detail it cannot act on. Deferring entirely to IT ignores HR's accountability as the business owner of employee data and its role in vendor management and access decisions.

56. Answer: B — Model cut scenarios that weigh cost savings against capability and revenue risk

The CHRO adds the most value by giving the CEO and board fact-based scenarios that show the trade-off between savings and strategic capability, so they can respond to the investor with options. Rehiring critical talent later is slow and costly. Refusing all cuts ignores legitimate cost pressure, and across-the-board cuts damage the strategy's core capabilities as much as anything else.

57. Answer: B — Recommend coding the exits as job eliminations and finding savings through the size or timing of the reduction instead.

Mislabeling a restructuring as performance terminations to avoid plan obligations is dishonest, invites ERISA benefit claims and discrimination suits (pretext), and damages trust with remaining employees. The legitimate way to control cost is through the design, size or timing of the reduction. Coding only those with documented issues as performance exits looks like a compromise, but if the real reason for every exit is the restructuring, the label is still pretextual.

58. Answer: B — Backup care for children and adults, eldercare navigation, flexible scheduling, and paid caregiving leave.

Caregiving needs arise throughout a career, for young children, partners, aging parents or others, so benefits that cover both child and adult care, help employees navigate eldercare, and provide time and flexibility serve the widest range of employees. Fertility and on-site child care focus on one stage of family life. Retirement and education benefits address real needs but not caregiving.

59. Answer: A — Keep the program, monitor applicant flow by source, and pair it with broader outreach and structured selection.

Referrals produce good hires but tend to replicate existing networks, which can narrow the talent pool and create adverse impact if they dominate hiring. The balanced response keeps their value while tracking outcomes by source, widening sourcing channels, and using the same structured assessment for every candidate. A demographic gap alone does not make the program illegal, and bonuses tied to a candidate's protected characteristics create disparate treatment risk.

60. Answer: B — A main entrance with a level approach and automatic doors that everyone uses

Equitable use means the design is useful to people with diverse abilities and provides the same means of use for all users, avoiding segregation. A single level entrance with automatic doors serves everyone, including people with strollers or carts. A separate side entrance segregates users, a modification request process is reactive accommodation rather than design, and meeting minimum code requirements does not by itself apply a universal design principle.

61. Answer: C — Proven delivery of this suite at similar scale, with named consultants committed

Implementation success depends most on relevant experience with the specific product at comparable scale, a named team that stays through the project, a sound methodology and verifiable references. Choosing the lowest bid is tempting, but a weak partner usually costs far more in rework, delays and change orders than the fee difference. A large firm's size does not guarantee that experienced people will be assigned to this project.

62. Answer: C — Inform and consult the works council on the proposal before the board makes a final decision.

Under EU rules and French law, employers must inform and consult employee representatives in good time, while a proposal can still be influenced, before making a final decision on a collective redundancy or major restructuring. Approving or announcing first and consulting afterward can invalidate the process and expose the company to legal challenge and delay. Limiting consultation to severance ignores the requirement to consult on the decision and its reasons.

63. Answer: C — Model the guarantee's cost under downturn scenarios and counter with conditional job security tied to attrition, retraining and defined layoff steps.

Job security is a mandatory subject, so the company must bargain over it, and the CHRO's job is to price the risk and find a version the business can carry. Conditional protections such as attrition first, retraining and clear layoff procedures address the union's concern without locking in surplus labor costs during a downturn. Trading the guarantee for a smaller raise ignores the scenario cost, and an escape clause at management's sole discretion offers no real security and is unlikely to be accepted.

64. Answer: C — A real option: a modest investment that preserves the right to scale up later

Real options thinking applies financial option logic to strategy: a small, limited investment buys the right, but not the obligation, to expand later if conditions warrant. The cohort pays off mainly if the product line succeeds, so it is not a no-regret move, and it is a deliberately small commitment rather than a big bet.

65. Answer: B — $2,160,000

Turnover cost = number of departures x salary x replacement multiplier = 12 x $120,000 x 1.5 = $2,160,000. Using salary alone without the 1.5 multiplier gives $1,440,000, and $1,760,000 is the net savings after subtracting the $400,000 program, not the turnover cost. $180,000 is the cost of replacing one engineer.

66. Answer: B — Work with counsel to preserve data, review the tool under privilege, consider a pause, and align messages.

Once litigation begins, the company must preserve relevant data, and a privileged review led by counsel lets it learn how the tool performed without creating discoverable admissions; it can then decide whether to pause or change the tool and coordinate consistent messages. Deleting data would be spoliation, which can lead to severe sanctions. Claiming the tool is unbiased before reviewing it is risky, and the named plaintiffs are represented by counsel, so any contact with them must go through their lawyers.

67. Answer: D — There is a substantial likelihood that a reasonable investor would view it as important to an investment decision.

Under U.S. securities law, information is material if there is a substantial likelihood that a reasonable investor would consider it important, or if it would significantly alter the total mix of information available. Materiality depends on relevance to value and risk, not on whether the metric is favorable or easy to audit. Picking only flattering metrics would undermine credibility and could be misleading.

68. Answer: D — Study the entrant's operating model, find work that technology can redesign, and reskill staff toward higher-value roles.

A new entrant with a leaner model signals that the work itself can be done differently, so the strategic response is to understand that model, redesign processes with technology, and move people toward advisory and complex work. Matching staffing ratios overnight ignores the bank's different products and risks service collapse. Keeping current staffing as is assumes customers will keep paying for a model the market is changing.

69. Answer: B — Much of that value rests on workforce capabilities that accounting expenses rather than records as assets.

Intangibles such as know-how, innovation capacity, customer relationships, culture and brand depend heavily on people, yet spending to build them (training, hiring, development) is expensed, so the books understate the asset. That gap is why the CHRO must translate people investments into value terms. Internally built intangibles generally do not appear on the balance sheet, so citing book value is wrong, and patents and acquired goodwill are only part of the intangible base.

70. Answer: D — Present the findings with root causes, risk exposure and a costed remediation plan for approval

Executives respond best when bad news comes with clear data, causes, legal and reputational risk, and a concrete plan with cost. That lets them decide instead of argue about whether a problem exists. Hiding detail or delaying corrections into merit cycles leaves the legal exposure in place. Asking each executive to explain their gaps first invites defensiveness and slows remediation.

71. Answer: B — Scrap learning

Scrap learning is training that is delivered but not applied on the job, and tracking it shows how much of the investment produces no performance benefit, which makes it a useful efficiency measure. Cost per employee and hours per employee measure investment volume, and completion rates show whether people finished training, not whether they used it.

72. Answer: B — Propose a labor-management partnership that jointly designs retraining and transition rights for members

Automation that eliminates unit jobs triggers at least a duty to bargain over its effects, and a joint partnership on retraining and transition gives the union real influence over outcomes members care about, which builds durable buy-in. Bypassing the union to sell the plan directly to employees risks an unlawful direct-dealing charge and deepens distrust, while acting unilaterally or trying to buy acceptance with wages ignores the job-security concerns driving the opposition.

73. Answer: C — Involve middle managers in shaping the rollout, build their skills, and align their rewards.

A frozen middle usually reflects managers who were left out of the design, lack the skills to lead the change, or are still measured on the old priorities. Giving them a role, building their capability, and changing their incentives addresses those causes. Bypassing them leaves the reward system unchanged, and wholesale replacement is a blunt step to consider only after these efforts fail.

74. Answer: A — Build an internal talent marketplace with rotations, project gigs and visible career paths

The exits stem from limited growth and visibility, so an internal marketplace with rotations, stretch projects and transparent paths offers development and movement without relying on promotions alone. Faster promotions can inflate titles beyond real skill growth, pay increases do not address the stated reason for leaving, and social events do not create career progress.

75. Answer: B — To identify cultural gaps that could affect deal value, terms and integration planning

Cultural due diligence assesses how the two organizations differ in values, decision-making and practices so leaders can judge integration risk, factor it into price and terms, or walk away before committing. Designing the combined culture and making leadership decisions come later, during integration planning. Communicating integration plans before signing would be premature and may breach confidentiality.

76. Answer: A — Provide relevant financial data under confidentiality terms, since an inability-to-pay claim must be backed up

Under NLRB v. Truitt, when an employer claims it cannot afford a proposal, good-faith bargaining requires it to substantiate that claim with relevant financial information on request. The employer can seek reasonable confidentiality arrangements but cannot simply refuse. Choosing only favorable summaries or delaying until impasse does not meet the duty, and a refusal would be an unfair labor practice.

77. Answer: A — To assess whether channels and messages meet goals, using surveys, focus groups, and analytics.

A communication audit systematically reviews channels, messages, flows, and results against the organization's goals, combining employee surveys, interviews or focus groups, content review, and channel analytics. Legal posting compliance is a much narrower review. An engagement survey alone cannot show which channels work or where information breaks down.

78. Answer: C — Weight bonuses toward leading indicators such as hazard abatement and safety leadership activity

Leading indicators reward the activities that prevent injuries and are hard to improve by underreporting. Bonuses based mainly on injury rates, injury-free days or claim costs give leaders a reason to discourage reporting or manage cases rather than hazards. Lagging measures still belong on the dashboard, but they work poorly as the main pay driver.

79. Answer: D — Co-design a registered apprenticeship with a community college that combines coursework with paid on-the-job training.

The problem is a structural, long-term shortfall in supply, so the strategic answer is to build a new pipeline. A co-designed apprenticeship with a community college creates new technicians matched to the company's equipment and gives it first access to graduates. Premium pay and national search only redistribute a scarce pool at rising cost, and passive tuition reimbursement lacks the employer-designed curriculum and paid work experience that make apprenticeships effective.

80. Answer: D — $50 per case, which is $5 above the benchmark

Cost per case is total cost divided by case volume: $600,000 / 12,000 = $50. That is $5, or about 11%, above the $45 benchmark, so the center is less efficient than its peers. Saying $50 is below the benchmark misreads the direction of the comparison, and $20 comes from dividing incorrectly.

81. Answer: C — Adhocracy

An adhocracy groups experts into flexible project teams that coordinate through mutual adjustment, which suits complex, novel and dynamic work. A professional bureaucracy also relies on experts, but they work largely independently and coordinate through standardized skills rather than constant team-based adjustment.

82. Answer: C — Give the union notice and an opportunity to bargain before putting the program in place.

Under the NLRA, changes to mandatory subjects of bargaining, such as new work requirements with discipline attached and the hours involved, generally require notice to the union and an opportunity to bargain before implementation unless the collective bargaining agreement already covers the change, a waiver question on which NLRB standards have shifted. Unilateral implementation risks an unfair labor practice charge. Making the program voluntary avoids the issue but sacrifices the business goal of consistent quality training.

83. Answer: B — The audience favors principles-first persuasion, building the concept before reaching conclusions.

On Meyer's persuading scale, principles-first cultures such as France expect the theory and reasoning to be laid out before conclusions, while applications-first cultures such as the United States start with the facts, conclusions and practical examples. The executive used an applications-first style with a principles-first audience. Low-context communication and hierarchy are separate scales that do not explain a request for underlying reasoning.

84. Answer: C — Propose a joint committee and a transparent formula based on measures employees can influence, with an agreed baseline and payout share.

Gainsharing works when employees trust the formula and can see how their behavior affects the payout. A joint committee, a clear baseline and controllable measures address the union's distrust and link the reward to the flexibility the company is buying. Company-wide profit is a measure the plant workforce cannot influence, which weakens the incentive. Withholding the formula until after ratification undermines trust and the plan itself is a mandatory subject the union is entitled to bargain over.

85. Answer: B — It rewards reasonable prevention and correction, so the program needs clear policy, bypass channels, and prompt follow-up.

The defense, available for supervisor harassment that does not result in a tangible employment action, requires the employer to show it exercised reasonable care to prevent and promptly correct harassment and that the employee unreasonably failed to use the opportunities provided. That translates into a clear policy, multiple channels that let employees bypass the harasser, and real follow-through on complaints. A policy on paper, without effective channels and response, does not establish reasonable care.

86. Answer: A — Secure executive sponsors, target leaders' business questions, build data literacy and share early wins.

Leaders use analytics when it answers questions they care about, when respected sponsors model its use, when they can interpret it, and when early successes prove its value. More reports on HR process metrics add noise, a citation mandate produces compliance rather than conviction, and better visuals do not fix irrelevant content.

87. Answer: C — Hold the launch, find the source of the gap and test less discriminatory settings first

A ratio of 0.70 falls well below the 80% rule of thumb and signals possible age-based disparate impact. Although the 7th and 11th Circuits hold that applicants cannot bring ADEA disparate impact claims, the question is unsettled in other circuits, many state age laws may reach it, and using a vendor's tool does not shift liability away from the employer. The responsible step is to pause, find which features drive the gap and test settings or alternatives that keep the speed benefit with less impact. Speed gains alone do not justify a known disparity, and launching in selected states does not remove federal exposure.

88. Answer: C — Expand diligence on the allegations and the culture, and seek price, indemnity, and role terms that reflect the findings.

Allegations against a founder who will lead a division are a material people and culture risk. Focused diligence lets the buyer assess credibility, patterns and exposure, and then negotiate protections such as indemnities, escrow, price changes or changes to the founder's role. Closing first and investigating later gives up negotiating leverage, and a representation alone does not address cultural harm or repeat conduct after integration.

89. Answer: C — Young v. UPS lets denials be challenged as pretext, and the PWFA separately requires reasonable accommodation

In Young v. UPS, the Supreme Court held that a pregnant worker can show pretext when an employer accommodates many nonpregnant workers with similar limits but not pregnant workers, and its reasons do not justify that burden. The PWFA now goes further, requiring reasonable accommodation, such as light duty, for known pregnancy-related limitations absent undue hardship, regardless of how others are treated. Workers' compensation laws do not preempt Title VII, and the risk does not depend on prior losses.

90. Answer: A — Sociotechnical systems theory

Sociotechnical systems theory holds that performance depends on jointly optimizing the social system (people, roles, relationships) and the technical system (tools, processes), rather than optimizing technology and making people fit around it. Scientific management focuses on standardizing tasks for efficiency, contingency theory says the best structure depends on the environment, and resource dependence theory explains how organizations manage reliance on external resources.

91. Answer: D — Paying premiums directly is generally tax-free to employees, while cash stipends are taxable.

When the employer pays COBRA premiums directly to the plan, the subsidy is generally excludable from the employee's income, whereas a cash payment employees may use for premiums is taxable wages. The team should also weigh total cost, self-insured plan nondiscrimination rules and how the subsidy's end will be communicated. A subsidy does not lengthen the maximum COBRA period or remove notice duties.

92. Answer: A — An integrating role or liaison position that links the two units

Galbraith described lateral mechanisms such as liaison roles, task forces and full-time integrators to coordinate interdependent units when hierarchy and rules cannot handle the information load. An integrator works across both units to resolve conflicts and align decisions. Separating metrics increases independence but does not manage the interdependence, and rules and wider spans of control are the vertical mechanisms that have already proven insufficient.

93. Answer: C — Quantify how the gaps threaten the synergy case, and present options such as repricing, lighter integration or exit.

The CHRO's role is to translate cultural findings into business risk the board can weigh: how the differences threaten the timing and size of synergies and what it would cost to manage them. Options such as adjusting price, changing the integration model or not proceeding let the board decide with full information. Assuming communication will fix deep differences underestimates the risk, while an automatic recommendation to walk away overstates certainty.

94. Answer: B — Affirm that pay complaints are protected, analyze the flagged gaps, and monitor actions toward complainants.

Equal Pay Act complaints are protected from retaliation, and discussing pay is generally protected concerted activity under the NLRA for nonsupervisory employees. The CHRO should reinforce those protections with managers, investigate the gaps with a pay analysis, and watch for adverse treatment of complainants. Telling employees pay is confidential would itself create legal exposure, and sending complaints to the managers already labeling the complainants raises retaliation risk.

95. Answer: A — Mia, 1.00

Normalized degree centrality divides a person's ties by the maximum possible ties, which is n − 1 = 4 in a five-person network. Mia has the most ties, so 4 ÷ 4 = 1.00, meaning she is directly tied to every teammate. Dividing by the team size gives 4 ÷ 5 = 0.80, and dividing by the total of all ties counted gives 4 ÷ 12 = 0.33; Lee's 3 ÷ 4 = 0.75 is the second-highest score.

96. Answer: D — Frequent, honest leadership updates on the plan, with ways for staff to contribute

In periods of uncertainty, trust in leadership is the strongest engagement driver, and it is built through transparent communication about the situation and plan and by involving employees in solutions. Social events do not address uncertainty, promises of future pay can backfire if not kept, and withholding information breeds rumors and distrust.

97. Answer: B — Assess the case with counsel, plan for possible reinstatement and ensure managers avoid any retaliation.

A 10(j) petition can lead to a court-ordered reinstatement, so leadership needs a realistic legal assessment, an operational plan and tight controls on manager behavior. Closing the department or isolating the employees would be seen as further retaliation and would strengthen the Board's case. A 10(j) petition seeks a binding court order, not an advisory opinion.

98. Answer: B — Identify critical roles and skills first, then design reductions around protecting them.

Protecting capability requires knowing which roles, skills and people are pivotal to future strategy and then targeting reductions at lower-value work, with objective, documented criteria and adverse impact analysis. Across-the-board cuts and seniority-based selection ignore capability, and an open voluntary buyout often loses the most marketable, high-performing people.

99. Answer: A — If it is, the company must give disclosure, get authorization and follow adverse action steps.

When a vendor furnishes consumer reports for employment purposes, the FCRA requires the employer to provide a clear stand-alone disclosure, obtain written authorization, and send pre-adverse and adverse action notices, so the classification shapes the contract, workflows and applicant communications. Consumer reporting agencies have their own duties, but these do not replace the employer's. The FCRA has no employer registration requirement, and non-FCRA information is not barred from use.

100. Answer: D — They control daily practices like assignments, and clear accountability with support moves them.

Middle managers turn strategy into daily reality through hiring, assignments, feedback and team norms, so inclusion stalls if they do not change, which is why they are called the 'frozen middle.' They move when expectations are clear and measured and they have the tools, time and support to act. Mandates or incentives alone, or training without accountability, rarely change their daily practice.

101. Answer: A — It derives headcount, skill and cost needs from the plan's strategic assumptions

Workforce plans should be built from the same strategy, growth and productivity assumptions as the financial plan. They translate revenue targets into the headcount, skills, timing and labor costs needed to deliver them, and those costs then feed back into the financial plan. Treating the workforce plan as a leftover or a separate process risks a plan that cannot be staffed.

102. Answer: B — Transnational strategy

Bartlett and Ghoshal describe the transnational strategy as pursuing global efficiency, local responsiveness and worldwide learning at the same time, usually through an integrated network of interdependent units. A global strategy stresses efficiency and standardization, a multidomestic strategy stresses local responsiveness, and an international strategy mainly transfers home-country knowledge outward.

103. Answer: C — A global framework of principles and record types, with country-specific schedules for local periods

A global framework provides consistent principles, categories and governance, while country schedules apply each jurisdiction's required periods, satisfying both long-retention mandates and deletion requirements. Applying the longest period everywhere violates data-minimization rules, using U.S. periods ignores local law, and fully separate policies lose oversight and consistency.

104. Answer: D — Allow the steward to attend under ground rules letting the steward assist but not obstruct, and keep the investigation prompt.

A represented employee who reasonably believes an investigatory interview could lead to discipline has Weingarten rights to a union representative, and Title VII does not override that right. The employer can still run an effective, prompt investigation by setting ground rules: the steward may advise and clarify but may not answer for the employee or obstruct questioning. Delaying the investigation would undermine the employer's duty to take prompt corrective action.

105. Answer: A — Conduct a privileged pay equity audit and fix unexplained gaps before publishing ranges.

Publishing ranges before checking for unexplained pay gaps invites employees to discover inequities on their own, which damages trust and can create legal exposure. Auditing pay, ideally under attorney-client privilege, and correcting gaps first lets the company launch transparency from a defensible position. Delaying indefinitely abandons a sound goal, and posting ranges only externally still reveals mismatches to current employees.

106. Answer: D — Use an employer of record in each country for now, and revisit setting up entities if teams grow.

An employer of record legally employs the workers in each country, handling payroll, taxes and local compliance, which allows fast, low-commitment entry while demand is tested. Setting up entities takes time and cost that may not be justified, treating employees as contractors creates misclassification risk under local law, and putting foreign workers on a U.S. payroll does not satisfy local employment and tax obligations.

107. Answer: D — Treat each case as an accommodation request, explore reassignment or swaps, and deny only for substantial cost.

Title VII requires reasonable accommodation of sincerely held religious beliefs unless doing so would cause undue hardship, which after Groff means substantial increased costs. A case-by-case framework that looks first at reassignment or staffing swaps meets that duty while protecting client service. A blanket denial skips the required analysis, and a blanket approval ignores that accommodation is not required when hardship is real.

108. Answer: D — Business outcomes, such as turnover cost avoided or revenue from ERG insights, versus a baseline

Finance leaders respond to outcomes expressed in business terms and measured against a comparison point, such as retention cost avoided, recruiting results or revenue influenced by market insights. Event counts and membership growth measure activity, not results. Personal testimonials can enrich the story but do not establish financial value on their own.

109. Answer: D — Create a dual-career program, such as partner job-search help and work-permit support, and add shorter assignment types.

Dual-career concerns are one of the most common reasons strong candidates turn down assignments, and partner career support plus flexible formats (short-term, commuter, rotational) address the root cause. A higher premium helps with money but not with the partner's career loss, which is often the real barrier. Screening by marital or partner status narrows the talent pool and raises fairness and legal concerns.

110. Answer: B — The employer can usually get detailed claims data, with HIPAA safeguards, to target cost drivers.

In a self-funded plan, the employer bears the claims risk and can usually get detailed (often de-identified) claims data through its third-party administrator. That data supports analysis of cost drivers, chronic conditions and plan design. HIPAA limits how protected health information is used and requires firewalls, but it does not bar plan design analysis. Fully insured groups, especially smaller ones, often receive only summary reports from the carrier.

111. Answer: D — Track indicators of the target behaviors, plus pulse and retention data split by legacy company

Integration success should be measured against the behaviors the plan targeted, using leading indicators such as decision cycle time and escalation patterns, and splitting survey and retention data by legacy company reveals whether one group is struggling. Activity counts measure effort rather than change, a single blended engagement score can hide gaps between the two groups, and senior leaders' impressions are often more positive than employees' experience.

112. Answer: A — Weigh the quality and relevance of the research, such as controlled studies, with local data.

Evidence-based practice combines the best available scientific research, judged by its quality and relevance, with organizational data, professional expertise and stakeholder perspectives. Popularity, vendor testimonials and executive preference are weak forms of evidence on their own, though stakeholder views remain one input to the decision.

113. Answer: B — A fidelity bond for each person who handles plan funds, generally 10% of the funds handled.

ERISA requires every person who handles plan funds or property to be bonded, generally for at least 10% of the funds handled, subject to minimum and maximum amounts. The bond protects the plan against losses from fraud or dishonesty. Fiduciary liability insurance is optional and covers a different risk.

114. Answer: B — No other resource can be used to achieve the same strategic outcome

Nonsubstitutability means there is no strategically equivalent resource that competitors could use to accomplish the same thing, even if they cannot copy the original. Being hard to copy describes inimitability, being held by few firms describes rarity, and helping the firm exploit opportunities or neutralize threats describes value.

115. Answer: A — Social astuteness and networking ability

Ferris's political skill has four dimensions: social astuteness (reading people and situations accurately), interpersonal influence, networking ability (building useful alliances) and apparent sincerity. Reading motives is social astuteness and building a broad base of allies is networking ability. Self-awareness and relationship management come from emotional intelligence models, not political skill.

116. Answer: B — Use consistent, job-related selection criteria, apply them without bias, and explain how they were applied.

Procedural justice concerns the fairness of the process used to make decisions: consistency, accuracy, bias suppression, voice and correctability. Survivors who see a fair, transparent process remain more committed and trusting even when outcomes are painful. Severance addresses outcomes for those leaving, not the process, and secret criteria or unstructured manager choice undermine perceived fairness.

117. Answer: C — Requiring suppliers to follow an employer-pays principle that bans charging workers recruitment fees

Recruitment fees charged to workers are a leading cause of debt bondage, a key indicator of forced labor, so an employer-pays policy backed by audits targets the root risk. Engagement surveys and matching paid time off do not address coercion. A self-certification on minimum wage is a weak control that misses fee-driven debt and other forced labor indicators.

118. Answer: A — Require standard methods and gate reviews, with COE leaders as owners

The problems are inconsistent reporting and missing risk reviews, which a controlling PMO addresses by requiring standard methods and review gates while leaving ownership with the experienced COE leaders. A directive PMO that takes over all projects is more control than the situation needs and removes capable owners. A supportive PMO or no PMO would not ensure the risk reviews whose absence caused the failures.

119. Answer: C — Fiduciaries must prudently assess providers' cybersecurity, as DOL guidance describes.

The DOL's cybersecurity guidance, which it confirmed applies to all ERISA-covered plans including health and welfare plans, treats managing cyber risk as part of prudent selection and monitoring of service providers. Fiduciaries should ask about providers' security practices, audits and breach history and document their review. The guidance is not a regulation with fixed penalties, but failing to act prudently can still be a breach.

120. Answer: C — It can hide offsetting changes in its components, obscuring where action is needed.

A composite score can stay flat while one component improves and another declines, so executives cannot see which process needs attention. A balanced scorecard shows each dimension separately. Composite indexes can be trended if defined consistently, and the voluntary demographic data they use is commonly and lawfully collected.

121. Answer: D — Review the method with the COO privately, answer his questions, and propose a spending test.

When data contradicts an executive's intuition, engaging that leader privately, letting him test the method and proposing a low-risk experiment builds ownership instead of defensiveness. Surprising him in front of peers tends to harden resistance. Acting unilaterally bypasses a key stakeholder, and shelving sound analysis abandons the CHRO's responsibility to inform the decision.

122. Answer: C — Translate turnover into replacement costs, agency spending and patient-care risk

Board members who are not HR experts respond to the language of financial impact and enterprise risk, so the CHRO should convert turnover into dollars (replacement and agency costs) and operational risk (patient care and safety). Survey methods and HR frameworks are too technical for this audience. Employee quotes can add color but do not, by themselves, give the board the basis for a $2 million decision.

123. Answer: C — Trends in case volume, aging, substantiation and retaliation, with a narrative on emerging risks and remediation.

Board oversight is best served by trend metrics such as volume, case aging, substantiation and retaliation rates, along with a narrative on emerging risks and remediation. Detailed case lists with names raise confidentiality concerns and bury the patterns that matter. Closure counts alone measure activity, not risk, and reporting only litigated cases misses early warning signs.

124. Answer: C — The vendor carries developer duties, but the employer remains responsible for how it uses the tool and its outcomes.

Under Title VII, an employer that uses a selection procedure is responsible for its adverse impact even if a vendor built it. Under the EU AI Act, the developer (provider) has design and documentation duties, while the employer (deployer) must use the system as instructed, ensure human oversight, monitor it and inform workers. Contracts can allocate costs and indemnities between the parties but cannot remove obligations the law places on each one.

125. Answer: A — Map key stakeholders' priorities and alliances, and use data to build awareness of the talent risks.

This is a realignment situation: the business is drifting into trouble but leaders do not see it, so the new CHRO must first understand the political landscape and create shared awareness with credible data before pushing solutions. Launching a program or a full plan before others accept the problem invites resistance from influential executives. Deferring the talent risk entirely lets it worsen.

126. Answer: D — Monitoring that targets or chills discussion of pay and working conditions may interfere with Section 7 rights.

Section 7 protects most nonsupervisory employees' right to engage in concerted activity, such as discussing pay and scheduling, whether or not they are unionized. Surveillance aimed at that activity, or monitoring that creates the impression of it, can violate Section 8(a)(1) by chilling the exercise of those rights. The NLRA does not ban all workplace monitoring, and supervisors are generally excluded from its protection.

127. Answer: D — Train supervisors on lawful campaign conduct, communicate facts, and have counsel review planned discipline changes before acting.

During a campaign, employers may share facts and opinions but must avoid threats, interrogation, promises and surveillance, so supervisor training is essential. Making a sudden change in response to organizers' issues can be seen as an unlawful grant of benefits meant to discourage the union, which is why counsel should review the timing and rationale. Asking who supports the union is interrogation, and warning of a risk to the plant's future can be an unlawful threat.

128. Answer: B — The EVP should reflect what the talent the strategy needs values most, while staying true to the real employee experience.

An EVP is strategic when it attracts and keeps the capabilities the strategy requires, which means understanding what target segments such as technologists value and making sure the promise matches reality. Building it around current long-tenured employees' preferences may miss the talent the strategy now needs. Leading on pay alone ignores the other parts of the value proposition, and a uniform EVP cannot speak to distinct talent segments.

129. Answer: A — It makes the written contract the complete agreement and waives midterm bargaining over other subjects.

A zipper clause states that the written agreement is the parties' entire agreement and that each side waives the right to demand bargaining over matters not covered during the contract term. Reserving the right to direct the work is a management rights clause, a related but different tool that is often paired with a zipper clause. Keeping the rest of the contract alive when one term is struck down is a savings (severability) clause, and a reopener addresses economic terms.

130. Answer: D — Disclose the conflict and ask that a board committee or outside adviser lead the succession process

A candidate cannot credibly run a process in which she is competing, so the board should be told and the process given to an independent owner. An objective scorecard does not remove her access to rivals' assessments or her influence over design. Delegating to her own subordinate does not create real independence. She does not need to give up her candidacy, since the board can manage the conflict by changing who leads.

131. Answer: B — Explore the client's underlying deadline needs with the COO and propose options such as staggered or added staffing

The client's position (extra weekends) likely reflects an interest such as delivery dates or response time that other options can meet, including rotating coverage, contractors or new hires. That protects the client relationship and the workforce. Simply accepting with overtime ignores the burnout and turnover risk, flat rejection jeopardizes major revenue, and volunteer-dependent coverage may not meet the client's needs.

132. Answer: B — Identity groups give underrepresented employees a voice but risk silos; interest groups widen reach but dilute focus

Identity-based networks offer community, belonging and a channel for underrepresented employees to raise concerns, but they can feel exclusive or create silos. Interest-based networks invite broader participation but can dilute attention to the experiences of underrepresented groups. Both types should be open to all employees, and neither the claim about results nor the claim about cost reflects an established trade-off.

133. Answer: D — A few metrics tied to strategy and risk, with trends, implications and planned actions.

Boards oversee strategy and risk, so a focused set of measures (such as critical-role succession coverage, regretted turnover, engagement and safety) shown as trends, with what they mean for the business and what management will do, earns attention and trust. A full dashboard overwhelms directors, activity reports describe effort rather than outcomes, and benchmarks without strategic context say little about risk.

134. Answer: B — Analyze why results differed and use the findings to adjust the next cycle

Action research is a cycle of diagnosis, action, evaluation and adjustment, so mixed results are data to learn from and show the board what to change. Stopping wastes that learning. Continuing unchanged ignores the evaluation step, and expanding before understanding the differences spreads what may not work.

135. Answer: D — Improving productivity and cost efficiency, keeping key talent, and redeploying staff

In maturity, growth slows and competition shifts to efficiency, so HR focuses on productivity, cost control, retention of critical talent and redeploying people as work changes. Rapid hiring with pay premiums fits the growth stage, informal entrepreneurial structures fit the introduction stage, and broad reductions and closures characterize decline.

136. Answer: C — Cycle time, substantiation-rate trends by unit, and follow-up checks for retaliation after cases close

Cycle time shows whether matters are handled promptly, substantiation trends by unit reveal inconsistent standards or hot spots, and retaliation follow-up shows whether reporters are protected after a case closes. Falling complaint counts can mean people have stopped reporting rather than that misconduct declined. Capacity measures describe inputs, not whether investigations are timely, consistent or protective.

137. Answer: A — ERISA generally preempts state mandates for self-funded plans, but federal rules still apply.

ERISA's deemer clause keeps states from regulating self-funded plans as insurance, so state benefit mandates generally do not apply. Federal requirements such as ACA market reforms, HIPAA and mental health parity still do. The employer also takes on claims risk directly, which is why stop-loss coverage and cash-flow planning matter.

138. Answer: C — Target specific missing links with cross-unit project teams, rotations and communities of practice.

Network data lets the CHRO pinpoint where connections were lost and rebuild them deliberately through structured cross-unit work, rotations and communities of practice that create lasting working ties. Reversing a reorganization to fix collaboration discards its strategic purpose. Social events and status reports increase exposure or information but rarely create the working relationships needed to move cross-unit projects.

139. Answer: C — System 2 is slow, deliberate and effortful, while System 1 is fast, automatic and intuitive.

Kahneman describes System 1 as fast, automatic and intuitive, prone to heuristics and biases, and System 2 as slow, deliberate and analytical. Executives should engage System 2 for high-stakes, unfamiliar decisions. Reversing the systems is the most common error, and the distinction is about individual cognition, not group versus individual input.

140. Answer: B — In some countries the council has consultation or consent rights before monitoring tools are introduced

In several European countries, such as Germany, works councils have co-determination or consultation rights over technical systems that can monitor employee behavior or performance. Deploying without that process can lead to injunctions and can make evidence gathered through the tools hard to use. Their rights reach beyond layoffs and pay, but they do not approve individual investigation findings.

141. Answer: A — Set clear sponsor expectations, such as advocacy and access to resources, and review them yearly

Inconsistent involvement shows the role is undefined, so the CHRO should set clear expectations, such as advocating for the group, connecting it to business goals and resources, and developing its leaders, and then hold sponsors accountable through regular review. Leaving the role to each group keeps the inconsistency, making executives the leaders takes ownership away from members, and spending is not a measure of sponsorship.

142. Answer: A — Regrettable turnover in critical roles compared with a set risk tolerance

A KRI signals rising exposure to a risk that could affect business objectives and is monitored against a tolerance or threshold. Losing high performers in critical roles directly threatens continuity and execution. Course completions, requisition counts and resolved tickets describe HR activity volume and say little about enterprise risk.

143. Answer: B — Use a balanced scorecard pairing AI savings with quality, risk, engagement and reskilling goals.

Heavily rewarding headcount cuts encourages executives to cut roles quickly even when quality, risk or employee trust suffers. A balanced scorecard keeps the efficiency goal while rewarding responsible deployment. Removing AI goals entirely loses strategic alignment, and counting tools deployed rewards activity rather than value.

144. Answer: C — Have counsel direct the study for legal advice, keep it separate from routine pay work, and act on its findings.

Privilege is more likely to attach when counsel directs the analysis to give legal advice and the work is kept apart from ordinary business reporting; a confidentiality label alone does not create privilege. Fixing gaps the analysis finds is the point of the exercise, so the company should plan to remediate. Delaying adjustments to protect privilege lets back pay grow and defeats the purpose of the audit.

145. Answer: B — Their effects overlap in time and cannot be separated without comparison groups.

When several initiatives launch together for the same population, any change in turnover reflects their combined effect, and the data cannot show how much each one contributed. Staggered rollouts, comparison groups or designs that vary one initiative at a time are needed to isolate individual effects. Cost does not determine impact, and splitting the result equally is an assumption, not an estimate.

146. Answer: B — Evaluate each contractor's safety performance and programs before selecting it for the work.

The process safety management standard requires the host employer to obtain and evaluate information on a contractor's safety performance and programs when selecting contractors, inform them of process hazards, and periodically evaluate their performance. A written assurance alone does not meet this duty. Card requirements may be part of a prequalification program, but they do not satisfy the selection evaluation by themselves.

147. Answer: D — The employee owes income tax on the vested deferred amounts right away, plus a 20% additional tax and interest.

When a nonqualified deferred compensation arrangement fails Section 409A, the vested deferred amounts become taxable to the employee immediately, and the employee also owes a 20% additional tax plus premium interest. The penalties fall on the employee rather than the employer, which is why careful plan design matters. The 10% early withdrawal penalty applies to qualified plans, not to 409A failures.

148. Answer: B — About $4.95 million

Cost = exits x salary x replacement factor = 30 x $110,000 x 1.5 = $4,950,000. The $3.30 million figure uses salary alone, $1.65 million uses only the 50% above salary, and $8.25 million uses a 250% factor. Separating regrettable top-performer exits from total turnover helps leaders focus retention spending where it matters most.

149. Answer: B — Self-funded plans generally are not subject to state insurance mandates, so one design can apply nationwide.

ERISA preempts state laws that relate to employee benefit plans. Its deemer clause keeps states from treating self-funded plans as insurance, so state benefit mandates generally do not reach them, while insured plans remain subject to state insurance law. Self-funded plans are still subject to most federal requirements, including ACA market reforms, ERISA reporting and disclosure, and HIPAA privacy rules.

150. Answer: C — To explain the objectives, elements and decision process behind the named executive officers' pay.

The SEC requires the CD&A to explain the material elements of named executive officer compensation, the objectives behind them and how the committee reached its decisions, giving context to the tables that follow. It covers the named executive officers, not every highly paid employee or all workers. Say-on-pay is a separate, advisory vote.

151. Answer: D — Recognize the political pressure, avoid acts that could favor a candidate, and frame proposals so leaders can show real gains.

Union leaders must answer to their members, and an election raises the pressure to show results, so a skilled negotiator accounts for that in timing and framing while staying neutral. Trying to help one candidate is improper interference in internal union affairs and can backfire. Refusing to meet can breach the duty to bargain, and offering new terms to members before or instead of the bargaining committee is direct dealing that bypasses the bargaining representative.

152. Answer: C — Recalculate impact ratios after each model update, as well as on a regular schedule.

Each retraining can change how the model weights inputs, so adverse impact can appear even if earlier results were clean. This is called algorithmic drift. Recalculating selection rates and impact ratios after each update, plus on a regular schedule, catches it early. An annual audit cycle or vendor-defined triggers can leave months of biased decisions unnoticed, and overall accuracy can stay high while one group is disadvantaged.

153. Answer: D — Use outside investigators for top leaders and high-risk matters, and keep internal capacity for most cases

A risk-based protocol uses outside investigators where independence matters most, such as allegations against the CEO, direct reports or high-risk legal issues, while preserving internal speed and context for routine matters. Outsourcing every senior-leader case adds cost and delay where internal investigators could be independent enough. Keeping everything internal ignores the credibility concern, and letting the accused's unit decide creates a new conflict.

154. Answer: A — Use the contract procedure, give the union a chance to be present, and keep any terms consistent with the CBA

Under the NLRA, an employee may present a grievance and have it adjusted without the union only if the settlement is consistent with the CBA and the union has the chance to be present. Private settlement that sidesteps the union is likely unlawful direct dealing and undermines the relationship. A waiver signed by the employee does not cure this, because the right belongs to the union, and stalling a grievance violates the contract process.

155. Answer: B — Apply more variable pay mainly to roles with line of sight to results, and model attrition risk for other groups

Moving pay from fixed to variable can lower fixed cost, but incentives motivate only when employees can see how their work affects the measure, and lower-paid staff tolerate less pay risk. The leader should target the shift to roles with line of sight and quantify the turnover and engagement risk elsewhere. Applying an EBITDA-funded plan to everyone ignores line of sight, and an immediate 8% base cut is a pay reduction that is likely to drive attrition. Variable pay is a legitimate cost-flexing tool, so rejecting it outright is too rigid.

156. Answer: A — A single manager's rating should not drive these decisions alone; combine multiple raters and other evidence.

If ratings reflect raters' tendencies as much as or more than ratee performance, relying on one manager's rating for high-stakes decisions is risky, so organizations should combine multiple perspectives, calibration and objective evidence. Ratings still carry some information, so dropping them entirely overreaches. Adjusting means removes only leniency differences, and rater effects do not cancel out for an individual employee.

157. Answer: B — Agree with sponsors now on the business outcomes the program should move, set baselines, and plan a comparison group.

A credible ROI case depends on deciding before launch which business outcomes (such as leader retention, promotion readiness or unit performance) the program should change, and capturing baselines and a comparison group so results can be isolated. Estimating impact after the fact from participant opinions is weaker evidence, and satisfaction and learning scores are lower-level measures that do not show business return. Cost benchmarking speaks to efficiency, not return.

158. Answer: A — Set role criteria first and use a transparent assessment of leaders from both companies

Defining the capabilities each role requires and assessing candidates from both sides through a fair, visible process builds credibility and selects the best team for the combined company. A fixed even split can place weaker leaders in key roles and signals politics over merit, CEO choice based on familiarity favors one side, and outside hires for contested roles bypass strong internal talent.

159. Answer: D — Build trust in internal channels with visible follow-up and anti-retaliation, while affirming external reporting rights

The data points to a trust problem, so the solution is to make internal reporting worth using: show what happens after reports, protect reporters, and hold leaders accountable. SEC Rule 21F-17 prohibits actions that impede employees from communicating with the SEC, so requiring internal reporting first or implying that agency reports breach confidentiality creates legal risk. Rewards tied to reporting internally first could also be seen as discouraging external reporting.

160. Answer: D — Retire the parallel process against set exit criteria, keeping monitoring and a tested fallback.

Parallel running is a temporary risk control, and once the new system meets its exit criteria, keeping both doubles cost without adding much protection. Ongoing monitoring and a tested fallback keep the safeguard that staff want without the duplicate work. Removing audit controls along with the old process would leave the AI unmonitored, and staff comfort is not a substitute for evidence-based criteria.

161. Answer: B — Investigate at counsel's direction, document that it is in anticipation of litigation, and limit sharing

Work-product protection covers materials prepared in anticipation of litigation by or for a party or its representative. HR helps preserve it by working at counsel's direction, documenting the litigation purpose, and limiting distribution to people who need the information. A confidential label alone does not create protection, and wide sharing can waive it. If the employer later relies on the investigation as a defense, the protection may be waived.

162. Answer: C — Weights are value choices that change results and should reflect strategy

A composite index embeds judgments about what matters most, and the weights can reorder results, so they should be tied to strategy, documented and tested for sensitivity. Equal weighting is itself a weighting choice, not a validity requirement. Shifting ranks shows sensitivity to weights, not a measurement flaw, and statistical weighting still involves judgment about the outcome being optimized.

163. Answer: D — OSHA can cite serious ergonomic hazards under the general duty clause, and controls cut claim costs.

There is no federal ergonomics standard, but OSHA can cite recognized ergonomic hazards under the general duty clause, and job analysis, engineering controls and early reporting reduce costly MSD claims. The federal ergonomics standard was repealed in 2001 and has not been reinstated. There is no separate MSD column requirement on the OSHA 300 log.

164. Answer: B — Anchoring bias

Anchoring is relying too heavily on an initial reference point, here last year's figures, and adjusting too little from it. Confirmation bias is seeking evidence that supports an existing belief, and recency bias would overweight the newest information, which is the opposite of what is happening.

165. Answer: A — Breach of the psychological contract

The psychological contract is the set of unwritten beliefs employees hold about mutual obligations with their employer, and a perceived breach can sharply reduce trust and commitment during change. Constructive discharge is a legal claim involving intolerable conditions that force a resignation. An implied contract claim requires specific assurances, such as handbook language, that alter at-will status. Cognitive dissonance is internal tension between conflicting beliefs, not a reaction to perceived broken promises.

166. Answer: A — Metrics that drive decisions leaders can and must make within days, such as staffing levels

Real-time data earns its cost when the metric changes quickly and someone can act on it right away, as with shift coverage or open requisitions in a fast-moving operation. Slow-moving or strategic measures are better reviewed periodically, because frequent updates add noise without changing decisions. Results that need statistical adjustment, such as pay equity analyses, can mislead if shown before they are properly modeled.

167. Answer: C — An enhanced change-in-control severance multiple

Change-in-control and severance terms create significant contingent obligations, affect shareholder perceptions and are typically subject to proxy disclosure for executive officers, so the compensation committee typically must approve them. A modest start-date change, relocation within existing policy and PTO consistent with peers are routine terms within management's delegated authority.

168. Answer: B — Identify workforce strategies that perform acceptably in all four scenarios and set signposts to watch for shifts.

Scenario planning is meant to produce strategies that are robust across plausible futures, plus early-warning signposts that tell leaders which future is emerging. Planning for one favored scenario defeats that purpose, and a budget cushion does not address different kinds of disruption. Building four full plans is costly and does not tell leaders what to do now, and voting simply repeats the bet on one scenario.

169. Answer: B — Quantify the remediation cost, agree on a phased funding plan with finance, and equip managers to explain ranges

The objections rest on real interests: the CFO's cost exposure and managers' ability to handle questions. Sizing the cost, sequencing remediation with finance and preparing managers addresses both while meeting the CEO's timeline. Ranges padded to hide inequities undermine trust and the purpose of transparency, and indefinite delay ignores the CEO's mandate.

170. Answer: D — More employees are moving into new internal roles, signaling greater career opportunity

Internal mobility rate measures the share of employees who move into a different internal role, through promotion or lateral transfer, over a period. A rising rate suggests the organization is developing and redeploying its own people, which supports engagement and retention. Talent hoarding by managers would lower the rate, not raise it.

171. Answer: A — Require approval of work locations, keep a central multistate compliance calendar, and assign owners to track law changes.

Multistate remote work needs governance that knows where employees work, tracks each jurisdiction's tax, wage, leave and notice requirements, and assigns clear owners supported by monitoring. Applying one state's rules everywhere does not cover registrations and filings and may not satisfy laws that differ in kind. Employees cannot carry the employer's legal duties, and limiting future hiring leaves the current gaps unresolved.

172. Answer: D — Measure productivity with outcome metrics, such as deliverables and client results, not activity.

Productivity in knowledge work is best measured by outcomes, such as quality and timeliness of deliverables, client results and utilization, which can be compared fairly across work arrangements. Activity monitoring measures effort signals rather than value and can damage trust. Badge data and partner perceptions are indirect and prone to bias, so they cannot settle the debate on their own.

173. Answer: D — $12,000

PEPY = total annual health spend / number of employees = $14,400,000 / 1,200 = $12,000. Dividing that result by 12 gives $1,000, which is the per-employee-per-month (PEPM) figure, not PEPY. The other amounts result from misplacing the decimal.

174. Answer: D — Relational transparency

Relational transparency is presenting one's genuine self to others by sharing information and real thoughts and feelings openly while keeping emotional displays appropriate. Balanced processing is weighing information objectively before deciding, self-awareness is understanding one's own strengths, weaknesses and values, and internalized moral perspective is acting on internal ethical standards despite outside pressure.

175. Answer: B — Have leaders explain the rationale and direction openly, reset roles and workloads, and rebuild trust through managers.

Survivor syndrome stems from loss of trust, uncertainty and heavier workloads, so recovery requires candid communication about why the cuts happened and where the company is going, realistic redesign of work, and manager-led conversations. Promising no more cuts is risky because the company may not be able to keep that promise. Blanket bonuses are costly and do not address the causes, and frequent surveys without action deepen cynicism.

176. Answer: B — Empower

On the IAP2 spectrum, empower places the final decision in the hands of stakeholders, with a promise to implement what they decide. Collaborate is the tempting choice, but at that level stakeholders partner on alternatives and the preferred solution while the organization keeps the final decision. Involve and consult give stakeholders input without decision authority.

177. Answer: B — One EVP and rewards philosophy, with emphases tailored to each segment and tested for cost and internal equity

A shared philosophy keeps the EVP coherent and defensible, while segment-specific emphases put reward dollars where each group perceives the most value. Testing for cost and internal equity keeps the design fair and affordable. A uniform package spends money on elements some segments do not value, and fully separate programs lose consistency and can create equity problems.

178. Answer: D — Promptly disclose the waiver publicly, as stock exchange listing and SEC rules require.

NYSE and Nasdaq listing standards, together with SEC Form 8-K requirements, call for prompt public disclosure of any code waiver granted to a director or executive officer, generally within four business days by filing or website posting. Shareholder approval is not required. Waiting for the annual proxy statement is the near miss: it fails the promptness requirement that exists so investors learn of these exceptions quickly.

179. Answer: D — It is a mandatory subject of bargaining, so the employer must bargain before deciding

In Fibreboard Paper Products Corp. v. NLRB (1964), the Supreme Court held that subcontracting bargaining-unit work that replaces employees with contractor workers doing the same work under similar conditions, mainly to reduce labor costs, is a mandatory subject of bargaining. Treating it as a core management right confuses it with the partial-closure decision in First National Maintenance, which changed the scope of the business. Here the business continues unchanged.

180. Answer: C — Set global standards for fairness, escalation and data while letting regions adapt procedures to local law

A hybrid model gives consistency where it matters (core fairness principles, escalation paths, reporting and data) while respecting local legal requirements and norms. Full centralization ignores differences in labor law, works councils and culture and slows resolution. Fully local handling keeps the inconsistency the executives want fixed, and one uniform outsourced procedure has the same local-law problem as centralization.

181. Answer: D — Pause the gap factor, test past results for disability, pregnancy and sex impact, and keep it only if job related.

Gaps often reflect disability, pregnancy, caregiving or military service, so a facially neutral gap penalty can screen out protected groups. Pausing the factor while testing outcomes and requiring job-related evidence limits ongoing harm and exposure. Asking candidates to explain gaps can draw out medical or pregnancy information, and an informal review does not fix a biased score.

182. Answer: A — Real-world practice is costly or dangerous, and enough learners will use it to spread the cost.

VR delivers the most value when real-world practice is dangerous, expensive or hard to arrange (such as emergency response or high-risk equipment) and when a large learner population spreads the high development cost. Conceptual or frequently changing content, small audiences with safe on-the-job practice and interest in novelty do not justify the investment.

183. Answer: A — Clarify the CFO's savings goal, show the cost of each cut, and propose options that meet it.

Interest-based negotiation starts by understanding the CFO's underlying goal, which is usually a savings figure, then uses data to show the turnover and productivity costs of specific cuts and offers alternatives that still deliver savings. An across-the-board cut may damage critical programs. Splitting the difference is positional and ignores the evidence, and escalating early damages the relationship.

184. Answer: D — Works councils in many countries must be informed and consulted before decisions are final

In many European countries, works councils hold information and consultation rights over major changes such as restructurings, and announcing a decision as final before consultation can breach those rights, lead to legal challenge or delay the plan. Companies therefore present proposals to works councils before finalizing them and sequence public communications accordingly. Works councils generally do not ratify plans by employee vote or control investor disclosures.

185. Answer: B — Greater workforce flexibility, with higher average pay and more training and certification cost

Skill-based pay encourages employees to learn multiple skills, which increases flexibility in staffing and scheduling. The trade-off is that average pay rises as employees accumulate skills, and the organization must invest in training, certification and administration. It pays for skills acquired rather than only skills in use, and it usually increases rather than reduces training investment and flexibility.

186. Answer: C — OKRs set ambitious, aligned outcomes to drive change; KPIs track ongoing performance

OKRs pair an ambitious qualitative objective with measurable key results, cascaded and aligned across teams to drive change over a defined period. KPIs monitor the ongoing performance of established processes, such as turnover or time to fill. The two are complementary rather than interchangeable, and both can be used at any organizational level.

187. Answer: C — Adapt the HRIS architecture with an in-country data instance and govern cross-border access under the new law's terms

A localization law requires data to be stored in the country, so the global design must flex, typically with an in-country instance or in-country data residency setup and controlled cross-border access, while keeping global standards elsewhere. Standard contractual clauses are a mechanism for lawful transfers, not for meeting a storage-location mandate. Halting consolidation everywhere overreacts, and moving records to spreadsheets weakens security and control.

188. Answer: B — Strategic positioner

A strategic positioner understands external trends, customer and investor expectations and the business's position, then translates that knowledge into HR priorities. A credible activist is tempting, but it is about earning trust and taking a point of view, not reading and translating the external context.

189. Answer: C — Frequent rotations with clear, visible milestones and regular development feedback

Early-career employees who want rapid growth respond to frequent new challenges, visible progress markers and regular feedback, which rotations and milestone-based paths provide. Long single assignments and distant promotion points reinforce the perception of slow growth, and an e-learning library alone does not provide experience or visible progress.

190. Answer: D — The mum effect

The mum effect, first described by Rosen and Tesser, is people's reluctance to deliver bad news, which is especially strong when the receiver has power over the sender. The bystander effect is tempting because it also involves failing to act, but it describes individuals not helping when others are present, not filtering bad news upward.

191. Answer: D — Data separation, a transition services agreement, payroll continuity and timing of access cut-off

A carve-out requires separating the division's data from the seller's, arranging transition services so payroll and HR administration continue without interruption, and setting a planned date to end system access. Selecting and implementing the buyer's platform in four months is unrealistic and is the buyer's decision, cutting access at announcement disrupts pay, and open-ended access creates data and security risk.

192. Answer: A — Form a joint labor-management committee to co-design the work while meeting bargaining duties on mandatory subjects

A joint labor-management approach draws on crews' field knowledge, builds trust, and reduces the risk of grievances and unfair labor practice charges, while the employer still honors its duty to bargain over changes to mandatory subjects. Presenting a finished design for comment risks being treated as a fait accompli that bypasses bargaining. Waiting two years delays a strategic need, and a supervisor pilot does not test the work crews will actually do.

193. Answer: C — Trompenaars' universalism versus particularism

Universalist cultures believe rules should apply equally to everyone, while particularist cultures believe relationships and circumstances should shape how rules are applied, which matches the managers' call for relationship-based exceptions. Individualism versus collectivism is tempting because it involves group ties, but it describes whether identity centers on the self or the group, not how rules are applied. High- and low-context communication concerns how meaning is conveyed.

194. Answer: A — Empowering front-line staff and building deep knowledge of client needs

Customer intimacy wins by tailoring solutions to specific customers, which requires employees with authority to act and deep, lasting relationships with clients. Standardization for low cost fits operational excellence, and creativity and risk-taking fit product leadership. Frequent rotation across accounts works against the relationship depth this discipline depends on.

195. Answer: B — Explain the serious retaliation exposure, decline to proceed, and involve the general counsel

The Sarbanes-Oxley Act protects employees of public companies who report suspected securities or accounting fraud, and a termination two weeks after a report with no prior record would look like retaliation. The CHRO should state the risk plainly, refuse to carry out the decision and bring in the general counsel, with escalation to the audit committee if needed. Building a pretextual record or an involuntary transfer can itself be retaliation, and a release does not cure the conduct.

196. Answer: B — Work with the board to frame succession as protecting the founder's legacy and start with an emergency plan.

Founders often resist succession because it feels like a loss of identity and control, so framing the work as protecting the company and the founder's legacy, with board support, lowers resistance. An emergency or interim plan is a low-threat first step that also addresses the lenders' key-person concerns. Building a plan behind the founder's back undermines trust, waiting leaves the risk unmanaged, and hiring a COO without a plan skips the governance conversation.

197. Answer: C — Sponsors spend their own influence to advocate for protégés and push them into stretch roles

Mentors advise, but sponsors act: they use their own credibility and political capital to recommend protégés for promotions and high-visibility assignments, and they speak for them in rooms protégés are not in. More meetings, feedback or training plans are mentoring and development activities that build skills but do not create the advocacy and access that drive advancement.

198. Answer: A — Require disclosure, and bar either partner from reporting or decision authority over the other.

The main risks in workplace romance come from power imbalances: favoritism, conflicts of interest, and harassment claims if a relationship ends badly. A disclosure policy that removes reporting and decision authority between partners addresses those risks without an unenforceable ban that drives relationships underground. Relying only on the harassment policy leaves supervisor-subordinate conflicts unmanaged until a problem surfaces.

199. Answer: A — Compare hard and soft freeze options, model an enhanced 401(k) replacement, and plan the required notices.

A strategic freeze decision weighs hard versus soft freeze designs, such as a soft freeze that protects older long-service employees, and pairs the change with a replacement benefit such as a richer 401(k) contribution. ERISA requires advance written notice of a significant reduction in future accruals. A freeze cannot reduce benefits already accrued, a hard freeze stops new accruals, and waiting for every long-service employee to retire defers the risk for years.

200. Answer: C — Values behaviors are harder to observe reliably, so heavy weighting raises the risk of biased ratings.

Behavioral ratings rely heavily on judgment, so a 50% weighting increases exposure to rater bias and inconsistency unless behaviors are clearly defined and calibrated. That is the main trade-off to raise along with mitigation steps. No federal law bans values-based ratings, behaviors can be assessed with behavioral anchors, and an equal weighting does not mean results will be ignored.

201. Answer: A — It adds social and environmental performance as outcomes alongside economic results.

The triple bottom line (people, planet, profit) holds that an organization should report social and environmental performance as outcomes alongside economic results. The balanced scorecard already includes a learning and growth perspective, so that is not a difference, and its perspectives ultimately serve financial results rather than social and environmental outcomes.

202. Answer: C — Shift bonus measures to gross margin or add a margin modifier, with discount approval limits, so pay follows profitable growth.

Incentives drive the behavior they measure, so a revenue-only plan rewards discounting even when it erodes margin. Adding a margin measure or modifier, along with discount controls, aligns pay with the profitable growth the strategy needs. Higher quotas increase pressure to discount, and a cap or a ban on credit for any discount fails to fix the measure itself and may block reasonable pricing.

203. Answer: D — Align the board on the future CEO profile, plan the founder's transition role and protect key talent

A founder transition succeeds when the owners agree on what the next CEO must deliver, the founder's exit or new role is handled with respect, and key leaders are retained through the change. A secret search risks a damaging leak and the founder's opposition, and letting the founder pick a successor may produce a leader who fits the past rather than the exit strategy. Retention bonuses help but are only one part of the plan.

204. Answer: C — They may be selected if leave-neutral criteria would have chosen them anyway.

An employee on FMLA leave has no greater right to reinstatement than if they had been working, so they may be included in a layoff if they would have been selected under criteria unrelated to the leave. The employer bears the burden of showing the selection was not because of the leave. Taking leave does not exempt an employee from a legitimate RIF, and the FMLA has no waiting period or payout requirement.

205. Answer: B — Scenario planning, most useful when key drivers are highly uncertain

Scenario planning develops several distinct, plausible futures and tests strategies for robustness across them, which suits long horizons with highly uncertain drivers. Trend analysis extrapolates the past, which is risky when conditions are changing. The Delphi technique and sensitivity analysis both work toward or around a single forecast rather than several alternative futures.

206. Answer: C — Set global principles, then configure each country to local law, with works council agreement in Germany.

Employment and data protection law follow where employees work, so a harmonized policy needs common principles plus country-specific configuration. In Germany, works councils have co-determination rights over technical systems capable of monitoring employees, so agreement is needed before rollout, not after. Brazil's data protection law requires a lawful basis and transparency but does not ban monitoring, and Germany permits it within agreed limits.

207. Answer: D — Co-design the curriculum with the college around the firm's skill needs and add paid work-based learning.

An effective pipeline partnership aligns curriculum with the employer's specific skill needs and connects students to the company through paid internships or work-based learning, which builds both skills and commitment. Donations, general tuition benefits and recruiting events can help but do not ensure that graduates have the right skills or choose this employer.

208. Answer: D — Break jobs into tasks, decide which AI automates, augments or leaves alone, and reskill to match

Task-level analysis shows where AI can automate work, where it augments human judgment and where people remain essential, which allows deliberate redesign of jobs, skills and career paths. Uncoordinated adoption yields uneven results and risk, cutting headcount on vendor projections is premature, and training without job redesign leaves the potential value unrealized.

209. Answer: A — Adopt structured interviews with job-related criteria, scoring rubrics and written reasons for each rating.

Undefined 'culture fit' judgments can hide age stereotypes, and the pattern in the notes is evidence a plaintiff would use. Structured interviews tie decisions to job-related criteria and force documented reasons, which reduces bias and supports defensible decisions. Letting managers use their own words keeps the subjectivity, and an age-based hiring target replaces one age-driven decision with another.

210. Answer: C — Each rate reflects its industry's labor market norms, so each division should be judged against its own industry benchmark

Turnover benchmarks are meaningful only within comparable industries, roles and labor markets, because hospitality structurally runs much higher turnover than utilities. Each division should be compared with its own industry and role benchmarks, and its trend over time. The other explanations assume specific facts (seasonal workers, mostly involuntary exits, union contracts) that are not given and would not by themselves make the comparison valid.

211. Answer: B — Agree with the committee on an independent process, such as third-party exit interviews, reporting to the committee.

Because the departures may reflect on senior management, the diagnostic needs independence and a reporting line to the committee that commissioned it, so former leaders speak candidly and the board receives unfiltered findings. HRIS analysis is useful context, but data on pay and tenure cannot reveal the reasons behind a cluster of resignations, which require candid qualitative input.

212. Answer: C — A principal-agent problem, where the negotiator may accept costly terms to meet a personal incentive

When an agent's incentives (a deadline-based bonus) differ from the principal's interests (sound long-term terms), the agent may trade away value to secure a personal reward, which is the classic principal-agent problem. Anchoring and reactive devaluation are cognitive biases unrelated to the incentive design, and the winner's curse describes post-deal regret rather than misaligned incentives.

213. Answer: C — Shift screening toward validated, job-related assessments of skills rather than resume content.

When resumes stop separating candidates, screening should move to evidence that predicts performance, such as validated work samples or structured skills assessments. These remain job-related and defensible under Title VII's job-relatedness standard. AI-detection tools are unreliable and may screen out qualified people, and tighter keyword filters reward the very AI tailoring that caused the problem.

214. Answer: D — Plan a phased convergence negotiated with each union, using trade-offs and transition terms to offset reductions.

Benefits are a mandatory subject of bargaining, and after a stock purchase the acquired employer and its contract remain in place, so convergence must be negotiated. A phased approach with trade-offs such as wage adjustments or grandfathering makes agreement more achievable. Moving employees unilaterally would breach the contract, leveling everyone up is costly, and announcing the parent plan as a final offer before bargaining risks a bad-faith finding and a strike.

215. Answer: C — Work with counsel on a privileged review of the PIP criteria and decisions before the terminations proceed

A large disparity in who is placed on PIPs signals possible disparate treatment or disparate impact under the ADEA, so the CHRO should pause and have the criteria and individual decisions reviewed, ideally under privilege with counsel, before terminations make the exposure permanent. Documentation alone does not cure a biased selection pattern. Blanket rescission or steering PIPs by age would themselves be age-based decisions rather than a fix to the underlying process.

216. Answer: C — Report the association, note other possible factors, and outline how causation could be tested.

A quartile comparison shows an association, but other factors such as market conditions or unit leadership could explain both engagement and growth, and the relationship may even run the other way. The CHRO should present the finding accurately and propose ways to test cause, such as analysis over time or controlled pilots. A footnote listing data sources does not correct a causal claim, and dropping useful data entirely goes too far.

217. Answer: B — Meet privately with the CEO, present the themes candidly without naming sources and explore what he wants to do next.

Effective feedback of diagnostic results to a client is direct, data-based and private, and it protects confidentiality while inviting the client to own the next steps. Softening or delaying the CEO-related findings undermines the consultant's credibility and the value of the study, and taking them to the board before the CEO who commissioned them breaks the consulting contract.

218. Answer: A — The combined change load on each employee group over time, used to resequence initiatives that pile onto the same groups

A change impact heat map plots how much change each stakeholder group absorbs across all initiatives over time, revealing hot spots where several changes land on the same people at once. Executives use it to sequence, stagger or scope the portfolio to avoid saturation. Sponsor assessments, financial rankings and engagement scores are useful inputs elsewhere, but they do not show cumulative change load.

219. Answer: B — Jointly agreeing on outside wage surveys as the standard for pay talks

Principled negotiation separates people from the problem, focuses on interests rather than positions, generates options for mutual gain and relies on objective criteria. Agreeing on a neutral benchmark such as an outside survey is a classic use of objective criteria. Splitting the difference is positional bargaining, and hiding interests defeats the joint problem solving the method depends on.

220. Answer: D — It may be liable if it knew or should have known of an unfit hire who later harmed someone

Negligent hiring generally requires that the employer knew or should have known through reasonable screening that the person was unfit, that the unfitness caused harm and that the harm was foreseeable. Roles with home access raise the risk, so reasonable screening is expected. Liability is not strict, does not require a statutory screening mandate and, unlike respondeat superior, can apply even when the employee acted outside assigned duties.

221. Answer: C — It treats strong results in the current role as proof of ability to succeed in larger roles.

Performance shows how well someone does today's job, while potential reflects the capacity to grow into broader, more complex roles. Using ratings alone conflates the two and can promote strong specialists into roles they are not suited for, so succession should add separate potential assessments such as learning agility and leadership capability. Extending the window still measures performance only, and tenure is not a reliable predictor of leadership success.

222. Answer: D — The gap is unlikely to be due to chance and warrants closer review of the process

Expected hires are 200 x 0.40 = 80, and the standard deviation is the square root of 200 x 0.40 x 0.60 = 48, or about 6.93; 18 / 6.93 is about 2.6. Courts often treat differences greater than two or three standard deviations as unlikely to be chance, so a 2.6 result calls for review, though statistics alone do not prove intent. Treating anything under three as normal ignores the commonly used two-deviation threshold, and a favorable-sounding impact ratio would not cancel a statistically significant shortfall.

223. Answer: D — Section 503 and VEVRAA duties continue, and Title VII still bars discrimination

Revoking EO 11246 ended contractors' race- and sex-based affirmative action plan requirements under that order, but Section 503 of the Rehabilitation Act and VEVRAA are statutes and remain in force, including their affirmative action and equal opportunity clause duties. Title VII's nondiscrimination rules still apply to all covered employers. Neither statute depended on the executive order.

224. Answer: A — Score each case on value at stake and feasibility, including data readiness and risk, and fund the strongest.

A value-at-stake approach estimates the business value each use case could unlock and weighs it against feasibility, such as data quality, integration effort, change readiness and legal risk. This puts limited funds where expected impact is highest and most achievable. Sponsorship matters for adoption, but ranking on sponsor enthusiasm alone can fund low-value projects.

225. Answer: A — Commission an independent review of the complaints and hold the executive to the same conduct standard, with consequences up to removal.

Repeated complaints and turnover call for an objective fact-finding and for applying the code of conduct to senior leaders the same way it applies to everyone else, because exceptions for high performers erode trust and raise legal and retention risk. Coaching may be part of the outcome, but using it in place of reviewing the complaints delays accountability. Moving employees away from the president or tweaking the bonus leaves the conduct unaddressed.

226. Answer: D — Accept the result, commit to good-faith bargaining and set priorities around core operating needs.

Once the union is certified, the employer must bargain in good faith, and a strategic leader sets a constructive tone while protecting the flexibilities the business needs. Delay tactics invite refusal-to-bargain charges and can lead to an extended certification year. Going around the union is unlawful direct dealing, and fast concessions give away value without serving the business.

227. Answer: C — It needs years of upfront spending before payback, but builds a pipeline shaped to the firm's skill needs.

Early career programs trade near-term cost (recruiting, training, supervision, slower productivity) for a longer-term supply of talent trained in the company's methods and culture, which reduces dependence on a competitive external market. They do not cut costs immediately or replace experienced hiring quickly. Attrition after training is a real risk to manage, but it does not mean most participants leave, and productivity gains are not fast.

228. Answer: A — Arrange an independent investigation, inform the board or its designated committee, and consider interim measures.

Repeated allegations against a senior executive create legal and enterprise risk, and the employer is on notice even though the complainants have left. An independent investigation avoids conflicts of interest given the SVP's seniority, and board oversight is appropriate. An internal HR investigation of someone so senior may lack independence, and leaving it to the CEO is not an investigation.

229. Answer: B — Analyze SVP pay by role scope and market data with counsel, then propose adjustments for any gap not explained.

An average gap is a signal, not proof, so the CHRO should test whether differences in scope, responsibility and market rates explain it, ideally under privilege. Executives are covered by the EPA and Title VII, and different titles do not prevent comparison when the work is substantially equal. A flat 12% raise may over- or under-correct individuals, and the EPA bars reducing pay to close gaps.

230. Answer: D — Fund an ergonomic redesign of high-strain jobs with lift aids and rotation that benefits all workers

Redesigning the work itself removes the cause of attrition, protects knowledge the plant cannot quickly replace and reduces injury risk for every worker, so it is a sound long-term investment. Early retirement accelerates the very loss the plant is trying to prevent. Reassigning workers by age invites ADEA claims, and paying people to endure strain does not reduce injury risk or the underlying exit pressure.

231. Answer: A — The way senior leaders themselves handle disagreement, which employees observe and imitate

Research on conflict cultures finds that leaders' own conflict management behavior is the primary force shaping shared norms, because employees take cues from how leaders model disagreement and what they reward. Written procedures matter far less than observed behavior, and the culture is not simply the sum of individual styles.

232. Answer: D — Issue a brief values statement noting a review, then decide discipline once facts are verified

A short holding statement shows the company takes the matter seriously without prejudging the outcome or disclosing personnel details. The CHRO then verifies the video's authenticity and context and applies policy and past practice consistently, checking for legal limits such as off-duty conduct laws. Firing before the facts are confirmed risks error and inconsistency, while saying nothing or promising no action ignores both the reputational harm and the policy question.

233. Answer: A — Agree with the business on defined decision rights and lighter approvals for the founders' unit, with guardrails.

The founders were acquired for their speed and talent, so the CHRO should work with senior leaders to clarify which decisions they can make on their own, simplify approvals for their unit, and keep only the controls that truly matter. Insisting on full process conformity tends to drive founders out, and adding money alone does not fix the frustration. Removing all controls goes too far and creates legal and financial risk.

234. Answer: D — Open the academy to all using job-related criteria, keep content on advancement barriers, and track outcomes.

Access to training is a term and privilege of employment, so excluding employees by sex is disparate treatment under Title VII. Open eligibility based on job-related criteria keeps the goal of developing future leaders, and content can still address barriers many participants face. Separate programs by sex still segregate opportunity, and no general Title VII exception covers women-only development.

235. Answer: A — New shares from grants raise the share count, which can dilute EPS

Earnings per share is net income divided by shares outstanding. When large grants vest or options are exercised, the share count rises and each existing share's claim on earnings shrinks. Burn rate (shares granted each year as a percentage of shares outstanding) tracks that pace of dilution. Stock grants use no cash at grant and are not recorded as debt, so neither of those effects explains the board's concern.

236. Answer: C — Run a pay equity analysis directed by legal counsel, under privilege, before making any public claims about pay.

Claims about pay fairness should rest on evidence, and a pay equity analysis directed by counsel helps the company find and fix problems while managing legal risk. Announcing fairness without data can backfire if gaps exist. Publishing all salaries raises privacy concerns, and uniform raises do not correct gaps between groups.

237. Answer: A — Recognize the statement may require the company to bargain before setting different terms, and plan the next steps with counsel.

Telling the predecessor's employees they will all be retained without announcing new terms can make the buyer a perfectly clear successor, which must bargain with the union before changing terms. A later retraction may not cure the problem, and statements by agents acting for the company can be attributed to it. The CHRO should assess the risk with counsel before setting terms, rather than assuming the general right to set initial terms still applies.

238. Answer: D — Build supervisor skill and two-way channels that resolve concerns about pay and treatment early

Organizing is usually driven by unresolved concerns about pay, fairness, respect and voice, so capable supervisors and real communication channels address the root causes. Asking about union support is unlawful interrogation, timing new benefits to organizing activity can be an unlawful promise or benefit, and predicting closure as a consequence of unionizing is a threat. These tactics violate Section 8(a)(1) of the NLRA.

239. Answer: B — A short set tracking critical engineering hires, quality of hire, and regrettable attrition against plan

Board metrics should be few and tied to the strategy's main talent risk, which here is building engineering capacity while attrition rises. Hiring progress, quality of hire and regrettable attrition against plan let the board oversee that risk. A full dashboard dilutes attention, HR efficiency ratios describe the HR function rather than strategic risk, and engagement scores alone do not show whether the hiring plan is on track.

240. Answer: B — Shifting reasons for a decision can be treated as evidence that the stated reason is pretext

Courts often treat an employer's inconsistent or changing explanations for an employment decision as evidence of pretext. A position statement is a formal account of the reasons, and the EEOC may share it with the charging party, so it can be used in later litigation. Writing it carefully, after a full factual review, avoids creating a damaging inconsistency.

241. Answer: D — Phased, two-way communication through leaders and managers, tailored by audience, with feedback loops.

A multi-year transformation needs sustained, two-way communication delivered through leaders and managers, tailored to each audience and adjusted through feedback. A single launch event fades quickly, and identical global emails ignore differences in roles, impact and culture. Fully decentralized messaging risks inconsistent and conflicting stories across countries.

242. Answer: C — Receivables and inventory grew ahead of collections, tying up cash

Under accrual accounting, profit is recognized when sales are made, but cash arrives only when customers pay. Fast growth requires funding more inventory and receivables, which can leave a profitable company short of cash. Depreciation is a noncash expense. Paying accrued wages after they are expensed delays cash outflow, so it helps cash flow in the short run.

243. Answer: D — When it documents a specific hazard and finds no alternative, such as a safely fitted garment

Under Groff, undue hardship requires substantial increased costs in relation to the business, and real safety risks can meet that standard. The defense is strongest when the employer identifies a specific, documented hazard and shows it explored alternatives, such as a tucked or modified garment, that would remove the risk. Speculative risks, general insurer preferences and coworker interest do not show actual hardship.

244. Answer: D — Assess key leaders against the integration plan's needs, review retention risk and cultural fit, and flag gaps.

Leadership assessment during due diligence should test whether the target's leaders can deliver the deal thesis, including their capabilities, likely retention, cultural compatibility and the depth behind each role, so gaps can be priced into the deal or addressed in integration planning. An organization chart shows filled roles, not capability. Waiting until after closing loses leverage, and the target CEO has an interest in presenting the team favorably.

245. Answer: B — Define critical HR needs, test the module's fit, and propose joint governance of the rollout

The CHRO should protect HR's needs with evidence while staying aligned with finance: define critical requirements, assess the module's fit and gaps, and seek joint governance of the implementation. Escalating to reverse the decision damages the partnership, accepting it passively risks unmet needs, and proposing a separate system before assessing fit is premature.

246. Answer: C — Meet with the COO to understand his specific concerns and explore changes that could restore his support

A sponsor's withdrawal signals a concern that may be legitimate, here a clash with peak season, and understanding it privately is the fastest way to find a fix such as resequencing the cutover. Escalating to the CEO forces compliance without addressing the issue and can damage a key relationship. Splitting the rollout or debating it in committee are options to weigh only after the CHRO knows what the COO needs.

247. Answer: A — 6%

Internal mobility rate = internal moves / average headcount = 90 / 1,500 = 6%. The 16.7% figure inverts the ratio (1,500 / 90 = 16.7), and 60% comes from dropping a zero in the headcount.

248. Answer: A — Map the new journey to find the changed work and handoffs, then align roles, metrics and incentives to shared outcomes.

Aligning roles to a value chain starts with understanding how the work itself changes, which handoffs disappear and which skills the new end-to-end team needs, and then aligning roles, measures and rewards so departments share the customer outcome. Asking each department to redesign its own roles tends to protect the silos the redesign is meant to remove. Training and job descriptions follow from the redesign rather than come first.

249. Answer: B — Model burn rate and overhang, focus equity on critical roles, use cash awards for some groups, and engage investors.

The CHRO should quantify burn rate and overhang against peers, concentrate equity on the roles where it most affects retention, use cash-based or other long-term incentives for some groups, and explain the plan to major shareholders before the vote. Asking for a larger pool in the face of objections invites a failed vote. Repricing options typically requires shareholder approval under exchange rules and is often opposed by the same investors.

250. Answer: D — Strategic drift

Strategic drift occurs when an organization keeps making small, incremental changes based on its existing paradigm while the environment changes faster, so the strategy slowly loses fit and performance eventually declines. Mission creep is tempting, but it describes a gradual expansion of an organization's scope beyond its original purpose, not a loss of fit with the environment.

251. Answer: C — The subsidiary's employees count in coverage testing once a transition period after the acquisition ends.

Members of a controlled group (generally 80% or more common ownership) are treated as a single employer for coverage testing, so the subsidiary's non-covered employees can cause the parent's plan to fail. The tax code gives a transition period that generally runs through the end of the plan year after the year of the acquisition, which gives leaders time to extend coverage or adopt a plan. Separate legal entity status does not avoid aggregation, and the transition relief means testing does not change immediately.

252. Answer: A — $12.0 million

Hours lost = 5,000 x 2,000 x 3% = 300,000. Cost = 300,000 x $40 = $12.0 million. Using 0.3 instead of 0.03 overstates the cost at $120 million, and a decimal slip understates it at $1.2 million. Indirect costs such as overtime and lost productivity would add to this direct estimate.

253. Answer: B — By each component's importance to the organization's strategic priorities

Weights in a composite index should express what matters most to the strategy; a growth company relying on internal mobility, for example, might weight internal fill rate more heavily. Equal weighting looks neutral but is still a choice, and it can bury the drivers leadership cares about most. Ease of measurement and past volatility affect data quality, but they are not sound reasons to decide how much a component counts.

254. Answer: D — 40

The transition probability gives internal supply: 400 x 0.05 = 20 specialists expected to move into management. The gap is 60 - 20 = 40 vacancies that must be filled externally or through other internal pools. The figure of 20 is the internal supply, not the gap, and 55 wrongly subtracts the 5% rate as if it were a headcount.

255. Answer: D — Weakness-opportunity (WO)

WO strategies use an external opportunity, here the new university program, to overcome an internal weakness, the missing data science talent. SO strategies use strengths to exploit opportunities, ST strategies use strengths to counter threats, and WT strategies are defensive moves to minimize weaknesses and avoid threats.

256. Answer: A — GDPR requires a valid transfer mechanism and limits the data to what is necessary

Personal data leaving the European Economic Area needs a lawful transfer mechanism, such as the EU-U.S. Data Privacy Framework for a certified recipient or standard contractual clauses, and GDPR principles like data minimization still apply. Employee consent is rarely a reliable basis in employment because of the power imbalance. Transfers are not banned outright, and U.S. discovery rules do not override GDPR.

257. Answer: A — Have each group explain the needs behind its position, then build options measured against shared criteria.

Interest-based problem solving shifts discussion from positions to underlying interests, generates multiple options and evaluates them with objective, shared criteria. Splitting the difference is a positional compromise that may satisfy neither side's real needs. Picking a winner or keeping the groups apart prevents the joint exploration that interest-based methods require.

258. Answer: D — The CEO's annual total compensation to that of the median employee

The SEC pay ratio rule, adopted under Section 953(b) of the Dodd-Frank Act, compares the CEO's annual total compensation with the annual total compensation of the median employee, excluding the CEO. Using the average rather than the median is a common error, since the median limits the effect of very high or very low earners. The disclosure covers the CEO only, not the full group of named executive officers.

259. Answer: C — Pay for training and for travel during normal work hours on any day, but not other passenger time.

Employer-required training is compensable work time. For overnight travel, time spent traveling that cuts across the employee's normal working hours is work time, including the corresponding hours on nonworking days, while time as a passenger outside those hours is not. Out-of-town travel is not ordinary commuting, and sleep and meal periods during the trip are generally not work time.

260. Answer: C — Setting enterprise standards for AI tool selection, validation and data use across HR.

Centers of excellence hold deep expertise and design enterprise-wide programs, standards and methods, so an analytics and AI center would set rules for selecting, validating and governing AI and data. Tier-one inquiries and transaction processing belong to shared services, even when automation surfaces them. Day-to-day advice to line leaders is the HR business partner's role, which draws on the center's expertise but is not its core job.

261. Answer: D — Relying on the investigation as a defense can waive privilege over the investigation's materials.

An employer that puts the adequacy of its investigation at issue as a defense generally cannot shield that investigation from scrutiny, so courts often find privilege waived for the related notes and reports. Leaders should decide early whether the investigation is meant to be a privileged legal analysis or evidence of reasonable care. Having counsel conduct interviews does not guarantee privilege in that situation, and privilege never protects the underlying facts themselves.

262. Answer: B — Management practices stay distinct because national cultures and institutions persist

The divergence view holds that deep-rooted cultural values and institutions keep management practices different across countries even as economies integrate. The convergence view predicts growing similarity. The idea of new hybrid practices is crossvergence, and copying a dominant economy is a form of convergence.

263. Answer: C — Decline, include the items with context, and offer to help prepare the response plan

The board relies on HR for accurate, complete information, and dropping unfavorable results misleads it. The CHRO can address the executive's concern by giving context and a response plan rather than by omitting data. Burying the items in an appendix is selective reporting in another form, and passing the decision to the CEO gives up the CHRO's own ethical duty.

264. Answer: B — $20.00

Labor cost per unit = total labor cost ÷ units produced = $4,200,000 ÷ 210,000 = $20.00. Dividing units by cost gives 0.05, which is units per dollar rather than cost per unit, and $2.00 or $200.00 reflect misplaced decimals. Tracking this ratio over time shows whether labor productivity is improving relative to cost.

265. Answer: B — Results go back to the groups that provided them, who diagnose issues and plan action

Survey feedback, an established OD method, collects data and then feeds it back to the groups that generated it so members and their leaders interpret it together and commit to action. That participation drives change. Top-down reporting, outside administration or frequent repetition alone do not make a survey an OD intervention.

266. Answer: B — The arbitrator must pick one side's offer, so extreme offers tend to lose

In final-offer arbitration, the arbitrator must choose one party's final offer without changes, so each side has an incentive to make its offer more reasonable than the other's. Conventional arbitration, where the arbitrator can split the difference, tends to chill bargaining because parties hold extreme positions. Advisory awards describe fact-finding, not final-offer arbitration.

267. Answer: B — As a foreign official, since a state-controlled enterprise can be a government instrumentality

The FCPA defines foreign officials to include employees of any department, agency or instrumentality of a foreign government, and courts have treated state-owned or state-controlled enterprises as instrumentalities based on government control and function. Employees of such enterprises can therefore be foreign officials regardless of rank. Full ownership or holding a government post is not required.

268. Answer: C — It reveals members' true views before deference to senior voices can shape the discussion

Anonymous polling reduces hierarchy and conformity effects, so the group sees the real spread of opinion and dissent can be discussed openly. It is meant to inform deliberation, not replace it or turn the decision into a simple vote, and because it is anonymous it does not create an individual record of positions.

269. Answer: D — A multidisciplinary team that assesses threats and intervenes early to prevent violence

The standard promotes a prevention-focused program led by a multidisciplinary team, typically drawing on HR, security, legal, management and mental health expertise, to assess and manage threats before they escalate. Physical security is one part, not the whole program. Rigid zero-tolerance terminations can inflame risk and skip proper threat assessment.

270. Answer: A — Keep the value's intent but work with local leaders to adapt how it is practiced, such as private input channels.

Global firms do best by holding core values constant in intent while adapting the behaviors that express them to local culture, for example through pre-meeting consultation, anonymous input or skip-level forums. Forcing identical behavior ignores high power distance norms and can backfire, while dropping the value or exempting sites fragments the global culture. Uniform enforcement is tempting because it seems consistent, but it confuses a value with one culture's way of expressing it.

271. Answer: A — Confirmation bias

Confirmation bias is the tendency to seek, favor and remember information that supports an existing belief while discounting contrary evidence, which is exactly what the COO is doing with the survey and exit data. Anchoring is over-reliance on a first number or piece of information when estimating, and availability bias is judging likelihood by how easily examples come to mind. A CHRO can counter confirmation bias by asking which evidence would disprove the theory before the data is reviewed.

272. Answer: D — Frequency of crisis drills, plan currency, and depth of ready successors for key leaders

Leadership crisis readiness is best shown by whether leaders practice through regular drills or tabletop exercises, whether crisis plans are current and tested, and whether key leaders have ready successors if they are unavailable. Policy counts and acknowledgments measure paperwork, financial buffers measure ability to absorb losses, and engagement and staffing metrics describe general workforce health rather than crisis readiness.

273. Answer: B — Losses from breaches of the seller's representations that were unknown to the buyer at signing

R&W insurance protects against financial loss from breaches of the seller's representations and warranties in the purchase agreement, such as a false statement that no employment claims are pending. Coverage generally excludes issues the buyer already knew about, which is why due diligence findings are typically handled through price, special indemnities or other terms. It does not cover integration costs or post-closing decisions.

274. Answer: D — Assess experiments on the quality of their design, decisions and learning, not only on whether they succeeded.

An innovation strategy needs employees to run sensible experiments, so evaluation should reward well-designed bets, sound decisions and what was learned, even when a project fails. Heavier revenue goals push people toward safe, short-term bets. Ignoring failed projects entirely removes accountability for reckless or poorly run experiments, which is not the same as encouraging smart risk.

275. Answer: B — Help the interim CEO communicate candidly about what happened and the actions being taken on accountability and safety.

After a scandal, trust repair starts with candid acknowledgment, clear accountability and visible corrective action, and an interim leader can and should begin that work. Waiting for a permanent CEO leaves a vacuum that rumor fills. Retention bonuses and business results may matter later, but they do not address employees' belief that leaders hid wrongdoing.

276. Answer: D — Keep the core EVP pillars but stress team success, belonging, stability, and family support in those markets.

Effective global EVPs keep a consistent core while adapting emphasis to local values; in collectivist cultures, group harmony, belonging, security and family support resonate more than individual standout achievement. Identical messaging ignores why candidates are not responding. Separate EVPs for each market fragment the brand and the culture, and pay alone does not fix a message that does not connect.

277. Answer: A — Require the vendor to pay back wages, strengthen contract and audit terms, and assess the company's own exposure with counsel.

Because the company controls schedules and daily supervision, it may share responsibility for the wage violations, so it should make sure workers are paid, tighten vendor oversight and assess its own exposure with counsel. Simply terminating the vendor leaves the unpaid workers and the company's potential liability unresolved, and disclaiming responsibility ignores how the workers are actually managed.

278. Answer: D — Review the payrolls, interview workers, and require correction of any underpayment

Identical weekly payrolls are a classic warning sign of falsified records. The prime contractor is responsible for subcontractor compliance with Davis-Bacon requirements and can face withholding for subcontractor underpayments, so it should verify through payroll review and worker interviews and require restitution. Passively accepting certifications ignores that responsibility, and withholding the whole balance before any facts are known is disproportionate.

279. Answer: B — Employers must be able to justify high-stakes decisions and detect and correct unfair factors

In high-stakes employment decisions, the employer must be able to explain and defend each outcome, investigate whether protected characteristics or proxies are influencing results, and correct problems. A small gain in accuracy rarely outweighs the legal, ethical and trust costs of a decision that cannot be explained. No general federal law mandates explainable models, and explainability makes bias easier to find, not impossible to occur.

280. Answer: C — Finer breakdowns reveal experiences hidden in broad groups, but small subgroups produce unstable results and privacy risk.

Intersectional analysis can expose patterns, such as the experience of women of color, that disappear in single-category averages. However, each added dimension shrinks the subgroup, which lowers statistical power, increases random swings and can identify individual respondents, so minimum group sizes, pooling across years or qualitative follow-up are needed. Finer cuts reduce power rather than improve it, and they are not more accurate in every case.

281. Answer: D — Plan change management together with the project plan from the start, not at the end.

Prosci holds that project results depend on both the technical side and the people side, so change management should be integrated with project management from the beginning. Treating communication and training as a late add-on is a common cause of poor adoption. Better training helps, but it cannot make up for missing sponsorship, awareness, and desire for the change.

282. Answer: C — Combine hotline trends, retaliation claims and survey items on speaking up by unit, and report gaps with actions.

Assurance on speak-up culture needs several sources of evidence: hotline volume and anonymity rates, substantiation and closure times, retaliation complaints, and survey measures of willingness to speak up, broken down by unit to find hot spots. Then the CHRO reports where gaps exist and what will be improved. Hotline volume alone is ambiguous, since low volume can mean fear, and a legal review of past cases cannot show whether people who stayed silent felt safe.

283. Answer: B — Remedies include lost pay, interest and liquidated damages, and supervisors may be personally liable.

The FMLA allows recovery of lost wages and benefits, interest, an equal amount as liquidated damages unless the employer shows good faith, equitable relief such as reinstatement, and attorneys' fees. Because the statute defines employer to include anyone acting in the employer's interest, many courts hold individual supervisors personally liable. There is no EEOC charge requirement and no punitive damages under the FMLA.

284. Answer: B — It blurs accountability and can slow decisions, often hardening legacy camps instead of building one company.

Co-CEO structures in mergers of equals often lead to unclear accountability, slower decisions and rival factions aligned with each legacy leader, and many end early with one CEO departing. Listing rules do not prohibit co-CEOs, and some firms do use them. Pay cost is a minor issue compared with the governance and integration problems, so the cost argument is a weak reason rather than the main one.

285. Answer: C — Help define shared skill standards and curriculum, and commit company resources such as apprenticeships and instructors.

A regional talent consortium works when employers jointly define the skills they need and contribute real resources, such as apprenticeships, equipment and instructors, so the pipeline grows for everyone. Using it mainly to outrecruit partners undermines trust and the collaboration. Funding alone or token participation gives up the employer input that makes programs match job requirements.

286. Answer: D — 70

Expected supervisors remaining = 100 x 0.70 = 70. Adding the promoted group gives 80, but promoted employees move to the manager state and leave the supervisor role. Subtracting only the 10% promoted gives 90, and 30 is the combined number who move out of the role through promotion or exit.

287. Answer: B — Learning paths organized by role and proficiency level that show how programs build on one another.

Curriculum architecture is a framework that maps learning to roles and proficiency levels (for example, foundational to expert) so employees and managers can see logical development paths and gaps or overlaps become visible. A simple course catalog lacks that structure, and systems integration or design templates are separate concerns.

288. Answer: B — Mimetic isomorphism

DiMaggio and Powell describe mimetic isomorphism as organizations imitating peers they see as successful, especially when goals or solutions are uncertain. Coercive isomorphism comes from legal or regulatory pressure and the demands of powerful parties, and normative isomorphism comes from professional norms and training. Resource dependence is a separate theory about power over critical resources.

289. Answer: C — Work with the general counsel on a protocol with clear roles, triage criteria and regular case reviews

A jointly built protocol settles the turf dispute on its merits. Legal typically directs high-risk or privileged investigations, HR handles routine cases, and agreed triage criteria and case reviews keep complaints moving. Asking the CEO to rule makes one side the loser. Giving all investigations to either function ignores the real concerns about risk on one side and speed on the other.

290. Answer: C — Lower premiums in exchange for paying losses within the deductible and posting collateral

In a large-deductible workers' compensation program, the employer pays a much lower premium but reimburses the insurer for losses within the deductible, and insurers usually require collateral such as a letter of credit. Employees' statutory benefits do not change, because the insurer still pays claims and then bills the employer for the deductible. The trade-off is lower fixed cost for greater loss volatility and cash exposure.

291. Answer: D — Assess the full labor environment, including union density, labor supply and wage trends, at each location.

Right-to-work status is only one part of the labor environment, and a sound site decision weighs union density and activity, labor supply, skills, wage levels and turnover. Right-to-work laws ban compulsory union fees but do not stop employees from organizing or bargaining. While the NLRA is federal, state labor markets and laws differ meaningfully.

292. Answer: C — Analyze which talent segments value remote work, then position flexibility in the EVP

Flexibility is one part of the employee value proposition, so the CHRO should determine which roles can work remotely, how much it matters to critical talent segments, and how it combines with other strengths such as career growth and pay. Copying the competitor across the board ignores work needs, and higher pay or clearer messaging alone may not address what candidates value.

293. Answer: D — Geographic pay controls cost but adds complexity and equity concerns; one rate is simpler but costlier

Location-based pay aligns pay with local labor markets and controls cost, but it requires market data by zone, policies for relocation and can be seen as unfair by employees doing the same work. A single national rate is simpler and widens the talent pool, but it raises cost in lower-cost markets. Neither approach is required or prohibited by equal pay law, and absolute claims about turnover do not hold.

294. Answer: A — Carry out a data protection impact assessment, since the processing is likely to be high risk.

The GDPR requires a data protection impact assessment before processing that is likely to result in a high risk to individuals, and systematic monitoring and profiling of employees fall squarely in that category. Employee consent is generally not a reliable legal basis because of the power imbalance, and it would not remove the need for an assessment. Notice is required but is not enough on its own.

295. Answer: C — Analyze claims by injury type, site, frequency and severity, and EMR trends, to target prevention.

An EMR above 1.0 means the company's claims experience is worse than expected for its industry, which raises premiums. Breaking claims down by type, location, frequency and severity shows where to focus prevention and return-to-work programs that lower future costs. Changing carriers or deductibles shifts costs without reducing injuries, and generic training at every site ignores what the data shows.

296. Answer: C — It points to a structural capacity gap, so overtime cost and risk should be weighed against new hires.

Overtime that stays high for a long period usually reflects a lasting capacity shortfall rather than a temporary peak. It brings premium pay plus fatigue, safety, quality and turnover risks, so leaders should compare its full cost and risk with adding staff or changing scheduling. Avoiding benefit costs is a real factor, but it does not justify treating sustained overtime as costless. High overtime itself is not evidence of misclassification.

297. Answer: B — Disclose the holding to the board or its designated committee and recuse herself from the decision

A senior executive with a financial stake in a prospective vendor has a direct conflict that must be disclosed promptly to those with oversight authority, and she should step away from the decision. Disclosing after the choice is made defeats the purpose, because the board cannot manage a conflict it learns about too late. Moving shares to a spouse does not remove the interest, since a household holding is still an indirect interest.

298. Answer: D — Betweenness centrality, which measures how often a person lies on paths linking others

Betweenness centrality flags brokers who sit on the paths between groups, so they are the bridges across silos and a retention risk if they leave. Degree centrality finds people with many contacts, but those contacts may all be inside one team. Density describes a whole group rather than an individual, which makes it useful for spotting silos but not for naming the people who bridge them.

299. Answer: C — Use pay data for the countries in the realistic talent pool and set the range based on the eventual work location

For a role that can be filled from several countries, pricing should reflect the markets in which the company will realistically recruit, and pay is normally anchored to the location where the employee will be based. Headquarters data ignore local markets, the lowest-cost country may not supply qualified candidates, and a simple Europe-wide average can badly misstate pay in the actual work location.

300. Answer: D — Assess them with the same criteria as other risks and include them on the enterprise register.

Leading guidance, including COSO's work on applying ERM to ESG risks, calls for integrating these risks into the same identification, assessment and reporting process used for other enterprise risks so leaders can compare and prioritize them. A separate register isolates them from strategy and capital decisions. Treating them as only reputational or disclosure-driven understates their operational and financial effects.

301. Answer: C — Work with leaders to define the capabilities and roles the market entry will require.

A talent plan must start from the strategy: the CHRO first translates the market-entry goals into the capabilities, roles and timing the business will need, and only then compares that demand with internal supply and the external market. Branding, executive search and relocation surveys are all reasonable later steps, but launching any of them before the demand is defined risks spending money on the wrong roles or locations.

302. Answer: C — The board oversees strategy, risk and CEO performance; management runs operations such as plant hiring.

Boards govern by setting direction, overseeing strategy and risk, and hiring, evaluating and paying the CEO, while management executes day-to-day operations, including hiring below the senior executive level. The board's authority is exercised collectively, not by individual directors directing operational decisions. Routine manager hiring is not a board function, and industry expertise does not change that boundary.

303. Answer: A — Through bona fide benefit plans, cash in lieu of fringes, or a mix of the two

Prevailing-wage fringe obligations under both Davis-Bacon and the Service Contract Act may be met by contributing to bona fide fringe benefit plans, by paying the equivalent in cash, or by combining the two. This gives contractors flexibility to align with their existing benefits strategy. Perks that are not bona fide benefits, such as parking, do not count toward the requirement.

304. Answer: D — Women are concentrated in lower-paying jobs and levels, while men hold more senior, higher-paid roles.

Equal pay audits compare similarly situated employees, while the overall or unadjusted gap compares all men with all women. If women are concentrated in lower-paying occupations and levels, which is known as occupational segregation or an opportunity gap, the overall gap can be large even when pay for equal work is equal. Closing it requires changes in hiring, promotion and representation, not just pay adjustments.

305. Answer: A — By the severity of potential harm to people, judged by scale, scope and remediability

The Guiding Principles define salient human rights issues as those with the most severe potential negative impact on people, measured by scale, scope and how hard the harm is to remedy. Business, regulatory and media risk often overlap with salience, but prioritizing by them reverses the lens the framework requires.

306. Answer: C — About 208 engineers

Attrition compounds on the shrinking base: supply = 400 x 0.90^3 = about 292, so the gap is 500 - 292 = about 208. Subtracting 10% of the starting 400 each year gives 280 and a gap of 220, which ignores compounding. A gap of 100 ignores attrition entirely.

307. Answer: C — Get FCRA authorization, set rules for using results, and follow adverse action steps

Reports from a screening vendor on current employees are consumer reports under the FCRA, so the employer needs a proper disclosure and authorization covering ongoing checks and must follow pre-adverse and adverse action steps before acting on results. A written policy should define which findings matter and for which roles. The FCRA covers employees, not just applicants, and targeting flagged individuals does not avoid it while adding inconsistency.

308. Answer: B — Documentation is allowed only when reasonable, and needless demands can delay or deny help

Under the PWFA, as under the ADA, an employer may ask for supporting information only when it is reasonable to confirm a limitation and the need for a change. For simple, obvious needs such as water breaks or a stool, a mandatory note adds cost and delay, and an unnecessary delay can itself become a failure to accommodate or a deterrent to asking. The statute does not require a note for every request, and applying the rule equally to injury cases would not cure the problem.

309. Answer: C — Use employee data to fix real experience gaps and align the brand with reality

An employer brand works only when it reflects the actual employee experience; a mismatch drives early turnover and erodes trust. The CHRO should use employee data to identify where the experience falls short, fix those issues, and adjust the brand message to be truthful. New photos or solicited positive reviews only deepen the credibility gap, and pausing ads does nothing to fix the underlying problem.

310. Answer: C — Propose a structured, data-based diagnosis that tests each executive's view

When leaders disagree on causes, a systematic diagnosis using data and a model such as Weisbord's six boxes or the Burke-Litwin model tests competing hypotheses and builds shared understanding. Deferring to the CEO skips the diagnosis. Assuming talent is the cause biases the inquiry, and a restructuring based on peers prescribes before diagnosing.

311. Answer: D — Define the capabilities and perspectives the team lacks for the strategy and assess candidates against them

The strategy calls for capabilities and viewpoints the homogeneous team lacks, so the CHRO should define those gaps explicitly and assess all candidates, including the CEO's colleague, against them. Hiring for trust or fit tends to reproduce the same thinking. A diverse slate without agreed criteria still leaves the final decision to fit, which undermines the purpose of the slate.

312. Answer: B — $12.6 million

Exits = 2,000 x 18% = 360. Cost per exit = 50% x $70,000 = $35,000. Annual cost = 360 x $35,000 = $12.6 million. Using the full salary per exit doubles the figure to $25.2 million, and applying the 50% factor twice halves it to $6.3 million.

313. Answer: D — Move investigators to a central team outside the units, with escalation to the audit committee.

Investigators whose reporting lines run through the business they are investigating can be pressured. A central function reporting outside the units, with escalation to the board when interference occurs, removes that pressure structurally. Training leaders helps, but it leaves the conflicted reporting line in place, and fixed deadlines can force cases closed before the facts are found.

314. Answer: B — Treat it as a potential conflict, test the diagnosis independently, and bid the implementation competitively

A firm that recommends work it will be paid to do has an incentive to size the solution in its own favor, so the CHRO should validate the scope independently and compare providers. The firm's knowledge is a real advantage, which is why it can still compete. Barring it entirely overcorrects, and capping rates addresses price but not whether the recommended scope is right.

315. Answer: C — 0.55%

TCOR = premiums + retained losses + administration = $1.2 million + $0.8 million + $0.2 million = $2.2 million. As a percent of revenue, $2.2 million / $400 million = 0.55%. Leaving out administration gives $2.0 million, or 0.50%; counting premiums alone gives 0.30%; and dropping retained losses gives $1.4 million, or 0.35%.

316. Answer: C — Announce executives' own deeper cuts first or with staff cuts to show shared sacrifice

Leaders who visibly take an equal or deeper cut first, or at the same time, show that the sacrifice is shared and gain credibility to ask the same of employees. Announcing employee cuts first and waiting on executive pay looks self-protective and erodes trust. Keeping executive reductions private loses their signaling value, and exempting executives would undermine the message entirely.

317. Answer: A — Offer modified-duty roles to speed returns, target the hazards behind back injuries, and track lost days and claim costs.

Lost-time duration and injury frequency drive workers' compensation costs and, through the experience modification rate, future premiums. Modified duty shortens time away, and ergonomic fixes reduce back injuries, so this plan targets both drivers and measures results. Changing carriers or deductibles moves costs around without reducing claims, and claims experience would soon push rates back up.

318. Answer: B — They let executives test strategies against simulated competitor moves and see consequences safely.

War games put executives in the roles of their own company, competitors and other market players, so they practice anticipating reactions, testing assumptions and seeing the effects of decisions without real-world risk. They support strategic thinking rather than produce precise forecasts, and accounting instruction and team building are not their purpose.

319. Answer: C — Show retention and the year-over-year loss trend together, with counts, to avoid distortion

Framing effects mean the same data can drive different decisions depending on presentation. Responsible practice gives the board the full picture: the retention level, the rising trend and the raw numbers. Choosing either headline alone steers the board, and a bare rate without context is still a frame, only one that hides the trend.

320. Answer: B — Use transparent role-based criteria, an objective assessment, and a planned path for the other leader

A transparent, criteria-based process seen as fair reduces conflict and helps the non-selected leader accept the outcome, and planning a meaningful role or respectful exit in advance limits attrition. Co-leadership usually blurs accountability and delays the conflict. Defaulting to the acquirer's leader looks political, and a year-long contest prolongs uncertainty and divides the teams.

321. Answer: D — It puts accountability with leaders who own the outcomes and ensures risks are weighed at the right level.

High-risk uses can affect livelihoods and expose the enterprise to legal and reputational harm, so a senior leader who owns the business outcome should consciously accept and govern those risks. Sign-off creates clear accountability and forces a deliberate risk trade-off. It does not move the company's legal liability to an individual, no federal certification rule exists, and approval does not replace continuous monitoring.

322. Answer: D — A common competency framework plus individual goals, which scales across job families at reasonable cost

Enterprise-wide competencies, with job-level indicators where needed, combined with individual goals balance consistency, job relevance and cost. BARS are highly job-specific but require costly development for each job family, which is impractical for hundreds of families. MBO alone makes comparison across employees difficult, and a generic graphic scale is cheap but vague and prone to rater error.

323. Answer: A — Plan temporary coverage that preserves each position for reemployment when service ends.

USERRA entitles returning servicemembers to prompt reemployment in the position they would have held, so coverage plans such as travelers, per diem staff and overtime should be designed as temporary. Filling the roles permanently does not relieve the employer of that duty, and a long absence alone is not undue hardship. Planning early for the reemployment of all 12 avoids a staffing crunch and legal exposure when they return.

324. Answer: D — Lost trust reduces discretionary effort, candor and retention, and it is slow and costly to rebuild.

Trust is a strategic asset because it drives the discretionary effort, candid feedback and retention that monitoring cannot capture, and once damaged it takes years to rebuild. The cost is not always an immediate, complete loss of output, which is why it is easy to underestimate. Monitoring is not unlawful under the NLRA in itself, and distrust tends to spread beyond the employees who are directly monitored.

325. Answer: B — 50%

ROI = (total benefits - cost) / cost. Total benefits are $450,000 x 3 = $1,350,000, so net benefit is $450,000, and $450,000 / $900,000 = 50%. Dividing total benefits by cost (150%) omits subtracting the investment, dividing net benefit by total benefits gives 33%, and 17% is an average annual figure rather than the three-year ROI asked for.

326. Answer: B — Bargaining

Bargaining is the stage where people try to negotiate conditions or delays to avoid or soften the loss, which is what the team leads are doing. Denial would show up as acting as if the closure is not really happening, and anger as blame and resentment. Depression involves withdrawal and low energy once people accept the loss is coming.

327. Answer: D — Map jobs, compare compa-ratio distributions under one structure, and phase in adjustments over time.

Comparing compa-ratio distributions after mapping jobs to a common structure shows how far each group sits from the new midpoints and what harmonizing will cost. A phased plan, with red-circling for employees above range and planned increases for those below, achieves one structure without sudden losses. Cutting pay immediately invites turnover and may raise legal concerns, a fast averaging of midpoints ignores market data and cost, and keeping separate structures leaves pay inconsistencies in place.

328. Answer: A — Whether recognition fits the enterprise strategy, since it creates a bargaining duty and signals intent elsewhere.

Voluntary recognition on a verified card majority is lawful, but it creates an immediate duty to bargain and tells employees and unions at other sites how the company is likely to respond, so it is an enterprise strategy decision. Counsel should also confirm current Board procedure for responding to a recognition demand. The NLRA requires a simple majority, not two-thirds, and supervisor polling of signers creates interrogation risk.

329. Answer: D — Provide de-identified, minimum-necessary data after a governance review of purpose, access and privacy

Responsible data stewardship supports legitimate business analysis while limiting exposure to what the purpose requires. Medical and accommodation records have legal confidentiality protections, and identifiable sensitive data creates privacy and misuse risk. Confidentiality agreements do not cure access to data the team does not need, and refusing all use outside HR blocks valuable analysis.

330. Answer: D — Keep existing accommodations in place and review each one individually through the interactive process.

An employer may reconsider an accommodation when circumstances change, but it must do so individually through the interactive process, considering whether in-person work is essential and whether an alternative accommodation would be effective. Ending all accommodations on a single date ignores that duty. A permanent blanket exemption goes further than the law requires, and demanding new documentation from everyone without a reason to doubt the existing need is not appropriate.

331. Answer: A — When it carries on business in the UK and the agent paid the bribe to obtain business for it

The corporate offense of failing to prevent bribery applies to an organization that carries on a business, or part of one, in the UK, when an associated person such as an agent pays a bribe anywhere in the world to obtain or keep business for it. No UK nexus to the bribe itself and no knowledge by directors is required. The organization's defense is proving it had adequate procedures to prevent bribery.

332. Answer: C — Prioritize and sequence the initiatives by strategic value and each unit's capacity

Change fatigue signals that the combined load exceeds capacity, so the executive team should manage initiatives as a portfolio, sequencing them by strategic value and readiness. Resilience training puts the burden on employees without reducing load. Cancelling one initiative without analysis is arbitrary, and unit-by-unit choice fragments enterprise systems.

333. Answer: B — Use structured promotion criteria based on outcomes and review promotion decisions for proximity bias.

Similar ratings with unequal promotion rates point to proximity bias in the promotion process itself. Clear, outcome-based criteria and a review of decisions for that bias address the system rather than the employees. Requiring office time accepts the bias, quotas can produce decisions unrelated to merit, and visibility training puts the burden on the affected employees.

334. Answer: A — Link store-level engagement to customer and safety results, controlling for confounders

Using the company's own unit-level data shows whether engagement is associated with outcomes the COO cares about, and controlling for factors such as store size, location and tenure makes the evidence far more credible. External studies are suggestive but may not persuade a skeptic about this business. A single company-wide score compared with revenue offers one data point and cannot show any relationship.

335. Answer: B — Compare promotion, hiring and exit rates for the group at each level transition.

Pipeline flow analysis tracks how people enter, move up and leave at each level, so it shows exactly where a group's share falls off, such as low promotion rates from manager to director or high exits at mid-career. Overall representation or peer comparisons show that a gap exists but not where it forms. Engagement scores can help explain causes but do not locate the drop points.

336. Answer: D — A named interim leader, a board decision process, and a communication protocol

An emergency plan must let the board act within hours: it names who steps in on an interim basis, sets out how the board will meet and decide, and specifies how employees, investors and other stakeholders will be told. External slates and development plans belong to longer-term succession planning. Insurance and a press template may help but do not ensure continuity of leadership.

337. Answer: A — Weigh the cash saved against the cost of added turnover, and offer options such as a shorter, well-explained deferral.

The CHRO's role is to make the trade-off visible: the cash saved by a deferral must be weighed against turnover and replacement costs in roles that are already losing people, and alternatives (shorter deferral, targeted protection for critical roles, clear communication) can meet both needs. Simply supporting the delay ignores the retention data, while flat opposition ignores a real cash problem. A bonus next year does not solve the immediate cash issue any better and still breaks the promise.

338. Answer: D — Trends in collaboration, innovation and new-hire development since the first cut

Real estate savings are easy to measure, so the decision should also weigh the harder-to-see costs, such as weaker cross-team collaboration, slower innovation and less development for newer employees. Occupancy data show how much space is used but not whether the work is suffering. Peer benchmarks and preference surveys are useful context, but neither shows whether the first reduction has already affected business outcomes.

339. Answer: B — Use quantified metrics with baselines and targets, based on data subject to independent assurance.

Measurement integrity requires metrics that are specific and quantifiable, have baselines and targets set in advance, and rely on data that is verified, ideally through independent assurance and committee oversight. Discretionary qualitative assessment by the CEO invites skepticism. A small weight limits the damage of bad data but does not fix it, and paying at target regardless of results removes the incentive altogether.

340. Answer: A — Swift trust, based on assumptions about members' roles and competence

Swift trust forms quickly in temporary teams when members act as if trust exists, based on role expectations, professional categories and the team's structure, before they have personal history together. Knowledge-based and identification-based trust need time and repeated interaction. Calculus-based trust rests on weighing rewards and penalties and does not describe the immediate trust of a brand-new team.

341. Answer: C — The company keeps direct control of strategic and culture-critical HR activities

Selective outsourcing moves specific, often transactional activities to providers while the company retains strategic, sensitive and culture-shaping work. Economies of scale and single-vendor simplicity are arguments for comprehensive outsourcing, and no outsourcing model removes the need for internal governance capability.

342. Answer: A — Build scalable onboarding with cohorts, trained hiring managers, and peer buddies, and track ramp time.

Rapid scale-up calls for an onboarding system that works at volume: cohort starts, managers trained to integrate new hires, peer buddies who pass on norms, and metrics such as ramp time that show where it is failing. Founder interviews for every hire become a bottleneck at this pace. Slowing growth sacrifices the business strategy, and outsourcing removes the cultural transmission the company most needs.

343. Answer: D — Replace automatic termination with an individualized interactive process, and align the leave, LTD and attendance policies.

The EEOC has long taken the position that inflexible maximum-leave policies can violate the ADA because more leave may be a reasonable accommodation unless it causes undue hardship. The redesign should therefore require an individualized interactive process before separation and connect leave, disability benefits and attendance rules. Shortening the limit makes the problem worse. A passive exception statement puts the burden on employees, and unlimited leave goes beyond what the law requires and ignores hardship.

344. Answer: D — Position filling, management development and organizational development

Edstrom and Galbraith described position filling (lacking qualified locals), management development (building international experience) and organizational development (building control, coordination and shared culture across units). Control and coordination are part of the third motive, but localization is not one of the reasons, and the other sets name general business or HR functions.

345. Answer: B — $1,710,000

Cost = 12 x $95,000 x 1.5 = $1,140,000 x 1.5 = $1,710,000. Leaving out the multiplier gives $1,140,000, treating the multiplier as an addition to salary (2.5 times) gives $2,850,000, and applying only 0.5 times salary gives $570,000.

346. Answer: A — Propose risk-based criteria for which cases go outside, and build internal capacity to handle the rest well.

Criteria that keep senior-leader, conflicted and high-exposure cases with outside investigators protect independence where it matters most, while trained internal investigators can handle routine matters at lower cost. Capping hours on every case cuts spending but lowers quality on the most serious cases. Moving every case in-house would put allegations against senior leaders in the hands of people who report to them.

347. Answer: A — Clarify each side's concerns and craft a disclosure that respects legal limits and builds trust.

As mediator, the CHRO should surface the interests behind each position, such as limiting litigation exposure and building trust, and craft a disclosure that explains how AI is used without creating unnecessary legal risk. Automatically siding with either party ignores a legitimate concern. An employee vote abdicates the decision and does not resolve the legal issue.

348. Answer: A — How supervisors and HR administer the contract day to day

Most of the labor-management relationship is lived in contract administration: how supervisors apply the agreement, handle discipline, resolve grievances and communicate with stewards. Consistent, fair administration builds the trust that carries into bargaining. Executive meetings and messaging help but cannot offset daily experiences on the floor.

349. Answer: B — Master data management

Master data management sets the processes, rules and tools that create a single, trusted "golden record" for core entities such as employees and keep it consistent across systems. A data warehouse consolidates data for reporting but does not by itself resolve which version of a record is correct. Data loss prevention protects sensitive data from leaking, and robotic process automation automates repetitive tasks.

350. Answer: C — Adjust affected pay promptly, explain the process and fixes, and commit to regular future audits

Trust is repaired when people see a problem fixed quickly and hear honestly how it was found and how it will be prevented. Regular audits show the fix is lasting. Quiet adjustments leave rumors unanswered, and delaying until the merit cycle hides the fix while the inequity continues. Publishing every salary raises privacy concerns and goes well beyond what is needed.

351. Answer: B — A representative region with supportive leaders and moderate legal complexity

A good pilot is representative enough that lessons transfer, has committed local leaders and is manageable enough that failures reveal design issues rather than local obstacles. The largest region raises the cost of early mistakes, the most complex legal environment may stall the pilot, and the home country may hide problems that other regions will face.

352. Answer: A — Employee skill readiness, strategic-role coverage, and engagement

The learning-and-growth perspective covers the human, information and organizational capital that support the other perspectives, such as skills, readiness for strategic roles, culture and engagement. Revenue per employee and HCROI are financial measures, customer satisfaction and customer retention belong to the customer perspective, and cycle time belongs to internal processes.

353. Answer: B — Directly disciplining agency workers is evidence of control that increases the company's joint employer exposure.

Control over terms and conditions such as discipline and removal is central to joint employer analysis, so routing discipline through the agency limits exposure while still letting the site report concerns. Discipline does not automatically convert workers into regular employees, and host companies can share performance feedback with the agency. Agency workers are protected by anti-discrimination laws, and a joint employer can share liability.

354. Answer: B — Willful violations allow $100 to $1,000 per person in statutory damages plus punitives

For willful FCRA violations, plaintiffs may recover actual damages or statutory damages of $100 to $1,000 per consumer, plus punitive damages and attorney's fees. Multiplied across thousands of applicants in a class action, a form defect can create large exposure. Negligent violations allow only actual damages and fees, and the FCRA's criminal provisions target obtaining reports under false pretenses, not routine employer errors.

355. Answer: C — Invest time in relationships and attend closely to indirect and nonverbal cues

In Hall's high-context cultures, meaning is carried by relationships, context and nonverbal signals, so negotiators should build trust before substance and read indirect messages, such as a polite "we will study it" that may signal reluctance. Front-loading explicit written positions and rushing decisions reflect low-context norms and can be seen as impersonal or disrespectful.

356. Answer: B — The ability to anticipate, absorb, adapt to and recover from disruption while pursuing its goals

ISO 22316 describes organizational resilience as the ability to absorb and adapt in a changing environment so the organization can deliver its objectives and survive and prosper, and related standards such as BS 65000 stress anticipating, preparing for, responding to and adapting to disruption. No program can prevent all disruptions. IT recovery and employee engagement each contribute to resilience but are narrower than the enterprise capability itself.

357. Answer: D — U.S. citizens employed abroad by a U.S. employer or by a foreign company that a U.S. employer controls.

Congress extended Title VII, the ADA and the ADEA to U.S. citizens working abroad for U.S. employers or for foreign entities controlled by U.S. employers. Non-citizens working outside the United States are not covered by these statutes. The laws also include a foreign-laws defense when compliance would require violating the law of the host country.

358. Answer: A — It is leadership of the whole enterprise, setting direction and deciding where resources go.

Hambrick's upper echelons work frames strategic leadership as leadership of an organization rather than leadership in it: top executives set direction, shape structure and culture, and allocate resources across the enterprise. Motivating a team toward its goals describes supervisory leadership in a unit. Charisma and formal authority can be part of how any leader operates, but neither defines the enterprise-wide scope of strategic leadership.

359. Answer: D — Work with police so trained staff confirm news in person, with a liaison for each family

Best practice is to coordinate with law enforcement or the medical examiner, who usually make or confirm death notifications, so that news is delivered in person by trained people and never by email or the media. A family assistance center with one assigned liaison per family provides a reliable single point of contact for information and support. Releasing names before next of kin are notified causes serious harm, and handing families entirely to an EAP vendor is too impersonal for this stage.

360. Answer: D — It strengthens perceived fairness and voice, resolving disputes before they become claims

A peer review panel gives employees a credible voice and a fair hearing, which raises perceived procedural justice, resolves many disputes internally and can reduce litigation and organizing interest. It does not waive the right to file agency charges, it still depends on documented reasons, and the company remains legally responsible for employment decisions.

361. Answer: B — Report that the drop is not clearly beyond sampling error, and check other data for confirming signals before calling it a decline.

When two estimates each carry a margin of error near 8 points, the margin for their difference is larger, roughly the square root of 2 times 8, or about 11 points, so a 10-point drop could be chance. The CHRO should say so and look for corroboration in turnover, exit or pulse data. Comparing the change with a single year's margin is the tempting error, and a percentage change on a score that can be negative, (15 - 5) / 15, is misleading.

362. Answer: C — Employees are more likely to apply new behaviors when doing so is recognized and rewarded at work.

Behavior that is rewarded tends to be repeated, so when pay, recognition and promotion reward trained behaviors, employees are motivated to apply them. When rewards favor other behaviors, the training is usually abandoned back on the job. Reward alignment affects motivation to apply learning rather than memory, and it is not a legal requirement.

363. Answer: D — 65, because 140 minus the 75 analysts expected to remain is 65

Projected supply is current staff minus expected attrition: 90 - 15 = 75. The gap is demand minus supply: 140 - 75 = 65. Ignoring attrition understates the need at 50, subtracting attrition from the gap instead of adding it gives 35, and 75 is the projected supply, not the number to be hired.

364. Answer: C — Show trend data on issues resolved informally and estimate the legal and turnover costs those cases likely avoided.

A CEO focused on cost is most likely to be persuaded by a business case: aggregated, de-identified trend data showing what the office handled and the litigation, investigation and turnover costs it likely avoided. Appeals to best practice are weak without evidence. Moving the work into HR destroys the independence and confidentiality that make an ombuds office useful.

365. Answer: B — Build adhocracy traits in defined innovation units while keeping strong controls in risk-critical functions.

In a regulated bank, a wholesale move to adhocracy risks weakening the controls, compliance and risk discipline that regulators and customers rely on. A targeted approach builds flexibility and experimentation where innovation happens while keeping hierarchy strengths where errors are costly, with clear guardrails at the interface. Refusing any change ignores a legitimate strategic need, and a market culture emphasizes results and competition rather than innovation.

366. Answer: A — Build a timeline around each country's notice and consultation rules, including French worker consultation.

France requires information and consultation with employee representatives before collective dismissals are finalized, and Canada and the U.S. have their own notice rules, so sequencing must follow each jurisdiction's requirements. Announcing final decisions before consultation can violate French law and damage trust. WARN timelines are not the strictest everywhere, and indefinite delay ignores the business plan.

367. Answer: D — Thresholds link metrics to risk appetite and make clear when action is required.

Key risk indicators with agreed thresholds turn a large set of metrics into clear signals: the board defines its tolerance in advance, and a breach triggers escalation and a response plan rather than open-ended discussion. This keeps oversight focused on the risks that matter strategically. The underlying data is still reported, the board retains oversight responsibility, and thresholds are a governance practice rather than a disclosure requirement.

368. Answer: B — Each function's role, the decision-maker for final approval and the order of review

A cross-functional council works only if each function's role is clear (for example, HR for employee impact, legal for risk, communications for messages and investor relations for disclosure), with one final approver and a set review order. Having HR deliver everything ignores investor relations and the communications team's expertise. Letting legal draft every message usually produces guarded, unclear communication, and speed alone is not the goal.

369. Answer: A — To test the company's planned moves against likely competitor responses and refine the strategy before acting

War gaming is a simulation in which teams play the roles of competitors and other market actors to anticipate how they would respond to the company's moves. Its value lies in exposing weaknesses and unintended consequences in a strategy before it is executed. It does not produce precise forecasts, it relies on public information and judgment rather than competitors' confidential data, and it is meant to challenge a plan rather than rubber-stamp it.

370. Answer: C — Tie variable pay to measures in each group's line of sight, fund it from results, and keep target pay competitive.

Variable pay motivates only when employees can see how their work affects the measure, so lower-level roles need team or unit measures rather than company profit alone, and the plan should be self-funding. Total target pay must stay competitive, or the shift becomes a disguised pay cut that drives turnover. Pure discretion weakens the link between results and payouts and invites inconsistency.

371. Answer: A — Upstream activities like R&D and design and downstream ones like service tend to capture more value than assembly.

The smile curve plots value added across the value chain: it is high at the R&D/design end and the marketing/service end, and lowest in the middle at fabrication and assembly. The talent implication is to build and protect scarce capabilities at the two high-value ends. The curve dips in the middle rather than rising steadily, so a straight-line view toward service misreads it.

372. Answer: A — Have counsel direct the study and retain the analysts, so results can be privileged while gaps are fixed.

Conducting the audit at the direction of counsel, for the purpose of legal advice, gives the best chance of protecting the analysis under attorney-client privilege and work product, while still letting the company find and correct gaps. Running it in HR without counsel creates discoverable records, and waiting for a complaint leaves known risk unaddressed. Group raises without analysis may not fix actual gaps and can create new disparities.

373. Answer: C — A model of which roles shrink or change, with reskilling, redeployment and attrition-based reductions

A three-year horizon lets the company plan the transition deliberately: model how tasks and roles change, reskill and redeploy people into growing work, and use natural attrition to reduce the need for layoffs. A single large layoff after go-live wastes the lead time and loses knowledge the company could have redeployed. A blanket no-layoff pledge may not be sustainable, and leaving it to individual managers produces inconsistent, uncoordinated results.

374. Answer: B — Inventory the AI tools in use and set up a cross-functional group to own risk and approval

Governance starts with knowing what tools are in use and who is accountable, so an inventory plus a cross-functional body (HR, legal, IT, data science) that sets approval, testing and oversight rules is the first step. Switching everyone to one vendor before any assessment skips risk review. Self-certification by regional leaders provides no independent evidence, and waiting for a federal rule ignores liability that already exists under current antidiscrimination law.

375. Answer: B — Have counsel review plan documents, SPDs and past statements for reservation-of-rights language.

Welfare benefits generally do not vest, but an employer may lose the right to change them if plan documents, SPDs or bargaining agreements promise lifetime coverage or lack a clear reservation of rights; informal promises can also support estoppel or fiduciary misrepresentation claims. The documents must be reviewed first so the legal position, transition design and communication plan rest on facts. Announcing termination immediately assumes the documents allow it, which has not been confirmed.

376. Answer: A — $54,284,131

Base cost = 800 x $30 x 2,080 = $49,920,000. Year-three cost = $49,920,000 x 1.03 x 1.03 x 1.025 = $54,284,131. Adding the increases without compounding (8.5%) gives $54,163,200, stopping after year two gives $52,960,128, and applying 3% in all three years gives $54,548,932.

377. Answer: D — Map current workers' skills against future EV roles to set reskilling paths and gaps.

A skills-gap analysis that compares current capabilities with those needed for future roles shows which workers can move with targeted reskilling, what programs to build and where other options are needed. Laying off workers before this analysis wastes existing know-how and harms trust. A generic course catalog lacks a path to specific jobs, and attrition alone will not match the scale or timing of the shift.

378. Answer: B — Hold managers accountable for retaliation and show employees how reports led to real action.

When the barrier is fear of retaliation, the fix is credible consequences for retaliators and visible follow-through on reports, which signals that speaking up is safe and worthwhile. A new vendor or a memo leaves the underlying fear untouched. Tying manager pay to report volume creates perverse incentives and does not address retaliation.

379. Answer: C — The subsidiary would likely fall under the Railway Labor Act, where organizing covers a systemwide craft or class.

The Railway Labor Act covers air carriers and companies directly or indirectly owned or controlled by them that perform work traditionally done by carrier employees, such as ground handling. Under the RLA, the National Mediation Board certifies representatives on a systemwide craft-or-class basis, not by location, and strikes are allowed only after lengthy mediation and release. That changes the company's organizing risk and bargaining strategy compared with the NLRA.

380. Answer: A — To pinpoint specific gaps, such as in decision-making and feedback, and target integration actions there

Cultural frameworks are diagnostic tools for groups: they help leaders anticipate where differences, such as in decision-making, hierarchy and feedback, will cause friction and design specific integration actions, such as agreed decision protocols. Scoring individuals misuses country-level data and stereotypes people. Using the framework to justify replacing the target's culture defeats its purpose, and the meetings already show meaningful differences.

381. Answer: A — It gives the change enough authority, credibility and reach to overcome resistance across the business.

Kotter's second step holds that no single leader or function can drive major change alone; a coalition with position power, expertise and credibility across functions builds momentum and counters resistance. The coalition shares leadership with HR rather than taking over, and it follows rather than replaces establishing urgency. It is a leadership team, not a voting mechanism.

382. Answer: B — Reference-based pricing

Reference-based pricing pays providers a set multiple of a benchmark, most often Medicare rates, rather than a discount off billed charges. It can sharply lower costs but carries balance-billing risk when providers do not accept the payment. Bundled payments set one price for an episode of care, and capitation pays a fixed amount per member regardless of services used.

383. Answer: A — Turnover could be concentrated in critical roles where each loss costs the most.

An enterprise average can hide very different patterns: an 11% overall rate could include 25% turnover in hard-to-replace critical roles offset by low turnover elsewhere. Segmenting by criticality shows where losses threaten strategy and where retention spending will matter most. Smaller segments reduce statistical power rather than raise it, and critical roles do not reliably have higher turnover.

384. Answer: A — Strong dual pressures, shared information systems, and norms for resolving conflict

A matrix is worth its complexity only when the organization faces two equally important pressures at once, such as product and geography, and when it has shared information and mature ways to resolve the conflicts dual authority creates. Stable, single-product firms are better served by simpler structures. Inexperienced managers and unclear priorities make matrix failure more likely.

385. Answer: C — Form a joint labor-management committee to work on root issues and rebuild routine communication

A joint labor-management committee creates a regular, structured forum for shared problem-solving on the issues behind the strike and the grievance spike. Going around the union to deal directly with employees on terms and conditions can be an unfair labor practice under the NLRA. Limiting contact to grievances keeps the relationship adversarial for four years, and replacing supervisors does not address the underlying issues.

386. Answer: A — 33%

Total cost of workforce = $40M + $12M + $8M = $60M. Non-employee labor = $12M + $8M = $20M, so the share is $20M / $60M = 33%. Dividing $20M by employee cost alone gives 50%, counting only contingent workers gives $12M / $60M = 20%, and leaving outsourced services out entirely gives $12M / $52M = 23%.

387. Answer: C — Voluntary collection, purpose limitation, data minimization and role-based access

Demographic data is sensitive, so leading practice collects it voluntarily, uses it only for stated purposes, keeps no more than needed and limits access to those with a defined need, often reporting only aggregated results. Open manager access and storage in personnel files create misuse and discrimination risk, and broad collection violates data minimization.

388. Answer: D — The ADA permits sharing medical information with safety personnel when a condition may require emergency help.

ADA rules keep medical information confidential but list exceptions, including disclosure to first aid and safety personnel when a disability might require emergency treatment or evacuation help. Employers may invite employees to self-identify voluntarily but cannot require it of all staff. A blanket rule demanding a signed release each time is stricter than the law and could leave employees without help, while sharing with all coworkers goes beyond the permitted need-to-know group.

389. Answer: C — Advise that WARN requires 60 days' written notice and propose retention bonuses to limit early exits.

WARN generally requires at least 60 days' advance written notice to affected employees (or their union representative), the state dislocated worker unit and local government for a covered plant closing. The CHRO should advise against a deliberate violation and address the CEO's real concern with retention incentives. Planning to pay for the shortfall is tempting because back pay is the remedy for violations, but it still knowingly breaks the law and harms trust; notifying only government officials or using informal notice does not satisfy the employee notice requirement.

390. Answer: A — Integrated reporting, which explains value creation across multiple capitals, including human capital.

Integrated reporting, based on the International Integrated Reporting Framework, explains how an organization creates value over time using several 'capitals': financial, manufactured, intellectual, human, social and relationship, and natural. It deliberately links human capital to financial performance in one report. Segment reporting and MD&A focus on financial results, and an environment-only sustainability report would leave out the workforce.

391. Answer: B — Linking data from all four levels to show how learning led to behavior change and results

A chain of evidence connects reaction, learning, behavior and results data so stakeholders can see how the program contributed to outcomes, rather than relying on one isolated measure. Reporting results alone leaves the link to training unexplained, and adding monetary ROI is a Phillips extension rather than the Kirkpatrick chain of evidence.

392. Answer: D — Lead one coordinated plan that informs employees first, meets WARN notice duties, and aligns messages for officials and media.

A plant closure affects employees, local government and the community, so messages must be coordinated and consistent. Employees should hear first, and the WARN Act requires 60 days' advance notice to affected employees or their union representative, the state dislocated worker unit and the chief elected local official. Briefing the media first erodes trust, avoiding community outreach ignores legal and reputational duties, and leaving it to the plant manager fragments the response.

393. Answer: C — Review the posts against company policy and any state off-duty conduct laws, then respond consistently with how similar cases were handled.

Managers fall outside NLRA protection, but some states protect lawful off-duty conduct or political activity, and the company's own policies and precedents matter, so a measured review followed by consistent action is best. Immediate termination skips the legal and consistency check. The First Amendment limits government, not private employers. Forcing an apology without assessing the content may not fit the facts or the policy.

394. Answer: A — Subscription fees are usually recurring operating expenses, while qualifying build costs may be capitalized and amortized.

Fees for a hosted SaaS service are generally expensed over the subscription term, so they recur in the operating budget each year. Qualifying costs of developing internal-use software can be capitalized and amortized over the asset's useful life, which spreads the cost and shifts it into the capital budget. The reversed treatment is the tempting error: a subscription buys access to a service, not ownership of an asset.

395. Answer: A — The company's pay position or employee value proposition has fallen behind the market

A decline across all units and job families points to an enterprise-level cause rather than a local one, and candidate feedback about pay and benefits points to the company's market position or value proposition. Recruiter skill or interview speed problems would usually vary by unit. Less qualified pools would affect hiring quality, not candidates turning down offers.

396. Answer: A — Provide objective market data and analysis to both the CEO and the committee, keeping the committee's decision authority clear.

On executive pay, the CHRO serves the enterprise by supplying objective, transparent analysis, often with the committee's independent consultant, while respecting that the compensation committee decides. Taking either side turns the CHRO into an advocate and damages credibility with the other party. Withdrawing abandons a core governance responsibility when sound information is most needed.

397. Answer: A — Too many overlapping changes can saturate units and lower the success of every initiative

Change saturation happens when the total volume of change exceeds a group's capacity to absorb it, which lowers adoption, productivity and morale across initiatives. A portfolio view lets leaders sequence, combine or pause initiatives so the highest-priority changes succeed. There is no general legal requirement for equal change notice across units.

398. Answer: C — Use cross-level change networks to co-create desired behaviors and gather ongoing feedback on progress.

Long-horizon culture change depends on employee ownership, and participative mechanisms such as change networks, co-creation and feedback loops build commitment and surface practical barriers. A top-down mandate tends to produce surface compliance, and a consultant-designed culture lacks ownership. Policy changes help reinforce the new culture, but on their own they rarely change underlying behaviors and assumptions.

399. Answer: B — Fund the option that removes the main barrier to improvement; if managers rarely act on results, coaching adds more value.

The best trade-off reasoning identifies the constraint limiting results. Most engagement gains come from managers acting on feedback, so if follow-through is the gap, better analytics will not help. Measurement is not always the bottleneck, and vendors have their own interests. Waiting delays improvement without reason.

400. Answer: A — Decline unless the data is de-identified, its use is contractually limited, and it fits employee notices

Letting a vendor reuse employee data for its own product is a new purpose employees were not told about, and it can make the vendor a controller of sensitive data under privacy laws. Any agreement should require effective de-identification, tight contractual limits and consistency with notices given to employees. Confidentiality terms do not address the change in purpose, and former employees' data remains protected.