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STUDY GUIDES

SHRM-SCP

Practice Questions

Set 6

400 Questions

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 6

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

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

1. A senior vice president terminated for cause claims his conduct did not meet the cause definition in his employment agreement, which entitles him to substantial severance if he was terminated without cause. HR is meeting with outside counsel. What should HR focus on?

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

B. Whether the company's general handbook definition of misconduct supports the decision to terminate him.

C. Whether the at-will statement in his offer letter overrides the cause definition in his employment agreement.

D. Whether the decision can be relabeled as a performance termination so that the severance is not owed.

2. The CFO proposes cutting the company's recognition program to reduce costs. Which evidence would make the STRONGEST business case for keeping it?

A. Analysis linking recognition to lower turnover, priced as avoided replacement cost

B. A benchmark showing that peer companies spend more per employee on recognition

C. Platform data showing that 85% of employees logged in to the program last year

D. Survey results showing that employees rate the recognition program very favorably overall

3. The COO of a fast-growing logistics company wants to drop structured interviews and let managers hold informal conversations to cut hiring time. Turnover among first-year hires is already rising. What is the BEST counsel from the CHRO?

A. Keep structured interviews and cut time with shorter guides, scheduling tools and training

B. Agree for now and reinstate structured interviews later if first-year turnover keeps rising this year

C. Agree to informal talks, since experienced managers judge fit as well as any interview

D. Replace interviews with a longer cognitive test, since tests predict best on their own

4. A company's annual incentive plan has paid nothing for three years because aggressive budget-based goals were missed each year. Managers now say the plan has no credibility, and turnover among leaders is rising. What should the CHRO recommend?

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

B. Pay the three missed years at threshold as a one-time catch-up award, so that leaders regain confidence in the plan.

C. Lower next year's goals to last year's actual results, so that leaders can earn the full target bonus with steady, unchanged performance.

D. Replace the annual plan with a larger base increase for leaders, since incentives no longer motivate after three misses.

5. An audit committee chair asks the CHRO and chief compliance officer to redesign the hotline reports the committee receives each quarter. Which reporting content is MOST useful for the committee's oversight role?

A. The identities of reporters so that directors can judge each reporter's credibility

B. Full case files for every report so directors can review each investigation in detail

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

D. Only the total number of hotline reports received during each quarter of the year

6. Forty expatriates have been on balance-sheet packages for more than five years, and most intend to stay in their host countries. The CFO wants to reduce mobility costs. What should the global mobility leader recommend?

A. Keep the packages unchanged to avoid losing experienced and valued employees.

B. Bring all 40 home and fill their roles with new short-term expatriate assignees.

C. End all of their allowances immediately, since long stays have effectively made them local employees.

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

7. After acquiring a Dutch company, integration leaders want to move its employees to the parent's less generous global benefits standard right away to capture savings. The Dutch company has a works council and a collective agreement. What should the HR executive advise?

A. Leave the Dutch benefits unchanged permanently to avoid any employee relations risk.

B. Apply the global standard now and offer a one-time cash payment to compensate all affected employees.

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

D. Make the change after integration closes, so it does not disrupt the announcement.

8. A CHRO is launching an AI governance program for HR. Which step provides the foundation for the rest of the program?

A. Inventory all AI tools and uses, including AI features inside vendor platforms

B. Train all HR staff on prompt writing for the company's generative AI tool

C. Commission bias audits of the two AI tools that HR purchased most recently

D. Write an AI ethics statement and post it on the company's careers website for applicants

9. A manufacturer has 90 days of cash remaining and must cut costs and restructure operations immediately to avoid insolvency. The CEO asks the CHRO what change approach to use. What should the CHRO advise?

A. Delay major decisions until the leadership team and employee representatives reach a consensus on the overall plan.

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

C. Pilot the restructuring in one plant first and expand it only after results are evaluated over the next two quarters.

D. Use a broadly participative approach, with cross-level design teams developing the restructuring over six months.

10. Executives at a seasonal products company want to lock out unit employees two months before peak season, after the contract has expired, to pressure the union to accept the company's offer. What should the CHRO do FIRST?

A. Lock out only the employees who have been most active in the union, so that production can continue with the remaining staff.

B. Plan to hire permanent replacements during the lockout so the company keeps full production and meets customer orders through the peak season.

C. Begin the lockout as soon as possible, even before the contract expires, to give the union the maximum time under pressure.

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

11. An analyst wants to model how long employees stay before resigning and how factors such as manager change affect that timing. Many current employees have not resigned yet, and their data must still be used. Which technique fits BEST?

A. Cluster analysis

B. Survival analysis

C. Linear regression

D. Logistic regression

12. A company wants to reduce the risk of fraud involving HR vendors such as staffing firms and benefits consultants. Which separation of duties provides the MOST protection?

A. Each vendor is assigned to one HR manager who handles its selection, contracts and payments.

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

C. The HR leader who selects the vendor also approves its invoices, so the work is checked by an expert.

D. Finance reviews vendor payments once a year to confirm that totals match the approved budget.

13. Executives of a newly merged company want to launch new values for the combined firm within the first year. Employees of the smaller legacy company feel their culture is being erased. How should the CHRO design the process?

A. Let each legacy company keep its own values until the cultures have blended naturally over the next several years.

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

C. Have the executive team draft the values in an offsite and announce them at a launch event so the message is consistent.

D. Adopt the larger company's existing values for the combined firm, since most employees already know and work by them.

14. A CHRO reviews 12 roles the board has designated as critical. Eight of them have at least one successor rated ready now; the other four have no ready-now successor. What is the company's ready-now bench strength for critical roles?

A. 50%, because 4 of the 8 covered roles leave gaps in the other roles

B. 33%, because 4 of the 12 critical roles have no ready-now successor

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

D. 150%, because there are 12 critical roles for 8 ready-now successors

15. At an offsite, the CEO tells the executive team only that the company must "grow aggressively" over the next three years. Business unit heads are interpreting this in conflicting ways, and talent plans are stalling. What should the CHRO do?

A. Build talent plans for the interpretation that most unit heads favor so that hiring and development can start without delay.

B. Hold off on talent planning until the CEO issues a formal strategy document for the whole company.

C. Ask each business unit head to set their own growth targets and build talent plans to match them.

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

16. An operations VP proposes giving production leads new supervisor titles so they would be excluded from any future bargaining unit. Which risk should the CHRO identify?

A. The new titles would bar the leads from voting but would still require the company to bargain for them.

B. Leads with supervisor titles must be included in the unit unless they hold at least three of the listed powers.

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

D. Reclassifying leads is prohibited at any time, even when real hiring and discipline authority is added.

17. The executive team of a 6,000-employee software company is split: half want employees in the office five days a week, half want to keep hybrid work. The CEO asks the CHRO for a data-driven recommendation. What should the CHRO do?

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

B. Recommend the five-day mandate for a trial year, since in-person work is widely seen as the best way to rebuild culture and mentoring.

C. Survey employees on their preferred schedule and adopt whatever arrangement the majority chooses, so the decision reflects workforce wishes.

D. Benchmark what peer technology companies require and adopt the most common arrangement so the company stays in step with competitors.

18. A board wants regular oversight of the senior leadership pipeline below the CEO, including readiness of successors for the top executive roles. Which board committee MOST commonly takes on this review?

A. The compensation committee, often renamed a talent or human capital committee

B. The risk committee, as part of its review of enterprise risk registers

C. The finance committee, as part of its annual review of long-range operating plans and budgets

D. The audit committee, as part of its oversight of internal control risks

19. A CHRO is weighing whether to pursue a five-year agreement or a two-year agreement in upcoming negotiations. What is the central strategic trade-off of the longer term?

A. Faster ratification by members, at the expense of the employer giving up its management rights clause

B. Stronger legal protection against strikes, at the expense of losing the right to use a zipper clause

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

D. Lower total labor costs over the term, at the expense of more frequent grievances and arbitrations

20. The CHRO sponsors a new job architecture project. Several division heads demand that their senior individual contributors receive 'Director' titles to help with recruiting, even though those roles do not meet the director-level criteria approved by the executive team. What is the CHRO's BEST response?

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

B. Grant the titles in those divisions only, since titles do not affect pay and recruiting needs are urgent

C. Let each division head decide on titles independently and remove titling from the scope of the project

D. Approve the titles for all senior individual contributors company-wide to keep treatment consistent across units

21. The company and union are close to settling a seniority dispute after a plant consolidation. The proposed terms would place transferred employees at the bottom of the seniority list, and that group is threatening to sue. What should the CHRO do BEFORE signing?

A. Sign promptly, since only the union can be sued for breach of the duty of fair representation, never the employer.

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

C. Ask the transferred employees to sign individual waivers of their seniority claims, so that the settlement can take effect without the union.

D. Hold back the settlement terms from the transferred group, so that they do not learn of the terms before the signing.

22. At a large manufacturer, business unit presidents increasingly bypass their HR business partners and hire outside consultants for org design and talent work. Interviews show that HRBPs spend most of their time on employee relations cases and transactions and are seen as lacking business insight. What should the CHRO do FIRST to address the problem?

A. Diagnose the HRBP role and capability gaps and redesign the model with business leaders

B. Publicize HR's past successes in a roadshow to business leaders to rebuild confidence in the HRBPs

C. Require business units to get HR approval before engaging any outside consultants

D. Replace the current HRBPs with external hires who have strong consulting backgrounds

23. Engagement rose from 71% to 73%, but the confidence intervals for the two years overlap substantially. How should the CHRO describe the change to the board?

A. As a decline, since overlapping intervals indicate a lower true score.

B. As invalid, since overlapping intervals mean the survey was flawed.

C. As a two-point gain that shows the engagement strategy is now clearly working.

D. As stable within the margin of error, not as clear evidence of improvement.

24. The CEO wants a major reorganization announced within 30 days. The CHRO's analysis shows that 40% of the top engineers, who hold critical product knowledge, are rated high flight risk under the new structure. What is the BEST way for the CHRO to influence the CEO?

A. Ask the board's compensation committee to step in and slow down the CEO's timeline.

B. Implement the 30-day plan as directed and address engineer departures as they occur.

C. Recommend postponing the reorganization until a full culture assessment and engagement survey have been completed.

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

25. A company laid off 8% of its staff this year, and the compensation committee is about to approve full annual bonuses for senior executives under the existing plan. The CHRO expects employees and the media to notice the payouts in the proxy statement. What should the CHRO advise the committee?

A. Pay the bonuses but defer them to the following year so that they are less visible

B. Cancel all executive bonuses this year so the committee avoids any possible public criticism

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

D. Approve the bonuses as planned, since the plan terms were set before the layoffs

26. At a 1,500-person consulting firm, billable utilization has fallen from 75% to 62% over a year, while the firm kept hiring at its usual pace. Sales leaders say demand has shifted toward data and cloud work. What is the CHRO's BEST strategic response?

A. Pause all hiring for a year, since the firm already has more consultants than it needs at the current level of demand.

B. Lay off enough consultants to bring utilization back to 75%, since idle capacity is the main threat to firm profitability.

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

D. Raise individual billable hour targets to 75% for all staff, since higher targets will push consultants to find more work.

27. A company's labor contract expired two weeks ago, and talks continue without impasse. Executives want to lock out employees now to increase pressure, but counsel has warned about timing. What should the CHRO tell the executives?

A. A lockout is lawful at any time, including before the contract expires, as long as the employees receive notice.

B. A lockout is unlawful until impasse is reached, so the company must wait until a genuine impasse is declared.

C. A lockout is lawful without impasse, and it also permits the company to implement its last offer for any employees who return to work.

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

28. In steering meetings, a division head praises an OD consultant's recommendations and agrees to every action item, but weeks later none have started and his managers say they were never told about them. What does this pattern describe?

A. Covert resistance, in which public agreement masks a lack of real commitment

B. Change fatigue, in which a leader is too overloaded to absorb more initiatives

C. Overt resistance, in which a leader openly challenges the change and its goals

D. Compliance, in which a leader carries out the change without fully endorsing it

29. Employees at a regional bank dismiss a new customer-experience initiative as 'flavor of the month' after three earlier programs were launched with fanfare and then quietly dropped. What strategy should the CHRO recommend to restore credibility?

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

B. Tie a portion of every employee's bonus to the initiative so that participation becomes mandatory

C. Avoid mentioning earlier programs so employees can judge the new initiative on its own merits

D. Rebrand the initiative and launch it with a larger, higher-profile event to show it differs from the earlier programs

30. A multinational's data science team built an internal model that recommends candidates for promotion to director. The model has been used for one cycle, and the board's audit committee is asking how the company knows it is fair and accurate. The CHRO is considering hiring an external firm to audit it. Which factor should weigh MOST in deciding?

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

B. Whether the external firm can finish its review before the next promotion cycle begins next quarter

C. Whether the data science team agrees that an outside review would add value to its own internal testing

D. Whether the audit fee fits within the HR analytics budget that was approved for the current fiscal year

31. A CHRO at a 10,000-employee technology company plans to pilot a neurodiversity hiring program for software testing roles. What design is MOST likely to make the pilot succeed?

A. Post the roles with a note welcoming neurodivergent applicants and use the standard interview process.

B. Hire a large first cohort across many roles at once so the program shows senior leaders visible impact quickly.

C. Hire through a staffing agency so the agency handles support needs and the company avoids added cost.

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

32. As more candidates use generative AI to prepare applications and complete take-home tasks, which selection methods are MOST likely to keep their validity?

A. Proctored work samples and live structured interviews with follow-up probing

B. Self-report personality inventories completed online without supervision

C. Resume screening for keywords and written answers to screening questions

D. Unproctored online knowledge tests and take-home written case assignments graded later

33. A board asks how large an award an employee could receive under the SEC whistleblower program for original information leading to a successful enforcement action with more than $1 million in sanctions. What range applies?

A. 20% to 50% of the monetary sanctions imposed

B. 15% to 25% of the total monetary sanctions imposed

C. 10% to 30% of the monetary sanctions collected

D. 5% to 15% of the monetary sanctions collected

34. A firm's internal leadership academy is widely respected in its industry. A well-funded competitor has begun aggressively recruiting the firm's mid-level managers. Using the academy's reputation and accelerated development paths to retain those managers is which TOWS strategy?

A. Weakness-opportunity (WO)

B. Strength-opportunity (SO)

C. Weakness-threat (WT)

D. Strength-threat (ST)

35. After a merger, one company has a peer-to-peer points recognition program, while the other relies on formal annual awards presented by executives. Employees at each company value their own program. What is the BEST integration approach?

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

B. Eliminate both programs and launch a new one so that neither workforce feels favored in the integration.

C. Adopt the acquirer's program for everyone, since a single program is simpler to administer and fund.

D. Keep both programs running indefinitely so neither workforce loses the recognition it currently values.

36. Internal audit finds that the company's benefits manager received regular payments from the health plan's broker over three years while recommending that broker's renewals. The benefits manager is still in the role. What should the CHRO do FIRST?

A. Terminate the benefits manager immediately and replace the broker before the next renewal cycle.

B. Report the findings to all plan participants so they understand how the plan was affected.

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

D. Ask the broker to explain the payments in writing before deciding whether a formal internal investigation is needed.

37. A national employer must complete an annual independent bias audit for an AI screening tool it uses for New York City roles. The CHRO wants an enterprise audit program that goes beyond that minimum. Which design is BEST?

A. Audit each tool only after a complaint or charge alleges that the tool produced discriminatory results.

B. Expand the New York City audit to cover the same tool's results in every other location once a year.

C. Rely on the vendor's annual audit, since the vendor's data covers a larger pool than the company's own.

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

38. An HR director proposes keeping all HR records indefinitely, arguing that a company can never be penalized for having too much documentation. Why does this approach increase enterprise risk?

A. Storage costs for old records usually exceed the cost of defending employment lawsuits.

B. Federal law prohibits keeping personnel records for more than seven years after an employee leaves.

C. Keeping old records automatically waives attorney-client privilege for any files that are kept.

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

39. A company's employee resource groups (ERGs) are popular but are mostly organized around social events and heritage celebrations. The CHRO wants them to become business resource groups (BRGs). Which characteristic BEST distinguishes a strategically aligned BRG?

A. It grows its event calendar so members have more networking and social opportunities each year

B. It is led by a senior executive who sets the group's agenda instead of employee volunteers

C. It limits membership to employees from the identity group so it can speak for that group directly to senior leaders

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

40. Several institutional investors ask a public company for more meaningful workforce disclosures than the brief human capital description in its annual report. The CEO asks the CHRO to propose an approach. What is the BEST recommendation?

A. Decline to expand disclosure because SEC rules do not prescribe specific metrics
B. Use a recognized framework, pick decision-useful metrics, and verify the data
C. Publish every workforce metric HR tracks to show full transparency to investors
D. Report the same metrics peer companies use, regardless of their link to strategy

41. A global company's CHRO proposes adopting ISO 30414 for workforce reporting. What is the main purpose of this standard?

A. To set mandatory pay equity thresholds that listed companies must meet in each country where they operate.
B. To certify that an organization's HR function meets minimum legal compliance requirements.
C. To provide a framework for consistent internal and external reporting on human capital metrics.
D. To prescribe a single performance appraisal method for use across multinational firms.

42. Last year, a company had 60 leadership openings. It filled 45 with internal candidates and 15 with external hires. Its succession plans had named 50 ready-now successors. What was the internal fill rate for leadership roles?

A. 75%
B. 25%
C. 90%
D. 33%

43. Operations at a logistics company wants to install fingerprint timeclocks at 200 sites in the United States, the EU and Canada to end buddy punching. The CHRO is asked to shape the rollout. What should the CHRO recommend?

A. Review each jurisdiction's rules, offer a non-biometric option, obtain informed consent where required, and limit retention
B. Start with U.S. sites, since no federal statute covers biometric data, and extend the system to other countries later
C. Keep fingerprint templates indefinitely in a central, encrypted database so that rehired employees can be enrolled more quickly
D. Deploy one global standard with a consent form in each site's onboarding packet, since uniform rules simplify compliance

44. Two of a refinery's last three serious injuries involved contractor workers. Contractor safety is currently handled only through clauses in purchasing contracts. What should the CHRO and safety director do?

A. Prequalify contractors on safety, align them with site rules, and audit their work in the field.
B. Exclude contractors from injury tracking, since their safety is their own employer's legal duty.
C. Replace all contractors with direct hires so the company has complete control over safety.
D. Add stronger indemnity clauses so contractors bear the full cost of any future injuries.

45. Midway through a three-year transformation, costs are up, early wins have faded, and several executives are calling the effort a failure. Rosabeth Moss Kanter's observation that 'everything can look like a failure in the middle' suggests leaders should respond how?

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

B. Announce a new initiative to replace the stalled one and restore enthusiasm among employees

C. Treat the slump as evidence the original strategy was flawed and redesign the whole transformation from the start

D. Pause the initiative until results recover so the organization does not waste further resources

46. A manufacturer's board reviews only total recordable incident rates, which have fallen for five years. A recent fatality shocked the board. What should the CHRO and safety leader recommend?

A. Benchmark the recordable rate against industry peers to show the board where the company currently stands.

B. Add the lost-time injury rate to board reports as a second measure of safety results.

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

D. Report the recordable rate monthly rather than quarterly so that trends are seen sooner.

47. A company wants to freeze its defined benefit pension plan for bargaining unit members and replace future accruals with a 401(k) match. Which principle should guide the proposal?

A. A freeze is a permissive subject, so the company may put it into effect once it gives the union written notice.

B. A freeze requires approval from the Department of Labor before it can be proposed in bargaining.

C. A freeze lets the company reduce benefits employees have already earned to fund the 401(k) match.

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

48. Center for Creative Leadership research on executive derailment identifies recurring reasons once-successful managers fail. Which is one of the MOST commonly cited derailers?

A. Poor interpersonal relationships

B. Lack of an advanced degree in business

C. Low tolerance for long work hours

D. Insufficient technical expertise

49. At a quarterly meeting, a director asks why the company's annual turnover is 22% when peer companies report about 15%. The CHRO has 30 days to respond. What is the BEST response?

A. Recommend an across-the-board pay increase to bring the company's turnover rate in line with its peer group.

B. Commission a new benchmark study using a peer group that better matches the company's size and industry.

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

D. Explain that the labor market is unusually tight and that the overall gap is likely to close as conditions ease.

50. A business unit has missed its goals for several quarters. The CHRO must decide whether the annual engagement survey results are enough to diagnose the problem. What is the BEST approach?

A. Discard the survey and start over with an outside culture assessment instead

B. Run the engagement survey more often to see whether the unit's scores change

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

D. Rely on the survey alone, since it is validated, reliable, and benchmarked against many other firms

51. To cut costs, the CEO proposes outsourcing the entire HR function, including business partnering, to a single provider. Which strategic risk should the CHRO emphasize MOST?

A. Falling out of compliance with federal recordkeeping and reporting requirements

B. Paying a higher per-transaction cost for routine payroll and benefits processing

C. Being unable to use modern cloud-based HR technology platforms, analytics and self-service tools

D. Losing the internal capability to partner with leaders on strategic people decisions

52. An analytics team is setting decision rules for two pilots: an expensive leadership program that would be rolled out to 20,000 employees, and a low-cost intervention to prevent serious injuries. Which error is MORE costly in each case?

A. Type II error in both cases, because missing a real effect always costs the most

B. Type II error for the leadership rollout; Type I error for the safety intervention

C. Type I error for the leadership rollout; Type II error for the safety intervention

D. Type I error in both cases, because false positives waste resources at any scale

53. Frontline employees at a retail chain are absorbing a new scheduling system, a point-of-sale upgrade, a benefits redesign, and a store layout change in the same quarter. Productivity and engagement are falling. What should the CHRO propose to the executive team?

A. Postponing the benefits redesign, since HR controls that initiative's timeline directly.

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

C. Additional training hours for store managers so they can coach their teams through each change.

D. A dedicated communication campaign that explains the reasons for all four changes at the same time.

54. What is the KEY element of a continuity or exit plan for a vendor that runs the company's payroll?

A. Cyber insurance that covers the company's losses if the vendor suffers a data breach

B. A clause requiring the vendor to give 12 months' notice before ending the relationship

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

D. A list of alternative payroll vendors identified during the original selection process

55. The board's risk committee asks the CHRO to report on HR's top data risks at its next meeting. What should the CHRO's report contain?

A. A list of every HR data field stored, with the vendor name and hosting location for each system

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

C. A statement that IT owns data security and that HR has no separate risks to report

D. A full technical log of every HR system access event recorded over the past twelve months

56. An activist investor demands deep cost cuts within one quarter. The proposed cuts would remove engineering and sales capabilities central to the board-approved growth strategy. What is the BEST approach for the CHRO?

A. Refuse to support any cuts, since the board has approved the growth strategy

B. Model cut scenarios that weigh cost savings against capability and revenue risk

C. Apply the same percentage cut to every function so the burden is shared

D. Make the cuts quickly to reduce investor pressure, then rehire the lost capabilities later as needed

57. A company plans to eliminate 120 positions in a restructuring. Its severance plan pays benefits for job eliminations but not for performance terminations, and the CEO suggests coding the exits as performance-based to save the severance cost. Most affected employees have satisfactory reviews. What is the BEST advice from the CHRO?

A. Recommend coding the exits as performance-based but offering a smaller voluntary payment in exchange for a release of claims.

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

C. Recommend delaying the reduction several months so managers can document performance issues for the affected employees.

D. Recommend coding only employees with any documented performance issues as performance exits and the rest as eliminations.

58. A company wants caregiving benefits that meet the needs of employees at many different life stages. Which set of benefits BEST achieves this goal?

A. Long-term care insurance and retirement planning seminars for employees who are approaching retirement age.

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

C. On-site child care centers, fertility benefits, and adoption assistance for new and expecting parents.

D. Tuition assistance and student loan repayment programs for employees in the early stages of a career.

59. Employee referrals produce 45% of a company's hires, and HR analytics show that referred hires closely mirror the current workforce's demographics. How should the CHRO address the strategic risk?

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

B. Pay larger referral bonuses for candidates who belong to groups that are underrepresented in the company's current workforce.

C. End the referral program, since any demographic gap in referred hires shows that the program is illegal.

D. Limit referrals to entry-level roles, where the applicant pool is usually more diverse than elsewhere.

60. A company is designing a new headquarters using the seven principles of universal design. Which feature BEST applies the principle of equitable use?

A. A request process for employees to ask for modifications after moving in

B. A main entrance with a level approach and automatic doors that everyone uses

C. A separate ramped side entrance reserved for employees who use wheelchairs or other mobility aids

D. Signage that meets the minimum mounting height in the ADA design standards

61. A steering committee is choosing a system integrator to implement a new cloud HCM suite in 12 countries. Three firms have submitted proposals, and their bids are 30% apart. Which criterion should carry the MOST weight in the selection?

A. Willingness to start configuration at once, before requirements are finalized

B. The firm's global size, since large integrators can easily fill any staffing gaps

C. Proven delivery of this suite at similar scale, with named consultants committed

D. The lowest total bid, since fees are the largest cost the company can control

62. A U.S. company plans to close a facility in France and relocate its work, which would eliminate 150 jobs. The board will vote on the plan next month, and the facility has an elected works council. What is the BEST sequence of steps?

A. Consult the works council only on severance terms, since the closure decision belongs to management.

B. Have the board approve the plan, then inform the works council and begin severance discussions.

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

D. Announce the closure to employees first, then hold works council meetings on how to carry it out.

63. A union at a manufacturer with cyclical demand proposes a guarantee of no layoffs for the full four-year contract. The VP of operations says a downturn could cut volume 25% in any given year. As CHRO, what is the BEST strategic response?

A. Reject the proposal as a permissive subject of bargaining that the company has no duty to discuss or respond to in any way.

B. Accept the guarantee in exchange for a smaller wage increase, since four years of labor peace outweighs the cost of carrying surplus staff in a downturn.

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

D. Agree to the guarantee but add a clause letting management suspend it whenever it decides business conditions require layoffs.

64. A CHRO proposes funding a small data science apprenticeship cohort now so that the company could quickly expand its analytics workforce if a planned product line succeeds. In workforce planning terms, this is an example of what?

A. A sunk cost: a spend that should be excluded from later investment decisions

B. A big bet: a large, hard-to-reverse commitment that shapes the market in the firm's favor

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

D. A no-regret move: an action that pays off fully under every possible future

65. A technology firm expects to lose 12 engineers to compression-driven turnover next year. Each engineer earns $120,000, and the firm estimates replacement cost at 1.5 times annual salary. A pay adjustment program to retain them would cost $400,000. What is the projected turnover cost?

A. $180,000

B. $2,160,000

C. $1,440,000

D. $1,760,000

66. Applicants have filed a class action alleging that the company's AI screener disfavored applicants age 40 and older. The tool is still in use, and the media has begun asking questions. What should the CHRO prioritize in the first 30 days?

A. Contact the named plaintiffs directly to understand their concerns and offer to reconsider their applications.

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

C. Turn off the tool and delete its stored data so that no further discriminatory records can be created.

D. Issue a public statement that the tool is unbiased, citing the vendor's original validation study.

67. An investor relations team asks the CHRO which workforce metrics to feature in its next investor presentation. What makes a workforce metric MATERIAL to investors?

A. It shows favorable trends over the past three years and compares well with the company's main competitors.

B. It is already reported on a required government filing and must therefore be repeated in materials for shareholders.

C. It is tracked by the HR information system and can be audited by the company's external accounting firm.

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

68. A regional bank faces a digital-native competitor that serves similar customers with about one-third of the staff per account, mainly through automation and self-service. The board asks the CHRO for a strategic response. What is the BEST approach?

A. Maintain current staffing as a service advantage, since loyal customers value human contact more than lower prices.

B. Cut staff to match the entrant's ratio within a year, since the bank cannot compete while carrying a much higher labor cost.

C. Raise pay to retain branch staff, since the entrant will likely target the bank's experienced employees for hiring.

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

69. Analyses of S&P 500 companies show that intangible assets now make up the large majority of total market value, a reversal from the 1970s, when tangible assets dominated. What is the MOST important implication for a CHRO making the case for human capital investment to the board?

A. Intangible value is mostly goodwill from acquisitions, so it reflects deal pricing rather than people.

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

C. Intangible value consists mainly of patents and trademarks, so the workforce plays a limited role in it.

D. Intangibles are carried on the balance sheet, so HR can cite their reported book value as human capital directly.

70. A privileged pay equity analysis, done with outside counsel, finds unexplained pay gaps for women in two job families at a 9,000-employee company. The CHRO must present the results to the executive team, several of whom have said in the past that pay is fair. What is the BEST way to lead this conversation?

A. Share only the overall summary at first, so executives are not defensive about their own business units

B. Recommend folding corrections into the next merit cycle so the adjustments draw less attention

C. Ask each executive to review their own unit's data and explain the gaps before HR proposes anything

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

71. A CFO asks the CLO how much of the company's training spend is wasted. Which metric addresses that question by measuring training that employees do not apply on the job?

A. Training cost per employee

B. Scrap learning

C. Course completion rate

D. Learning hours per employee

72. A unionized manufacturer plans to automate its packaging lines over three years, eliminating about 300 bargaining-unit jobs while creating 120 technician roles. The union has signaled it will fight the plan, and the contract expires in 18 months. The CEO asks the CHRO how to win the union's support. What is the BEST recommendation?

A. Start automating the pilot plant now so the union sees the results before any formal discussions begin

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

C. Wait for contract talks and then offer a wage increase in exchange for acceptance of the automation plan

D. Announce the plan directly to all employees so they hear the business case before union leaders respond

73. Eighteen months into a shift to a customer-centric operating model, the CHRO finds that senior leaders and frontline staff support the change, but middle managers keep rewarding old behaviors. What should the CHRO do?

A. Have the CEO communicate directly with frontline staff to bypass the middle management layer.

B. Replace the managers who resist the most, to signal that the change is not optional for anyone.

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

D. Add more town halls that repeat the case for change to employees at every level of the company.

74. Exit interviews show that Gen Z employees are leaving within two years, most often citing slow career growth and a lack of visible paths. Promotions are tied to annual cycles and open roles are mostly filled externally. What should the CHRO prioritize?

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

B. Add more social events and team-building activities to strengthen early-career engagement

C. Shorten the promotion cycle so that early-career employees can be promoted every six months

D. Increase starting salaries for entry-level roles to match the highest-paying competitors

75. A company is negotiating to acquire a competitor. Before the deal is signed, the CHRO recommends cultural due diligence. What is the MAIN purpose of doing it at this stage?

A. To communicate the integration plan to the target's employees before signing

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

C. To select which of the target's leaders will be retained after the deal closes

D. To design the combined company's new culture, values statement and leadership model before closing

76. During contract talks, the company rejects the union's wage proposal by stating it cannot afford any increase. The union then requests the company's financial statements. Leadership considers the data confidential. What should the CHRO advise?

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

B. Refuse the request now but offer to share financial data with a mediator if talks reach an impasse

C. Provide only the summary figures the company chooses to release, since full data is never required

D. Refuse the request, since financial data is confidential business information that falls outside the duty to bargain

77. A new CHRO suspects that the company's internal communication is not reaching or influencing employees. What are the main purpose and typical methods of an enterprise communication audit?

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

B. To evaluate each communicator's writing quality, using peer review of a sample of messages.

C. To measure overall employee engagement, using the annual engagement survey as the single data source.

D. To check that communications meet legal posting rules, using a review by employment counsel.

78. A board is debating how to tie executive bonuses to safety performance. Which metric design best supports accountability without distorting behavior?

A. Weight bonuses toward the number of consecutive days each site goes without a lost-time case

B. Weight bonuses toward workers' compensation cost savings compared with the prior year

C. Weight bonuses toward leading indicators such as hazard abatement and safety leadership activity

D. Weight bonuses toward year-over-year reductions in the recordable injury rate at each site and business division

79. A regional equipment manufacturer projects a shortage of maintenance technicians for at least the next ten years as experienced workers retire, and local labor markets are already tight. Raising pay has drawn technicians from competitors but has not increased the overall supply. The CHRO is asked to propose a durable solution. What is the BEST recommendation?

A. Fund tuition reimbursement for current production workers who choose to complete a technician program on their own time.

B. Set aside a multiyear premium-pay budget so the company can keep outbidding local competitors for experienced maintenance technicians.

C. Retain a national search firm to recruit experienced technicians from other regions and fund relocation packages for each hire.

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

80. An HR shared services center spent $600,000 last year and handled 12,000 cases. The industry benchmark is $45 per case. What is the center's cost per case, and how does it compare to the benchmark?

A. $50 per case, which is $5 below the benchmark

B. $45 per case, which matches the benchmark exactly

C. $20 per case, which is $25 below the benchmark

D. $50 per case, which is $5 above the benchmark

81. A design and engineering firm organizes its experts into shifting project teams that solve novel client problems and coordinate mainly through informal communication. Which Mintzberg configuration does this describe?

A. Professional bureaucracy

B. Machine bureaucracy

C. Adhocracy

D. Divisionalized form

82. A unionized manufacturer wants to introduce a new 16-hour quality training program that will be mandatory for all bargaining-unit employees, with discipline for those who do not complete it. The program is not required by any law. What should the labor relations leader do?

A. Implement the program, since training content is a management right that need not be bargained.

B. Make the program voluntary for union members so that the company can avoid any bargaining.

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

D. Implement the program and bargain only if the union files a grievance over the requirement.

83. A U.S. executive presents a restructuring proposal to a leadership team in France, opening with recommendations and practical examples. The audience pushes back and asks about the reasoning and method behind them. Using Erin Meyer's Culture Map, what BEST explains the reaction?

A. The audience favors hierarchical decisions, expecting the senior leader to decide the matter alone.

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

C. The audience favors low-context communication, wanting the message stated far more explicitly.

D. The audience favors applications-first persuasion, wanting more examples before any conclusions.

84. A plant's contract has rigid job classifications that block cross-training. The company proposes a gainsharing plan tied to plant productivity in exchange for language allowing cross-training across classifications. The union is open to it but distrusts management's numbers. What should the CHRO do to make the trade succeed?

A. Tie the payout to company-wide profit rather than plant productivity, since profit is the most objective and externally audited measure available.

B. Offer the gainsharing payments only to employees who volunteer for cross-training, leaving the job classification language unchanged.

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

D. Set the gainsharing formula internally and share it after ratification, so the union does not reopen the productivity targets later.

85. The CHRO is redesigning the company's harassment program to support the Faragher/Ellerth affirmative defense. How should the defense shape the program's design?

A. It applies once a written policy exists, so the program's main focus should be annual employee acknowledgment of the policy.

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

C. It applies even after a tangible employment action, so complaint channels matter more than decision review.

D. It covers coworker harassment, so the program should focus on peer conduct rather than conduct by supervisors.

86. The people analytics team at a large insurer produces detailed reports on HR process metrics, but senior leaders rarely use them and make talent decisions on intuition. What is the CHRO's BEST long-term strategy?

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

B. Require leaders to cite an analytics report for every talent decision recorded in the HR system.

C. Increase the volume and frequency of reports so that leaders see analytics in every meeting they attend.

D. Invest in a more advanced visualization tool so that reports are more engaging for senior leaders.

87. A pilot of an AI screening tool cut time to hire by 40%. The pilot data show that applicants age 40 and older pass the screen at 0.70 times the rate of younger applicants. Executives want to launch it company-wide next month. What should the CHRO recommend?

A. Launch only in states that lack AI laws, while the vendor reviews the age results

B. Launch as planned and monitor results quarterly, since speed gains justify the gap

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

D. Launch as planned, since liability for a vendor-built tool's age results rests with the vendor alone

88. During negotiations to acquire a startup, the buyer's team learns that two former employees have accused the founder, who would become a division head, of sexual harassment. The CEO asks the CHRO how this should affect the deal. What is the BEST advice?

A. Close on schedule and address the allegations afterward, when the company controls the investigation process.

B. Rely on the seller's representation that no claims are pending, since the representation shifts the risk to the seller.

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

D. Terminate the deal now, since any unresolved harassment allegation against a founder makes the acquisition too risky to pursue.

89. A manufacturer's light-duty program is open only to employees injured on the job. The CHRO is asked why counsel considers this a growing risk. Which explanation is BEST?

A. The risk applies only to employers that have already lost a pregnancy discrimination claim in court

B. Light-duty programs are lawful only if the employer applies them to all employees for the same length of time

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

D. A program limited to workplace injuries is allowed because workers' compensation law preempts Title VII

90. A manufacturer installs advanced robotics, and output falls because the work design breaks up experienced crews and removes their control over how work is done. A consultant recommends redesigning roles and the technology together. Which theory supports that recommendation?

A. Sociotechnical systems theory

B. Resource dependence theory

C. Contingency theory

D. Taylor's scientific management theory

91. A RIF planning team is considering paying three months of COBRA premiums for 250 departing employees. Which consideration should shape the design?

A. Paying the premiums relieves the employer of its duty to send COBRA election notices.

B. Each subsidized month extends the employee's COBRA coverage period beyond the usual 18 months.

C. Employer-paid COBRA premiums are taxable wages, so they must be grossed up for withholding.

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

92. Two highly interdependent divisions, R&D and manufacturing, frequently clash over product launches. Following Galbraith's work on organizational design, which coordinating mechanism is designed specifically to manage this kind of lateral conflict?

A. An integrating role or liaison position that links the two units

B. A centralized policy manual that standardizes each unit's procedures

C. Separate performance metrics that let each unit work independently

D. A larger span of control for the executive overseeing both units

93. Cultural due diligence on an acquisition target finds deep differences: the target decides by consensus and avoids risk, while the acquirer decides top-down and moves fast. The deal model assumes full integration and large synergies within 12 months. What should the CHRO advise the board?

A. Recommend ending the deal at once, since severe cultural incompatibility is a reliable sign that the acquisition will fail.

B. Proceed but delay all culture work until after the first year, so that the synergy targets are reached before change starts.

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

D. Proceed on the current plan, since a strong integration team and clear communication can usually resolve culture differences.

94. After a company began publishing salary ranges, several women compared pay and filed internal complaints alleging Equal Pay Act violations. Some managers have started describing the complainants as disruptive. What should the CHRO do?

A. Remind employees that pay is confidential and that sharing salaries with coworkers breaches company policy.

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

C. Send the complaints to managers to resolve locally, since pay decisions belong to each business unit.

D. Pause the transparency program until the complaints are resolved, to limit further pay comparisons among employees.

95. An analysis of a five-person team counts each person's direct work ties within the team: Lee 3, Mia 4, Noor 2, Omar 1 and Pat 2. Who has the highest degree centrality, and what is that person's normalized degree centrality?

A. Mia, 1.00

B. Mia, 0.80

C. Mia, 0.33

D. Lee, 0.75

96. During a financial turnaround, a company has frozen pay and cut bonuses for a year. Which non-monetary lever is MOST important for sustaining engagement?

A. More team celebrations and social events to lift morale during a stressful period

B. Promising retroactive pay increases once the company returns to profitability

C. Limiting financial updates to avoid alarming employees about the company's situation

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

97. The NLRB files a Section 10(j) petition seeking interim reinstatement of three discharged organizers at a company's most important plant. What should the CHRO do?

A. Take no action until the Board rules, since a Section 10(j) petition is only advisory to the court.

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

C. Close the organizers' former department so there are no open positions to which they could be reinstated by the court.

D. Prepare to reinstate the three but assign them to isolated tasks that limit contact with coworkers.

98. Declining demand requires the company to cut its workforce costs by 12%. The CEO tells the CHRO to preserve the capabilities that will drive the recovery. What is the BEST approach?

A. Offer a voluntary buyout to all employees before taking any other step.

B. Identify critical roles and skills first, then design reductions around protecting them.

C. Apply an equal percentage cut across all units and levels so the impact is shared fairly by everyone.

D. Use seniority as the main basis for selection to limit the company's legal risk.

99. Why should a company determine whether an AI background-screening vendor is a consumer reporting agency under the Fair Credit Reporting Act before signing the contract?

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

B. If it is, the company must first register its screening program with the Federal Trade Commission.

C. If it is not, its reports cannot lawfully be used in any employment decision under federal law.

D. If it is, the vendor alone carries all FCRA duties, and the employer has no notice obligations to applicants.

100. Why are middle managers often considered the key lever in enterprise inclusion change, and what MOST often moves them?

A. They control pay budgets directly, and financial bonuses alone reliably change their behavior.

B. They set enterprise strategy themselves, and executive mandates alone are enough to change their behavior.

C. They resist change most strongly, and mandatory bias training is the best way to move them.

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

101. A company's board approved a five-year long-range financial plan that projects 30% revenue growth from two new product lines. The CHRO is building the multi-year workforce plan. How should the workforce plan connect to the financial plan?

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

B. It holds workforce costs flat across all five years to protect the projected margins

C. It is set after the financial plan is final, using whatever budget remains for people

D. It is updated annually on its own cycle, separate from the long-range plan's targets

102. A global medical-device company wants to capture scale efficiencies, adapt products to national health systems, and share innovations developed in any country across the whole firm. In Bartlett and Ghoshal's framework, which strategy is the company pursuing?

A. International strategy

B. Transnational strategy

C. Multidomestic strategy

D. Global strategy

103. A company with employees in 18 countries finds that required retention periods for HR records conflict: some countries require long retention, while data protection laws elsewhere require deletion once records are no longer needed. What is the BEST structure for global retention rules?

A. Separate policies written by each country, with no common record types or oversight from headquarters

B. One global schedule that applies the longest retention period required in any country to each record

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

D. One global schedule that uses U.S. retention periods, since headquarters controls the employee data

104. HR is investigating a harassment complaint against a union-represented employee. When called to an interview, the accused employee asks for a union steward to be present. The complainant wants the investigation finished quickly. What should HR do?

A. Pause the investigation until the grievance procedure ends, since the union contract governs how complaints are resolved.

B. Allow the steward to answer questions for the employee, since the steward is there to speak on the employee's behalf.

C. Deny the request, since an employer's Title VII duty to investigate harassment promptly overrides the employee's Weingarten rights in every case.

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

105. A CEO wants to publish salary ranges for all roles next quarter to improve trust and attract talent. The CHRO knows the company has not reviewed pay by gender or race in four years and that recent acquisitions brought in inconsistent pay structures. What should the CHRO recommend?

A. Conduct a privileged pay equity audit and fix unexplained gaps before publishing ranges.

B. Publish ranges only for new job postings and keep current employees' ranges confidential.

C. Delay pay transparency indefinitely until all acquired pay structures are fully integrated.

D. Publish the ranges next quarter as planned and invite employees to raise any pay concerns.

106. A U.S. software company wants to hire small teams in three new countries within the next quarter to test demand. It has no legal entity in any of them and is not sure it will stay longer than two years. What is the BEST approach for the CHRO to recommend?

A. Hire the workers as independent contractors through U.S. contracts until the market is proven.

B. Hire the workers onto the U.S. payroll and send them to work remotely from their home countries.

C. Set up a legal entity in each country before hiring, so the company controls all employment terms.

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

107. A consultant at a large professional services firm asks, on religious grounds, not to work on accounts for a client whose products conflict with her beliefs. Similar requests are expected in the future, and the CHRO is asked to set a framework. What framework is BEST?

A. Grant every such request, because Title VII requires employers to honor any sincerely held religious belief.

B. Require a written statement from a religious leader confirming that the belief is required by the faith.

C. Deny such requests, because client assignments are an essential part of the job that the firm cannot adjust for one person.

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

108. A CHRO is preparing to present the value of the company's ERGs to the CFO, who is skeptical of the budget. Which evidence is MOST likely to be credible to finance leaders?

A. Growth in total ERG membership over the past three years across all regions of the company

B. Positive quotes from ERG members describing what the groups have meant to them personally

C. The number of events each ERG held during the year and the total attendance at those events across all locations

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

109. A global energy company's top-rated candidates have declined three of its last five international assignments, citing their partners' careers. The CHRO is asked to rebuild the mobility pipeline for future leaders. What is the BEST strategy?

A. Raise the assignment premium so that the added pay fully offsets the partner's lost income for the length of the posting.

B. Fill the roles with local hires and stop using international assignments to develop future leaders.

C. Give assignment priority to candidates who are single or whose partners are not currently employed outside the home.

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

110. A CHRO is weighing a move from a fully insured health plan to a self-funded plan, partly to improve benefits analytics. Which statement BEST describes the data advantage of self-funding?

A. Self-funded plans receive only aggregate renewal reports, so detailed analytics still depend on the insurer.

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

C. HIPAA bars a self-funded plan sponsor from using claims data to make plan design decisions.

D. The insurer must give fully insured employers full claim-level detail, so the data is the same.

111. Six months after an acquisition, the CEO asks the CHRO how the company will know whether culture integration is working. The integration plan named three target behaviors: faster cross-unit decisions, shared customer ownership and open escalation of risks. What measurement approach is BEST?

A. Compare the combined company's overall engagement score with last year's industry benchmark

B. Survey senior leaders twice a year on whether they believe the two cultures have merged

C. Count completed integration activities, such as town halls held, culture workshops attended and newsletters sent

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

112. Before committing a large budget to a new learning approach, an L&D leader wants to follow evidence-based practice. Which step BEST reflects that principle?

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

B. Adopt the approach that is getting the most attention at industry conferences and in trade media.

C. Rely on vendor case studies that report strong satisfaction results from well-known client firms.

D. Choose the approach that senior executives prefer, since their support will drive adoption.

113. An audit committee asks what protection ERISA requires against theft of retirement plan assets. Which answer is accurate?

A. A surety bond for the employer equal to 100% of the contributions made during the year.

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

C. A fidelity bond only for the plan's recordkeeper, generally set at 5% of total plan assets.

D. A fiduciary liability policy for each committee member worth at least 10% of plan assets.

114. Under the resource-based view, a resource is a source of sustained competitive advantage when it is valuable, rare, inimitable and nonsubstitutable (VRIN). What does nonsubstitutable mean?

A. The resource helps the firm exploit opportunities or counter threats

B. No other resource can be used to achieve the same strategic outcome

C. Few current or potential competitors possess the resource right now

D. Competitors cannot copy the resource because of its cost or complexity

115. An HR executive accurately reads colleagues' motives and the politics behind decisions, and she has built a broad network of allies across the enterprise and the industry. In Ferris's model of political skill, which two dimensions does she show?

A. Social astuteness and networking ability

B. Social astuteness and apparent sincerity

C. Interpersonal influence and apparent sincerity

D. Self-awareness and relationship management

116. A company is eliminating 15% of its positions. Research on organizational justice suggests that survivors' commitment depends heavily on procedural justice. What does this imply for the CHRO?

- **A.** Let each manager choose whom to retain, since local judgment produces the most accurate results.
- **B.** Use consistent, job-related selection criteria, apply them without bias, and explain how they were applied.
- **C.** Offer generous severance to departing employees, since survivors judge fairness mainly by outcomes.
- **D.** Keep the selection criteria confidential, since disclosing them would invite employee challenges to decisions.

117. A consumer products company sources from factories that rely on migrant workers hired through labor brokers. Which HR-led practice MOST directly addresses forced labor risk in this supply chain?

- **A.** Requiring suppliers to match the company's own paid time off policy for all factory workers
- **B.** Requiring suppliers to certify once a year that they comply with all local minimum wage and hours laws
- **C.** Requiring suppliers to follow an employer-pays principle that bans charging workers recruitment fees
- **D.** Requiring suppliers to provide workers with an annual engagement survey in their own language

118. A CHRO is creating an HR program management office. Recent HR projects have had inconsistent status reporting, and two global rollouts failed because no one reviewed risks before launch. The centers-of-excellence leaders who own these projects are experienced and want to keep ownership. How much control should the PMO exercise?

- **A.** Require standard methods and gate reviews, with COE leaders as owners
- **B.** Offer templates and coaching that project owners may use if they wish
- **C.** Skip the PMO and rely on each COE leader's own judgment and methods
- **D.** Take over and directly manage all HR projects with PMO project managers

119. A CHRO asks what fiduciary duties apply to cybersecurity for the company's ERISA plans. Which statement is accurate?

- **A.** Cybersecurity is the provider's own duty, so fiduciaries need not ask about its practices.
- **B.** DOL cybersecurity guidance is a binding regulation with fixed penalties for each lapse.
- **C.** Fiduciaries must prudently assess providers' cybersecurity, as DOL guidance describes.
- **D.** DOL cybersecurity guidance applies only to defined benefit plans, not to 401(k) or health plans.

120. An executive team tracks diversity with a single composite index that combines representation, hiring and promotion data into one score. What is the main weakness of this index for executive decision-making?

A. It requires demographic data that companies are generally not allowed to collect.

B. It cannot be trended over time because its underlying components change every single year.

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

D. It is too detailed for executives, who need data at the individual employee level.

121. Analysis of three years of hires shows that the staffing agency the COO personally championed has the lowest 12-month retention and the highest cost per retained hire of any sourcing channel. The COO is skeptical of HR's data. How can the CHRO BEST influence the decision?

A. Set the analysis aside, since the COO's support is needed for other HR priorities.

B. Shift recruiting spend away from the agency at once, since the data clearly supports the change.

C. Present the findings at the executive meeting to build the case with the full team.

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

122. A CHRO is proposing a $2 million investment in reducing first-year turnover at a hospital system. Most board members are financial and clinical leaders who rarely discuss HR. How should the CHRO present the proposal?

A. Explain engagement survey methods so the board understands the underlying data

B. Share employee quotes from exit interviews to make the issue feel more personal

C. Translate turnover into replacement costs, agency spending and patient-care risk

D. Describe HR best practices and research-based frameworks that support the onboarding redesign

123. The audit committee asks the CHRO for a quarterly employee relations risk report. What should the report include to best support the committee's oversight role?

A. A full list of every open case with names and allegations so committee members can review and weigh in on each matter.

B. The total number of cases closed each quarter, since closure counts best show how well HR is performing.

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

D. Only the cases that have resulted in lawsuits or agency charges, since those carry the actual exposure.

124. A US company buys an AI interview-scoring tool built by a vendor and uses it to select candidates in the US and the EU. Which statement BEST describes how responsibilities are allocated between the vendor and the employer?

A. Responsibility rests with whichever party the contract names, which overrides any statutory obligations.

B. The employer bears all responsibility, and the vendor has no legal obligations of any kind regarding the tool's design or documentation.

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

D. The vendor bears all legal responsibility, since the employer did not design the tool or its scoring logic.

125. A new CHRO joins a company whose leaders believe HR is in good shape, but she sees rising regrettable turnover and a thin succession bench. Several executives have strong informal influence with the CEO. In her first 90 days, what should she do FIRST?

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

B. Launch a succession program right away to show decisive action before the talent problem gets worse.

C. Focus on quick fixes to HR service complaints and defer the talent risks until she has more credibility.

D. Present a full HR transformation plan to the CEO in her first month to establish her leadership agenda.

126. A company plans to deploy AI tools that scan employees' messages on company platforms and flag 'negativity' and 'collective complaints' about pay and scheduling. What is the PRIMARY legal risk under the National Labor Relations Act?

A. Supervisors are the main concern, since the NLRA protects them when they discuss pay with their staff.

B. The NLRA applies only to unionized workplaces, so the risk is limited to sites covered by a collective bargaining agreement.

C. The NLRA bans all monitoring of company systems, so the tool cannot lawfully be used on any channel at all.

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

127. Organizers at a 900-employee nonunion plant are citing unfair and inconsistent discipline in their campaign. The CEO asks the CHRO for a lawful strategy. What should the CHRO recommend?

A. Tell employees that the plant's future will be at risk if it unionizes, since the plant's costs could rise under a contract.

B. Ask supervisors to find out which employees support the union so leaders can talk with them about their discipline concerns.

C. Announce a new, more lenient discipline policy right away so employees see that management has fixed the problem the organizers raised.

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

128. A retailer's strategy now depends on hiring data scientists and software engineers, but its employee value proposition still stresses store discounts and a family atmosphere. What principle should guide the CHRO's revision of the EVP?

A. The EVP should be identical across all roles and segments so that the employer brand stays simple and consistent.

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

C. The EVP should match the highest pay offered for each role in every local market so that the company wins every competitive offer.

D. The EVP should emphasize the benefits that current long-tenured employees rate highest in engagement surveys.

129. During contract talks, the employer's chief negotiator proposes adding a zipper clause to the collective bargaining agreement. What is the PRIMARY effect of this clause?

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

B. It keeps all other contract provisions in force if a court or agency finds one provision unenforceable.

C. It reserves to management the sole right to direct work, set schedules and assign employees during the term.

D. It lets either party reopen economic terms at a set date without opening the rest of the agreement.

130. The board asks the CHRO to manage the search and assessment process for a new chief operating officer. The CHRO is widely seen as a strong internal candidate and intends to apply. What should the CHRO do?

A. Delegate the process to her deputy, who reports directly to her, and stay out of the day-to-day details

B. Run the process but use an objective scorecard so that her candidacy cannot bias the results

C. Withdraw her candidacy so that she can manage the succession process without any conflict

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

131. A major client representing 30% of revenue demands that a firm's project staff work two extra weekends a month for the next year. The COO wants to agree, but staff are already showing burnout and turnover risk. What should the CHRO do?

A. Advise the COO to reject the demand, since employee well-being must outweigh any single client relationship

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

C. Ask staff to volunteer for the weekend shifts and let the client know that coverage will depend on how many volunteers come forward

D. Advise the COO to accept the demand and offer staff overtime pay or comp time for the added weekend work

132. A CHRO is deciding whether new employee networks should be organized around shared identities, such as race, gender or disability, or around shared interests, such as caregiving or sustainability. Which statement BEST describes the trade-off?

A. Identity groups are legally required to be closed to outsiders, while interest groups must be open to every employee

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

C. Interest groups produce stronger business results, so most companies have now converted all identity groups

D. Identity groups cost less to run, while interest groups need a larger budget because they attract more members

133. A newly appointed CHRO is preparing for a first presentation on human capital to the board of directors. Which structure is BEST?

A. A full dashboard of all HR metrics so directors can see the complete scope of HR.

B. A summary of HR department activities, headcount and the program milestones achieved this year.

C. A set of external benchmarks showing how each HR program compares with peers.

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

134. The first cycle of a board-sponsored, enterprise-wide action research effort produced mixed results: some units improved and others did not. The board wants to stop the effort. What is the BEST response from the CHRO?

A. Expand the effort to all units at once to generate faster overall results

B. Analyze why results differed and use the findings to adjust the next cycle

C. Stop the effort, since mixed first results show the approach does not work

D. Continue unchanged, since action research needs several cycles to succeed

135. Which set of HR priorities BEST fits a company in a mature industry with flat demand?

A. Rapid hiring, aggressive pay premiums, and building new functions as quickly as possible

B. Recruiting entrepreneurial talent and keeping structures informal and highly flexible

C. Large-scale workforce reductions and site closures across every business unit

D. Improving productivity and cost efficiency, keeping key talent, and redeploying staff

136. The board's people committee asks the CHRO for metrics that show whether the company's workplace investigation program is healthy. Which set of metrics is BEST?

A. Investigator headcount and annual training hours, read together as indicators of program capacity

B. Total complaint volume, with fewer complaints each year treated as a sign that the program is improving

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

D. Share of complaints closed as unsubstantiated, with higher rates read as evidence of fewer false reports

137. A growing employer is considering moving its fully insured health plan to self-funding, partly to avoid state benefit mandates. Which statement is accurate?

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

B. Self-funding keeps state mandates in place but shifts all claims risk to the stop-loss carrier.

C. Self-funding is permitted under ERISA only for employers with 500 or more employees.

D. Self-funding exempts the plan from state mandates and from federal ACA and parity rules.

138. Eight months after a reorganization split a company into five business units, a network analysis shows that ties between units have dropped by half and cross-unit projects are stalling. Which intervention should the CHRO recommend?

A. Require each unit to share a monthly status report with the other units through the corporate intranet site.

B. Reverse the reorganization and return to the prior structure so that former working relationships return.

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

D. Hold a company-wide social event each quarter so employees from all units can meet and reconnect informally.

139. According to Daniel Kahneman, which description BEST distinguishes System 2 thinking from System 1 thinking in executive decision-making?

A. System 2 is fast and emotional, while System 1 is slow, logical and based on careful analysis.

B. System 2 relies on group input, while System 1 relies on a single leader's personal judgment.

C. System 2 is slow, deliberate and effortful, while System 1 is fast, automatic and intuitive.

D. System 2 handles routine choices, while System 1 handles complex and unfamiliar strategic choices.

140. A company plans to deploy new case-management and e-mail monitoring software at its subsidiaries in Germany and the Netherlands. Why do works councils matter to this rollout?

A. Councils must approve the findings of each investigation before discipline can be imposed

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

C. Works councils only review layoffs and wage changes, so they have no formal role in technology or software decisions

D. Their role is purely advisory, so the company may deploy the tools and inform them afterward

141. A company with 12 employee resource groups open to all employees finds that executive sponsors' involvement varies widely; some have never attended a meeting. The CHRO is defining the sponsor role. What is the BEST approach?

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

B. Give each sponsor a budget to manage and measure success by how much of it is spent

C. Let each ERG define its own sponsor's role so groups keep independence from management

D. Make sponsors the ERG leaders so the groups have senior authority in running all their activities

142. A CHRO is selecting key risk indicators (KRIs) for the board's people risk dashboard. Which measure is the BEST example of a KRI rather than a routine activity metric?

A. Regrettable turnover in critical roles compared with a set risk tolerance

B. Number of job requisitions opened and closed during the past month

C. Number of HR service tickets resolved by the shared services center each month

D. Number of training courses completed by employees during the quarter

143. A board compensation committee is considering tying 40% of executives' annual bonuses to headcount savings achieved through AI. What should the CHRO advise?

A. Tie the bonus to the number of AI tools deployed rather than savings, as it is easier to track.

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

C. Remove AI goals from executive pay, since the savings depend on factors outside their control.

D. Support the plan, since heavy bonus weighting is the fastest and surest way to accelerate AI adoption.

144. A CHRO wants an enterprise-wide pay equity analysis but worries that the results could be used against the company in litigation. Counsel suggests structuring the study to preserve privilege. How should the CHRO proceed?

A. Have an outside consultant run the study for HR without counsel, and share full results with all managers.

B. Have the internal compensation team run the study and mark every report 'privileged and confidential.'

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

D. Have counsel direct the study, then postpone all pay adjustments until the privilege question is fully settled in court.

145. Within one quarter, an organization launched a new onboarding program, a manager training program and a pay increase for frontline staff. First-year turnover then fell 20%. Why are separate impact estimates for each initiative unreliable?

A. The pay increase should be credited first, because it had the largest total cost.

B. Their effects overlap in time and cannot be separated without comparison groups.

C. Quarterly turnover data are too volatile to reveal the effect of any HR program.

D. Each initiative's share of the decline equals one-third of the total reduction.

146. A refinery brings in hundreds of contract workers for a planned turnaround. Under OSHA's process safety management standard, what must the refinery do when selecting contractors?

A. Evaluate contractors only after an incident, as part of the incident investigation process.

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

C. Accept the contractor's written assurance of compliance, since contractors train their own staff.

D. Hire only contractors whose workers hold OSHA 30-hour cards, which satisfies the standard.

147. A deferred compensation plan is found to have failed the requirements of Internal Revenue Code Section 409A. What is the main consequence?

A. The employee owes income tax on the deferred amounts when paid, plus a 10% early withdrawal penalty on the total.

B. The plan is disqualified, and all participants must roll their balances into a qualified retirement plan.

C. The employer owes a 20% excise tax on the deferred amounts and loses its deduction for the deferred compensation.

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

148. Last year, 30 employees rated as top performers resigned. Their average salary was $110,000, and the company estimates the full cost of replacing a top performer at 150% of salary. What was the cost of this regrettable turnover?

A. About $1.65 million

B. About $4.95 million

C. About $8.25 million

D. About $3.30 million

149. A company with employees in 12 states is weighing a move from a fully insured medical plan to a self-funded plan. Which ERISA-related advantage is a key reason multistate employers self-fund?

A. Self-funded plans are exempt from ERISA reporting and disclosure rules, which apply only to insured plans.

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

C. Self-funded plans are not covered by HIPAA privacy rules, since no insurance carrier holds participant data.

D. Self-funded plans are exempt from federal ACA rules, such as the ban on lifetime limits for essential benefits.

150. A large public company that is not an emerging growth company or a smaller reporting company is preparing its first full proxy statement. What is the main purpose of the Compensation Discussion and Analysis section?

A. To report the pay of every employee earning above $1 million, along with the related tax deductions.

B. To summarize the company's broad-based pay and benefits programs for all employees and retirees.

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

D. To ask shareholders to approve each named executive officer's pay package as a binding vote.

151. Midway through contract talks, the union's president faces an internal election against a challenger who calls her too soft on management. Her bargaining committee has hardened its positions on several issues. What is the BEST approach for the company's chief negotiator?

A. Insist on stopping talks until the election is over, since no agreement reached before then can be expected to last after it.

B. Make an early generous offer that helps the incumbent win the election, since she has been easier to work with than the challenger.

C. Present a new company offer directly to members at plant meetings before giving it to the bargaining committee.

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

152. A vendor retrains the company's AI interview-scoring model each quarter with new data. The original bias audit, completed eight months ago, showed no adverse impact. What should HR require?

A. Track overall accuracy after each update, since high accuracy shows the model is fair as well.

B. Check impact ratios only when the vendor reports a major change in the scoring.

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

D. Rely on the original audit until the next annual audit, since it remains current.

153. A board is considering a rule that every investigation involving a senior leader be handled by an outside law firm. The internal team is capable, but some employees doubt its independence when executives are accused. Which approach BEST balances the trade-offs?

A. Keep all investigations internal, since outside firms are costly and slow to learn the company's business context

B. Let the accused leader's business unit decide whether to use an internal or outside investigator

C. Send every senior-leader case outside, since any internal review of senior leaders lacks credibility

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

154. A unionized plant manager wants to settle a pending discipline grievance by meeting privately with the employee and offering back pay in exchange for withdrawing it, without involving the union. The CBA sets a specific grievance procedure. What should the CHRO advise?

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

B. Hold the grievance until the next contract negotiation so it can be resolved along with other open issues

C. Proceed only if the employee signs a waiver of union representation before the settlement meeting begins

D. Proceed with the private meeting, since an employee may always settle a grievance directly with management on any terms

155. A private-equity owner asks the total rewards leader to cut fixed labor costs by 8% without layoffs. One proposal would freeze base pay for three years and convert future increases into an at-risk annual incentive funded by EBITDA results. Most affected employees are hourly and mid-level salaried staff who currently have no variable pay. What should the total rewards leader advise?

A. Reject any move toward variable pay because shifting pay to at-risk forms is not an accepted way to manage fixed cost

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

C. Convert future base increases to EBITDA-funded incentives for all employees so the cost reduction is shared evenly

D. Cut base salaries 8% immediately and promise to restore them through a bonus if the company meets its EBITDA target

156. Research on the idiosyncratic rater effect finds that more of the variance in performance ratings reflects the rater than the person being rated. What is the BEST implication for pay and promotion?

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

B. Ratings should be adjusted by each manager's average so that all managers' scores have the same mean.

C. Ratings should be dropped from all decisions, since they contain no information about the person rated.

D. Ratings remain sound for pay decisions, because individual rater effects tend to cancel each other out across a large organization.

157. The board of a 9,000-employee manufacturer has approved a $2 million enterprise leadership development program that launches next quarter, on the condition that the CHRO report its return on investment within 18 months. No measurement plan exists yet. What is the BEST approach for the CHRO?

A. Launch on schedule and, at month 18, survey participants and their managers to estimate the program's effect on results.

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

C. Track participant satisfaction and learning assessment scores for each module and report the trend to the board each quarter.

D. Benchmark the program's cost per participant against peer companies to show the board that the investment is efficient.

158. In a merger of equals, each company's executives expect to receive half of the top leadership roles, and the deal announcement emphasized partnership. What is the BEST approach for the CHRO in selecting the leadership team?

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

B. Use outside hires for contested roles so that neither company appears to be favored

C. Split the top roles evenly between the two companies to honor the spirit of the deal

D. Let the new CEO choose the leadership team based on his or her personal knowledge of the candidate leaders

159. A public company's internal hotline volume has fallen, while counsel reports that more employees appear to be taking tips directly to the SEC. Exit surveys show employees doubt that internal reports lead to action. What strategy should the CHRO pursue?

A. Require employees to report concerns internally before taking any concern to the SEC or other agencies

B. Offer bonuses only to employees who report internally first, so that the internal channels become more attractive than agencies

C. Remind employees that sharing company information with outside parties breaches their confidentiality duty

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

160. Six months after launching an AI system for leave administration, a company still runs the old manual process in parallel, doubling the workload. The AI system's error rates have matched or beaten the manual process for four straight months, and audit controls are in place. Some HR staff want to keep the parallel process indefinitely as a safeguard. What should the CHRO do?

A. Keep both processes running indefinitely, since any reduction in redundancy raises compliance risk.

B. Retire the parallel process and the audit controls together, since the AI system has proven reliable.

C. Survey HR staff and retire the parallel process only once a majority say they feel comfortable with it.

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

161. A company anticipates a discrimination lawsuit after a senior manager is accused of bias in layoff selections. Counsel wants the investigation to qualify for attorney work-product protection. What must HR do to help preserve that protection?

A. Label every investigation document confidential and store the documents in the employee's personnel file

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

C. Share the full investigation report with all managers involved so they can prepare to testify

D. Have HR conduct the investigation alone so that the findings stay out of the legal files

162. The analytics team built a quality-of-hire index that combines hiring manager ratings, first-year performance and 12-month retention. When retention is weighted 50% instead of 20%, the ranking of recruiting sources changes. Why does the CHRO insist that the weights be justified and documented?

A. Weights must be set by the data alone, so judgment cannot enter at all

B. Indexes are valid only when every component is given the same weight

C. Weights are value choices that change results and should reflect strategy

D. Changing weights reveals that at least one component of the index is measured poorly

163. Musculoskeletal disorder claims are rising at a company's warehouses, and the CHRO proposes funding an ergonomics program. The CFO notes that OSHA has no ergonomics standard. Which point best supports the proposal?

A. OSHA's ergonomics standard was reinstated and requires a written program at every warehouse.

B. OSHA requires employers to add a separate column for musculoskeletal disorders on the 300 log.

C. OSHA ergonomics rules apply only to warehouses and distribution centers, so the program can be limited to those sites.

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

164. Each year, business unit leaders submit headcount and labor-cost forecasts that land within a few percent of the prior year's numbers, even when new market data point to large changes. Which bias best explains the pattern?

A. Recency bias

B. Anchoring bias

C. Confirmation bias

D. Availability bias

165. After a company replaced its promote-from-within practice with external hiring for senior roles, long-tenured employees said the company had "broken its promise," although no written commitment existed. Which concept BEST explains their reaction?

A. Breach of the psychological contract

B. Cognitive dissonance

C. Breach of an implied employment contract

D. Constructive discharge

166. A CHRO is deciding which workforce metrics to move from quarterly reports to a real-time dashboard. For which type of metric does real-time data add the MOST value?

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

B. Metrics that the board reviews in depth at each quarterly meeting, such as engagement

C. Metrics that require careful statistical adjustment before use, such as pay equity regression results

D. Metrics that change slowly over years, such as workforce demographic composition

167. A CHRO is negotiating an employment offer with a candidate for chief financial officer. Which requested term should MOST clearly be escalated to the board compensation committee before the CHRO agrees?

A. Paid time off matching that of peer executives

B. A relocation package that falls within existing company policy

C. An enhanced change-in-control severance multiple

D. A start date two weeks later than planned

168. After a scenario planning workshop produces four workforce scenarios, the executive team decides to plan only for the most optimistic one, a rapid-growth scenario that they believe is most likely. The CHRO is concerned. What should the CHRO recommend?

A. Ask the team to vote on scenario probabilities and build the plan around the scenario that receives most votes.

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

C. Accept the choice but add a 10% contingency to the headcount budget so the plan can absorb any slower-than-expected growth.

D. Prepare a separate, fully detailed workforce plan for each of the four scenarios before approving any actions.

169. A CHRO is leading a decision to publish pay ranges in all job postings and to employees. Line managers fear pay-compression complaints, and the CFO worries about the cost of fixing outliers. The CEO wants the rollout in two quarters. What should the CHRO do to reach agreement on rollout terms?

A. Postpone publishing ranges until the budget can absorb a full equity correction for every affected employee

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

C. Publish wide ranges that leave room for every current salary so no remediation spending is needed before launch

D. Publish the ranges on schedule and handle any compression complaints from employees case by case as they come in

170. A CHRO adds internal mobility rate to the quarterly talent review. What does a rising internal mobility rate MOST likely indicate?

A. More managers are hoarding talent by blocking transfers out of their own departments

B. More employees are leaving voluntarily to accept promotions offered by competing organizations

C. More open roles are being filled by outside hires than by current employees each year

D. More employees are moving into new internal roles, signaling greater career opportunity

171. A fully remote company with 1,800 employees now has staff in 30 states. Audits show missed state tax registrations, outdated wage statements and inconsistent paid leave practices. What compliance governance model should the CHRO put in place?

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

B. Restrict hiring to a few states going forward and treat the existing employees in other states as exceptions to be handled later.

C. Have employees certify their own compliance with local laws in the states where they live, since they know their home states best.

D. Apply the strictest state's rules to every employee, which removes the need to track the requirements of each individual state.

172. At a professional services firm, some partners claim that hybrid employees are less productive and want to install software that tracks keystrokes and screen activity. Other partners strongly disagree. The managing partner asks the CHRO to recommend how to resolve the debate. What is the BEST response?

A. Survey partners about how productive they believe their hybrid team members are compared with in-office staff.

B. Install the monitoring software for a trial period and compare activity levels for hybrid and in-office staff.

C. Compare badge-swipe data with performance ratings to see whether office attendance relates to performance.

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

173. A company with 1,200 employees spent $14.4 million on health benefits last year. What was its per-employee-per-year (PEPY) health cost?

A. $120,000

B. $1,000

C. $1,200

D. $12,000

174. An executive openly shares information and her true thoughts and feelings with her team, admits her mistakes, and keeps her emotional displays appropriate to the setting. Which component of authentic leadership does this describe?

A. Internalized moral perspective

B. Balanced processing

C. Self-awareness

D. Relational transparency

175. After a 15% workforce reduction, engagement scores for remaining employees fell sharply, voluntary turnover among high performers rose, and many staff say they fear more cuts. What should the CHRO's enterprise plan emphasize?

A. Offer an across-the-board retention bonus to all remaining employees, payable after twelve more months of continuous service.

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

C. Run a new engagement survey every month to track recovery before deciding which specific actions are needed.

D. Publicly commit that no further reductions will take place, so remaining employees feel secure in their jobs again.

176. A CHRO forms an employee committee to choose the company's new wellness program and commits that leadership will implement whatever option the committee selects. On the IAP2 spectrum of public participation, what level of engagement is this?

A. Involve

B. Empower

C. Consult

D. Collaborate

177. A national logistics company is refreshing its employee value proposition. Survey data show frontline drivers value predictable schedules and fast pay, software engineers prioritize career growth and equity, and leaders focus on long-term incentives. The CEO prefers one uniform rewards package to keep messaging simple. What should the CHRO recommend?

A. Separate programs designed by each business unit with no common philosophy, so each can respond to its market

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

C. A single uniform package for all employees, since varying rewards by segment will be seen as unfair by staff

D. Equal percentage raises in base pay for all segments, since cash is the reward element every group values most

178. A U.S. listed company's board grants its CFO a waiver from the code of conduct's conflict-of-interest provision so he can invest in a supplier. What must the company do regarding this waiver?

A. Obtain shareholder approval of the waiver at a special meeting before it can take effect.

B. Report the waiver confidentially to the SEC and the stock exchange within 30 calendar days.

C. Disclose the waiver in the next annual proxy statement along with other related-party items.

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

179. A unionized employer wants to contract out its in-house maintenance work. The contractor's employees would perform the same work at the same plant under similar conditions, and the bargaining-unit maintenance employees would be laid off. The goal is to cut labor costs. How does the Fibreboard doctrine treat this decision?

A. It is a core management right, so only the effects on the laid-off employees must be bargained

B. It is a permissive subject, so the employer may bargain only if it chooses to do so

C. It is an illegal subject, so the parties may not bargain over it even by agreement

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

180. A global manufacturer operating in 14 countries finds that employee disputes are handled very differently by site: some use formal hearings, some rely on local managers, and outcomes for similar cases vary widely. The executive team asks the CHRO to recommend a governance model. What is the BEST recommendation?

A. Centralize all dispute resolution at headquarters so every case in every country is decided by the same corporate team

B. Outsource dispute handling to one global provider that applies a single procedure in every country

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

D. Keep dispute handling fully local, since each country's law and culture require their own approaches

181. Recruiters notice that an AI screening tool downgrades candidates with gaps of six months or more in their work history. The tool has been in use company-wide for a year. What should the CHRO do?

A. Add a question asking candidates to explain any gap, so that the tool can still score gaps while candidates give context.

B. Keep the factor but have recruiters review downgraded candidates when they have time, so strong ones are not missed.

C. Keep the factor, since employment gaps are a neutral measure that does not mention any protected characteristic.

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

182. An energy company is considering enterprise-wide investment in virtual reality training. Which combination of factors MOST strongly justifies the investment?

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

B. The content is mainly conceptual, such as company policies, and changes often from year to year.

C. Only a small number of employees need the skill, and they can practice it safely on the job now.

D. Employees have expressed interest in new technology, and two competitors have announced VR programs.

183. The CFO demands a 20% cut in the HR budget as part of an enterprise cost program. The CHRO believes some cuts would raise turnover in critical roles. What is the CHRO's BEST negotiation approach?

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

B. Accept the 20% cut across all HR programs so that the HR function is seen as a team player.

C. Counter with a 10% cut and negotiate toward a middle figure that both leaders can accept.

D. Escalate to the CEO to protect HR's budget because talent programs are critical to the strategy.

184. A U.S.-based parent company wants to announce a European restructuring to investors and all employees on the same day. The European HR director warns that the timing must be planned around works councils. Why?

A. Works councils in many countries must ratify restructuring plans by a majority vote of staff

B. Works councils in many countries must be notified only after affected employees are told

C. Works councils in many countries control the timing of all investor-related announcements

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

185. A manufacturer is considering skill-based pay, under which operators earn increases by mastering additional certified skills. Which combination of outcomes should leaders MOST expect?

A. Lower average pay, because employees are paid only for the skills used in their current job assignment

B. Greater workforce flexibility, with higher average pay and more training and certification cost

C. Lower training cost, because employees learn new skills on their own time without support

D. Less workforce flexibility, because employees will refuse tasks outside their primary job

186. Which statement BEST distinguishes objectives and key results (OKRs) from key performance indicators (KPIs)?

A. OKRs and KPIs are interchangeable terms for the same measures in a balanced scorecard

B. OKRs measure past financial results; KPIs set future goals for growth and transformation

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

D. OKRs are used only for individual employees; KPIs are used only at the enterprise level

187. A global company is consolidating HR data onto a single U.S.-hosted cloud HRIS. One of its key growth markets then enacts a law requiring employees' personal data to be stored on servers inside that country. What is the BEST strategic response?

A. Move that market's HR records into spreadsheets kept by local HR staff, outside the HRIS, to avoid the issue

B. Pause the global HRIS consolidation until every country where the company operates aligns its data rules

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

D. Keep the single U.S. instance and rely on standard contractual clauses to cover the personal data of employees in the new market

188. In Ulrich's HR competency research, which competency describes understanding the external business context and stakeholder expectations and translating them into HR and organizational actions?

A. Credible activist

B. Strategic positioner

C. Capability builder

D. Culture and change champion

189. A professional services firm loses many early-career hires within two years, and exit data show they felt their growth was too slow. Which development design is MOST likely to address this retention problem?

A. A single long-term assignment that builds deep expertise before any role change

B. An annual review that sets one promotion decision point after three full years

C. Frequent rotations with clear, visible milestones and regular development feedback

D. A self-paced e-learning library that early-career staff can access whenever they want it

190. Research on upward communication finds that subordinates often delay, soften or withhold unfavorable information from senior leaders, even when the leaders need it to make sound decisions. What is this tendency called?

A. The halo effect
B. The Pygmalion effect
C. The bystander effect
D. The mum effect

191. A company is selling a division of 1,500 employees to a private equity buyer that has no HR systems of its own. Closing is expected in four months. Which set of HR technology decisions should the CHRO prioritize?

A. Removing the division's employees from all company systems on the day the sale is announced
B. Selecting an HCM platform for the buyer and migrating all of the division's data into it before closing
C. Giving the division continued access to all company systems until the buyer requests a change
D. Data separation, a transition services agreement, payroll continuity and timing of access cut-off

192. A unionized electric utility must redesign field work to integrate smart-grid technology, changing job content for most bargaining-unit crews. The labor agreement has two years remaining, and relations with the union are stable but cautious. What approach should the CHRO recommend?

A. Form a joint labor-management committee to co-design the work while meeting bargaining duties on mandatory subjects
B. Finalize the work redesign internally, then present the completed design to the union for comment before implementation begins
C. Defer the redesign until the agreement expires so all changes can be negotiated in the next contract
D. Pilot the redesign with nonunion supervisors first, then extend it to bargaining-unit crews once proven

193. A US multinational introduces a single global gift and hospitality policy. Managers in some regions push back, arguing that long-standing business relationships should allow case-by-case exceptions. Which cultural dimension BEST explains the push-back?

A. Hall's high-context versus low-context cultures
B. Hofstede's individualism versus collectivism
C. Trompenaars' universalism versus particularism
D. Trompenaars' achievement versus ascription

194. A company competes through customer intimacy in the Treacy and Wiersema value disciplines model. Which HR approach BEST supports this strategy?

A. Empowering front-line staff and building deep knowledge of client needs
B. Standardizing roles and processes to minimize cost and variation across all units
C. Recruiting creative talent and rewarding risk-taking in developing new products
D. Rotating staff often across client accounts to spread workloads more evenly

195. Two weeks after an accounting manager at a public company reported possible revenue-recognition irregularities to the audit committee, the CEO tells the CHRO to fire her for a "bad attitude." She has no prior performance issues on record. What should the CHRO do?

A. Proceed with the termination but offer a generous severance package in exchange for a release

B. Explain the serious retaliation exposure, decline to proceed, and involve the general counsel

C. Transfer her to another team so that she no longer works with the CEO or senior finance leaders

D. Document her attitude problems over the next 90 days to build a record before any termination

196. The 68-year-old founder and CEO of a fast-growing private company refuses to discuss succession, saying it implies he is leaving. Lenders and two outside board members have raised concerns about key-person risk. What is the BEST approach for the head of HR?

A. Hire a chief operating officer with CEO potential and let the founder decide later whether to name a successor.

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

C. Build a confidential succession plan with the board and present it to the founder once it is fully complete.

D. Wait until the founder is ready, since pushing the topic may damage HR's relationship with the CEO.

197. Research on career advancement, including Sylvia Ann Hewlett's work on sponsorship, finds that having a sponsor predicts promotion into senior roles more strongly than having a mentor. What BEST explains this difference?

A. Sponsors usually work in the same function and can teach protégés the needed technical skills

B. Sponsors meet more often with protégés and give more detailed feedback on their skill gaps

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

D. Sponsors build formal training plans for protégés that are tied to the company's competencies

198. After a vice president's affair with a subordinate became public, the executive team proposes banning all romantic relationships between employees at a 6,000-person company. The CHRO believes a ban would be widely ignored and push relationships out of sight. What should the CHRO propose instead?

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

B. Apply a ban only to executives, and leave relationships among all other employees outside any policy.

C. Rely on the existing harassment policy, since consensual relationships are a private matter between adults.

D. Adopt the total ban as proposed, since it removes ambiguity and gives the company the strongest defense.

199. The board of a manufacturer is considering freezing its defined benefit pension plan to reduce funding volatility. Many long-service employees are within ten years of retirement. What should the CHRO recommend?

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

B. Implement a hard freeze immediately, since any freeze also cancels benefits that participants already accrued.

C. Terminate the plan instead of freezing it, since a freeze still leaves participants able to earn new benefits.

D. Delay any decision until all long-service employees retire, so that no current employee loses future accruals.

200. A CEO wants 50% of every employee's performance rating to be based on how well they demonstrate company values. Which concern should the CHRO raise FIRST?

A. Employees will stop working toward results entirely because values will count for more than half of their rating.

B. Values-based ratings are not permitted under federal law because they are not tied to measurable job outcomes.

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

D. Values cannot be measured in any way, so the company should keep ratings based solely on results and goals.

201. How does the triple bottom line framework differ from a traditional balanced scorecard?

A. It adds social and environmental performance as outcomes alongside economic results.

B. It replaces financial measures with employee and customer satisfaction measures.

C. It measures performance at the business-unit level rather than across the enterprise.

D. It adds a learning and growth perspective to capture leading indicators of results.

202. A distributor's sales bonuses are based only on revenue. Margins have fallen three points in two years, and analysis shows sales teams discount heavily near quarter-end to hit volume goals. What should the CHRO recommend to the executive team?

A. Keep the revenue measure but raise quotas, so that sales teams must sell more volume to earn the same bonus payout.

B. Remove bonuses from discounted deals entirely, so that sales staff receive credit only for sales made at list price.

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

D. Cap bonuses at target for the next two years, so that the incentive to discount near quarter-end is reduced without changing measures.

203. A private equity firm that bought a 900-employee company plans to replace the founder CEO within 18 months as it prepares the business for sale. The founder is beloved by employees and many senior leaders are loyal to him. What is the BEST approach for the CHRO?

A. Start an external search quietly and tell the founder only after a finalist has been chosen

B. Focus on retention bonuses for the senior leadership team before the CEO change is publicly announced

C. Ask the founder to choose his successor, since he knows the business and its people best

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

204. A company planning a reduction in force asks whether employees currently on FMLA leave may be selected. What is the correct rule?

A. They must be excluded until their leave ends and they are restored to their jobs.

B. They may be selected only after returning and working at least 30 days in their role.

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

D. They may be selected only if the company pays out their remaining weeks of leave.

205. A utility's CHRO faces deep uncertainty about how quickly grid automation and new regulation will change skill needs over the next ten years. Rather than relying on one headcount forecast, she builds four plausible futures and tests workforce strategies against each. Which statement BEST describes this technique?

A. Delphi technique, most useful for building expert consensus on one forecast

B. Scenario planning, most useful when key drivers are highly uncertain

C. Sensitivity analysis, most useful for varying one input in a fixed model

D. Trend analysis, most useful when past patterns are likely to continue

206. A company uses one AI productivity-monitoring suite for employees in the United States, Germany and Brazil, and the CHRO is harmonizing the monitoring policy. The German sites have works councils, and Brazil's data protection law applies to employee data there. What should the CHRO do?

A. Turn off the suite in Germany and Brazil, since monitoring employees is prohibited outright in both countries.

B. Activate the suite in Germany first, and consult the works councils afterward about any problems that arise.

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

D. Apply the U.S. configuration everywhere, since the software and its servers are hosted in the United States.

207. A manufacturer expects to need 150 maintenance technicians over five years, and local hiring cannot fill the openings. A nearby community college offers to partner on a training program. What should the HR leader do to make the partnership an effective talent pipeline?

A. Offer tuition reimbursement to any employee who enrolls in courses of their choice at the college.

B. Donate equipment to the college's existing program and recruit from its graduates as they become available.

C. Post technician openings on the college's job board and hold an on-campus career fair each year.

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

208. Generative AI tools are expected to change most of the work done by 800 financial analysts at an asset manager. What is the BEST enterprise approach to redesigning analyst jobs?

A. Train all analysts on the new AI tools while keeping the current analyst job designs intact

B. Reduce analyst headcount now in line with the productivity gains that the AI vendors project

C. Let each analyst adopt the AI tools freely and observe how the jobs change on their own over time

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

209. At a software company, interview notes for candidates over 50 often reject them as 'not a culture fit,' and the hiring rate for that group is well below that of younger candidates. Hiring managers say the label reflects real concerns about team dynamics. What should the CHRO do?

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

B. Remove 'culture fit' from the forms and let managers describe concerns about team dynamics in their own words.

C. Set a hiring target for candidates over 50 and require managers to meet it within each hiring cycle.

D. Accept the managers' explanations, since culture fit is a legitimate and widely used hiring factor.

210. A board member asks why the company's hotel division reports 60% annual turnover while its utility division reports 10%, and suggests copying the utility division's retention practices. What is the BEST explanation for why the figures should not be compared directly?

A. Turnover in hospitality is mainly involuntary, so the hotel rate reflects terminations rather than retention problems

B. The utility division has a unionized workforce, so its low turnover reflects the contract and not its management practices

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

D. The hotel division counts seasonal workers, so its turnover rate is inflated and should be adjusted downward by about half

211. Over six months, seven of a public company's 40 senior vice presidents have resigned. The board's compensation committee asks the CHRO to explain why, and several departures involve leaders who reported to the CEO's direct reports. How should the CHRO structure the diagnostic?

A. Have the CEO's direct reports interview their departed leaders and summarize the themes for the CHRO to present.

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

C. Survey the remaining senior vice presidents about engagement and present the anonymous results to the CEO first.

D. Analyze the HRIS data on tenure, pay position and performance ratings and present the trends at the committee's next meeting.

212. A company's lead negotiator for a large outsourcing contract receives a bonus tied to closing the deal before fiscal year-end. Senior leaders worry that the deal terms may not serve the company's long-term interests. Which risk does this arrangement create?

A. An anchoring bias, where the negotiator fixes on the vendor's first offer and adjusts too little from it

B. A winner's curse, where the negotiator wins quickly and later suspects a better deal was available

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

D. A reactive devaluation effect, where the negotiator discounts proposals simply because the vendor made them

213. Applications to a national retailer's corporate roles have tripled in a year, largely because candidates use AI tools to generate tailored resumes and apply in bulk. Recruiters say resumes now look alike and no longer separate strong candidates. What is the CHRO's BEST strategic response?

A. Limit each candidate to one application per year, so that volume returns to its earlier levels.

B. Add more resume keyword filters, so the applicant system can screen out a larger share of applicants.

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

D. Reject any application that appears to have been written with AI, using an AI-detection tool.

214. A company bought all of the stock of a unionized manufacturer, whose existing contract provides richer health benefits than the parent's unionized plants. The CEO wants one benefits plan across all sites. What is the CHRO's BEST strategy?

A. Move the acquired employees to the parent's plan once the purchase closes, since the new owner now sets all benefits.

B. Raise the parent's plants to the acquired plan's level so all employees receive the same benefits right away.

C. Wait until the acquired contract expires and then implement the parent's plan as the company's final offer.

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

215. An annual audit shows that employees over 50 received 48% of all PIPs last year, though they make up 22% of the workforce. Several terminations of older employees who failed PIPs are scheduled for next month. What should the CHRO do FIRST?

A. Rescind all open PIPs for employees over 50 to bring the rates into line with the workforce

B. Require managers to issue more PIPs to younger employees so the distribution evens out

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

D. Proceed with the scheduled terminations, because each PIP documented the employee's specific performance gaps and missed goals

216. The CHRO's analysis shows that business units in the top engagement quartile had 12% higher revenue growth than units in the bottom quartile. The CEO wants the board deck to say "engagement drives 12% more growth." What should the CHRO do?

A. Use the CEO's wording, since the difference between the top and bottom quartiles is large and consistent.

B. Use the CEO's wording but add a footnote that lists the data sources used to produce the analysis.

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

D. Remove the analysis from the deck, since correlational data should not be used to inform board decisions.

217. An engagement survey and 30 confidential interviews at a 2,500-employee company point to the CEO's practice of overruling decisions in public and bypassing his leadership team. The CEO commissioned the study and expects a briefing next week. What is the BEST way for the CHRO to deliver the findings?

A. Present the findings to the full executive team so the CEO hears the feedback with his colleagues present to confirm it.

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

C. Soften the briefing by focusing on organization-wide themes and raise the CEO-specific findings later, once trust is built.

D. Give the findings to the board chair first so that the board can decide how and when to raise the issue with the CEO.

218. An executive team overseeing nine concurrent initiatives asks HR to build a change impact heat map. What does this tool primarily show, and how do executives typically use it?

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

B. The level of support each executive sponsor has shown, used to decide which executives need coaching on active and visible sponsorship

C. The financial return of each initiative, used to rank projects and cancel those that fall below the hurdle rate

D. The engagement score of each department, used to find managers whose teams need retention interventions

219. A company and its union agree to try interest-based (mutual gains) bargaining for a contract covering 3,000 workers. Which practice is MOST consistent with principled negotiation?

A. Trading concessions issue by issue until both sides meet in the middle

B. Jointly agreeing on outside wage surveys as the standard for pay talks

C. Keeping each side's underlying concerns private to protect leverage

D. Opening with a firm package that leaves little room for concessions

220. A home services company sends employees into customers' homes. Why does negligent hiring liability strongly shape its screening policy?

A. It is liable only if a federal law required a background check for that specific job

B. It is strictly liable for any harm caused by employees, regardless of its screening

C. It is liable only if the employee was performing assigned job duties at the time the harm occurred

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

221. A manufacturer fills senior leadership succession slates using only the past three years of performance ratings. What is the main risk of this practice?

A. It favors external candidates, because internal ratings are typically lower than outside reference checks.

B. It overweights recent results, so the company should extend the review window to five years of ratings.

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

D. It underweights tenure, which is the most reliable predictor of success in senior leadership positions.

222. A company made 200 hires from a qualified pool that was 40% women. It expected about 80 women but hired 62. The standard deviation is about 6.9, so the gap of 18 is about 2.6 standard deviations. How should HR interpret this?

A. The gap is within normal chance variation, since it is less than three deviations

B. The gap proves the company intentionally discriminated against women applicants

C. The gap is not meaningful because the impact ratio for women is above 80 percent

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

223. A federal contractor's CHRO is recalibrating compliance after EO 11246 was revoked. Which statement BEST describes what remains?

A. Section 503 continues, but VEVRAA duties ended along with EO 11246 obligations

B. All federal contractor affirmative action duties ended when EO 11246 was revoked

C. Race and sex affirmative action plans continue until existing contracts expire

D. Section 503 and VEVRAA duties continue, and Title VII still bars discrimination

224. A CHRO has a list of 18 proposed HR AI use cases but budget for only about four this year. Which approach BEST prioritizes the list?

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

B. Fund the cases with the most vocal executive sponsors first, since strong sponsorship reliably predicts adoption success.

C. Fund the least expensive cases first so that the largest number of projects can be finished this year.

D. Start with the most technically advanced cases to build the company's reputation for innovation in HR.

225. A division president has delivered record profits for three years but has been the subject of six bullying complaints from direct reports, two of whom resigned. The CEO asks the CHRO for a recommendation, noting how valuable the executive is. What should the CHRO recommend?

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

B. Restructure the division so the most affected employees report to another leader and the president can keep focusing on the division's growth targets.

C. Note the complaints in the president's file and tie part of the next bonus to improved engagement survey scores in the division.

D. Assign an executive coach for six months before reviewing the complaints, since coaching is a less disruptive way to protect results.

226. A union wins a representation election 54-46. The executive team asks the CHRO how to approach first-contract negotiations. What should the CHRO recommend?

A. Delay scheduling talks to see whether support fades before the first anniversary of certification.

B. Send wage proposals directly to employees who voted no so they can pressure the union to settle.

C. Concede most of the union's early proposals quickly to rebuild goodwill with a divided workforce.

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

227. A CHRO proposes a multi-year graduate and apprenticeship pipeline for a technology services firm. Which statement BEST describes the long-term strategic trade-off?

A. It yields fast productivity gains in the first year, but most graduates leave right after they finish their training.

B. It lowers hiring costs right away, since lower entry-level wages offset the cost of the training.

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

D. It replaces the need to hire experienced people for specialized roles within the first year or two.

228. Exit interviews over six months include harassment allegations from four former employees against the same senior vice president, who reports to the CEO. What is the CHRO's BEST response?

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

B. Conduct the investigation personally within HR to keep the matter confidential and limit the number of people involved.

C. Take no action, because the employees have already left and did not file complaints while they were employed.

D. Have the CEO discuss the allegations with the SVP, since the CEO is the SVP's manager and has the authority to act.

229. The compensation committee learns that female senior vice presidents earn 12% less in base pay than male SVPs. The CEO says SVP roles differ too much to compare. What should the CHRO recommend?

A. Reduce male SVP base pay at the next cycle so that average base pay is equal across the SVP group.

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

C. Accept the CEO's view, since the Equal Pay Act does not apply to executives whose roles have different job titles.

D. Raise all female SVPs by 12% now, since the average gap proves each woman is underpaid by that amount.

230. A manufacturing plant expects to lose a large share of its most experienced operators within five years, many of whom say the lifting and repetitive motion are becoming too hard on their bodies. Replacement hiring is slow and costly, and new hires take two years to reach full productivity. What should the CHRO propose to the executive team?

A. Move all operators over age 55 into lighter inspection roles so they avoid the most demanding tasks

B. Offer an early retirement incentive so experienced operators can leave on good terms before they are injured

C. Increase the pay of experienced operators so they are willing to keep working through the physical strain

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

231. A company wants to shift from a culture where disagreements are suppressed to one where they are raised and resolved constructively. According to research on conflict cultures, what is the strongest driver of an organization's conflict culture?

A. The way senior leaders themselves handle disagreement, which employees observe and imitate

B. The individual conflict styles of employees, which combine to determine the overall culture

C. The conflict resolution procedures written into the employee handbook and grievance policy

D. The national culture of the country where the company's headquarters is located

232. A video of an employee making a slur at a weekend event goes viral, and his profile names the company as his employer. Customers are demanding that he be fired, and the CEO wants an announcement today. What should the CHRO recommend?

A. Announce the employee's termination today to show customers that the company acts decisively

B. Decline to comment publicly because the conduct occurred off duty, at a private event outside the workplace

C. Post the employee's apology on company channels and promise customers no further action

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

233. Six months after an acqui-hire, the founders of the acquired startup complain that corporate approval processes slow every product decision, and two have hinted they may leave once their retention awards vest. What is the CHRO's BEST approach?

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

B. Explain that corporate processes apply to everyone and offer coaching to help the founders adapt to the larger firm.

C. Increase the founders' retention awards and extend the vesting period so that leaving becomes more costly for them.

D. Exempt the founders' unit from all corporate processes so that the startup culture is fully protected after the deal.

234. A company has run a women-only leadership academy for eight years, and alumni hold many senior roles. A male manager files an internal complaint after being told he cannot apply. What is the CHRO's BEST redesign?

A. Keep the academy as is, since programs that help women reach senior roles are a lawful exception under Title VII rules.

B. Keep the academy for women but create a parallel program for men, so that both sexes have access to some leadership training.

C. End the academy and offer the same content as an optional online course, so that no employee is selected for development.

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

235. A fast-growing technology company's board is concerned that the annual equity burn rate has reached 4% of outstanding shares as the company uses stock grants to compete for engineers. What is the main reason boards watch burn rate?

A. New shares from grants raise the share count, which can dilute EPS

B. Stock grants push up the share price, which raises both the P/E ratio and EPS

C. Vested stock awards are booked as debt, which increases interest expense

D. Stock grants use up cash reserves at grant, which lowers earnings per share

236. An engagement survey at a 4,000-employee company shows that only 38% of employees believe they are paid fairly compared with coworkers. The CEO wants to announce that 'our pay is fair' in the next town hall. What should the CHRO recommend?

A. Give an across-the-board raise to all employees to improve perceptions before investigating any specific pay gaps.

B. Make the announcement now to reassure employees, then follow it with a pay review later in the year if needed.

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

D. Publish all employees' salaries internally so that people can see for themselves that pay is applied consistently.

237. During an asset acquisition of a unionized plant, a member of the deal team tells the seller's employees that all of them will be retained on the same terms. The company had planned to offer lower wages. What should the CHRO do?

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

B. Have the deal team member send a retraction email, then announce the lower wages as the company's final initial terms.

C. Disregard the statement, since remarks by deal team members do not legally bind the company in acquisitions of this kind.

D. Proceed with the lower wages, since a successor may always set initial terms regardless of earlier statements made to employees.

238. After a union petition at a peer company, a CEO asks the CHRO for a long-term employee relations strategy that lowers the appeal of organizing without unlawful tactics. Which approach is BEST?

A. Ask supervisors to quietly find out which employees support a union so their concerns can be addressed

B. Announce new benefits right after organizing activity starts to show the company's goodwill

C. Tell employees that unionizing would likely force the company to close the local facility

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

239. A manufacturer's strategy depends on hiring 400 engineers over two years to launch a new product line, and engineer attrition has been rising. The board asks the CHRO for more human capital metrics in its quarterly packet, and HR already tracks over 40. What should the CHRO provide?

A. A full dashboard of all 40 metrics HR tracks, grouped by HR function so directors can scan each area quickly

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

C. Headcount, HR cost per employee, and the HR-to-employee ratio, each benchmarked against peers

D. Engagement survey scores by department and the company's overall employee net promoter score

240. Counsel warns the CHRO to make sure the company's EEOC position statement is accurate and complete. Why does consistency between the position statement and later litigation positions matter?

A. Only the facts in the charge, not the employer's explanation, can be used in later litigation

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

C. A position statement can be amended freely later because the EEOC does not rely on it

D. Position statements are confidential and cannot be shown to the charging party or a court

241. A CHRO is designing a three-year communication strategy for an AI transformation affecting 20,000 employees in 11 countries. Which design is BEST?

A. A single launch event by the CEO, followed by an intranet site with answers to frequently asked questions.

B. Communication run by each country's HR lead so messages reflect local priorities without central input.

C. Monthly global emails from HR describing new tools, with the same message sent to every employee group.

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

242. A distributor reports record net income after its sales grew 40%, yet the CFO warns the company may not make payroll next quarter without a credit line. What is the MOST likely explanation?

A. Accrued payroll is paid later than it is expensed, which drains the firm's cash

B. Depreciation consumed cash at the same time that it lowered reported profit

C. Receivables and inventory grew ahead of collections, tying up cash

D. Revenue is booked only when cash is collected, which delays recognized profit

243. A refinery's safety rules bar loose clothing near rotating equipment, and an employee requests to wear religious garb that hangs loosely. When is a safety-based undue hardship defense MOST likely to succeed?

A. When the employer's insurance carrier states a general preference against granting any uniform exceptions

B. When the employer believes that any exception to a safety rule could create some future risk

C. When the employer shows that other employees would also like exceptions to the dress code

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

244. During due diligence on a competitor, the CEO asks the CHRO whether the target's leadership team can execute the post-merger growth plan. What should the CHRO do?

A. Review the target's organization charts and job titles to confirm that each senior role is filled by a named leader today.

B. Rely on the target CEO's assessment of the team, since the CEO knows each leader's strengths best.

C. Wait until after closing to assess the leaders, when full access to employee files will be available.

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

245. The CFO has selected an ERP suite that includes an HCM module, without input from HR. The CHRO is concerned that the module may not meet key HR requirements. What is the CHRO's BEST response?

A. Ask the CEO to reverse the decision so that HR can run its own HCM selection process

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

C. Accept the decision and plan to adjust HR processes to fit whatever the module supports

D. Propose buying a separate best-of-breed HCM system and building a custom integration back to the ERP

246. A global HR transformation that combines a new HRIS with regional shared services is jointly sponsored by the CEO, CFO and COO. Three months before go-live, the COO tells the steering committee he can no longer support it because the cutover overlaps his units' peak season. What should the CHRO do FIRST?

A. Put the COO's withdrawal on the next steering committee agenda so all three sponsors can settle it as a group

B. Proceed with go-live in the other functions and bring the COO's operations onto the system later

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

D. Ask the CEO, as the senior sponsor, to direct the COO to support the program as originally agreed

247. Last year, a company with an average headcount of 1,500 recorded 90 internal moves, including promotions and lateral transfers. What was its internal mobility rate?

A. 6%

B. 60%

C. 16.7%

D. 9%

248. An insurer is redesigning its customer journey so that a single team handles a claim from first notice to payment, replacing handoffs across four departments. The COO asks the CHRO to align roles with the new value chain. What should the CHRO do FIRST?

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

B. Launch customer service training for all claim staff, since the new journey depends mainly on better customer interactions.

C. Ask each department head to propose how their own team's roles should change, so that leaders own the redesign in each area.

D. Rewrite every job description in the four departments, so that employees know their new duties before the redesign launches.

249. Institutional shareholders of a public tech company object that its annual equity burn rate is well above peers and threaten to vote against the next share request. Equity is central to retaining engineers. How should the CHRO balance retention and dilution?

A. Reprice underwater options to restore their value, since this keeps engineers without using any new shares from the pool.

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

C. Request a larger share pool this year, since a bigger reserve avoids returning to shareholders for several more years.

D. Stop equity grants for all nonexecutive employees, since executive awards are what shareholders mainly focus on in votes.

250. What term describes a situation in which an organization's strategy gradually loses fit with a changing environment, often because incremental adjustments lag behind external change?

A. Competitive convergence

B. Goal displacement

C. Mission creep

D. Strategic drift

251. A company with a 401(k) plan acquires 100% of a subsidiary whose employees have no retirement plan. How do the controlled group rules affect the parent's nondiscrimination coverage testing?

A. The subsidiary's employees are excluded permanently because they work for a separate legal entity with its own EIN.

B. The subsidiary's employees count immediately, with no transition relief for the acquisition year.

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

D. The subsidiary's employees count only if they are later added to the parent's plan by amendment.

252. A company has 5,000 employees, each scheduled for 2,000 hours a year, with an unplanned absence rate of 3%. The loaded hourly labor cost is $40. What is the annual direct cost of absenteeism?

A. $12.0 million
B. $1.2 million
C. $120.0 million
D. $4.0 million

253. An HR leader is building a composite workforce health index that combines engagement, regretted turnover, internal fill rate and safety incidents. How should the weights for each component BEST be determined?

A. By how much each component changed in the company's data over the prior year
B. By each component's importance to the organization's strategic priorities
C. By giving every component equal weight so that no single metric appears favored
D. By how easily and accurately each component can be measured every quarter

254. A CHRO is building a three-year leadership pipeline plan. The company has 400 senior specialists, and transition-matrix data show that 5% of them move into manager roles each year. Next year the company expects 60 manager vacancies. Based on this internal flow alone, how many vacancies will need another source?

A. 55
B. 20
C. 340
D. 40

255. A company lacks in-house data science talent, which limits its analytics capability. A nearby university has launched a new analytics program and is seeking corporate partners for internships and capstone projects. Partnering with the university to build a talent pipeline is which TOWS strategy?

A. Strength-threat (ST)
B. Strength-opportunity (SO)
C. Weakness-threat (WT)
D. Weakness-opportunity (WO)

256. A U.S. multinational wants the interview notes from an investigation at its German subsidiary sent to headquarters in the United States. Which constraint MOST affects this transfer?

A. GDPR requires a valid transfer mechanism and limits the data to what is necessary
B. U.S. discovery rules require the notes to be sent in full to the parent company
C. Signed employee consent alone makes any transfer of the notes lawful under GDPR
D. The notes cannot leave Germany under any condition once an internal investigation has formally begun

257. Two employee groups at a utility have been in a positional standoff for months over shift assignment rules, with each side repeating its demand. The CHRO wants to apply interest-based problem solving. What is the BEST next step?

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

B. Hold separate meetings so each group can make its case without the other group present to rebut it.

C. Ask each group for its final position and have senior leaders choose the stronger one by a firm deadline next month.

D. Split the difference between the two proposals so each group gets about half of what it wanted.

258. The SEC's Dodd-Frank pay ratio rule calls for public companies covered by it to disclose a ratio in the proxy statement. What does this ratio compare?

A. The CEO's annual total compensation to that of the lowest-paid worker

B. Total pay of the top five executives to the median employee's pay

C. The CEO's base salary to the average base salary of all employees

D. The CEO's annual total compensation to that of the median employee

259. A national rollout requires 400 nonexempt technicians to fly to regional training sites, often traveling overnight. The CHRO is setting the pay policy and budget. Which policy is consistent with the FLSA?

A. Pay for training time only, since travel to a training site counts as ordinary home-to-work commuting.

B. Pay for travel time only, since required training held away from the job site counts as voluntary.

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

D. Pay for all time from leaving home until returning, including sleep and meal periods during the trip.

260. In a three-pillar HR model with HR business partners, a shared-services center and centers of excellence, which responsibility BEST belongs to an HR analytics and AI center of excellence?

A. Advising individual business-unit leaders day to day on their local staffing and workforce issues.

B. Answering tier-one employee questions through the chatbot and resolving routine ticket escalations.

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

D. Processing payroll corrections and benefits enrollment changes that automated data checks flag.

261. General counsel plans to have outside counsel investigate harassment allegations against a vice president in order to keep the work privileged. If the complainant sues, the company also plans to rely on the investigation's thoroughness as part of its affirmative defense. What trade-off should the CHRO understand?

A. Privilege protects the underlying facts, so witnesses cannot be questioned about what they observed.

B. Privilege is lost only if the company shares the final report with the employee who complained.

C. Privilege covers every investigation document, provided that outside counsel conducts the interviews.

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

262. Scholars debate whether globalization is making management practices more alike around the world. Which statement reflects the divergence view?

A. Management practices are becoming alike as companies adopt the same technologies and global standards

B. Management practices stay distinct because national cultures and institutions persist

C. Management practices follow those of the most powerful economy because firms copy the market leader

D. Management practices blend into new hybrids that combine features of the local and the foreign cultures

263. While preparing the board's annual culture report, a peer executive asks the CHRO to leave out three employee survey items on trust in senior leadership that declined sharply. The executive says the board will overreact. What is the BEST response?

A. Leave the items out this year and add them back once scores have recovered

B. Include the items only in an appendix the board is unlikely to read closely

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

D. Ask the CEO to decide which items to include, since the CEO is accountable for what the board receives

264. A manufacturing plant's total labor cost last year was $4.2 million, and it produced 210,000 units. The COO wants labor cost per unit to track against a productivity target. What is the labor cost per unit?

A. $0.05

B. $20.00

C. $200.00

D. $2.00

265. Which feature distinguishes survey feedback as an organization development intervention from simply running an engagement survey?

A. The survey is given by an external consultant to make sure responses are confidential

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

C. Results are reported to senior leadership, who then decide on enterprise-wide initiatives

D. The survey is repeated every quarter to track changes in employee attitudes over time

266. A city and its police union adopt final-offer (baseball) arbitration for contract impasses. Why does this method push both sides toward reasonable positions?

A. The arbitrator splits the difference, so both sides gain by moderating

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

C. The arbitrator may craft a new package, so offers are less important

D. The arbitrator's award is only advisory, so the parties must keep bargaining

267. An HR team in China wants to give expensive gifts to a hiring manager at a state-owned bank that is a major client. Under the FCPA, how is this bank employee likely to be treated?

A. As a private commercial party, since the bank operates as a business that sells financial services to customers

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

C. As a private party unless the government owns 100% of the enterprise's shares

D. As a foreign official only if the employee holds an elected or appointed government post

268. During a board strategy offsite, the CHRO facilitates a discussion about whether to exit a business line. She uses anonymous real-time voting on key questions before open debate begins. What is the main benefit of this approach?

A. It creates a permanent record of each member's position for later accountability

B. It ensures the final decision reflects a majority vote rather than the chair's preference

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

D. It replaces the need for deliberation by showing which option has the most support

269. The ANSI/ASIS workplace violence prevention and intervention standard is MOST closely associated with which approach?

A. A security-led response that relies mainly on guards, cameras and physical access control

B. A zero-tolerance policy that requires terminating any employee who makes any threat

C. An employee assistance program referral as the main response to concerning behavior

D. A multidisciplinary team that assesses threats and intervenes early to prevent violence

270. A global engineering firm lists open debate as a core value and expects employees to challenge ideas in meetings. Leaders at several sites in Asia and the Middle East report that employees rarely challenge senior people publicly, and some local managers see the value as disrespectful. What should the CHRO do?

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

B. Exempt the affected sites from the value until local managers have completed training on Western communication styles.

C. Drop open debate as a global value and let each region define its own values to fit local norms and avoid cultural conflict.

D. Require all sites to apply the value the same way, with debate behavior rated in every performance review to drive adoption.

271. After a spike in turnover, the COO is convinced pay is the cause. He asks HR for supporting data, dismisses exit interview themes about managers as anecdotal, and cites only the two pay-related survey items. Which bias does this pattern MOST clearly show?

A. Confirmation bias

B. Fundamental attribution error

C. Availability bias

D. Anchoring bias

272. The board's risk committee asks for metrics that show whether senior leadership is ready to manage a major crisis. Which set of measures is BEST?

A. Number of crisis policies issued and the share of staff who signed the updated employee handbook

B. Employee engagement scores, voluntary turnover rates, and time to fill open roles

C. Insurance coverage limits, cash reserves, and the company's current credit rating

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

273. An acquirer buys a representations and warranties (R&W) insurance policy for a deal. After closing, it learns of undisclosed employee discrimination claims that the seller had represented did not exist. What does R&W insurance generally cover?

A. Losses from the target's future business decisions made by the buyer's own management after closing

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

C. Any employment liability of the target, including problems the buyer identified during due diligence

D. The cost of integrating the target's HR systems, benefits plans and payroll after the deal closes

274. A consumer products company is shifting its strategy from cost leadership to product innovation. Which performance management change BEST supports smart risk-taking?

A. Lengthen the review cycle to two years so that employees have enough time to deliver results on innovative products.

B. Raise the weight of individual revenue goals so that employees focus on the new products with the highest returns.

C. Exclude any failed project from the year's review entirely so that employees do not fear any penalty for trying.

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

275. A company's CEO resigned after an investigation found that he had concealed safety violations, and the board appointed an interim CEO while it searches for a successor. Employee trust is very low, and many believe other leaders knew about the violations. What should the CHRO's first priority be?

A. Focus the interim CEO on business performance so that strong results restore employee confidence in the leadership team.

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

C. Delay major communication until the permanent CEO is named so that employees hear one consistent long-term message.

D. Launch a retention bonus program for key talent so the company keeps critical skills during the leadership transition.

276. A CHRO is localizing the company's employer value proposition. HQ messaging stresses individual achievement, personal career growth, and outsized pay for top performers. Recruiting results are lagging in several highly collectivist markets. What is the BEST approach?

A. Raise starting pay in those markets so that the offer competes without any change to the brand messaging.

B. Use identical messaging in every market so that the global employer brand stays consistent and recognizable.

C. Build a separate EVP for each collectivist market, with pillars that differ from those of the company's global brand.

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

277. An investigation shows that a staffing vendor has been underpaying overtime to temporary workers placed at the company's warehouses. The company sets those workers' schedules and supervises their daily work. What is the BEST enterprise response?

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

B. Continue with the vendor but reduce its rates to offset the company's risk of being named in a lawsuit.

C. Notify the temporary workers that the company is not responsible and refer them to the vendor's HR department.

D. Terminate the vendor immediately and hire a new staffing firm, since the wage violations are solely the vendor's legal problem.

278. A general contractor on a federally funded bridge project notices that one subcontractor's certified payrolls show identical hours and pay for every worker each week. What should the contractor's HR and compliance lead do?

A. Accept the payrolls, since each subcontractor certifies the accuracy of its own payroll

B. Withhold the subcontractor's entire contract balance until the whole project ends

C. Forward the payrolls to the DOL and take no other action until the agency responds

D. Review the payrolls, interview workers, and require correction of any underpayment

279. A data science team offers two models to predict which employees to select for a reduction in force. One is 2% more accurate but cannot explain its outputs; the other is slightly less accurate but shows which factors drove each result. Why may the explainable model be the better choice?

A. A difference in accuracy of 2% is too small to be measured reliably in workforce selection decisions

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

C. Explainable models are required by federal law for any employment decision made using AI

D. Explainable models are always less likely to show adverse impact than more complex models

280. A CHRO wants the annual engagement report broken down by every combination of race, gender, age band and job level. What is the main trade-off of this approach?

A. Intersectional cuts are more accurate in every case, but they cost more to produce than aggregate reports do.

B. Combining categories hides individual responses, but it requires employees to disclose more data in the survey.

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

D. Finer breakdowns improve statistical power, but they make the report too long and detailed for executives to read and act on quickly.

281. An enterprise software implementation is on schedule technically, but user adoption is lagging. The project plan treated training and communication as a final go-live task. Which principle from Prosci's approach would have prevented this problem?

A. Focus on training quality, since adoption depends mainly on a strong training curriculum.

B. Have HR take over change management after technical teams finish building the system.

C. Start communication only after the system design is final, to avoid confusing employees.

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

282. The audit committee of a public company asks the CHRO whether employees can report concerns without fear of retaliation. Current evidence is limited to the number of hotline calls each year. What is the BEST approach?

A. Commission an external law firm to review all hotline cases and certify to the committee that no retaliation has taken place.

B. Report that hotline volume has been stable for three years, which shows employees are comfortable raising concerns without fear.

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

D. Run a one-time campaign promoting the hotline so call volume rises, then report the increase to show the culture is improving.

283. In a risk briefing, the executive team asks what the company could face if managers mishandle FMLA leave. Which statement is accurate?

A. Remedies include lost pay and interest, but liquidated damages apply only to public employers.

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

C. Remedies are limited to reinstatement and back pay, and only the employer as an entity can be held liable.

D. Remedies include punitive damages, but only after the employee files a charge with the EEOC.

284. Two similar-sized companies announce a merger of equals, and both CEOs propose serving as co-CEOs of the combined firm. Why do governance experts generally caution against this structure?

A. It doubles executive pay costs, which shareholders view as the main threat to the value of the merger.

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

C. It prevents the board from forming committees, since each committee must report to one named executive.

D. It is barred by stock exchange listing rules, which require a single chief executive to sign periodic filings.

285. Several manufacturers in a region face shortages of skilled technicians and have formed a consortium with a community college and the local workforce board. The CHRO of the largest employer is asked to take a leading role. What role will create the MOST value?

A. Represent the company at meetings while directing the talent team to continue relying on its existing sourcing channels.

B. Use the consortium mainly to identify promising students early and recruit them before other members can do so.

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

D. Fund the program financially but leave curriculum decisions to the college so the company avoids any appearance of control.

286. A company has 100 supervisors. Historically, each year 70% remain supervisors, 10% are promoted to manager, and 20% leave. Using Markov analysis and ignoring new hires and promotions into the role, how many of today's supervisors are expected to remain supervisors next year?

A. 90

B. 80

C. 30

D. 70

287. A CLO is building an enterprise curriculum architecture. What does this structure MOST typically provide?

A. A technical plan for integrating the learning platform with the HRIS and the payroll system.

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

C. A standard template that all designers use for slides, facilitator guides and participant materials.

D. A list of every course in the learning management system sorted by topic and delivery method.

288. Unsure which hybrid work policy will work best, many companies in an industry adopt the policy of a well-known competitor without testing it themselves. In institutional theory, which force does this illustrate?

A. Coercive isomorphism

B. Mimetic isomorphism

C. Resource dependence

D. Normative isomorphism

289. HR and the legal department have clashed for a year over who controls workplace investigations. Legal says HR creates litigation risk, HR says legal slows routine cases, and some complaints have sat untouched for weeks. What should the CHRO do to repair the partnership?

A. Give legal control of all investigations to end the conflict and limit the company's legal risk

B. Assert HR's ownership of all investigations, since employee relations is an HR responsibility

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

D. Escalate the dispute to the CEO and ask for a final ruling on which function owns all workplace investigations

290. A CFO is considering moving the company's workers' compensation coverage to a large-deductible program with a $500,000 per-claim deductible. What is the MAIN trade-off of this approach?

A. No change in premium but a shift of claims handling from the insurer to the state fund

B. Higher premiums in exchange for the insurer taking over all claim costs and administration

C. Lower premiums in exchange for paying losses within the deductible and posting collateral

D. Lower premiums in exchange for giving up state-mandated benefits for injured employees

291. An executive team is comparing a right-to-work state and a non-right-to-work state as locations for a new plant. What should the CHRO recommend?

A. Treat the labor environment as a minor factor, since labor law is the same in every state.

B. Choose the right-to-work location, since right-to-work laws prevent unions from organizing or bargaining at the plant.

C. Choose the non-right-to-work location, since union-security clauses guarantee stable labor costs.

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

292. A main competitor now advertises fully remote roles, and the company's offer-decline rate for software engineers has risen from 15% to 30%. The company's teams currently work three days a week in the office. What should the CHRO do?

A. Advertise the in-office requirement more prominently so candidates self-select out earlier

B. Keep the current policy and raise starting salaries for software engineers to offset it

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

D. Match the competitor immediately by making all roles fully remote to stop losing candidates

293. A company with a fully remote workforce across the United States is deciding between geographic pay differentials and a single national pay rate for each role. Which statement best describes the strategic trade-off?

A. A single national rate always lowers turnover, while geographic pay always lowers recruiting reach

B. Geographic pay must be based on cost of living, while a single rate must be based on headquarters pay

C. Geographic pay is simpler to administer, while a single rate is generally prohibited by equal pay laws

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

294. A company with employees in the EU plans to introduce software that systematically monitors employees' computer activity and builds productivity profiles. Under the GDPR, what must it do before starting?

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

B. Notify the data protection authority after launch, once the first monitoring reports are available.

C. Publish the monitoring policy on the intranet, since notice alone meets the GDPR's requirements.

D. Obtain each employee's written consent, which removes the need for any further assessment of risk.

295. A distribution company's workers' compensation costs have risen 30% in two years across its 12 warehouses, and its experience modification rate (EMR) has climbed above 1.0. What is the BEST response from the HR director?

A. Require every warehouse to repeat the same general safety training course at the start of the next quarter.

B. Switch to a different workers' compensation insurance carrier that offers a lower premium rate next year.

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

D. Raise the policy deductible so that the company's annual premium falls back to its level from two years ago.

296. For the past six quarters, overtime has been about 15% of total payroll in a company's distribution operations, and leaders have treated it as a flexible way to meet demand. How should the CHRO frame this for the executive team?

A. It shows the company is misclassifying workers, so a full FLSA audit should come before other steps.

B. It is a normal flex measure that needs no action as long as service, output and budget targets are being met.

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

D. It shows efficient labor use, since overtime avoids the benefit costs that come with added headcount.

297. A CHRO holds pre-IPO shares in an HR technology firm that the executive team is about to select as its new HCM platform vendor. She has been leading the evaluation. How should she handle the situation with the board?

A. Transfer the shares to her spouse so that she no longer holds a direct interest in the vendor

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

C. Continue leading the evaluation, since her stake is small compared with her total net worth

D. Keep leading the evaluation and disclose the holding in the selection memo after a vendor is chosen

298. After a merger, an organizational network analysis (ONA) of email and meeting metadata shows that a few mid-level employees connect otherwise separate legacy teams. Which ONA metric BEST identifies these employees?

A. Reciprocity, which measures how often a person's contacts communicate back to them

B. Network density, which measures how many possible connections in a group actually exist

C. Degree centrality, which counts how many direct connections a person has in total

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

299. A company is creating a regional marketing director role for Europe that can be based in any of four countries, and candidates are being sought from across the region. What is the MOST appropriate approach to pricing this role?

A. Use U.S. pay data for the role because the company is headquartered there, adjusting only for exchange rates

B. Average the pay data from every European country to produce a single regional rate that applies wherever the role is based

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

D. Use data only from the country with the lowest labor costs because the role can be filled from any location

300. A company is building out its enterprise risk management program. How should sustainability and social risks, such as climate exposure or labor practices in the supply chain, BEST be treated?

A. Report them only in the annual sustainability report, since their effects are mainly reputational.

B. Track them on a separate ESG register owned by the sustainability team outside the ERM process.

C. Consider them only when a regulator or major investor formally requires that they be disclosed.

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

301. The CEO of a mid-sized medical device company announces that the firm will enter the Southeast Asian market within 18 months, including a regional sales and service hub. The CEO asks the CHRO to deliver a talent plan for the expansion. What should the CHRO do FIRST?

A. Launch an employer branding campaign in the region to build awareness ahead of hiring.

B. Engage an executive search firm to begin sourcing a regional managing director now.

C. Work with leaders to define the capabilities and roles the market entry will require.

D. Survey current employees to find out who is willing to relocate to the new region.

302. A new board member tells the CHRO she wants to personally interview candidates for open plant manager positions and review their pay offers. How should the CHRO describe the appropriate division of roles?

A. The board approves all manager-level hires, while management handles hourly and professional staff hiring.

B. Directors may direct any hiring decision, since the board holds final authority over the company's affairs.

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

D. Directors may join operational hiring when they bring relevant industry expertise to the open positions.

303. A government contractor is redesigning its total rewards program. How may it meet its prevailing-wage fringe benefit obligations?

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

B. Only through cash, since benefit plans cannot count toward the fringe obligation

C. Only through benefit plans, since cash cannot substitute for required fringes

D. Through any perks, such as free parking, if their total value meets the rate

304. A company's audit finds no meaningful pay gap between men and women in the same jobs, yet its overall gender pay gap is 20%. Which factor BEST explains this result?

A. The audit failed to include bonuses, which usually account for most of an organization's gender gap.

B. The overall gap uses mean pay, which is always higher than the median used in equal pay audits.

C. Men in the same jobs earn more because of merit increases that the audit treated as legitimate factors.

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

305. Under the UN Guiding Principles on Business and Human Rights, how should a company decide which human rights issues to prioritize?

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

B. By the financial and reputational risk each issue poses to the business itself and its shareholders

C. By how likely each issue is to draw enforcement action from government regulators

D. By how often stakeholders and media outlets raise each issue with the company

306. Strategic plans call for 500 engineers three years from now. The company currently employs 400 engineers, attrition is a steady 10% per year, and no hiring is assumed. About how large will the engineering gap be in three years?

A. About 160 engineers

B. About 220 engineers

C. About 208 engineers

D. About 100 engineers

307. Security leadership proposes using a screening vendor to run continuous criminal record monitoring on all current employees. What should HR advise?

A. Limit monitoring to employees that managers flag, so that FCRA rules do not apply

B. Monitor quietly and act on any new record without notifying the affected employee

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

D. Proceed without consent, since FCRA rules apply to job applicants but not to current employees

308. A CHRO at a 6,000-employee retailer reviews a proposal to require a doctor's note for every pregnancy-related accommodation request, including requests for extra water breaks or a stool at the register. Which principle BEST explains why counsel advises against the blanket requirement?

A. A doctor's note is required by the PWFA statute itself before any pregnancy accommodation can be granted

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

C. Medical documentation may be requested only after the employee has worked for 12 months

D. Requiring notes is lawful only if the same rule also covers on-the-job injury requests

309. A company's career site promotes flexibility and work-life balance, but exit interviews and online reviews say that new hires face long hours and rigid schedules, and first-year turnover is rising. What should the CHRO do?

A. Ask current employees to post positive reviews to offset the negative feedback

B. Refresh the career site with new photos and testimonials from top performers

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

D. Pause recruiting ads until the online reviews have improved on their own

310. Margins have declined for three years. Each executive blames a different cause: pricing, talent, or operations. What is the BEST approach for the CHRO?

A. Hire a consultant to recommend a restructuring based on what peer companies have done

B. Support the CEO's view, since the CEO is accountable for overall results

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

D. Launch an engagement survey, since talent problems usually drive margins

311. A consumer goods company's seven-person executive team all came up through the same company's finance and sales functions, and the new strategy depends on building a direct-to-consumer digital business. The CEO wants to hire a longtime former colleague as chief digital officer. What should the CHRO recommend?

A. Hire the CEO's former colleague, since an existing trust relationship will speed up decisions on the executive team

B. Choose the candidate whose style best fits the current team, to keep friction on the team low

C. Require a diverse slate of candidates but let the CEO choose whoever fits best after interviews

D. Define the capabilities and perspectives the team lacks for the strategy and assess candidates against them

312. A CHRO is building a board business case for a retention strategy. The company has 2,000 employees, voluntary turnover of 18%, an average salary of $70,000, and an estimated replacement cost of 50% of salary per exit. What is the annual cost of voluntary turnover?

A. $6.3 million

B. $12.6 million

C. $25.2 million

D. $18.0 million

313. Business unit leaders at a large company regularly pressure HR investigators, who report to the units' HR business partners, to close cases quickly or soften findings. What structural change would BEST protect investigator independence?

A. Have each business unit leader approve the investigation findings to ensure that they are accepted.

B. Require investigators to finish every case within 30 days to remove the reason for pressure to close.

C. Train business unit leaders on the importance of fair investigations and remind them not to interfere.

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

314. A consulting firm completed a culture diagnostic for a company and recommended a three-year transformation program. The same firm now proposes to deliver that program, which would be far larger than the diagnostic engagement. What should the CHRO do?

A. Award the work to the firm but cap its fees at the hourly rates used for the diagnostic engagement

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

C. Bar the firm from bidding, since any firm that diagnosed a problem may never be paid to implement fixes

D. Award the work to the firm, since it already knows the culture well and can begin the implementation fastest

315. A company pays $1.2 million in insurance premiums, absorbs $800,000 in retained losses, and spends $200,000 on risk management administration. Annual revenue is $400 million. What is its total cost of risk (TCOR) as a percent of revenue?

A. 0.30%

B. 0.50%

C. 0.55%

D. 0.35%

316. A company facing a cash crisis plans a temporary 10% pay cut for all salaried staff. The CEO proposes announcing the employee cuts now and deciding on executive pay later. What should the CHRO advise about sequencing?

A. Announce the staff cuts now and keep any executive pay reductions confidential

B. Exempt executives from the pay cuts to keep leaders motivated through the crisis

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

D. Announce the staff cuts first so executives can gauge employees' reaction before deciding

317. Workers' compensation costs at a 2,500-employee distribution company have risen 30% in three years, driven mainly by back injuries and long lost-time claims. The CHRO proposes a return-to-work program and new safety spending. Which plan BEST addresses these cost drivers?

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

B. Require medical documentation every week for all lost-time claims, since frequent proof will shorten time away from work.

C. Move to a carrier with a lower rate, since the rate charged per payroll dollar is the main driver of total program cost.

D. Shift to a high-deductible policy to cut premiums, and leave current claims management and safety practices as they are.

318. Why are business war-gaming simulations used to develop executives' strategic thinking?

A. They teach the financial accounting rules that executives need to understand competitors' reports.

B. They let executives test strategies against simulated competitor moves and see consequences safely.

C. They provide precise forecasts of competitor behavior that can be used directly in business planning.

D. They mainly build team spirit through competition and have little bearing on strategic decisions.

319. The CHRO is preparing a board slide on high-potential retention. Of 200 high potentials, 20 left last year, up from 8 the year before. One draft headline says "90% of high potentials retained"; another says "Losses of high potentials more than doubled." What should the CHRO do?

A. Use the losses doubled headline, since boards respond more strongly to bad news

B. Present the turnover rate on its own, without counts or comparisons, to avoid any framing of the results at all

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

D. Use the 90% retained headline, since it is accurate and keeps the board confident

320. After a merger, two former division heads both expect to lead the combined division. Each has a loyal team, and the CEO worries that whoever loses will leave and take talent along. How should the CHRO structure the selection?

A. Choose the leader from the acquiring company, since that best signals the direction of the new business

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

C. Name co-leaders of the combined division so neither leader has to lose and both teams stay engaged

D. Postpone the decision for a year so both leaders can compete on the combined division's results

321. Why should a CHRO require executive sign-off before high-risk HR AI uses, such as automated termination recommendations, are deployed?

A. It transfers legal liability for the AI's decisions from the company to the executive who signs off.

B. It satisfies a federal rule requiring a corporate officer to certify all automated employment decision tools in use.

C. It allows HR to skip ongoing monitoring, because the use has already been approved at the top.

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

322. A 10,000-employee company with hundreds of job families is choosing an enterprise appraisal method. What is the BEST choice on a cost-benefit basis?

A. Behaviorally anchored rating scales for every job family, since BARS give the most job-specific anchors

B. Management by objectives alone, since individual goals can be set for every employee in any job family without building new scales

C. A single graphic rating scale for every job, since one scale is the cheapest option to roll out and run

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

323. A hospital learns that 12 of its 90 respiratory therapists are being mobilized for a year of active duty. Which principle should guide the workforce plan?

A. Plan temporary coverage that preserves each position for reemployment when service ends.

B. Reduce the department's headcount, since it will operate with only 78 therapists for the coming year.

C. Permanently fill the positions and offer the returning therapists the next open roles.

D. Permanently fill the 12 positions, since a year-long absence is an undue hardship that ends reemployment rights.

324. Why should leaders treat trust erosion as a long-term cost when deciding whether to adopt AI monitoring of employees?

A. Lost trust immediately lowers output, so the productivity gains of monitoring are fully offset.

B. Lost trust affects only monitored employees, so its cost can be contained by limiting the scope.

C. Lost trust creates NLRA liability for any employer that monitors its employees' work activity electronically.

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

325. An organization invested $900,000 in a talent management suite. Over the first three years, it documented $450,000 in benefits each year and no further costs. What is the three-year return on investment?

A. 17%

B. 50%

C. 33%

D. 150%

326. Three weeks after a company announced it will close a regional office and consolidate into headquarters, several team leads begin proposing deals: they will hit stretch targets if their teams can stay remote, or accept the move if it is delayed a year. Which stage of the Kubler-Ross change curve does this behavior BEST reflect?

A. Anger

B. Bargaining

C. Depression

D. Denial

327. After a merger of equals, two companies with different salary structures are being combined. Employees in similar jobs are paid quite differently, and the board wants one structure within three years without a spike in turnover. What is the BEST approach for the CHRO?

A. Adopt the larger company's structure immediately and reduce the pay of employees above the new range maximums.

B. Keep both structures separate indefinitely so that no employee's pay is disrupted by the integration process.

C. Average the two structures' range midpoints for each job and move all employees to the new ranges within a year.

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

328. A union presents signed authorization cards from 65% of a 90-person unit and asks the company to recognize it voluntarily. Executives worry about setting a precedent for the company's other sites. Which consideration should drive the decision?

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

B. Whether 65% meets the two-thirds supermajority that the NLRA requires before an employer may grant voluntary recognition.

C. Whether supervisors can confirm each card by asking the signers individually if they still support the union.

D. Whether recognizing now would allow the company to set the first contract's terms without bargaining.

329. The corporate strategy team asks for unrestricted access to the HR data warehouse, including performance ratings, pay, leave and medical accommodation records, to build a productivity model. What should the CHRO do?

A. Grant full access, since the data belongs to the company and the project supports the company's business strategy

B. Deny the request, since HR data may never be used for purposes outside the HR function itself

C. Grant full access once each strategy team member signs a confidentiality agreement covering the data

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

330. A company announces that all employees must return to the office four days a week. Eight employees work fully remote as an approved ADA accommodation, and the RTO plan would end those arrangements on the same date for everyone. What position should the CHRO take?

A. Ask the eight employees to submit new medical documentation and reapply under the RTO policy.

B. Exempt the eight employees permanently so the company avoids any risk of an ADA claim over the policy.

C. Apply the RTO date to everyone, since remote work was granted when the office was closed to most staff.

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

331. A U.S.-headquartered company has a sales subsidiary and staff in London. A third-party agent the company uses in Asia bribes a government official to win a contract for the U.S. parent. When can the parent face liability under the UK Bribery Act's failure-to-prevent offense?

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

B. Only when the contract obtained through the bribe is performed in the United Kingdom

C. Only when a UK-based director of the company approved the payment or knew that it was being made

D. Only when the bribe was paid in the UK or by a person who is a British citizen or resident

332. Business units face a new ERP system, a reorganization, and a new performance management system, all scheduled for the same year. Survey data show rising change fatigue. What should the CHRO recommend to the executive team?

A. Proceed on schedule and add resilience training to help employees cope with it

B. Let each business unit choose which initiatives it will implement this year

C. Prioritize and sequence the initiatives by strategic value and each unit's capacity

D. Cancel the performance system, since it appears to be the least urgent of the three initiatives

333. Two years into a hybrid model, a company's data shows that fully remote employees are promoted at about half the rate of employees who come to the office most days, with similar performance ratings. Which remedy is MOST likely to address the root cause?

A. Set promotion quotas so that remote employees receive the same share of promotions as office workers.

B. Use structured promotion criteria based on outcomes and review promotion decisions for proximity bias.

C. Require employees who want to be considered for promotion to work in the office at least three days a week.

D. Offer remote employees extra training on how to build visibility with senior leaders in virtual settings.

334. The COO doubts that employee engagement affects results and asks the CHRO for proof before funding engagement initiatives across 150 stores. What is the CHRO's BEST analytic approach?

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

B. Compare this year's company-wide engagement score with last year's total revenue growth

C. Share published research showing that companies with engaged workforces outperform peers

D. Survey store managers on whether they believe engagement improves results

335. A CHRO wants to find where in the career path a group's share of the workforce drops sharply between entry level and senior leadership. Which analysis BEST pinpoints these points?

A. Compare the group's share of senior leaders with the share at peer companies.

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

C. Compare the group's total share of the workforce with its share of the labor market.

D. Compare the group's engagement scores with the company average on the annual survey.

336. A board asks the CHRO to help draft an emergency CEO succession plan in case the CEO is suddenly unable to serve. Which elements are ESSENTIAL to that plan?

A. A development plan for each internal candidate and a target date for the next CEO

B. A ranked slate of external candidates, a search firm on retainer, and a job profile

C. Key-person life insurance, an executive severance plan, and a press release template

D. A named interim leader, a board decision process, and a communication protocol

337. A distributor is profitable but short on cash because customers are paying more slowly. The CEO proposes delaying the merit increases promised for April by six months. Turnover in warehouse and sales roles is already above industry norms. What is the CHRO's BEST response?

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

B. Oppose any deferral, since breaking the April commitment would damage trust more than any cash shortfall could hurt.

C. Replace the merit increases with a one-time bonus paid next year, since a bonus adds no permanent cost to the payroll.

D. Support the deferral as proposed, since protecting cash is the priority and employees will understand a temporary delay.

338. A company shifted to hybrid work and cut its office space by 40%, saving $6 million a year. The CFO wants to cut another 20%. Which evidence should the CHRO MOST want before that decision?

A. Badge-swipe data showing average daily occupancy across all remaining offices

B. Employee survey results on how many in-office days employees would prefer

C. A comparison of the company's square footage per employee with that of industry peers

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

339. A board adds sustainability metrics to its executives' annual incentive plan. Investors question whether the goals will be measured credibly. What should the CHRO recommend?

A. Limit the sustainability portion of the plan to a small weight so measurement errors have only a minor effect.

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

C. Let the CEO rate each executive's sustainability progress at year-end using a broad set of qualitative factors.

D. Pay the sustainability portion at target for all executives so that the metric cannot be manipulated by anyone.

340. A newly formed virtual project team with members who have never met begins working together productively within days. Which concept explains this?

A. Swift trust, based on assumptions about members' roles and competence

B. Identification-based trust, rooted in shared values and close personal bonds

C. Calculus-based trust, grounded in consequences for breaking commitments over time

D. Knowledge-based trust, built through a long history of shared experience

341. What is the main strategic advantage of selective HR outsourcing compared with comprehensive HR outsourcing?

A. The company gains greater economies of scale because a single vendor handles all work

B. The company simplifies vendor management because it relies on only one provider

C. The company keeps direct control of strategic and culture-critical HR activities

D. The company avoids the need to maintain any internal HR expertise or governance staff

342. A software company plans to grow from 500 to 1,000 employees within a year. Leaders fear that culture and productivity will erode as new hires arrive. What should the CHRO do?

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

B. Outsource onboarding to an agency so HR can stay focused on hitting the year's hiring targets.

C. Slow hiring to the pace HR can support, even if the company misses its growth targets for the year.

D. Have the founders interview every candidate personally so that the culture is protected at the point of hiring.

343. An ADA lawsuit challenged a 4,000-employee company's policy of automatically terminating employees after 12 months of leave. The company settled and must redesign its approach. What enterprise redesign should the CHRO lead?

A. Allow unlimited leave for employees with disabilities, so the company never has to decide on termination after leave.

B. Keep the 12-month limit but add a statement that exceptions may be considered when employees ask for more leave.

C. Shorten the maximum leave period to six months, so fewer employees reach the point where termination becomes a legal issue.

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

344. Edstrom and Galbraith identified three main reasons multinationals transfer managers internationally. Which set lists them?

A. Control, coordination and localization of foreign subsidiary operations

B. Recruitment, compensation and performance management of global staff

C. Cost reduction, knowledge transfer and entry into new foreign markets

D. Position filling, management development and organizational development

345. Total voluntary turnover cost is part of a CHRO's business case. Last year, 12 regretted exits occurred among employees earning an average of $95,000, and the company uses a replacement cost multiplier of 1.5 times salary. What was the estimated cost of these regretted exits?

A. $1,140,000

B. $1,710,000

C. $570,000

D. $2,850,000

346. The CFO of a 9,000-employee company asks the CHRO to cut spending on outside workplace investigators by half next year. Outside firms currently handle about 40 cases a year, including all allegations against vice presidents and above. What is the BEST response?

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

B. Decline the cut, explaining that outside investigations are needed to defend every employment claim.

C. Agree to the cut by capping outside investigators' billable hours on every case at half of the current average.

D. Bring all investigations in-house next year and use the savings to hire two more HR generalists.

347. The general counsel wants to disclose as little as possible about how AI is used in employee evaluations, citing litigation risk. Business leaders want broad transparency to build trust. The CEO asks the CHRO to resolve the conflict. What should the CHRO do?

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

B. Side with the general counsel, since legal risk outweighs trust concerns in every disclosure decision.

C. Ask each side to draft its own version and let employees vote on the disclosure statement they prefer.

D. Side with the business leaders, since transparency is a core value that should override legal advice.

348. Three years after a difficult negotiation, a CHRO wants to rebuild trust with the union before the next round. Which activity most shapes the labor-management relationship between negotiations?

A. How supervisors and HR administer the contract day to day

B. How often executives meet with national union leaders

C. How the company publicizes its labor record to analysts and investors

D. How the company words its final offer in the next round

349. A company runs separate payroll, benefits, learning and applicant tracking platforms, and each holds a slightly different version of the same employee's name, job code and hire date. Which discipline is designed to establish one authoritative employee record across these systems?

A. Data warehousing

B. Master data management

C. Data loss prevention

D. Robotic process automation

350. Employees know the company completed a pay equity review, and rumors say it found problems. The analysis confirmed unexplained gaps affecting 300 employees, and leadership has approved funding to correct them. What is the BEST way for the CHRO to repair workforce trust?

A. Make the adjustments quietly in the next paycheck without any broader communication to staff

B. Hold the adjustments until the annual merit cycle so the changes blend in with other scheduled raises

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

D. Publish every employee's salary so the workforce can verify for itself that pay is now fair

351. A company with operations in 30 countries will roll out a new performance management system and wants to pilot it in one region first. Which region is the BEST choice for the pilot?

A. The region with the strictest works-council rules, to test the hardest case first

B. A representative region with supportive leaders and moderate legal complexity

C. The region with the most employees, to maximize the pilot's early impact

D. The home-country region, because the designers of the system work there

352. A company is building a balanced scorecard. Which set of HR metrics belongs in the learning-and-growth perspective?

A. Employee skill readiness, strategic-role coverage, and engagement

B. Customer satisfaction scores, Net Promoter Score, and customer retention

C. Cycle time, error rates, and on-time delivery in core processes

D. Revenue per employee, labor cost ratio, and human capital ROI

353. A manufacturer relies on a staffing agency for 300 warehouse workers. Site managers have begun issuing written warnings to agency workers and deciding which ones the agency should remove. From an enterprise risk perspective, why should the CHRO change this practice?

A. Agency workers are not covered by anti-discrimination laws, so site discipline creates no added risk exposure.

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

C. Staffing agreements legally prohibit host employers from giving agency workers any feedback at all on the quality of their work.

D. Written warnings to agency workers automatically convert them into the company's own regular employees.

354. An audit committee asks why a technical FCRA violation in the hiring process can create large financial exposure. What is the BEST explanation?

A. Willful violations allow up to $10,000 per person in damages, with attorney fees capped

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

C. Every violation carries a mandatory criminal penalty for the company's senior officers

D. Negligent violations carry a fixed $1,000 fine per applicant that is payable to the FTC

355. A U.S. executive is preparing to negotiate a joint venture with a partner from a high-context culture. How should the negotiation strategy change?

A. Put every position in explicit writing early to avoid misunderstanding

B. Press for quick decisions on each issue to show respect for their time

C. Invest time in relationships and attend closely to indirect and nonverbal cues

D. Rely on detailed written proposals and keep relationship-building time brief and businesslike

356. An executive team is drafting a strategic objective to make the company more resilient. Which capability BEST defines organizational resilience?

A. The ability to keep employee morale and engagement high during periods of organizational change

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

C. The ability to restore IT systems within the recovery time objectives set in the continuity plan

D. The ability to prevent all major disruptions through strong internal controls and redundancy

357. A U.S.-based multinational employs staff in Germany, Brazil and Japan. Which of these employees working abroad are generally protected by Title VII, the ADA and the ADEA?

A. Only U.S. citizens on temporary assignments of less than one year who remain on the U.S. home-country payroll.

B. All employees of a U.S. employer working abroad, regardless of their citizenship or their country of residence.

C. Any employee abroad whose job duties are managed and directed by a supervisor located in the United States.

D. U.S. citizens employed abroad by a U.S. employer or by a foreign company that a U.S. employer controls.

358. A researcher distinguishes leadership exercised by a plant supervisor from the leadership exercised by a company's top executives. Under Hambrick's view of strategic leadership, what sets the executives' leadership apart?

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

B. It is leadership through personal charisma, inspiring followers to exceed expectations.

C. It is leadership through formal authority, using rewards and sanctions to gain compliance.

D. It is leadership within a single unit, focused on motivating a team toward that unit's own goals.

359. A shooting at a distribution center leaves several employees dead or critically injured. Families are calling the main switchboard, and reporters are gathering at the gate. What should the CHRO set up?

A. Release the names of the victims to the media so families can learn the news quickly

B. Email each family a status update as soon as the company's own list of victims is compiled

C. Refer all family calls to the EAP vendor until the authorities finish the investigation

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

360. A nonunion company is considering adding a peer review panel of trained employees and managers to hear disputed terminations. What is the PRIMARY strategic benefit?

A. It bars employees from later filing EEOC charges about terminations the panel has upheld

B. It shifts all legal liability for termination decisions from the company to the panel

C. It lets the company avoid documenting termination reasons, because the panel decides them independently

D. It strengthens perceived fairness and voice, resolving disputes before they become claims

361. A company's eNPS, measured on a random sample of 400 employees each year, fell from +15 to +5. The board meets next week, and one director has already called the drop a crisis. Each year's eNPS estimate has a margin of error of about plus or minus 8 points at 95% confidence. What should the CHRO do?

A. Report that eNPS fell by about 67%, since the percentage change conveys the size of the decline more clearly to the board.

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

C. Report nothing on eNPS until a full census can be run, since a sample of 400 cannot provide meaningful information.

D. Report a significant 10-point decline, since the drop is larger than the 8-point margin of error attached to a single year's estimate.

362. Why must an organization's reward systems reinforce the behaviors taught in training?

A. Reward alignment ensures that employees remember the training content for a longer period of time.

B. Reward systems determine whether employees are eligible to attend training programs in the first place.

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

D. Reward alignment is legally required whenever an employer pays for training during work hours.

363. A bank projects that it will need 140 data analysts in two years. It has 90 today and expects to lose 15 of them to attrition over that period. How many data analysts must the bank hire or develop to meet the projected need?

A. 50, because 140 needed minus the 90 analysts on staff today is 50

B. 75, because 90 analysts today minus 15 lost to attrition is 75

C. 35, because the gap of 50 minus 15 lost to attrition leaves 35

D. 65, because 140 minus the 75 analysts expected to remain is 65

364. To save costs, the CEO proposes eliminating the company's two-person ombuds office. The CHRO believes the office prevents larger problems. What is the CHRO's MOST persuasive argument?

A. Cite the confidential nature of ombuds work as the reason the office's value cannot be measured in dollars.

B. Stress that ombuds offices are a recognized best practice and that eliminating one could worry employees and managers.

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

D. Offer to shift the ombuds role to HR business partners so the company keeps the service at a lower cost.

365. The CEO of a regional bank with 6,000 employees wants to shift the entire culture from hierarchy to adhocracy to speed digital innovation. The bank operates under heavy regulatory oversight, and its risk and compliance functions depend on tight controls. What is the CHRO's BEST advice?

A. Shift the whole bank to a market culture, since a focus on results and competition will drive innovation more safely.

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

C. Keep the hierarchy culture unchanged across the bank, since regulators expect strict controls and innovation adds risk.

D. Move the whole bank to adhocracy at once, since a partial shift sends mixed signals and slows the innovation the CEO wants.

366. A company plans a 15% workforce reduction across its operations in the United States, Canada and France. The CEO wants to announce all cuts globally on the same day next month. What should the CHRO recommend?

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

B. Delay the French cuts indefinitely and complete the U.S. and Canadian reductions on the original date.

C. Announce all cuts on the same day as planned and handle each country's legal steps after the news is out.

D. Follow U.S. WARN Act notice timelines at every site, since they are the strictest notice rules that apply in all three countries.

367. A board's people committee receives 40 workforce metrics each quarter. Why should it agree in advance on tolerance thresholds, such as succession coverage below 60% for critical roles, that trigger escalation?

A. Thresholds remove the need for management to report the underlying raw metrics.

B. Thresholds let the board delegate oversight of human capital risk entirely to HR.

C. Thresholds ensure the metrics satisfy the SEC's human capital disclosure rules.

D. Thresholds link metrics to risk appetite and make clear when action is required.

368. A public company has had inconsistent messages during recent restructurings because HR, legal, corporate communications and investor relations each acted on their own. The CHRO proposes a communication council for sensitive announcements. What should the CHRO define FIRST?

A. A single spokesperson from HR who will deliver every sensitive announcement

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

C. A rule that legal must draft all messages so that no statement creates exposure

D. A goal of releasing all sensitive announcements more quickly than the company's main competitors

369. A CHRO plans a war-gaming session in which executives role-play how two major competitors might react if the company launches an aggressive campaign to recruit their top engineers. What is the main purpose of this exercise?

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

B. To build consensus among the executive team so that the recruiting campaign can be approved without any further review

C. To produce a precise forecast of how many engineers the company will be able to hire from each competitor

D. To gather competitors' confidential salary data so that the company can set offers just above market rates

370. The CEO of a services firm wants to shift pay from 95% fixed to 80% fixed across the workforce so that labor costs fall automatically when results weaken. Most roles below the director level have little direct influence on company profit. What should the CHRO emphasize in designing the change?

A. Apply the shift only to new hires, since current employees are protected from pay structure changes by federal law.

B. Let each manager set bonus amounts at year end, since discretion lets managers reward the people who contributed most.

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

D. Cut base pay by 15% for all roles and fund a company-profit bonus, since one plan keeps the design simple and fair to all.

371. An electronics firm's strategy team cites the 'smile curve' when reviewing where to invest in talent. What does the smile curve suggest?

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

B. Value is spread evenly across the chain, so talent investment should be allocated in proportion to headcount.

C. Assembly and manufacturing tend to capture the most value, so the deepest talent investment belongs in production.

D. Value rises steadily from R&D to after-sales service, so customer service roles should receive the most investment.

372. A CHRO wants a company-wide pay equity analysis. The general counsel worries that any gaps found could become evidence in a future discrimination lawsuit. What is the BEST way to proceed?

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

B. Run the study in HR without legal input but keep only summary-level results in the files.

C. Wait until a pay complaint is filed so that any analysis is clearly performed in defense of a legal claim.

D. Skip the study and give all women and minority employees the same across-the-board raise instead.

373. A national insurer expects automation to eliminate about 30% of claims processing tasks over the next three years. The CEO asks the CHRO to present a workforce strategy to the board. What should the CHRO present?

A. A plan that lets each claims manager decide how to handle the task changes in his or her own unit

B. A hiring freeze in claims now, followed by one reduction in force once the automation is fully live

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

D. A public, company-wide no-layoff pledge so that employees support the automation rollout without fear or resistance

374. The CEO of a 12,000-employee retailer wants AI resume screening rolled out in every region next quarter to cut recruiting costs. Several regions already use AI tools that HR did not approve. What should the CHRO do FIRST to put governance in place?

A. Ban all AI tools in hiring until the federal government issues a final AI hiring regulation

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

C. Pick the best-rated vendor and require every region to switch to it before next quarter

D. Have each regional HR leader certify in writing that its current tools are free of bias

375. A manufacturer's board wants to end retiree medical coverage for current and future retirees to cut a large accounting liability. Several long-tenured employees say managers told them for years that they would have coverage "for life." The SPDs were written by different administrators over 25 years. What should the CHRO do FIRST?

A. Keep coverage for retirees who can show a written promise and end it for all other retirees.

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

C. Announce the end of coverage at once, since retiree welfare benefits generally do not vest under ERISA.

D. Survey current retirees about the change before deciding whether to keep, reduce or end the plan.

376. The board must approve a three-year contract covering 800 employees who average $30 per hour and work 2,080 hours a year. Wage increases are 3% in year one, 3% in year two and 2.5% in year three, compounded. What is the year-three annual wage cost, to the nearest dollar?

A. $54,284,131
B. $54,163,200
C. $52,960,128
D. $54,548,932

377. An automaker's shift to electric vehicles will make about 2,000 engine-assembly jobs obsolete over five years. The CHRO is asked to lead the workforce response. What is the BEST first step?

A. Offer all engine workers a general online course catalog on electric vehicle topics.
B. Begin layoffs in phases now so the company can hire EV-ready workers from the market.
C. Freeze hiring in engine plants and let normal attrition shrink the workforce over time.
D. Map current workers' skills against future EV roles to set reskilling paths and gaps.

378. Hotline reports at a 12,000-employee company are far below industry benchmarks. The general counsel believes employees fear retaliation, and several exit interviews describe managers who 'punish complainers.' What is the BEST action for the CHRO?

A. Relaunch the hotline with a new vendor and a campaign that stresses anonymous reporting.
B. Hold managers accountable for retaliation and show employees how reports led to real action.
C. Add a hotline-volume target to every manager's annual scorecard so that reports rise to the benchmark.
D. Issue a CEO memo restating the anti-retaliation policy and asking employees to speak up.

379. An airline plans to create a wholly owned subsidiary to perform ground handling at 40 airports, staffed with new hires. Executives assume organizing would happen airport by airport under the NLRA. What should the CHRO advise?

A. The subsidiary would fall under the NLRA, since ground handling is not flight work and each airport would be a separate unit.
B. The subsidiary would fall under both laws, letting employees choose whether to organize under the NLRA or the RLA at each site.
C. The subsidiary would likely fall under the Railway Labor Act, where organizing covers a systemwide craft or class.
D. The subsidiary would fall outside both laws, since a new company staffed with new hires has no prior bargaining history.

380. A U.S. company is acquiring a firm in the Netherlands. Early meetings show the Dutch team expects open debate and consensus-building, while the U.S. team is more top-down and fast-moving. The CHRO plans to use a cultural framework, such as Hofstede's dimensions or Meyer's Culture Map, in integration planning. How should the framework be used?

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

B. To show the acquired firm which of its cultural practices should be replaced by the buyer's practices

C. To assign each employee a cultural score that determines which roles they should hold after the deal closes

D. To confirm that the two national cultures are similar enough that no special integration is needed

381. A CHRO is starting an enterprise HR technology change and is following Kotter's model. Why should a cross-functional guiding coalition of influential leaders be formed early?

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

B. It lets HR hand ownership of the change to business leaders so that HR can focus on system configuration.

C. It ensures that every employee group gets a vote on whether the change should move forward at all.

D. It removes the need to create a sense of urgency, since leaders can simply direct employees to adopt.

382. A self-funded employer stops relying on carrier network discounts and instead pays hospitals a fixed percentage above Medicare rates for each service. What is this approach called?

A. Bundled payment contracting

B. Reference-based pricing

C. Narrow network contracting

D. Capitated payment arrangement

383. A company's enterprise voluntary turnover rate is stable at 11%, close to its industry benchmark. Why might segmenting the data by role criticality change the CHRO's assessment?

A. Turnover could be concentrated in critical roles where each loss costs the most.

B. Segmenting raises statistical power compared with analyzing enterprise totals.

C. Critical roles nearly always have higher turnover than other roles in a company.

D. Segmenting by role removes the need to benchmark turnover against industry peers.

384. Under which set of conditions is a matrix structure MOST likely to succeed?

A. Strong dual pressures, shared information systems, and norms for resolving conflict

B. Independent business units with separate systems and few shared resources

C. Inexperienced managers, unclear priorities, and a need for faster approvals

D. A single dominant product line, stable markets, and centralized decision-making at headquarters

385. A manufacturer has just settled a six-week strike. The new contract runs four years, but supervisors and union stewards are barely speaking, and grievances have tripled. What should the CHRO's long-term relationship strategy focus on?

A. Replace the supervisors who were most involved in the strike so the relationship can start over

B. Communicate directly with employees about working conditions and contract changes, bypassing the union

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

D. Keep contact with the union to formal grievance steps until the contract comes up for renewal

386. A company's annual labor spending is $40 million for employees, $12 million for contingent workers and $8 million for outsourced services. What percentage of its total cost of workforce is spent on non-employee labor?

A. 33%

B. 20%

C. 23%

D. 50%

387. Which set of principles BEST reflects sound governance of employee demographic data used in people analytics?

A. Mandatory collection, open access for all managers and indefinite retention for trends

B. Broad collection of all available data, with access open to the whole HR department

C. Voluntary collection, purpose limitation, data minimization and role-based access

D. Collection through manager observation, storage in personnel files and annual review

388. A manufacturer is rolling out a new emergency evacuation plan across 30 sites, and the CHRO wants employees who may need help evacuating to be identified in advance. Site managers worry that sharing this information with floor wardens will breach ADA confidentiality rules. Which principle should guide the policy?

A. The ADA requires every employee to disclose any condition that could affect evacuation during onboarding.

B. The ADA allows the information to be shared with all coworkers on the same shift so that anyone nearby can assist.

C. The ADA bars any disclosure of disability information unless the employee signs a written release each time.

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

389. A company covered by the federal WARN Act plans to close a plant with 300 employees in four months. The CEO asks the CHRO to wait until 30 days before the closing to tell employees, to avoid early resignations. What is the CHRO's BEST response?

A. Agree to the delay as long as the state dislocated worker unit and local officials are notified 60 days ahead.

B. Agree to the delay and plan to pay employees for the 30 days of notice they will not receive.

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

D. Agree to the delay but tell employees informally through managers 60 days before closing.

390. A CEO wants the annual report to show how the company's workforce, along with its financial and other resources, creates value over time. Which reporting concept fits this goal?

A. Integrated reporting, which explains value creation across multiple capitals, including human capital.

B. Segment reporting, which breaks financial results into business units and geographic regions.

C. Sustainability reporting, which focuses mainly on the company's environmental emissions and energy use data.

D. Management's discussion and analysis, which explains changes in operating results and liquidity.

391. In the Kirkpatrick Model, what does building a chain of evidence mean when demonstrating a program's value to executives?

A. Collecting results data at Level 4 only, since executives care only about business outcomes

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

C. Calculating a monetary ROI to convert each level's findings into financial terms

D. Gathering reaction surveys from every participant to document widespread program support

392. A company will close a plant that employs 600 people and is the largest employer in a small town. The communications and government relations teams are each drafting their own announcements. What should the CHRO do?

A. Notify only the affected employees and avoid broader community outreach to limit media attention and public criticism of the closure.

B. Let the communications team brief the media first so the company controls the public story before word spreads locally.

C. Delegate all messaging to the plant manager, since local leaders know the community and its officials best.

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

393. A senior vice president's political posts on a personal social media account lead customers to threaten a boycott. The CEO asks the CHRO whether the company can or should act. What is the BEST advice?

A. Take no action, since employees' personal political speech outside work is protected from any employer discipline under the First Amendment.

B. Terminate the senior vice president immediately, since managers are not protected by the NLRA and customer threats justify quick action.

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

D. Require the senior vice president to issue a public apology drafted by communications, without reviewing the content of the posts.

394. A CHRO is comparing two ways to add AI to talent acquisition: a multiyear SaaS subscription to a vendor's AI recruiting platform, or a model built in-house by the company's own engineers. When presenting the options to the CFO, which budgeting distinction should the CHRO highlight?

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

B. Subscription fees are capitalized up front as a long-term asset on the balance sheet, while in-house build costs are expensed as incurred.

C. Both options are treated the same way, since accounting rules classify every AI tool as an intangible asset.

D. Subscription fees are depreciated like equipment, while in-house build costs are recorded as prepaid expenses.

395. Over the past year, offer acceptance rates have fallen in every business unit and job family, and declining candidates often cite pay and benefits. What does this MOST likely signal to leadership?

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

B. Candidate pools have become less qualified across all of the company's job families and locations

C. Hiring managers in every unit are taking too long to interview candidates

D. Recruiters in several units are poorly trained at closing candidates on offers

396. The CEO wants the CHRO to support a large retention grant for the CEO's own leadership team, while the board chair privately tells the CHRO the grant is excessive and asks for an independent view. The compensation committee meets next month. What is the CHRO's MOST appropriate role?

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

B. Decline to participate, since being involved in a dispute between the CEO and the chair would compromise the CHRO.

C. Side with the board chair, since the board has final authority over executive pay and the CHRO must follow its lead on the grant.

D. Side with the CEO publicly, since the CHRO reports to the CEO and must support management's position to the board.

397. Before approving a new enterprise-wide system rollout, the executive committee asks HR to map all current change initiatives by business unit. Why is tracking change load across units important?

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

B. Mapping initiatives allows HR to assign the same change manager to every project

C. Units with the most initiatives are the most innovative and should receive more change

D. Each unit is legally required to receive equal advance change notice before any system rollout begins

398. A professional services firm wants to move from a hierarchical, risk-averse culture to one that values collaboration and experimentation over a three- to five-year period. The CEO asks the CHRO how to engage the workforce. What should the CHRO recommend?

A. Revise HR policies to reflect the new values and rely on policy compliance and audits to change daily behavior.

B. Have an outside consulting firm design the new culture and present the finished model to employees.

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

D. Issue a CEO memo announcing the new values and requiring every manager to adopt them by year end.

399. After a budget cut, a CHRO can fund either a premium survey platform with advanced analytics or a manager coaching program on acting on team feedback. Which reasoning BEST supports the choice?

A. Fund the survey platform, because better measurement must always come before any investment in changing how managers behave with teams.

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

C. Fund whichever option the survey vendor recommends, since vendors have the broadest view of engagement practices.

D. Fund neither option this year and wait until the full budget returns so both can be done at the same time.

400. An HR analytics vendor asks to use the company's employee data, including performance and compensation records, to improve its models for all of its clients, and offers a price discount in return. What position should the CHRO take?

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

B. Agree if the vendor signs a confidentiality agreement covering the data it shares with its other clients

C. Agree, since the vendor already processes the data and wider use by the vendor creates no meaningful new risk

D. Agree for former employees' records only, since data on people who have left is no longer protected