SUMMIT
STUDY GUIDES

SHRM-SCP

Practice Questions

Set 7

Answer Key & Explanations

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

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

Summit Study Guides

summitstudyguides.com

SUMMIT
STUDY GUIDES

Copyright © 2026 Summit Study Guides. All rights reserved.

This practice set is licensed for the personal study use of the purchaser. No part of it may be copied, reproduced, shared, resold, uploaded to any website or file-sharing service, or used to train or build any product without prior written permission from Summit Study Guides. Brief quotations for review purposes are permitted with attribution.

Trademark Notice

SHRM, SHRM-CP, SHRM-SCP and SHRM BASK are registered trademarks of the Society for Human Resource Management (SHRM). Summit Study Guides is an independent publisher and is not affiliated with, sponsored by or endorsed by SHRM. The questions in this set are original practice items written to reflect the published SHRM Body of Applied Skills and Knowledge; they are not actual exam questions and do not come from any SHRM examination.

Disclaimer

This material is provided for educational and exam-preparation purposes only. It is not legal, tax, financial or professional advice and should not be relied on for decisions about real workplace situations. Employment laws, regulations and agency guidance change frequently and vary by jurisdiction. The content was reviewed for accuracy as of October 2026, but no warranty of any kind is made as to its completeness, accuracy or continued currency. Consult a qualified professional or legal counsel before acting on any information in this set.

Using these practice questions does not guarantee that you will pass the SHRM-SCP exam or any other examination. By using this set, you agree that Summit Study Guides and its authors are not liable for any loss, damage or outcome, direct or indirect, arising from its use, including from any errors, omissions or inaccuracies.

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 7 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: C — The payment could violate U.S. sanctions if the attackers are tied to a sanctioned person or country.

The Treasury Department's Office of Foreign Assets Control (OFAC) has warned that ransom payments to sanctioned persons or jurisdictions can violate sanctions rules, and liability can apply even if the company did not know who the recipient was. Paying a ransom is not illegal in itself under federal law, so the blanket-crime choice overstates the rule. Many cyber policies actually cover ransom payments, subject to sanctions compliance.

2. Answer: C — When the payments equal or exceed three times the executive's base amount, generally the five-year average pay.

Under Section 280G, payments contingent on a change in control are parachute payments that become excess when their total reaches three times the base amount, which is generally the average annual taxable compensation over the five prior years. The amount above one times the base amount then faces a 20% excise tax for the executive and loses the company's deduction. The two-times multiple and the $1 million limit come from other contexts.

3. Answer: C — Announce with investors, state plainly what is still undecided, and commit to a schedule of regular updates.

Employees will learn of a public merger from the news anyway, so silence or selective briefing creates rumor and erodes trust. The credible approach is to communicate promptly, be candid about what is not yet known, and set a predictable update cadence. Reassuring employees that nothing will change is tempting, but it makes a promise leadership cannot yet keep and turns into a broken commitment if roles later change.

4. Answer: A — 2.0%

Learning investment as a percentage of payroll = learning spend / payroll = $2.4M / $120M = 0.02, or 2.0%. The 0.2% and 20% figures are decimal-place errors. The 5.0% figure comes from inverting the ratio ($120M / $2.4M = 50) and misreading the result.

5. Answer: D — Historical patterns in the training data, carried forward through proxy variables linked to protected groups

A model learns from past decisions, so if earlier hiring and ratings favored certain groups, it reproduces that pattern. Variables such as zip code and college can correlate with race and socioeconomic status, letting bias in through proxies even when protected characteristics are excluded. The pattern is systematic rather than random, and performance ratings are a common outcome measure whose risk lies in their own possible bias rather than being unrelated to the job.

6. Answer: C — It puts responsibility for change on the employee as an adult and reduces resentment

Positive discipline treats employees as adults responsible for their choices; the paid decision-making leave asks the employee to decide whether to commit to the standards, which reduces the resentment that punishment can create. Documentation still matters, and well-drafted programs keep discretion to skip steps for serious misconduct. Paid leave costs more than unpaid suspension, so savings are not the rationale.

7. Answer: A — The effects of the closure on employees, though not the decision to close itself

In First National Maintenance Corp. v. NLRB (1981), the Supreme Court held that an employer's decision to shut down part of its business purely for economic reasons is not a mandatory subject of bargaining. The employer must still bargain in good faith over the effects, such as severance, recall rights and benefit continuation, at a meaningful time. Assuming that management rights remove all bargaining duties ignores the effects obligation.

8. Answer: C — Revenue at risk from unfilled trades roles compared with the program's cost, ramp time, and retention.

Executives fund programs that solve a quantified business problem, so the case should link the shortage to lost revenue and compare it with the program's total cost, time to productivity, and the retention benefits of growing talent internally. Reputation gains are a secondary benefit, not the core return. A large first cohort raises risk before the model is proven, and paying well above market treats the symptom without building lasting supply.

9. Answer: B — A privileged adverse impact review, documented criteria and business reasons for each cut, and a look at alternatives.

The disparity is large enough that the CHRO should test it, with counsel so the analysis is privileged, and make sure each elimination rests on documented, job-related criteria and that less harmful alternatives were considered. Rebalancing by sex would itself be disparate treatment. Releases and messaging manage fallout but do not show that the selections were lawful.

10. Answer: D — As a potential antitrust violation that can lead to criminal prosecution of the companies and individuals

The DOJ and FTC treat naked no-poach and wage-fixing agreements between employers that compete for workers as potential antitrust violations, and the DOJ has pursued criminal charges against both companies and individuals. Antitrust law protects competition for labor as well as for products. Limiting the agreement by geography or time does not make it lawful, and the conduct falls under the Sherman Act rather than the NLRA.

11. Answer: A — Separate the meeting into distinct phases for sharing information, deliberating, and then deciding

Separating information, deliberation, and decision phases ensures all directors share the same facts, debate criteria and evidence before positions harden, and then make a deliberate decision. An early straw vote anchors the group, advocacy-first formats entrench positions, and letting the departing CEO lead invites undue influence on a decision that belongs to the board.

12. Answer: C — Link changes in rewards spending to offer acceptance, regretted turnover and performance

Total rewards ROI ties spending to the business outcomes rewards are meant to drive: attracting talent, keeping key people and motivating performance. Showing spend as a share of revenue or market position indicates cost competitiveness, but neither shows whether the money is producing results. Satisfaction scores are an input, not evidence of business return.

13. Answer: A — The organization, as represented by its board of directors

Officers serve the organization, and the board is the body that represents the organization and oversees management, so a CHRO who receives a directive that conflicts with board-approved policy should raise it through proper channels to the board or its committee. The CEO directs day-to-day work but cannot override board authority. Shareholders act through the board rather than directing officers, and HR serves employee interests within its duty to the organization.

14. Answer: D — Capabilities are hard to copy and shape how customers and investors value the firm

Ulrich argues that organizational capabilities, such as culture, agility and customer focus, are what an organization is known for and good at, and that they create value because competitors find them hard to copy and investors reward them as intangibles. They are built through the whole system of HR and leadership practices, not bought by hiring individuals, and they outlast any one leader. Because they create value, they should be defined and measured.

15. Answer: A — The conflict spiral model

In the conflict spiral model, each party's contentious action provokes a stronger reaction from the other in a cycle of retaliation, as both directors do here. The aggressor-defender model has one party driving escalation while the other only reacts defensively. The structural change model explains how escalation creates lasting changes in attitudes and groups that keep conflict going. The dual concern model explains strategy choice, not escalation.

16. Answer: A — Remove the incentives behind the misconduct, hold leaders accountable, and strengthen speak-up channels

The root cause was a system of targets and incentives that rewarded misconduct and leaders who tolerated it, so remediation must change the incentives, hold leaders accountable, and make it safe and effective to raise concerns. Focusing on the frontline employees treats a systemic failure as individual misconduct. A values campaign without structural change rings hollow, and lower targets with the same volume incentives keep the pressure in place.

17. Answer: A — Use projected retirements to reshape roles toward mission priorities, paired with cross-training and nonmonetary rewards.

Retirements create a planned opening to redesign the workforce: the agency can decide which roles to refill, reshape or automate based on mission priority, while cross-training and nonmonetary rewards such as flexibility and development help retention within a flat budget. Refilling every vacancy like-for-like misses that opportunity. A broad early retirement incentive could cause an uncontrolled loss of critical knowledge at the same time.

18. Answer: D — Use flexible levers such as a hiring freeze and reduced overtime, with set triggers for any layoffs.

When the length of a downturn is uncertain and skilled talent is slow to replace, flexible levers cut cost while keeping capability, and predefined triggers make deeper cuts a disciplined decision if conditions worsen. An immediate layoff locks in a nine-month rebuild if demand recovers soon. Waiting for consensus ignores real cost pressure, and a company-wide early retirement window can drain the very machinists who are hardest to replace.

19. Answer: A — Use scheduling and staffing analytics to reduce overtime demand, and stop any pressure to underreport hours.

Overtime cost is best reduced by matching staffing and schedules to demand, while any pressure to underreport time creates off-the-clock liability and willfulness risk. Reclassifying without a change in duties is misclassification. Private-sector employers generally cannot substitute compensatory time for overtime pay, and rigid budgets enforced regardless of work needs push managers toward the same underreporting problem.

20. Answer: B — Hold quarterly check-ins with documented progress so ratings rest on evidence from the full year.

Recency gaming works because year-end ratings rely heavily on what managers remember most recently, so documenting progress throughout the year gives ratings a full-period evidence base. Random review dates create confusion and distrust. Ignoring fourth-quarter work penalizes legitimate results, and peers are also subject to recency effects.

21. Answer: D — Adopt a global standard allowing personal religious expression but barring unwelcome, repeated proselytizing.

A consistent standard protects employees' ability to express their faith while drawing a line at conduct that becomes harassing, such as persistent proselytizing after a coworker objects, with local variation only where law demands it. A blanket ban suppresses lawful expression and may itself be discriminatory in many jurisdictions. Unlimited expression ignores the employer's duty to prevent harassment.

22. Answer: B — A joint labor-management committee with a charter and budget to plan retraining, placement and timing of the changes.

Automation has effects on jobs, training and seniority that are subject to bargaining, and a joint committee with a clear charter and resources lets both sides plan retraining and placement together. That approach builds support and reduces conflict during a multiyear change. Deciding everything first or delaying notice invites grievances and unfair labor practice charges, and hiring only from outside ignores the displaced workforce and any contract rights.

23. Answer: C — About 10%-20% of programs at Level 4 and about 5%-10% at Level 5

Phillips recommends evaluating nearly all programs at Level 1 and progressively fewer at higher levels, commonly about 10%-20% at Level 4 and 5%-10% at Level 5, because impact and ROI studies are resource-intensive. The 30%-40% figure is the typical target for Level 3 (application), not Level 4. Evaluating every program at the highest levels is rarely cost-justified.

24. Answer: A — The Act targets predispute nondisclosure clauses, so a carefully drafted post-dispute settlement may include them

The Speak Out Act (2022) makes predispute nondisclosure and nondisparagement clauses unenforceable in sexual assault and harassment disputes, but it does not prohibit confidentiality terms negotiated after a dispute arises. Settlements should still preserve the employee's right to communicate with government agencies, and HR should weigh reputational and state-law limits; the Act does not require public reporting or mutuality.

25. Answer: D — Transactions over $120,000 in which the company participates and a related person has a material interest

Item 404(a) requires disclosure of transactions exceeding $120,000 in which the company is a participant and a related person, such as a director, executive officer or their immediate family, has a direct or indirect material interest. The rule has a size threshold, so not every transaction is disclosed. The $1 million figure is invented, and shareholder approval is not the trigger.

26. Answer: B — Focusing feedback on effort, strategies and progress rather than on fixed talent

Dweck's research shows that feedback emphasizing process, such as effort, strategies and learning from setbacks, encourages people to see ability as something that can be developed. Praising innate intelligence or ranking natural ability fosters a fixed mindset and can make people avoid challenges. Infrequent feedback reduces the chances to learn and improve.

27. Answer: B — Build managers' coaching skills and hold them accountable for ongoing feedback

The data point to manager behavior, not the PIP document, as the driver of outcomes, so the best investment is in coaching skills and accountability for regular feedback. A better template does not change whether managers coach. Moving PIPs to HR removes the manager from the relationship that most affects performance, and shorter timelines treat the symptom rather than the cause.

28. Answer: A — A partial closing meant to chill organizing at other plants is unlawful

Darlington held that an employer may go completely out of business even for antiunion reasons, but a partial closing is unlawful if motivated by a purpose to chill unionism at remaining facilities and if that effect was reasonably foreseeable. The CEO's stated goal of sending a message to other plants is exactly that motive. Losses or WARN compliance do not cure an unlawful motive, and there is no blanket presumption against every post-election closing.

29. Answer: C — Compare results with country or regional norms and focus on each leader's relative strengths and gaps.

Raters in some cultures avoid extreme scores or rate more modestly, so raw cross-country comparisons mix cultural tendencies with leadership differences. Local norms and within-person profiles give a valid basis for interpretation. A flat point adjustment assumes the gap is entirely cultural, global rankings on raw scores ignore the bias, and stopping the program discards useful feedback.

30. Answer: C — Yes, add structured input from peers and internal customers to inform the manager's judgment.

Wide spans limit what one manager can see, so structured input from people who work closely with the employee improves accuracy. Keeping the manager accountable for the final judgment preserves ownership and allows context to be weighed. Replacing the manager with raw averages invites popularity effects, reversing the delayering undoes a strategic decision, and many organizations use multi-rater input in evaluations with proper design.

31. Answer: D — Define the retention problem, review evidence on fit, and test the practice in a pilot.

An evidence-based process starts with the actual problem (engineer retention), weighs the best available evidence and organizational context, such as a largely hourly workforce with coverage needs, and then tests before scaling. Copying the practice companywide skips that diagnosis. Rejecting it outright overstates mixed research, and adopting it because peers do is benchmarking, not evidence of fit.

32. Answer: C — Keep each country's required holidays, add floating holidays, and keep an accommodation process

Many countries mandate specific public holidays, so the calendar must follow local law. Floating holidays let employees choose days that matter to them, and a religious accommodation process handles needs that floating days do not cover. Imposing the U.S. calendar may violate local law, removing all religious holidays ignores those requirements and local norms, and adding every faith's holidays enterprise-wide is costly and still incomplete.

33. Answer: A — Use it for development only, protect rater anonymity and pair it with coaching

Executive 360s are most effective when positioned as developmental, with confidential reports, aggregated ratings that protect anonymity and coaching to help leaders act on results. Linking results to pay or exposing named ratings encourages inflated or guarded responses. Sharing full reports with the whole team can be useful later by choice, but mandating it at the start undermines candor.

34. Answer: A — Help the board define the turnaround's leadership requirements and assess both candidates against them

The right choice depends on what this turnaround requires, such as the degree of strategic change, culture change and stakeholder credibility, so the CHRO should help the board agree on that profile and use a rigorous, objective assessment of both candidates. Each general rule has evidence on both sides, and an interim appointment delays decisive leadership when the business needs it most.

35. Answer: A — To help protect the analysis under attorney-client privilege and the work-product doctrine while counsel advises.

Running the analysis under counsel's direction for the purpose of legal advice can help keep its findings privileged, so the organization can identify and fix problems candidly. Privilege is not automatic or absolute; it can be waived, and it does not shield the underlying pay data. No federal law requires attorney certification or restricts such data to lawyers.

36. Answer: A — Brief the manager candidly on the risks, let him decide, and provide safety support if he accepts.

Duty of care calls for an honest risk briefing and support such as security planning and contingency arrangements, while leaving the career decision to the employee. Excluding him on the basis of sexual orientation is paternalistic and can be discriminatory, and saying nothing fails the duty of care. Telling him to hide his orientation intrudes on his private life.

37. Answer: C — Build a business case with direct and indirect injury costs, expected reductions and payback period.

A finance leader responds to a quantified case: direct claims and premium costs, indirect costs such as lost productivity and turnover, expected reduction in incidents, and a payback or ROI estimate. Penalty-based arguments are speculative if the company is not out of compliance, and going around the CFO to the CEO damages the relationship. A pilot can help, but without a projected return it does not answer the CFO's objection.

38. Answer: B — The company gives up voicing its views and likely speeds organizing at every new site it opens.

Under a neutrality and card-check agreement, the company typically agrees not to campaign and to recognize the union on a card majority, which effectively shifts the enterprise toward a union-acceptance posture at new sites. That trade must be weighed against the cost of the corporate campaign. Such agreements do not automatically extend existing contract terms, and recognition still depends on a card majority of the employees hired.

39. Answer: D — Doing what is good for the relationship and for yourself, whether or not the other side reciprocates

Fisher and Brown argue that one party can improve a relationship by consistently acting in ways that are good for the relationship and for itself, regardless of how the other side responds. Tit-for-tat makes behavior conditional, which the strategy avoids. Appeasement sacrifices one's own interests, and trading relationship gestures for concessions mixes relationship and substance, which the authors advise against.

40. Answer: D — Participants harmed by the misleading SPD may seek equitable relief, such as surcharge or reformation, from fiduciaries.

In CIGNA Corp. v. Amara (2011), the Supreme Court held that SPD terms are not themselves plan terms that can be enforced as benefits. However, participants harmed by a misleading SPD may obtain equitable remedies such as surcharge or plan reformation. A conflict therefore invites fiduciary claims even though the SPD does not automatically override the plan document.

41. Answer: B — It may create a permanent establishment, with corporate tax and local labor-law duties

Employees who habitually work in a country, especially if they negotiate or conclude contracts, can create a permanent establishment that exposes the company to corporate income tax there. Local payroll, social insurance and labor-law duties can also apply. Converting employees to contractors does not cure the problem and creates misclassification risk, and no State Department approval process applies.

42. Answer: C — Show which strategic capabilities a cut would put at risk, present ROI data, and offer to cut low-value programs.

A strategic partner meets a legitimate cost concern with evidence: which capabilities the strategy depends on, the risk of losing them, and ROI data that separates high-value from low-value programs, so cuts can be targeted. An across-the-board cut treats strategic and marginal programs the same and can damage critical capability. Arguing that training is a benefit, without business evidence, is unlikely to persuade a CFO.

43. Answer: C — Pair time-vested retention awards and real roles with client transition plans, and set earnout terms that allow integration.

Earnouts tied to standalone results can lead founders to resist integration, cross-selling or shared processes that would lower their unit's numbers, so the terms need care. A balanced design combines retention awards that vest over time, roles with real scope, and planned transfer of client relationships to others. A bonus paid at closing gives no reason to stay, and titles alone rarely retain founders whose wealth and identity are tied to the business.

44. Answer: D — A supportive learning environment, concrete learning processes and leadership that reinforces learning

The building blocks model of the learning organization identifies a supportive learning environment (psychological safety, openness to new ideas, time for reflection), concrete learning processes and practices, and leadership behavior that reinforces learning. Technology, formal training and HR administration may support learning but are not the building blocks the model describes.

45. Answer: A — The partner will want detailed terms, clear rules and contingencies

Cultures high in uncertainty avoidance are uncomfortable with ambiguity, so negotiators should expect requests for detailed contracts, guarantees, defined procedures and contingency plans. Preference for open-ended flexibility reflects low uncertainty avoidance. Deference to senior leaders relates to power distance, and individual incentives relate to individualism.

46. Answer: B — Track redeployment and placement outcomes and analyze separation decisions for adverse impact.

A closure plan that promises transfers and retraining should be measured by outcomes for people, such as redeployment and placement rates, along with analysis of who is selected for separation, transfer or retention, to detect adverse impact by age, race, sex or other protected characteristics. Cost, schedule and WARN notice compliance all matter, but none shows whether the transition worked or exposes discrimination risk.

47. Answer: B — Rights to audit results, access to data for adverse impact testing, indemnification and cooperation in legal claims

An employer stays liable for discriminatory selection outcomes even when a vendor supplies the tool, so it needs contractual rights to see outcome data, run or commission adverse impact testing, and obtain the vendor's cooperation and indemnification if claims arise. A general compliance warranty and a bias-free certification are tempting but give the employer no means of verifying fairness. Demanding full source code is unrealistic for most vendors and is not needed to test outcomes, and giving the vendor ownership of candidate data adds privacy risk rather than protection.

48. Answer: B — Resource dependence: whoever controls critical resources gains leverage over the firm

Resource dependence theory holds that organizations depend on external actors for critical resources, such as capital and scarce skilled labor, and that those actors gain power over the organization's decisions. Institutional theory explains copying for legitimacy, and the resource-based view explains sources of competitive advantage. Agency theory addresses owner-manager alignment but not why a union would gain influence.

49. Answer: D — Limiting job application forms to information needed to judge candidates' fit for the role

Data minimization means collecting and keeping only the personal data that is adequate, relevant and necessary for a stated purpose. Encryption is a security safeguard, not minimization, and self-service access supports transparency and accuracy. Keeping every applicant file for a long fixed period without a specific need runs counter to minimization and storage-limitation principles.

50. Answer: B — 236

Growth = 480 - 400 = 80. Attrition = 12% x 400 = 48 per year, or 96 over two years. Retirements = 60. Total hires = 80 + 96 + 60 = 236. Leaving out retirements gives 176, counting only one year of attrition gives 188, and ignoring attrition gives 140.

51. Answer: A — Accept company accountability, make affected employees whole promptly, then fix oversight and pursue the vendor separately

The employer chose and deployed the tool and made the guarantee, so it is accountable to employees for the outcome even when a vendor's system caused the error. Promptly making employees whole preserves trust, after which the company should strengthen human oversight of the system and recover costs from the vendor under the contract. Delaying payment pending the vendor's report leaves employees bearing the harm in the meantime.

52. Answer: B — Build a written program with worksite risk analysis, controls, training and staff incident reporting.

OSHA has cited health care employers for workplace violence under the general duty clause, and its guidelines call for management commitment, worker participation, worksite analysis, hazard prevention and control, training, and evaluation. A program built on those elements addresses the risk across units. Training alone places the burden on nurses, and a single control measured only by a lagging metric is not a program.

53. Answer: A — Political frame

Bolman and Deal's political frame views organizations as arenas of scarce resources, enduring differences and coalitions that bargain and use power. The structural frame focuses on roles, rules and goals, the human resource frame on fit between people and the organization, and the symbolic frame on culture, meaning and ritual.

54. Answer: A — People systems are complex and embedded in culture, so rivals can't copy them

Pfeffer argued that technology and capital can be bought or copied, while an integrated system of people practices is hard to imitate. Those systems depend on culture, history and complementary practices. Competitors may see what a firm does without understanding or reproducing how the pieces work together. Labor laws generally do not stop rivals from recruiting a firm's employees.

55. Answer: A — 12,000 shares

Earned shares equal target shares times the payout percentage: 10,000 x 120% = 12,000. Using the percentile rank as the payout rate gives 6,000, multiplying by both 60% and 120% gives 7,200, and 10,000 assumes payout at target.

56. Answer: A — 43.3%

Total cost of workforce includes all employee pay, benefits and contingent labor: $50M + $8M + $14M + $6M = $78M. $78M / $180M = 43.3%. Leaving out contractors gives $72M / $180M = 40.0%, and counting only base and variable pay gives 32.2%, which understates what the business spends on its workforce.

57. Answer: A — Many unique or hard-to-match jobs, high pay equity scrutiny and a strong emphasis on internal equity

Point factor plans are most valuable where many jobs cannot be priced reliably from surveys, where internal equity is a priority, or where the organization must defend pay decisions against equity challenges, as in the public sector or heavily regulated settings. Small organizations with well-matched jobs, fast-changing startups and firms with a pure market-matching strategy gain little from the plan's rigor relative to its cost.

58. Answer: C — Unfreezing

Unfreezing creates readiness for change by showing that the status quo can no longer continue, which weakens attachment to current practices. Moving is the stage in which new structures and behaviors are introduced, and refreezing stabilizes them. Quasi-stationary equilibrium describes the balance of forces that unfreezing is meant to disrupt.

59. Answer: D — Rank services by value and risk, move transactions to self-service, and present options

A strategic response prioritizes HR services by business value and risk, finds efficiencies such as self-service, and gives the CEO clear options with their service impacts so leadership makes an informed trade-off. Across-the-board cuts ignore value, pushing back without options fails to meet the mandate, and cutting entire program categories by assumption skips the analysis.

60. Answer: D — To test documentation, comparator consistency and timing near protected activity

A pre-termination review checks whether the reason is documented, whether similar employees were treated the same way, and whether timing near complaints, leave or other protected activity creates retaliation risk, so problems are fixed before the decision. It is not an employee appeal hearing, it does not shift legal liability, and it does not set uniform severance.

61. Answer: C — An employee need not prove retaliatory intent, so the employer must show clearly it would have acted anyway

The Court held that a whistleblower must show only that protected activity was a contributing factor in the adverse action, not that the employer acted with retaliatory intent. The employer can still win by showing, by clear and convincing evidence, that it would have taken the same action anyway. Records made at the time that show independent business reasons are the main way to meet that demanding standard.

62. Answer: A — Communities of practice, mentoring, and job shadowing that pass on know-how through shared work.

Tacit knowledge, such as judgment, intuition and know-how, is hard to put into words and is best transferred through interaction, observation and practice. Communities of practice, mentoring and shadowing create that interaction over time. Repositories and webinars capture explicit knowledge well but miss much of what makes an expert effective.

63. Answer: C — Model release acceptance and expected claim costs at each severance level against the projected savings.

Lower severance can reduce the number of employees who sign releases and raise litigation, reputational and morale costs, so the CHRO should compare these expected costs with the savings at different levels. Accepting the cut assumes employees will sign regardless of the amount offered. No federal law sets a severance amount, and misleading employees about releases is unethical and undermines their enforceability.

64. Answer: D — Support a counsel-led investigation, protect the reporter, and help leaders decide on refunds and disclosure

Medicare overpayments must be reported and returned within set time frames once identified, and the self-disclosure decision carries major legal consequences, so the investigation should be counsel-led. The CHRO's role is protecting the reporter from retaliation, managing personnel actions and supporting remediation. Disciplining staff before legal review can harm the investigation, and waiting for auditors increases False Claims Act exposure.

65. Answer: D — Tie leaders' goals and incentives to combined-company results and address blockers

Slipping milestones here stem from leaders' incentives and loyalties, not from tracking, so aligning goals and rewards to combined results and dealing with persistent blockers addresses the root cause. More project managers only measure the delay more precisely. Retreats can help relationships but do not change incentives, and waiting entrenches the divide.

66. Answer: B — Structured interviews, business simulations, structured references and assessments

Combining structured interviews, realistic simulations, structured reference checks and validated psychological assessments gives multiple views of the competencies an executive role needs. Informal meetings, past titles and endorsements are common in executive hiring but rely heavily on impression and reputation. A single personality inventory misses skills and experience the role needs.

67. Answer: D — Segment audiences by role, location, and digital access, use several channels, and test messages.

Communication needs depend more on job role, work location and access to devices than on age, so segmenting on those factors and using multiple channels reaches everyone, and testing with a cross-section catches gaps. Assigning channels by generation relies on stereotypes the evidence does not support. A single digital channel misses employees with limited access, and manager-only cascades produce inconsistent messages.

68. Answer: D — Announce the departure factually after legal review, restate conduct standards, and keep details confidential

A factual, legally reviewed announcement paired with a clear statement of conduct expectations shows accountability without exposing complainants or creating defamation risk. Sharing full findings harms complainants' privacy and increases legal risk. A false cover story damages trust when the truth comes out, and silence leaves rumors and the complainants' concerns unaddressed.

69. Answer: A — Pause the tool for an expedited review, check past decisions for adverse impact, and address the bypass.

An unreviewed screening tool may already be producing discriminatory outcomes, so the CHRO should stop further use quickly, examine decisions already made, and hold the president accountable for bypassing governance. Letting the tool run continues the exposure. A permanent ban is punitive without evidence that the tool is flawed, and waiting for a written complaint delays action on a known problem.

70. Answer: B — Set up joint governance with a retained vendor management team, clear service levels and regular reviews

Many outsourcing problems come from weak governance on the client side rather than from the vendor alone. A single retained team, clear service levels, escalation paths and joint reviews give the vendor one voice to follow and a basis for improvement. Penalties alone do not fix conflicting instructions, and ending the contract after six months gives up the investment before the root cause is addressed.

71. Answer: C — About $238,000, so the program's NPV is positive

NPV = $900,000/1.10 + $900,000/1.10^2 + $900,000/1.10^3 - $2,000,000 = $818,182 + $743,802 + $676,183 - $2,000,000, which is about $238,167. The $700,000 figure ignores discounting ($2.7 million - $2 million). Discounting the full $2.7 million by one year gives about $455,000, and discounting it all by three years gives about $29,000, but each year's savings must be discounted for its own period.

72. Answer: C — Moral hazard, since shielding the executive from losses can encourage excessive risk-taking

Moral hazard arises when one party is protected from the consequences of its actions and so takes on more risk than it would otherwise. Guaranteed bonuses and severance regardless of performance let the executive capture the upside of risky bets while shareholders absorb the downside. Adverse selection concerns who is attracted to a contract, not how the person behaves once in the role.

73. Answer: A — Union and employees first, with required government notices at once, then customers and media

Affected employees and their union should hear the news directly from the company before it reaches them through the press, and WARN requires notice to the union (or employees), the state dislocated worker unit and the chief elected local official. External audiences such as customers and media follow closely, with consistent messages. Briefing media or customers first erodes trust, and waiting until production ends would violate the 60-day notice requirement.

74. Answer: B — Weigh the offense, time since it occurred and job duties, then assess individually

Title VII case law, beginning with Green v. Missouri Pacific Railroad, looks at the nature and gravity of the offense, the time elapsed and the nature of the job. Giving the individual a chance to provide context before a final decision strengthens job-relatedness and is required by many state and local fair-chance laws. Blanket felony bans and fixed look-back exclusions are the kind of broad rules that create disparate impact risk. The FCRA's seven-year limit restricts what consumer reports may include for some older records, such as arrests that did not lead to conviction; it does not apply to convictions and does not set which convictions an employer may exclude.

75. Answer: B — Present emergency, interim and long-term plans, with named candidates' readiness and development progress.

Robust CEO succession planning covers three horizons: an emergency plan for a sudden vacancy, interim leadership arrangements, and long-term development of candidates, each with readiness assessments the board can test. A profile and a search firm describe only an external path. Relying on the CEO's own pick gives the board too little independence, and a tenure ranking says nothing about readiness.

76. Answer: A — Budget compression adjustments and prepare managers to explain the structure and the fixes

Publishing ranges will make compression visible, so leaders should fix the most serious inequities, or commit to a funded plan, and equip managers to explain the structure and next steps before employees see it. Publishing first and waiting for complaints damages trust and puts the burden on employees. Indefinite delay or partial disclosure leaves the underlying problem in place and can look evasive once the full picture emerges.

77. Answer: B — Show a full build-versus-buy comparison of cost, time to productivity and risk, and propose a blended plan tied to the timeline.

Executives make better decisions when they see the complete trade-off, including cost, speed, retention and execution risk, and a blended build-and-buy plan can meet near-term needs while capturing long-term savings. Advocating only reskilling or showing only savings hides the timing risk and damages credibility. Simply deferring wastes analysis that could improve the decision.

78. Answer: C — Set an internal-first policy for manager openings backed by readiness development for strong performers

The data show the company is exporting advancement to outside hires while its own strong performers leave for promotions. Posting manager roles internally first and developing people to be ready addresses the root cause. Raising pay does not meet a desire for advancement, and the data are already clear enough to act.

79. Answer: C — Redesign and stabilize processes and self-service first, then reduce roles as the workload demonstrably shifts.

Headcount savings in an HR transformation come from work that has actually moved to self-service and redesigned processes, so reductions should follow demonstrated workload shifts within the two-year window. Cutting first strips out the people needed to build and stabilize the new model and puts service at risk. A simultaneous cutover compounds risk, and a two-year pilot misses the board's timeline.

80. Answer: A — To set how much risk leaders will accept for each type of use, which guides the controls needed

A risk appetite statement defines the level and type of risk leadership is willing to accept, so that higher-risk uses, such as automated hiring decisions, receive more scrutiny and stronger controls. No framework can eliminate all risk. Insurance sizing and vendor cost comparisons may draw on the risk appetite, but they are not its purpose.

81. Answer: C — Claims that do not match employees' experience can harm credibility and raise early turnover.

An employer brand promise that is not delivered creates a gap between expectations and experience, which can lead to early turnover and negative public reviews that damage the brand. Data such as participation rates, internal promotion rates and training hours both verify the claim and make it more persuasive. No general federal law requires proof of such statements, and the purpose is credibility, not budget cuts or candidate screening.

82. Answer: A — Time to resolve requests, whether solutions worked, and requesters' satisfaction with the process

A good accommodation process is timely, produces solutions that actually let the employee do the job and is experienced as fair and respectful, so cycle time, effectiveness and requester satisfaction together capture quality. Request volume and spending describe activity, not quality. Denial and complaint counts are lagging risk signals, and training and acknowledgment counts measure inputs rather than outcomes.

83. Answer: D — Use defined, job-related criteria with human review, and test any AI input and the final list for adverse impact.

RIF selections must rest on legitimate, job-related criteria applied consistently, with human review and adverse impact analysis of the results. An unvalidated algorithm is not automatically objective, since it can reproduce bias in its data. Purely subjective manager choices raise their own discrimination risk, and hiding the method undermines defensibility rather than protecting it.

84. Answer: A — Realizable pay shows how award values changed with stock price and goal results, so it reveals whether pay tracked performance.

Grant-date values are accounting estimates set before performance happens, so they cannot show whether pay rose or fell with results. Realizable pay values awards at current stock prices and actual performance outcomes, so committees can see whether executives gained when shareholders did. The summary compensation table reports grant-date values, not realizable pay.

85. Answer: A — Inform and consult worker representatives in good time and notify the public authority

The EU Collective Redundancies Directive requires employers to inform and consult workers' representatives in good time, with a view to reaching agreement and reducing the impact, and to notify the competent public authority before projected dismissals take effect. National laws add their own procedures and waiting periods. The WARN Act is U.S. law, and the European Commission does not approve individual layoffs.

86. Answer: A — Exclude prior salary, and include performance ratings only after testing them for differences by group.

Prior salary can import past discrimination from other employers, and several jurisdictions bar relying on it to justify pay differences, so it is a classic tainted variable. Performance ratings can be legitimate pay drivers, but they should be tested for systematic group differences before being used as controls. Including both to maximize fit risks masking a real gap, while dropping ratings without testing may ignore a legitimate factor.

87. Answer: A — Compare results of trained leaders with a similar group of leaders who have not yet been trained

In the Phillips ROI Methodology, a control group design is the most credible way to isolate a program's effect, because both groups experience the pricing change and only one receives the program. Participant estimates adjusted for confidence are an accepted fallback when a control group is not feasible, but they are less credible. A simple before-and-after comparison cannot separate the program's effect from the pricing strategy.

88. Answer: A — A breach of employee data can cause legal, financial and reputational harm across the enterprise

HR systems hold Social Security numbers, health and benefits information, bank details and other sensitive data, so a breach can trigger notification obligations, litigation, regulatory penalties and loss of employee trust. Those consequences make it an enterprise risk that falls within the board's oversight duties, not just a technical issue. Directors are not automatically personally liable, and no federal law requires board approval of each control.

89. Answer: C — Help the CEO run a listening tour, and hold retention talks with key leaders

Early visible listening and clear communication about the direction help reduce uncertainty, and direct conversations with critical leaders address the immediate flight risk. A CEO cannot credibly adopt another leader's style, waiting lets attrition take hold, and blanket retention bonuses are costly and do not address the uncertainty driving the risk.

90. Answer: D — Prospector: market-leading pay for key talent and incentives for innovation; defender: steady base pay and internal equity

Prospectors need talent that creates new products and markets, so they lean toward market-leading pay for critical roles, external competitiveness and incentives tied to innovation and growth. Defenders value efficiency and stability, so they emphasize consistent base pay, job-based internal equity and cost control. Reversing the two mismatches each strategy, and using one identical plan ignores the principle that reward systems should reinforce the business strategy.

91. Answer: B — Receive only aggregate, de-identified reports and bind the vendor to confidentiality terms.

Biometric results from a wellness program tied to the health plan are PHI, and the ADA also requires that medical information from voluntary wellness exams be kept confidential and separate from employment decisions. The safe design gives the employer only aggregate, de-identified data and requires a business associate agreement or similar contract with the vendor. Records that keep employee IDs are still identifiable, and restricting access to senior HR does not make individual results usable for employment purposes.

92. Answer: B — Any two series that trend upward over time can correlate highly without a causal link

Two series that both trend over time will show a high correlation even if unrelated, because each is driven by time or common factors such as growth. The analysis should detrend the data, for example by comparing year-over-year changes, or use a design that tests cause. High correlations are not implausible in themselves, and small samples reduce confidence rather than guaranteeing insignificance.

93. Answer: C — Revise it to neutral, job-related rules that burden both sexes alike, with clear religious and disability accommodation.

Appearance rules can create sex claims when they impose unequal burdens or rest on stereotypes, religion claims when they bar religious dress without accommodation, and race or disability claims for certain hair or grooming rules. Neutral, job-related standards with a defined accommodation process manage these risks. Brand image does not override accommodation duties, and vague or ad hoc rules invite inconsistent and biased enforcement.

94. Answer: A — Reopen the decision with a structured review of flight-risk data and assign someone to argue against the plan.

Quick unanimity without analysis is a classic sign of groupthink. Asking for a data-based review with a designated devil's advocate tests the plan before money is spent and builds better decision habits. Unanimity isn't evidence of quality, and waiting a year risks losing key talent, while centralizing the decision removes useful debate.

95. Answer: D — Phase the rollout with manager coaching and track the frequency and quality of check-ins

The pilot showed manager capability is the key constraint, so the plan should build skills, roll out in phases and measure both how often and how well check-ins happen against defined outcomes. A logging mandate or reminder tool can produce check-ins that are box-checking rather than real feedback. Leaving adoption optional fragments the system and makes success hard to measure.

96. Answer: D — Decentralized HR that lets each unit design most practices to fit local laws, labor markets and culture.

A multidomestic strategy emphasizes local responsiveness, so HR is typically decentralized and polycentric, with local units adapting practices to their own environments. Uniform global policies fit a global or integrated strategy that seeks efficiency and consistency instead. Regional hubs and frequent global rotation also push toward integration, which conflicts with independent country units.

97. Answer: D — Help the CEO surface and work through the executives' concerns to build alignment

A transformation needs a genuinely aligned top team, and the doubters' concerns may contain useful information, so the first step is to help the CEO bring disagreements into the open and resolve them. Replacement may be needed later but is premature. Going around the CEO to the board damages trust, and employee messaging cannot succeed while leaders send mixed signals.

98. Answer: D — $336,000

Turnover cost = 12 x ($70,000 x 0.40) = 12 x $28,000 = $336,000. Using full salary gives $840,000, using 60% instead of 40% gives $504,000, and $28,000 is the cost of a single departure.

99. Answer: A — Communicate the plan and reskilling pathways into new roles, and track sentiment with pulse surveys.

Once a plan is known, silence and uncertainty damage morale more than the facts do. Explaining the plan honestly, with concrete reskilling routes into new roles, and tracking sentiment so leaders can respond, sustains trust and capability through the change. Promising no job losses may not be possible to keep, and broad voluntary severance risks losing the very people the bank wants to reskill.

100. Answer: B — Investigate the pattern, add evidence standards and HR oversight to calibration, and review those ratings.

The disparity is potential evidence of retaliation that needs investigation, and the process fix is to require documented evidence for rating changes, with HR facilitating and checking outcomes for patterns. Affected ratings should be reviewed individually rather than adjusted across the board. Automatic raises or exclusion from calibration would treat employees differently based on protected activity, and dropping calibration altogether gives up a useful consistency check.

101. Answer: A — The AI Act governs the system's risk controls, while the GDPR separately governs processing of personal data.

The EU AI Act classifies AI used in recruitment and employment decisions as high-risk and imposes obligations such as risk management, human oversight and logging. The GDPR still applies to the personal data the tool processes, including lawful basis, transparency, data subject rights, impact assessments and limits on solely automated decisions. The two laws operate alongside each other, and the GDPR protects people in the EU regardless of citizenship.

102. Answer: C — Share of workers unionized, contract expirations and stoppage history

Investors assessing labor relations risk usually look for the proportion of the workforce covered by collective agreements, when major contracts expire, any history of strikes or work stoppages and management's view of the relationship. Individual union status is sensitive and not decision-useful, and detailed contingency plans are confidential operating information.

103. Answer: A — About 0.71, which must be reported; the law sets no pass mark, but it is under the rule of thumb and needs review.

Under Local Law 144, the impact ratio is a category's selection rate divided by the rate of the most selected category: 0.30 / 0.42 = 0.714. The law requires publishing the ratio but sets no threshold that bars use. Because 0.71 is below the 80% rule of thumb, the employer should still examine job relatedness and alternatives to manage Title VII risk. Dividing the rates the other way gives 1.40, and subtracting them gives 0.12.

104. Answer: A — 0.89; it is above 80%, so this screen alone does not flag adverse impact.

Retention rates are 120/150 = 80% for employees 40 and older and 108/120 = 90% for those under 40, so the impact ratio is 0.80 / 0.90 = 0.89, which is above the 80% rule of thumb. The 0.80 figure is the older group's retention rate, not the ratio, and 1.13 inverts the division. Because the older group's layoff rate (20%) is double the younger group's (10%), a prudent CHRO would still run significance testing and legal review rather than rely on this rough screen.

105. Answer: A — Escalate to the independent directors so they can hire an outside investigator

When the accused is the CEO, no one who reports to him can conduct a credible investigation, so the complaint should go to the board (typically the independent chair or a committee of independent directors), which can retain an outside investigator and oversee communications. The CHRO and the general counsel both have conflicts of interest because of their reporting lines and relationships. Confronting the CEO first can compromise evidence and expose the complainant to retaliation.

106. Answer: D — Review the promotion process and adopt structured, job-related criteria and calibrated decisions.

The data shows that the gap occurs at the promotion decision itself, not in the applicant pool, so the intervention should target that process with consistent, job-related criteria, structured evaluations and calibration to reduce bias. More entry-level recruiting does not fix a gap in selection. Broad training and public reporting may support change but do not correct an inconsistent selection process.

107. Answer: D — Involve unit leaders in designing service levels, escalation paths and governance.

Bringing resisting leaders into the design, with service-level agreements, clear routes for complex issues, retained business partners and a governance forum, addresses their real concern while keeping the scale benefits. Forcing it through invites shadow HR and poor adoption, opt-outs destroy the business case, and waiting for unanimous agreement can stall the program indefinitely.

108. Answer: C — Convert the turnover findings into annual cost and revenue impact, and agree on the cost assumptions with finance.

Translating turnover into dollars, such as departures times replacement cost and lost revenue, speaks the CFO's language, and agreeing on assumptions with finance makes the numbers credible. Engagement data and benchmarks add context but remain the kind of evidence the CFO already considers soft. Having someone else present avoids building the CHRO's own credibility with finance.

109. Answer: D — Wider spans can widen the CEO's view, but they add coordination demands that need strong governance

Research on top teams shows that CEO spans widened over recent decades as functional leaders were brought closer to the top. Larger teams bring more perspectives and direct access, but they raise coordination costs and the CEO's time burden, so they need clear decision rights and team processes. There is no fixed universal maximum, and the effect of span depends on role complexity and interdependence.

110. Answer: B — Risks can be correlated or trigger one another, so combined effects may exceed tolerance when no single risk does.

Enterprise risk management looks at risks as a portfolio, because one event can trigger others, such as a cyberattack causing an outage, lost customers and regulatory penalties at the same time. Assessing each risk alone misses these interdependencies and the aggregate impact. Tools such as risk interaction maps and scenario analysis help reveal correlated exposure.

111. Answer: B — When they are consistent with the primary mechanisms, especially what leaders pay attention to and reward.

Schein explains that secondary mechanisms such as structure, procedures, rituals, space and formal statements work only when they are consistent with primary embedding mechanisms like what leaders attend to, measure, reward and react to. When they conflict, employees believe what leaders do rather than what the documents say. Wide communication is the tempting distractor, but repetition cannot overcome contradictory leader behavior.

112. Answer: B — The race and sex plans can end, but the VEVRAA and Section 503 plans are still required

The race- and sex-based affirmative action plans were required by EO 11246, so those obligations ended with its revocation. VEVRAA and Section 503 are statutes, so a covered contractor must still maintain written affirmative action plans for protected veterans and individuals with disabilities. Dropping every plan would put the company out of compliance with those laws.

113. Answer: B — Ongoing adverse impact monitoring on the company's own applicant flow after deployment

Adverse impact depends on the specific applicant pool, jobs and how the tool is used, so pooled results across other clients do not show how it will perform here. The employer remains liable for its own selection outcomes, so it should monitor its own data on an ongoing basis. A warranty or indemnity may help recover costs but does not prevent discrimination or shift the employer's liability, and one-time vendor validation does not detect drift in the company's own use.

114. Answer: B — Decline to sign a false certification, report the actual completion rate, and present a dated plan to finish the training.

Certifying something known to be false to a regulator is a misrepresentation that exposes the company and the signer to penalties, and it cannot be cured by later completion. Accurate reporting with a credible remediation plan is honest and usually treated far better by regulators. Having the CEO sign does not make the statement true, and a shortened course may not meet the requirement being certified.

115. Answer: A — A misfit between the work the strategy requires and the formal reward system

The congruence model holds that performance depends on fit among the work, the people, the formal organization and the informal organization. Consultative selling requires longer, relationship-based work, but the formal organization (volume commissions) rewarded the opposite behavior. The stem rules out a skills gap because reps were trained and capable.

116. Answer: A — If it causes the abuse, it must stop and remediate; if directly linked, it must use leverage but need not remediate.

A company that causes an adverse impact must cease it and provide for or cooperate in remediation. When an impact is directly linked through a business relationship but not caused or contributed to, the company should use its leverage to prevent or mitigate it, though it is not required to provide remediation itself, even if it may choose to play a role. Contribution falls between these two.

117. Answer: C — Apply the standard criteria, route the nomination through the normal process, and recuse the CEO

Fair, consistent selection protects both the program's credibility and the son, who can compete on the same terms as everyone else, while the CEO's recusal manages the family conflict. If the CEO insists, the CHRO should raise it with the board. Rejecting the son outright treats him unfairly because of his parent. A trial placement still bypasses the process that other employees must follow.

118. Answer: A — If bias affects who is placed in higher levels or rated highly, those controls absorb the gap and mask it.

A control variable that is itself shaped by bias is sometimes called tainted: if women are under-leveled or under-rated, controlling for level and rating explains away pay differences that discrimination produced. Analysts often run models with and without such variables and examine leveling and rating decisions directly. Ratings can lawfully be used, and regression controls do not split the sample into separate small groups.

119. Answer: B — Diagnose the causes and add controls such as reference zones, approval levels and audits

Cost creep and inconsistency in broadbanding usually come from weak governance rather than the band design itself. Diagnosing the causes and adding reference or market zones within bands, approval requirements and regular audits can restore control while keeping useful flexibility. Reverting to grades immediately is a disruptive overreaction, leaving the bands unchanged ignores real cost and equity risks, and pay cuts damage trust and retention.

120. Answer: C — 58%

Bench coverage = roles with a ready-now successor / total critical roles = 7 / 12 = 0.583, or about 58%. The 42% figure is the uncovered share (5 / 12), 171% inverts the ratio (12 / 7), and 37% wrongly divides by the sum of roles and successors (7 / 19). The remaining 42% of roles is where the CHRO should focus development or external hiring.

121. Answer: A — Score how well customers understand agents and resolve issues, not accent, and review past bonus effects.

Title VII lets employers act on accent only when it materially interferes with job performance, so the measure should be comprehensibility and outcomes, not accent. Customer preference is not a defense, and a neutral rule applied to everyone can still discriminate if it targets a trait tied to national origin. Because bonuses were affected, past results should be reviewed, not just changed going forward.

122. Answer: D — Vendor risk tiers, assessment results, key risks found, and plans to mitigate them

Board assurance requires evidence that risk is identified, assessed and managed: which vendors matter most, what assessments found, and what is being done about material risks. Contract values, clauses or service metrics alone don't show whether the risks themselves are under control.

123. Answer: D — Utility analysis

Utility analysis, such as the Brogden-Cronbach-Gleser model, estimates the dollar gain from a selection method by combining the number hired, the improvement in validity, the dollar value of performance differences and the cost of the procedure. Cost per hire measures recruiting expense rather than the value of better hires, adverse impact analysis tests fairness across groups, and job analysis defines job requirements.

124. Answer: B — Identify the capabilities, roles and behaviors the services model requires.

HR strategy should be derived from business strategy, so the starting point is translating the new model into workforce requirements, such as account management, service delivery and relationship skills, and the culture and metrics that support them. Gap analysis, talent, rewards and HR structure decisions follow from that. Benchmarking, training and restructuring HR are premature until the requirements are defined.

125. Answer: A — A strategy map linking people capabilities to process, customer, and financial results

Kaplan and Norton's strategy map shows cause-and-effect links from learning and growth (people capabilities) to internal processes, customer outcomes and financial results, which is exactly the linkage the board wants to see. Efficiency metrics, activity counts and spending benchmarks describe HR's operations but do not show how people objectives create financial value.

126. Answer: A — Target the director transition with structured criteria, calibrated panels and broader sponsorship.

The data isolate the problem at one transition and point to process features (informal nomination and unstructured interviews) that are known to allow bias, so the intervention should fix that step. A broad program spreads resources where no gap exists, a gender-based promotion requirement creates disparate treatment risk under Title VII, and waiting ignores a gap well below the 80% rule of thumb.

127. Answer: D — Buy or borrow the expertise now while building internal leaders to take over later

When a capability is needed faster than it can be developed, organizations hire or borrow it, through external hires, advisers or interim leaders, and pair that with development so internal talent can take over later. Building alone cannot meet a 12-month deadline, and delaying the launch sacrifices the strategy. Wholesale replacement of executives is costly and discards valuable company knowledge.

128. Answer: C — Inform the board of the pattern and commission an independent review of current conduct before any decision.

A repeat pattern of settled claims is a governance and liability risk that the board should know about, and an independent review of current conduct gives a factual basis for decisions about the role. Promoting without review ignores red flags and can increase liability. Firing based on settlements alone skips fact-finding, and coaching while concealing the pattern leaves the risk unmanaged.

129. Answer: C — Good-faith compliance efforts can bar punitive damages for managers' acts contrary to them

Kolstad held that an employer may avoid vicarious liability for punitive damages based on discriminatory decisions by managerial agents when those decisions are contrary to the employer's good-faith efforts to comply with Title VII. The defense depends on real programs, not policies on paper. It does not bar back pay or compensatory damages, Title VII does not impose individual liability on managers, and the holding applies to discrimination claims generally.

130. Answer: B — A few trend-based indicators tied to business outcomes, with management's commentary on risks and actions.

Boards exercise oversight, not management, so they need a small set of outcome-linked indicators, trends and management's view of risks and actions. Program activity counts and item-level survey detail are operational data that bury the signal. Limiting reporting to regulatory compliance filings understates the board's legitimate oversight role over human capital risk.

131. Answer: A — It is relevant evidence on whether the job can be done remotely, but it does not compel approval

The EEOC has said that allowing telework during the pandemic does not by itself mean an employer must allow it permanently as an accommodation. However, a period of successful remote performance is relevant evidence when deciding whether in-person presence is truly essential and whether telework is a reasonable accommodation. The employer still has to go through the interactive process and assess the individual request.

132. Answer: D — Build the shortened hours into global workforce and project plans each year, adjusting staffing and deadlines.

A legally mandated reduction in working hours is predictable, so strategic workforce planning should treat it as a known capacity constraint and set staffing and deadlines around it. Asking employees to waive a statutory entitlement may be unlawful and pressures them during a religious observance. Permanently moving work away overreacts to a manageable, scheduled change.

133. Answer: C — The need is specialized and time-bound, and building the skill internally would take longer than the project allows.

Borrowing fits needs that are specialized, temporary or urgent, where developing internal capability would be too slow or not worth the investment. Capabilities that are core to long-term advantage are better built or bought as permanent talent. Existing internal expertise and high confidentiality both argue for using internal resources rather than outside consultants.

134. Answer: A — The value lies in the target's people, culture and ways of working, which fast, full integration can destroy.

In a capability or innovation deal, what is bought is often tacit: the team, its culture and its way of working. Imposing the acquirer's processes quickly can drive out key people and smother the capability, so integration is targeted and paced. In scale deals, value comes from consolidating duplicate functions, so fast, full integration makes sense. The size argument is tempting, but small cost-synergy deals are often integrated quickly and fully.

135. Answer: C — Share honest plans for affected roles, involve the skeptics in the rollout, and fund reskilling.

Resistance driven by job-security fears eases when leaders are candid about what will change, give influential skeptics a real role in shaping the change and provide credible paths to new roles. A blanket promise that no jobs will change is likely to prove false and would destroy trust when it fails. Replacing skeptics signals that concerns are punished, and waiting for majority comfort cedes the timeline without addressing the cause of the fear.

136. Answer: C — They are secondary mechanisms that reinforce culture only when consistent with leader behavior

Schein classifies structure, systems, physical space, rites and rituals, and formal statements as secondary articulation and reinforcement mechanisms. They work only when consistent with the primary mechanisms, above all what leaders attend to, reward and model. When executives reward results at any cost, that signal outweighs the new statements and rituals.

137. Answer: A — Present the hiring and turnover data, estimate the business impact, and outline options for leaders to weigh.

The CHRO should bring data on the mandate's effect on applications, declines and likely turnover, translate it into business impact such as delayed projects or higher costs, and outline options (such as role-based flexibility) so executives can make an informed trade-off. Raising pay or granting ad hoc exceptions treats symptoms inconsistently, and recommending a reversal without analysis ignores the reasons leaders adopted the policy.

138. Answer: D — Savings come from scale and standardized processes; a key risk is losing responsiveness to local needs.

Shared services save money through economies of scale, process standardization, self-service technology and fewer duplicated roles. The classic risk is that standardized, distant service loses sensitivity to business-unit and local needs, which drives pushback and shadow HR. Location wage arbitrage can contribute but is not the main driver, and keeping unit-specific processes or removing technology works against the model.

139. Answer: B — Change saturation, as overloaded managers and staff adopt each tool shallowly and gains fade.

Organizations have limited capacity to absorb change, and when many initiatives hit the same people at once, attention and training are spread thin, adoption stays shallow and expected benefits are lost. This is why change leaders sequence and prioritize initiatives against change capacity. Budget overruns and scope creep can occur in any project but are not the risk created by simultaneous launches, and buying several tools does not by itself force a single platform.

140. Answer: D — Provide an accommodation for her now and launch a plan to make courses accessible to WCAG standards.

Under the ADA, the employer must provide reasonable accommodation so the employee can access training, and the broader gap is a legal risk that a planned remediation effort, commonly using the WCAG guidelines, addresses. Excusing her from required training can affect her opportunities, and waiting for full remediation delays the accommodation. A coworker reading aloud may be a short-term stopgap but compromises independence and is not a sound permanent solution.

141. Answer: C — Fewer layers can speed decisions, but each manager has less time per report for coaching and oversight.

Widening spans of control shortens the chain of command, which can speed decisions and cut management cost, but it reduces the time each manager can give to coaching, feedback and oversight. It works best when employees are experienced and the work is standardized. Wider spans generally increase, not reduce, employee autonomy, because managers cannot supervise each person as closely.

142. Answer: B — Train supervisors on lawful campaign conduct now, avoid new benefits or programs, and plan systemic fixes for later

During an organizing campaign, newly soliciting grievances with an implied promise to fix them, promising improvements tied to the vote, and surveilling union activity can all be unfair labor practices. Lawful supervisor conduct (no threats, interrogation, promises or surveillance) protects the company now, while systemic fixes to supervisor conflict address the root cause on a lawful timeline. A new complaint program mid-campaign is the tempting but risky choice.

143. Answer: A — Clearly and unmistakably require arbitration of the statutory claims

In 14 Penn Plaza v. Pyett, the Supreme Court held that a collective bargaining agreement that clearly and unmistakably requires union members to arbitrate statutory discrimination claims is enforceable. A general nondiscrimination clause is not enough; the statutory claims must be expressly covered. Individual consent is not required, and the case left open what happens when a union declines to pursue the claim.

144. Answer: C — Quantify the launch revenue and replacement costs at risk and show how the program's cost compares over the full launch period.

Strategic HR proposals compete in financial terms, so the CHRO should frame the trade-off as the cost of the program against revenue and replacement costs at risk over the relevant time horizon. Escalating before making the financial case turns a business decision into a power contest, and deferring or shrinking the program may lose the engineers it was meant to keep.

145. Answer: A — Build public-company readiness: compensation committee governance, a clawback policy, equity plans and leader retention.

IPO readiness requires the people infrastructure investors and exchange listing standards expect, including an independent compensation committee, a clawback policy that meets SEC and exchange rules, equity plans approved before listing, executive pay disclosures, and retention of key leaders through the transition. Large pre-IPO grants to everyone can raise dilution concerns. Pay programs must be in place and disclosed in the registration statement, so waiting until after the IPO is too late.

146. Answer: A — Organizational inertia

Organizational inertia is the resistance of established firms to change, rooted in routines, structures, past success and sunk commitments, even when leaders can see the environment shifting. Change fatigue is employee exhaustion from too much change, which is nearly the opposite problem. Groupthink is a flawed group decision process, and learned helplessness is a belief that one's actions cannot affect outcomes.

147. Answer: A — The seniority system will ordinarily prevail, unless special circumstances show it is not reliably followed.

In Barnett, the Supreme Court held that an accommodation that conflicts with a seniority system will ordinarily be unreasonable, because employees rely on the system's predictability. The employee can show special circumstances, such as an employer that frequently makes exceptions, that make the accommodation reasonable in a particular case. The employer should still look for other accommodations that do not conflict with the agreement.

148. Answer: D — Present workforce plans for each tariff scenario, with trigger points and the actions each would set off.

When demand depends on an uncertain external event, the strongest plan models several scenarios and names the triggers (such as a tariff decision) that move the company from one plan to another, so the board can act quickly. A single most-likely forecast leaves the firm unprepared if another outcome occurs, a blanket freeze can starve critical roles, and planning only for the most labor-intensive case risks costly overstaffing.

149. Answer: D — Negotiate the tool's use with the works council and reach an agreement before it is activated.

In Germany, works councils have co-determination rights over technical systems capable of monitoring employee performance or behavior, so such tools generally cannot be introduced without the council's agreement. Notifying the council after the fact or limiting use to certain employees does not satisfy that requirement, and individual objections do not replace the collective process.

150. Answer: B — A uniform no-fault points system that excludes protected leave from points, with central review before any termination.

A standardized no-fault system gives consistency across a large workforce, but it must exclude absences protected by the FMLA, ADA, USERRA and similar laws, and central review before termination catches errors. Full discretion produces inconsistent decisions that support discrimination claims. Counting every absence, including protected leave, invites interference and failure-to-accommodate claims, and performance-based waivers bring back the inconsistency the system is meant to avoid.

151. Answer: B — Analyze exit, promotion, pay and manager data to find specific causes, then fix those practices for all employees.

A data-driven diagnosis looks at where in the employee lifecycle the gap arises and fixes the underlying practices, such as manager behavior, promotion processes or pay, in ways available to everyone. Paying a bonus based on sex risks a discrimination claim, and promotion quotas carry legal risk. Assuming a cause without data may miss the real problem.

152. Answer: B — Sequence the rollout so each country goes live after its consultation and data steps are done.

Works councils in countries such as Germany have codetermination rights over systems that can monitor employees, and data protection law requires lawful transfer mechanisms before personal data moves. A phased rollout lets ready countries proceed while others complete those steps. Going live first breaches those rights, holding everyone back wastes progress, and partial launches with missing data undermine the system.

153. Answer: D — Present a full analysis of options, including alternatives and a responsible exit plan if it moves.

A strategic decision of this scale should weigh the full long-term costs and benefits, including transition costs, reputational and talent effects and options such as automation or a phased move, and plan a responsible exit if relocation proceeds. Directors are not required to maximize short-term margins at all costs, but the company also has no legal duty to keep the plant open. Waiting on tax breaks makes the decision depend on one variable.

154. Answer: D — Add first-contact resolution, user satisfaction and business impact measures beside the cost measures

Efficiency metrics show how cheaply and quickly cases close, not whether problems are actually solved or whether service helps the business. First-contact resolution, user satisfaction and impact measures capture effectiveness. A tighter time-to-close target could even push staff to close cases that are not resolved, making repeat issues worse.

155. Answer: B — 80%

Funded ratio = plan assets / plan liabilities = $80,000,000 / $100,000,000 = 80%. Dividing liabilities by assets gives 125%, and 20% is the shortfall share, which corresponds to the $20 million underfunding. A funded ratio below 100% means the plan has fewer assets than needed to cover its obligations.

156. Answer: C — When performance problems arise from how members interact and share collective goals

Team coaching works on the team's shared purpose, interdependence, communication and decision processes, so it fits when the problem lies in how members work together rather than in any one person. A skill gap or one person's behavior is better addressed through individual coaching or training.

157. Answer: A — Set clear, agreed criteria for family members' entry and promotion, with board oversight

Family business governance research recommends a written family employment policy with entry criteria such as outside experience, the same performance standards as non-family staff, and oversight by the board or an advisory board with independent members. This protects the business and keeps non-family talent engaged. Rotations can be part of development but do not, on their own, establish readiness standards, and a total ban ignores the owners' legitimate interests.

158. Answer: B — Rate each leader's likelihood of leaving and the business impact of the loss, then focus where both are high.

Talent risk combines the probability of loss with the impact of that loss on the business, such as how hard the role is to fill and how critical the person's knowledge is. Leaders high on both factors deserve priority. Performance ratings or stated intent alone ignore one dimension, and tenure does not measure either risk or impact.

159. Answer: A — Resource dependence theory

Resource dependence theory holds that power accrues to the units or organizations that control critical resources others need and cannot easily obtain elsewhere. Principal-agent theory addresses conflicts between owners and managers, upper echelons theory links outcomes to top executives' characteristics, and transaction cost economics explains make-or-buy choices about organizational boundaries.

160. Answer: D — Partner with local colleges and the workforce board on curricula, apprenticeships, and hiring pipelines.

A workforce development partnership with community colleges, the local workforce board and others builds a sustainable local pipeline, gives residents access to good jobs and often draws on public training funds. Relocation and above-market pay can fill some roles but are costly and draw from a small pool, often poaching from local employers. Staffing firms may fill short-term gaps but do not build lasting regional capability.

161. Answer: B — Propose a streamlined process that lets serious issues skip steps but keeps documentation consistent.

A streamlined framework that reserves discretion to skip steps for serious misconduct addresses the speed concern while preserving the consistency and documentation that defend terminations. Dropping the process entirely leaves decisions harder to defend against discrimination claims even under at-will employment. Refusing any change ignores a valid business concern, and manager-by-manager discretion creates inconsistency.

162. Answer: C — Commander's intent

Commander's intent communicates the purpose and desired end state of an effort so that people closer to the action can make sound decisions on their own when plans meet changing conditions. Unity of command means each person reports to one boss, span of control is the number of direct reports, and management by exception means leaders step in only when results deviate from plan.

163. Answer: B — Trained site representatives who verify credentials, accompany inspectors and document all findings

An effective protocol names and trains representatives at each site to check credentials, hold the opening conference, accompany the inspector, take matching photos and notes, protect trade secrets and escalate to counsel. Requiring a warrant every time can make relations adversarial and widen the inspection's scope, so it should be a case-by-case decision. Barring site staff from speaking with inspectors is unworkable, since inspectors may interview employees.

164. Answer: C — Work with the compensation committee and counsel on targeted retention terms for critical talent

During a takeover contest, the CHRO's priority is protecting the value of critical talent through governed, targeted retention agreements approved by the compensation committee with legal advice. Broad payouts designed to deter the bidder can look like entrenchment and raise fiduciary concerns for the board. Silence lets rumor and recruiters fill the gap, and negotiating with the bidder bypasses the board that is managing the defense.

165. Answer: C — Give WARN notice to the union and officials at least 60 days ahead, and open effects bargaining now so talks end before closing.

WARN requires at least 60 days' notice to the union representing affected employees, the state dislocated worker unit and the chief elected local official, and the duty to bargain over effects must be met in a meaningful way before the closure is carried out. Starting both promptly lets the timelines line up. Under First National Maintenance, a purely economic decision to close part of a business is not a mandatory subject, but its effects are, and a WARN notice is not a substitute for bargaining.

166. Answer: C — It maps who employees turn to for advice and information, revealing central connectors who may not hold formal leadership roles.

Organizational network analysis examines actual relationships, such as who people consult for advice, to find informal influencers and brokers who connect groups. These people often hold no formal title but strongly shape how change spreads. Performance ratings, reporting lines and engagement scores do not measure informal influence.

167. Answer: D — Offer phased retirement and pair retiring experts with successors through structured knowledge transfer

Phased retirement keeps experienced staff available longer on reduced schedules, while mentoring, documentation and job shadowing transfer their tacit knowledge to successors. External hiring alone does not capture undocumented expertise, and an early retirement incentive would accelerate the very knowledge loss the company is trying to prevent.

168. Answer: B — The plan may systematically undervalue jobs held mostly by women, contributing to gender pay gaps

Gender-neutral job evaluation requires factor definitions that capture the demands of female-dominated work, such as emotional effort, caregiving skill and responsibility for people's well-being. Omitting these factors while crediting factors common in male-dominated jobs can undervalue women's work and embed pay gaps. The Equal Pay Act does not prescribe a number of factors or equal weighting, and evaluating job content rather than people is the basis of job evaluation, not a flaw.

169. Answer: C — Explain the conflict and recommend an independent investigator reporting to the general counsel or audit committee.

The chief of staff reports to the CEO, who has a stake in revenue results, so the investigation would lack independence and credibility on a potential financial reporting issue. Routing it to an independent investigator overseen by the general counsel or audit committee protects the company. Adding an HR partner improves balance but leaves the conflict in place, and suspending before deciding to investigate reverses the proper order.

170. Answer: D — Responsible restructuring

Responsible restructuring, a term associated with Wayne Cascio, views people as sources of innovation and renewal rather than costs to be cut, and uses alternatives such as redeployment, reduced hours, pay adjustments and retraining before layoffs. Rightsizing through attrition relies only on not replacing departures and does not include redeployment or retraining. Outsourcing moves work out of the firm rather than developing its people.

171. Answer: D — Meet with him privately to frame succession as continuity risk and his legacy, seeking his input

Starting with a private conversation that frames succession as protection of the business and of the COO's own legacy, and that asks for his view of the role's critical capabilities, turns a threat into a leadership contribution. Going to the board first escalates before influence has been tried. Working around him harms trust and loses his insight, and waiting leaves the company exposed if he leaves unexpectedly.

172. Answer: B — A hierarchical, status-driven culture in which grade and title changes signal career progress

Broadbanding reduces the number of levels, so fewer promotions and title changes are visible. In high power distance or status-oriented cultures, those markers matter for recognition and identity, so employees may see broadbanding as a loss of career progress. Egalitarian, team-oriented and flat cultures are generally where broadbanding fits best.

173. Answer: C — The court enforces the decree, so missed duties can bring contempt or an extended term; each duty needs an owner.

A consent decree is a court order, so failing to train, report or run the claims process on time can lead to contempt findings, extensions or more relief. A governance plan with owners, a compliance calendar and documented evidence is how the company proves compliance to the monitor and court. The company, not the monitor, is responsible for meeting the obligations, and decrees are often extended for noncompliance.

174. Answer: A — A cross-functional board with legal, privacy and employee voices that applies set criteria and can require changes or reject projects

An effective analytics ethics board is independent of the team proposing the work, brings in legal, privacy and employee perspectives, applies consistent criteria (purpose, proportionality, consent, fairness) and has real authority to change or stop projects before launch. A panel of analytics leaders reviewing after launch lacks independence and acts too late. Approving anything with a business case and sponsor treats value as the only test and ignores sensitive data such as health information.

175. Answer: D — Monitoring that affects discipline is a mandatory subject, so the union must get notice and a chance to bargain before use.

Changes in how employees are monitored and disciplined affect terms and conditions of employment, and the NLRB has treated monitoring tools such as surveillance cameras and testing programs as mandatory subjects. The company should give notice and bargain before using the tool for discipline, which also helps address concerns about accuracy and fairness. An outside audit can be good practice but does not replace the duty to bargain.

176. Answer: A — An EOR is the legal employer in a country without a client entity, while a PEO co-employs in the client's country

An EOR becomes the legal employer of record in a country where the client has no entity, handling contracts, payroll, taxes and compliance while the client directs the work. A PEO enters a co-employment relationship with a client that already has its own legal entity in the country, sharing certain employer responsibilities. Reversing the two roles is the most common confusion.

177. Answer: B — Stage the rollout by region, fixing data gaps and setting local baselines before each deployment goes live.

Pilot results depend on the conditions of the pilot, and poor data in two regions means the model may perform very differently there. A staged rollout that remediates data and sets local baselines lets the company scale value while measuring real results in each region. Setting the pilot's 18% target everywhere assumes the same conditions apply, and waiting for perfect data everywhere delays value in regions that are already ready.

178. Answer: B — Upskill support staff, which speeds issue resolution, raises renewals and grows revenue

Strategy maps run cause and effect upward: learning and growth improves internal processes, which improves customer outcomes, which drives financial results. The chain about training hours and course completions stays at the activity level, and the other two reverse the direction of causality.

179. Answer: C — Teaming

Edmondson describes teaming as collaboration on the fly: people with different expertise come together in shifting, temporary groups to solve problems, often without the stable membership of traditional teams. Psychological safety is a condition that makes teaming work, not the practice itself. Team learning is Senge's discipline, and matrix management is a formal dual reporting structure.

180. Answer: D — Pairing training with real project work and mentors, leading to defined roles at the end of the program

Apprenticeships work because learners build skills on real work under mentors and then move into defined roles that use those skills. Self-paced courses alone lack applied practice, and degree requirements shrink the internal pool the program is meant to develop. Without a clear destination role, graduates may leave or never use their new skills.

181. Answer: A — Treat the pattern as a sustainability risk and work with the leader to address workload, staffing and recovery practices.

Highly engaged employees can burn out when demands persistently exceed resources, and the burnout indicators predict future turnover and errors. Addressing the root causes of workload and staffing protects both performance and health. Adding wellness perks without changing demands treats symptoms only.

182. Answer: D — Measures that cannot be met by suppressing reports, validated independently, with discretion to adjust.

Ethics measures tied to pay must not reward hiding problems, so they should combine indicators such as culture scores, timely remediation and audit results, validated by a party other than the executive, with discretion to reduce pay for misconduct. Rewarding fewer reports invites executives to discourage reporting. An all-or-nothing rule on substantiated violations has the same effect, since it penalizes units that find and fix problems.

183. Answer: B — Planning employees, contingent workers, and automation together as one integrated workforce

Total talent management treats full-time employees, contractors, freelancers, gig workers and technology such as automation as one workforce, so leaders choose the best way to get work done. A single HRIS, centralizing decisions in recruiting, or a common competency model are related practices but do not define the integrated planning concept.

184. Answer: D — Tell applicants up front how to request accommodation, train recruiters, and offer equivalent alternatives.

The ADA requires reasonable accommodation in the application process and bars selection criteria that screen out people with disabilities unless job related and consistent with business necessity. An enterprise pathway tells candidates in advance how to ask, trains recruiters to respond quickly, and offers alternatives that measure the same job skills. Retakes do not remove the barrier, and routine demands for a diagnosis go beyond what is needed.

185. Answer: C — Two-way symmetric, which uses dialogue to build mutual understanding

Grunig's excellence study identified two-way symmetric communication, in which the organization listens as well as speaks and is willing to change in response to stakeholders, as the hallmark of excellent communication. Two-way asymmetric communication uses research mainly to persuade rather than adapt. The public information and press agentry models are one-way and do not seek feedback.

186. Answer: A — To match employees' skills and interests with internal roles, projects and gigs

An internal talent marketplace is a platform, often AI-enabled, that matches employees to internal opportunities such as projects, gigs, mentoring and roles based on skills and aspirations. Strategically, it lets the organization redeploy talent quickly, close skill gaps, and retain people who want growth. Shift-bidding tools and external sourcing platforms serve different purposes.

187. Answer: D — Derive the competencies from what the future strategy will require, then test them with senior leaders.

When strategy shifts, the behaviors that made leaders successful in the old business may not fit the new one, so a strategic model starts from future requirements such as customer success, recurring revenue and agile delivery, and validates them with leaders. Past success profiles risk cloning yesterday's leaders. A generic published model and a popularity vote do not tie the competencies to this company's strategy.

188. Answer: A — Crisis of control

In Greiner's model, growth through delegation ends in a crisis of control, as top managers struggle to oversee highly autonomous units; the usual response is growth through coordination. The crisis of autonomy is the tempting answer, but it comes earlier, ending the direction phase, when lower managers want more freedom from centralized control.

189. Answer: B — Test the model's assumptions with division heads, add expansion plans, and build a jointly owned forecast.

A forecast that conflicts with informed leaders should be reconciled, not simply accepted or rejected. Surfacing the model's assumptions and adding known business plans such as expansion improves accuracy and builds the ownership needed to act on the result. Deferring to the model assumes it has complete inputs, and splitting the difference produces a number with no analytic basis.

190. Answer: C — These roles strongly affect strategy and vary widely in performance, so investment pays most

Huselid, Beatty and Becker defined A positions by their strategic impact and the wide range of performance among the people in them, not by rank or pay. Improving performance in those roles creates the most value, so disproportionate investment there earns the highest return. Senior or hard-to-fill roles are not A positions automatically.

191. Answer: A — Audit the handbook against the contract, state that the contract governs unit members, and bargain changes to unit terms.

For bargaining unit employees, the collective bargaining agreement controls over handbook rules, and changing mandatory subjects such as attendance and discipline requires bargaining. An audit that identifies conflicts, plus a clear statement that the contract governs unit members, cuts grievances at the source. Handbooks do not override contracts, and different rules for union and nonunion staff are normal and lawful.

192. Answer: C — The board's compensation committee

Stock exchange listing rules require a compensation committee of independent directors that sets or recommends CEO pay and oversees executive incentive plans, often with an independent consultant. The audit committee oversees financial reporting and internal controls, the nominating and governance committee handles director selection and governance practices, and an executive committee acts for the board between meetings.

193. Answer: A — Use market pricing as the primary method, keeping a structured internal evaluation for unmatched jobs and equity checks

Market pricing is widely used and responsive to the labor market, but it gives little guidance for jobs without survey matches and can import market biases. Keeping a structured internal evaluation for unmatched roles and for equity review protects the internal consistency the company needs after a pay equity complaint. Market data do not automatically establish that pay is free of bias, and manager estimates are subjective. Market pricing is a valid method, so rejecting it outright is also wrong.

194. Answer: D — Diverse teams draw on a wider range of information and viewpoints, which can improve decisions

The information/decision-making perspective holds that diverse members bring different knowledge, networks and viewpoints that can improve problem-solving and decisions. The similarity-attraction perspective predicts the opposite effect, lower cohesion and communication because people prefer similar others, and social categorization describes in-group and out-group sorting. Requiring a shared functional background contradicts the information perspective's premise.

195. Answer: C — Plans must apply treatment limits to MH/SUD benefits comparably and document comparative analyses.

MHPAEA requires that financial requirements and treatment limitations, including nonquantitative limits such as prior authorization and network standards, be no more restrictive for mental health and substance use disorder benefits than for medical benefits. Since the Consolidated Appropriations Act, 2021, plans must perform and document NQTL comparative analyses and provide them on request. The law does not require plans to offer MH/SUD benefits, but if they do, parity applies broadly.

196. Answer: B — As a likely reporting-culture problem, signaling workers do not feel safe raising concerns

A sudden drop to zero near-miss reports with no change in operations or injuries most likely reflects reduced psychological safety, such as fear of blame or retaliation, not fewer hazards. Because near misses are an early warning, losing them removes the organization's best chance to prevent serious injuries. Waiting a year lets the problem harden, and assuming hazards vanished confuses fewer reports with less risk.

197. Answer: B — $932,800

Wages rise 3% x $22,000,000 = $660,000. Wage-driven costs add 8% x $660,000 = $52,800. Benefit improvements cost 1% x $22,000,000 = $220,000. Total = $660,000 + $52,800 + $220,000 = $932,800. The $880,000 figure leaves out the wage-driven costs, and $950,400 wrongly applies the 8% load to the benefits as well.

198. Answer: A — Involvement, consistency, adaptability, and mission

The Denison model links culture to performance through four traits: involvement and consistency (internal focus) and adaptability and mission (external focus), balanced against flexibility and stability. Clan, adhocracy, market and hierarchy are the Competing Values Framework culture types, and power, role, task and person are Handy's culture types.

199. Answer: B — It added unfair labor practices that unions can commit

Taft-Hartley amended the Wagner Act by adding union unfair labor practices in Section 8(b), protecting noncoercive employer speech in Section 8(c), banning the closed shop and letting states pass right-to-work laws under Section 14(b). The right to organize and the NLRB itself came from the 1935 Wagner Act. The bill of rights for union members was added by the Landrum-Griffin Act in 1959.

200. Answer: C — Analyze which team tasks AI can reliably perform, which require human judgment, and the risks, then propose a redesigned team.

A sound assessment breaks the work into tasks, separates what AI can do reliably from what needs human judgment and relationships, weighs risks such as quality and data governance, and then proposes a workforce design. Endorsing the full replacement ignores the in-person and interpretive work the team performs, while opposing it outright or planning the layoff both skip the task-level analysis the decision requires.

201. Answer: C — Which inquiries AI can resolve well and which still need human judgment, compared on cost and service risk

The choice depends on the work itself: AI can absorb routine inquiries well, while complex or sensitive cases still need people. Comparing the two approaches by inquiry type, total cost and service risk often points to a blend. Choosing on first-year cost alone ignores service quality, and contingent labor carries manageable co-employment risk, not certain liability.

202. Answer: C — Present both figures, explain the adjusted model and propose a plan to fix the unexplained gap

The committee needs the full picture: the raw gap shows representation issues, such as fewer women in senior roles, and the adjusted gap shows possible pay inequity for similar work. Pairing both with a remediation plan shows accountability and lowers legal risk. Reporting only one figure hides important information, and a 3% unexplained gap is not something to dismiss, since it may reflect discrimination that federal law prohibits.

203. Answer: D — Assess which tasks AI can do reliably, then phase in changes with controls and reskilling

A task-level assessment shows where AI can safely absorb work, such as routine inquiries, and where human judgment and legal risk remain, such as investigations and accommodations. A phased redesign with quality and risk controls, plus reskilling, can deliver savings without service failures. Cutting staff before tools are proven risks compliance failures, while refusing outright ignores a legitimate efficiency goal.

204. Answer: A — The prodromal stage

Fink's model runs from the prodromal stage, when warning signs appear, through the acute stage, when the triggering event occurs, the chronic stage, when the effects linger, and the resolution stage. The acute stage is the tempting distractor because it is when a crisis becomes visible, but by then the opportunity to act on early warnings has passed.

205. Answer: B — Rights to bias testing and audits, limits on vendor use of company data, and advance notice of model changes

Because the employer remains accountable for how a screening tool affects applicants, it needs the ability to test and audit the tool, vendor cooperation with audits, restrictions on how its data is used, and notice before model changes that could alter outcomes. A warranty may help recover costs but cannot transfer the employer's legal liability to applicants. Unannounced updates can quietly change selection rates and invalidate earlier audit results.

206. Answer: D — Find out whether the sector agreement will apply through association membership or government extension, and set pay to meet it.

In many sectoral-bargaining countries, an industry agreement applies to an employer through employer-association membership, and the government can also extend it to all employers in the sector. The company first needs to know which terms will bind it so that its pay plans comply. Avoiding the association does not help if the agreement has been extended, and company agreements generally cannot undercut sector minimums.

207. Answer: B — Set a speaker policy with consistent, viewpoint-neutral criteria and apply it to this invitation

The core gap is the lack of a standard, so the CHRO should set clear, consistently applied criteria, such as alignment with company values, conduct expectations and review steps, and apply them to this invitation. Canceling on the spot without a standard looks arbitrary and invites claims of inconsistency. Letting it proceed unexamined ignores real risk, and an informal request to change speakers solves only this case.

208. Answer: B — Set visible six-month behavior milestones within a multiyear roadmap tied to leader actions and systems.

The CHRO should set realistic expectations without dismissing the CEO's urgency: early, observable behavior changes can show momentum, while lasting change requires aligning leadership, structures, rewards and measures over years. A values campaign alone changes words, not behavior. Waiting for a survey stalls the effort, and wholesale executive replacement is a costly, high-risk move that is not needed to start.

209. Answer: D — A 3(38) manager takes over fund selection, but the committee must still select and monitor it.

A 3(38) investment manager has discretionary authority over investments and assumes fiduciary responsibility for those decisions. A 3(21) adviser only recommends, so the committee keeps the decision and the liability. Either way, appointing the professional is a fiduciary act, and the committee must prudently select and monitor the appointee.

210. Answer: D — Bring a cross-section of both companies through discovery, dream, design and destiny phases together

An appreciative inquiry summit gathers a broad, mixed cross-section of the whole system and moves through the 4-D cycle: discovering what works at its best, dreaming of the future, designing how to get there and committing to action. Mixing both legacy groups is what builds a shared identity. A vision drafted by executives and then unveiled skips the co-creation that gives the summit its power, and a problem-focused gap analysis is the deficit approach appreciative inquiry deliberately avoids.

211. Answer: A — Members may see a collaborative deal as a sellout and reject ratification

When trust is low and constituents expect positional victories, negotiators who collaborate can be seen as too close to the other side, which creates ratification risk and pressure to revert to positional tactics. IBB is lawful and is consistent with good-faith bargaining. It focuses on sharing interests, not bottom lines, and it can address economic issues.

212. Answer: A — Build an alumni network that keeps in touch with former employees and invites eligible top performers back.

A formal alumni network maintains goodwill and relationships, gives the firm a pool of proven talent who know its culture, and lets it target rehire offers to former employees with strong records who left in good standing. Paying every former employee to return wastes money and ignores performance. Passive waiting forgoes the strategic advantage, and a non-solicitation clause addresses a different issue entirely.

213. Answer: A — Quantify the business impact of losing key engineers, rate likelihood with risk owners, and propose mitigations and reporting metrics.

Risk committees act on risks described in their own terms: likelihood, business impact, owners, mitigations and indicators. Presenting key-talent loss in that format integrates it into enterprise risk management. Requesting a broad bonus jumps to one costly solution without risk analysis, and an engagement survey alone does not quantify impact. CHROs can and should bring people risks to the board.

214. Answer: B — Compare service scope, outsourced work and complexity with peers, then present cost and service options.

An HR-to-employee ratio is meaningful only when the services compared are alike; in-house payroll, benefits and training raise HR headcount but may lower costs elsewhere. Normalizing for scope and complexity and then laying out options with cost and service trade-offs lets the CFO make an informed decision. Accepting the benchmark at face value ignores the scope difference, and dismissing it outright damages credibility.

215. Answer: D — Clean core workforce data and answer a few high-value business questions

New analytics teams earn trust by fixing the reliability of basic data, such as headcount, turnover and job data, and by answering a small number of questions leaders care about. Predictive models built on unreliable data produce results executives will not trust. Buying tools before defining the questions, or producing every available metric, delivers activity without insight.

216. Answer: C — Goals stay relevant, but more frequent goal-setting adds workload and can weaken focus on long-term priorities.

Quarterly cycles keep goals aligned with changing conditions, but they increase administrative effort and can lead to short-term thinking, so many firms anchor quarterly goals to stable annual objectives. Goal cycles and bonus timing are separate design choices. Shorter cycles do not make goals easier or harder by nature, and they usually increase rather than reduce conversation time.

217. Answer: C — Individual market plan choices and prices vary by area and age, so some employees could pay much more.

An ICHRA gives the employer a predictable defined contribution, but employees must shop in the individual market, where networks, plan options and premiums vary by location and age, so the experience can be uneven and older employees may face higher net costs. ICHRAs are available to employers of any size, an employee in a class offered an ICHRA cannot also be offered the group plan, and allowances may vary by age within set limits.

218. Answer: B — Work with the CEO to name a new sponsor quickly and publicly reaffirm the program's goals and commitment.

Losing a sponsor creates a leadership vacuum that quickly drains momentum, so the CHRO should secure a new, credible sponsor with the CEO and publicly reaffirm the program's direction. An operating-model change led by the COO needs line ownership, so HR taking over as sponsor weakens accountability, and waiting for a hire leaves the program without direction for months.

219. Answer: C — Model the savings against the projected cost of turnover and lost output, and present options with their trade-offs.

The CHRO adds the most value by turning the disagreement into an evidence-based decision, quantifying the savings against replacement costs, productivity loss and operational risk, and presenting options so the CEO can weigh them. Taking either executive's side without analysis abandons the CHRO's role as an objective business partner. Splitting the cut evenly is a political compromise that may still produce the losses the COO fears.

220. Answer: D — AI tools need ongoing ownership of performance, user feedback and updates, not one-time project delivery.

AI tools change after launch as models are updated, data shifts and users' needs evolve, so someone must own the roadmap, monitor results and prioritize improvements over the tool's life. A project team that disbands at go-live leaves no one accountable for that work. Naming a product owner does not move the employer's legal liability, and it complements rather than replaces business partners' work with line managers.

221. Answer: A — Show the capacity data and offer options, such as phasing regions, that trade speed against execution risk

The CHRO's strategic contribution is to make the capacity constraint visible and help the executive team choose openly between pace and execution risk, for example by phasing regions. Adding contractors assumes the timeline is workable, yet the people who must learn the new model are the overloaded core staff. Postponing until volume normalizes ignores the CEO's legitimate strategic intent, and leaving timing to each region gives up enterprise-level sequencing.

222. Answer: C — Use a valid transfer mechanism and lawful basis, minimize fields, and complete an impact assessment.

The GDPR requires a lawful basis for processing, a recognized mechanism for transfers outside the EU (such as an adequacy decision or standard contractual clauses), data minimization, and typically a data protection impact assessment for large-scale employee profiling. Employee consent is rarely valid because of the power imbalance in employment. Pseudonymized data is still personal data, and no employment exemption from transfer rules exists.

223. Answer: C — Have leaders reaffirm anti-retaliation protections and share anonymized results of past reports

Employees stayed silent because they did not believe they would be protected or that reports led anywhere. Visible leadership commitment to non-retaliation, independent and confidential intake, and sharing anonymized outcomes show that reports are taken seriously and that reporters are safe. A rebrand changes the label but not the trust problem, and annual certifications add pressure without addressing the fear of retaliation.

224. Answer: D — Build the relationship first, communicate indirectly, use an intermediary and allow more time.

In high-context cultures, trust and relationships come before the deal, and meaning is conveyed indirectly, so adjusting pace, building rapport and using a respected intermediary improve the odds of success. Explaining the blunt style doesn't remove the offense. Pushing written terms early reinforces the transactional approach, and replacing the team discards relationships already in progress.

225. Answer: B — Two critical uncertainties that have high impact and are highly uncertain

In the 2x2 method, the team selects the two driving forces that are both most important and most uncertain, then crosses them to produce four distinct scenarios. Predictable trends are treated as givens that appear in every scenario rather than as axes, and strategic goals or internal weaknesses are things the strategy responds to, not external uncertainties that define the scenarios.

226. Answer: B — How would these participants have fared over the same period if they had not attended the program?

Impact is the difference between what happened and the counterfactual, what would have happened to the same people without the program. Before-and-after comparisons mix in time trends, and comparing with all nonparticipants mixes in selection, since the program likely enrolled stronger candidates. Comparison groups and designs are tools for estimating the counterfactual, not the definition of impact.

227. Answer: B — The full board of directors, often working through a designated committee

Selecting and replacing the CEO is one of the board's core responsibilities, so the full board owns CEO succession and often delegates the detailed work to a nominating, governance or talent committee. The sitting CEO and the CHRO provide important input, but letting the incumbent control the choice creates conflicts of interest. A search firm supports the board's process and does not own it.

228. Answer: A — It builds workforce plans for several plausible futures instead of relying on one predicted outcome.

Scenario planning develops alternative workforce plans for a range of plausible futures (for example, fast growth, flat demand or contraction), so leaders can prepare responses and watch for signals of which future is unfolding. Trend extrapolation, bottom-up manager estimates and benchmark ratios are all single-forecast methods that assume one expected future.

229. Answer: C — $10.4 million

Expected value weights each outcome by its probability: (0.5 x $10M) + (0.3 x $14M) + (0.2 x $6M) = $5.0M + $4.2M + $1.2M = $10.4 million. Taking the simple average of the three costs gives $10.0 million, which ignores the probabilities, and swapping the growth and downturn probabilities gives $9.6 million. $14.0 million is the worst case, not the expected cost.

230. Answer: A — Report themes in aggregate with minimum group sizes, and set a protocol to escalate legal or ethics allegations.

Aggregate reporting with minimum group sizes protects individuals while giving the board useful trends. A defined escalation path is needed because some disclosures, such as harassment or fraud allegations, may require the company to act. Promising absolute confidentiality cannot be kept, and individual transcripts expose former employees unnecessarily.

231. Answer: B — Routine acceptance of AI output repeats even small model errors across thousands of decisions

Automation bias is the tendency to defer to automated recommendations even when they are wrong. When people routinely accept output without scrutiny, a small error rate or a subtle bias is replicated across thousands of decisions, creating systemic harm and legal exposure. Larger data sets do not by themselves reduce accuracy, and no law sets accuracy standards by headcount.

232. Answer: A — Invest where differences in performance quality change strategic outcomes most

Talentship focuses on pivotal talent pools, where a change in the quality or quantity of performance has the largest effect on strategic success. Pivotal roles are not always the highest paid or the hardest to fill. Low current performance matters only if improving it would move strategic outcomes.

233. Answer: A — Explain the main scheduling factors to employees, keep managers able to review outputs, and create a clear appeal process.

Distrust of algorithmic decisions usually comes from opacity and a lack of recourse, so effective governance adds transparency about how decisions are made, meaningful human oversight and a way to contest outcomes. Abandoning the tool until it is error-free sets an impossible standard and gives up its benefits. Shift swapping can help at the margins but leaves the opacity and lack of accountability untouched.

234. Answer: A — Decline broad scanning and route specific reported concerns to the threat assessment team.

Blanket monitoring of personal accounts produces many false positives, harms trust, and can chill concerted activity protected by the NLRA, along with raising state privacy concerns. A targeted approach that responds to specific reported concerns through a trained team is more effective and proportionate. Limiting it to one employee group is arbitrary, and forced consent does not remove the trust and legal concerns.

235. Answer: C — Employees may hesitate to voice disagreement with senior leaders, so input may be muted unless leaders visibly sanction it.

In high power distance cultures, people accept and expect unequal distribution of power, so subordinates are reluctant to openly challenge superiors. Participative methods can still work, but leaders must explicitly invite input and create safe channels. Expecting individual rewards reflects individualism, a different Hofstede dimension, and demands for veto rights or peer approval fit low power distance, not high.

236. Answer: B — It scans external trends that may change the work, so new skill needs can be spotted early.

PESTLE examines political, economic, social, technological, legal and environmental forces outside the organization. Scanning these trends (for example, automation or new regulation) helps leaders foresee how jobs and required skills will shift. Individual gap analysis and program portfolio reviews are internal tools that describe current conditions rather than external change.

237. Answer: D — Open-door discussion, then peer review, then mediation, then arbitration

An ADR ladder moves from the least formal and least costly internal steps to more formal and external ones: an open-door talk with management, internal peer review, mediation with a neutral, and finally binding arbitration. Placing arbitration earlier ends the process before cheaper, relationship-preserving options are tried.

238. Answer: B — Part of the consultant's fee depends on reaching agreed, measurable business results, so both parties share the risk.

In an outcome-based or gainsharing contract, some of the consultant's compensation is tied to measurable results (such as revenue gains or cost savings). This aligns incentives and shifts part of the delivery risk to the consultant. Fixed-fee, time-and-materials and retainer arrangements pay for inputs or deliverables regardless of results, so the client keeps most of the outcome risk.

239. Answer: D — Surveys on pressure, leader behavior and comfort speaking up, combined with reporting and retaliation trend data.

Culture is how employees experience pressure, leadership and speaking up, so perception surveys combined with behavioral data such as reporting and retaliation patterns give the best picture. Completion and sign-off rates measure program activity, not culture. A low helpline count is the trap, since it often means employees do not trust the system.

240. Answer: C — Self-reports are prone to self-serving and social desirability biases about one's work.

Employees tend to rate their own performance favorably and may answer in ways that support an arrangement they value, so self-reported productivity can diverge from measured output. Objective measures have their own limitations but are not always less valid, and output measures for knowledge work do not typically lag by years. Survey sample size affects precision of the self-report estimate, not the output data.

241. Answer: B — Use a global change framework with local change leads, adapted messages and readiness checks by wave.

A global framework keeps the program consistent, while local change leads adapt messages, training and works council consultation to each country, and readiness checks before each wave prevent launching where the business is not ready. A single English-only plan ignores language and legal differences, and full local autonomy loses consistency and control. A simultaneous launch in 30 countries concentrates risk.

242. Answer: D — Evaluate the proposal against strategic fit, total cost, control, risk and employee experience before recommending.

An HRO decision should be based on a structured assessment of strategic fit, total cost of ownership including transition and governance, loss of control, compliance and data risk, and the effect on employee experience. Outsourcing payroll and benefits only may prove sensible, but recommending any scope before that analysis is premature.

243. Answer: A — Form a diagnostic team with operations and finance to test how staffing, turnover and customer scores relate by store.

When a root cause likely spans functions, the diagnosis should be designed jointly with the functions that own the levers and data, here operations (scheduling) and finance (costs and revenue). Reverting the model on timing alone confuses correlation with causation, and a training fix addresses symptoms that HR controls rather than the system that may be causing them.

244. Answer: B — Evidence that the test predicts success in these jobs, an impact review, and a check for equally valid, fairer tools.

If a test screens out a protected group, Title VII requires the employer to show it is job related and consistent with business necessity, and a plaintiff can still win by showing an equally valid alternative with less impact. The CHRO should demand job-specific validity evidence and an impact and alternatives review before rollout. A turnover pilot does not show job relatedness, and a test used as one factor can still cause adverse impact.

245. Answer: B — They align executives with shareholders by requiring stock held at a multiple of salary, met over a set period.

Ownership guidelines require executives to hold company stock worth a multiple of base salary, often higher for the CEO, within a compliance period such as five years, which ties their wealth to shareholder outcomes. They set minimum holdings, not caps or bonus grants. Guaranteeing share values would defeat the purpose of aligning executives with shareholder risk.

246. Answer: A — Hold a formal performance review with the provider to find root causes and agree on a corrective plan.

Good vendor governance calls for using the contract's review process to diagnose why quality is lagging (for example, unclear profiles, poor manager feedback or screening gaps) and agreeing on a corrective plan with deadlines before escalating. Ending the contract or insourcing without diagnosis is costly and may repeat the problem, and adding penalties without joint problem solving does not address causes.

247. Answer: D — Analyze early exits by unit, role, manager, and hiring source to find where and why new hires are leaving.

Because early turnover varies widely, the CHRO first needs data on where and why it happens. Causes may lie in onboarding, in a mismatch between the job and how it was described, in particular managers, or in particular sources. Buying a platform or lengthening orientation assumes the cause before diagnosing it. A retention bonus may delay exits without fixing what drives them.

248. Answer: D — Move prayer to a voluntary gathering outside required meetings, and explain that participation cannot be expected.

Leader-led prayer in required meetings can be religious coercion under Title VII, especially when supervisors lead it, yet employees who value prayer can still gather voluntarily. Moving the practice out of mandatory meetings respects both groups. Letting people step out still singles them out in front of their managers, and banning all prayer goes beyond what is needed and burdens lawful expression.

249. Answer: C — Frame the decision on total cost, service quality and control, and explain why the metric will move.

Revenue per employee falls whenever work moves from a vendor contract to payroll, even if total cost stays the same or drops, so the decision should rest on fully loaded cost, service quality, control and risk. HR should explain why the metric moves so the board does not read it as lost productivity. Rejecting the change to protect the metric, or structuring it to hide headcount, lets the metric drive the decision instead of informing it.

250. Answer: B — Minimum critical specification

Minimum critical specification holds that designers should specify no more than is absolutely essential and leave the remaining choices to the people doing the work, which preserves flexibility and ownership. Joint optimization is the broader goal of designing social and technical systems together, and variance control at the source means handling problems where they arise. Requisite variety concerns matching a system's internal variety to the complexity of its environment.

251. Answer: D — Work with the union to draft clearer language, by side letter now or in the coming talks, based on a review of the disputes.

Repeated grievances and conflicting awards show that the language itself is the problem, and arbitration awards generally do not bind other arbitrators. Jointly redrafting the clause, informed by the patterns in the disputes, addresses the root cause and can be done midterm by agreement or in the upcoming talks. A unilateral policy cannot change the contract's meaning, and proposing to drop the clause is unlikely to succeed and invites conflict.

252. Answer: D — Total cost of ownership and the team's capacity to maintain, validate and monitor the model for bias

A build decision commits the company to ongoing maintenance, revalidation and bias monitoring, which this team lacks the capacity and legal expertise to provide. Total cost of ownership and capability, not just initial cost, determine which path is sound. Comparing only first-year costs is the common mistake, since it ignores the long-term work an internal model requires.

253. Answer: B — Define the sponsor role, choose engaged executives including allies, and set term limits

Sponsor turnover and disengagement call for a clear role definition, selection based on commitment and influence, defined terms that plan for rotation and openness to allies, who can bring visibility and advocacy. Assigning by workload ignores fit and commitment. Requiring shared identity unnecessarily shrinks the pool, and having the CEO cover every group is not sustainable.

254. Answer: C — Plan for existing balances, set minimum time-off expectations, and track usage by group after launch.

Unlimited PTO removes future accruals, but existing balances must be handled lawfully, and some states require payout of accrued vacation. Without minimum expectations and usage tracking, some groups may take less leave than others, which harms well-being and can create equity problems. Unlimited plans are lawful in general, and launching without guidelines invites the under-use the CHRO is worried about.

255. Answer: B — Set role-based access, minimum group sizes for reporting, and required training on reading the data.

Democratizing people data works only with governance: access matched to role, minimum group sizes so small-team results cannot identify individuals, and training so managers interpret data correctly. A confidentiality pledge does not stop re-identification or misreading, and launching first and fixing later invites privacy harm. Restricting dashboards to HR business partners avoids the risk but abandons the strategic goal of manager self-service.

256. Answer: B — Its aim is to redesign HR capability and service delivery, not just to cut the cost of tasks

Transformational outsourcing uses a provider's capabilities to change how HR operates and what it delivers, often with shared goals and a longer horizon. Tactical outsourcing moves discrete tasks mainly to reduce cost. The distinction is about purpose, not scope, location or service type.

257. Answer: D — Deny only after assessing whether the request causes substantial increased costs to the business

Groff held that undue hardship under Title VII requires showing that the burden of granting an accommodation would result in substantial increased costs in relation to the conduct of the employer's particular business, not merely more than a de minimis cost. An automatic denial at a small cost threshold no longer meets that test, so the process must assess actual costs and alternatives, such as voluntary swaps, before denying. Groff did not eliminate the defense or adopt the ADA standard.

258. Answer: D — Viewpoint-neutral conduct standards on respect and disruption, applied consistently and reviewed by counsel.

Standards that address conduct such as harassment, threats and disruption, regardless of viewpoint, can be applied fairly across sites. Counsel review matters because the NLRA protects some political speech tied to working conditions, and some states protect political activity. A total ban is the tempting choice, but it is hard to enforce, may restrict protected concerted activity, and private-sector employees do not have a constitutional right to free speech at work in any case.

259. Answer: D — Dialogic communication, built on two-way exchange and shared meaning

Dialogic communication treats employees as partners in creating meaning, using genuine two-way exchange, openness and mutual respect, which builds understanding and ownership during strategic change. Persuasive communication is tempting because it can be engaging, but it still aims to move people toward a fixed position rather than create meaning together. Informational and directive approaches are primarily one-way.

260. Answer: C — 216

Year one ends with 1,000 x 1.08 = 1,080 employees. In year two, replacements = 1,080 x 12% = 129.6 and growth = 1,080 x 8% = 86.4, so hires = 216. Using the original 1,000 base gives 200 (the year-one figure), 416 is the two-year total, and 130 counts only attrition replacements.

261. Answer: C — Work with counsel to review validity and alternatives, and consider pausing the exam

A large, sustained gap well below the 80% rule of thumb, combined with no local validity evidence, is a serious exposure, so the CHRO should involve counsel, assess whether the exam is job related, look for less discriminatory alternatives and consider pausing its use. Equal application does not defend against disparate impact, and race-based score adjustments are unlawful. Relying on unstructured supervisor picks would likely add new subjectivity and risk.

262. Answer: A — Apply USERRA to Guard members, and FMLA exigency and caregiver leave to eligible family members.

USERRA protects the servicemember's own job and benefits, while FMLA military family leave gives eligible family members up to 12 weeks for qualifying exigencies and up to 26 weeks of military caregiver leave. Exigency leave covers families of Guard and Reserve members as well as the regular armed forces, so limiting families to caregiver leave misreads the law. USERRA does not extend reemployment rights to spouses.

263. Answer: C — All members must be independent directors, with the board weighing their fees from and ties to the company.

Major exchange standards generally require a compensation committee made up entirely of independent directors, and when judging independence the board must consider the sources of each director's compensation, such as consulting fees, and any affiliation with the company. A majority rule, certification requirement or stock ownership minimum is not part of the standard. Controlled companies may have exemptions.

264. Answer: C — Ground the tutor in approved content, have experts review outputs and tell users when to verify answers.

Generative AI can produce plausible but wrong answers, so in a high-risk field the tutor should be limited to vetted sources, monitored by subject-matter experts and clear about when learners must confirm answers with authoritative guidance. Relying on users to catch errors puts patient safety at risk. Cancelling entirely gives up the benefits when the risks can be managed, and a disclaimer does not reduce the harm from wrong guidance.

265. Answer: C — A negotiated cap on annual price increases that applies across several renewal terms

A multiyear escalation cap directly limits how much the price can rise at renewal. Short terms give theoretical flexibility, but switching HR systems is costly, so they offer little leverage. Volume discounts and most-favored-customer clauses address different pricing issues and are hard to enforce against renewal increases.

266. Answer: D — Diagnose department-level causes such as leadership, workflow, staffing or training first.

When most of a group underperforms, the cause is usually systemic, such as leadership, processes, staffing or training, rather than 25 individual failures. A root-cause diagnosis comes first because it determines whether PIPs, restructuring or a leadership change is the right fix. Acting on any of those remedies before the diagnosis risks treating the wrong problem.

267. Answer: C — Present the costs to the CEO, set clear behavior expectations with consequences, and provide executive coaching.

Coaching works best when paired with explicit accountability, and showing the CEO the turnover and legal costs makes the case that behavior matters as much as results. Coaching without consequences rarely changes entrenched behavior. Immediate termination skips a fair process, and moving staff around the leader leaves the problem in place.

268. Answer: D — Make only a commitment the company can keep, such as reskilling and redeployment priority, and state its limits.

A pledge that may later be broken destroys credibility at the moment trust matters most, so the CHRO should steer the CEO toward a commitment the company controls, such as reskilling and redeployment priority, with honest limits. Supporting the unconditional pledge ignores the plan's dependence on attrition. Silence leaves employees to fill the gap with rumors, and an internal-only pledge is no easier to break without damage.

269. Answer: D — Organizational memory

Organizational memory is the knowledge from the past that is retained in people, routines, procedures, systems, structures and culture and that influences present decisions. It can preserve hard-won lessons but can also lock in outdated practices. Single-loop learning describes correcting errors without questioning underlying assumptions, and groupthink is a decision bias within a cohesive group.

270. Answer: B — Link each hire's source to later performance, productivity and retention data to compare outcomes

Quality of hire is best measured by connecting pre-hire data, such as source and assessment scores, with post-hire outcomes such as performance, productivity, ramp time and retention. That shows which sources produce hires who add value. Cost and speed measure efficiency, and early manager satisfaction or acceptance rates are weak predictors of business outcomes.

271. Answer: B — Ask the compensation committee to add balancing metrics such as access, quality and employee satisfaction

An incentive tied to one cost metric can push decisions against employee welfare, so the right fix is to redesign the incentive with balancing measures, a choice the compensation committee owns. That keeps cost discipline while protecting employees. Handing decisions to a subordinate does not remove the conflict, because the subordinate still answers to her. Refusing all cost goals ignores a legitimate business priority.

272. Answer: B — Most countries have ratified it, and its principles, such as reasonable accommodation, shape many national laws

The CRPD has been ratified by the large majority of UN member states, and its Article 27 on work and employment, including the duty to provide reasonable accommodation, has shaped national disability laws worldwide. That makes it a sound common baseline for a global policy. The United States signed the CRPD in 2009 but has not ratified it, so it does not create enforceable duties for U.S. employers, and it does not override or replace local law.

273. Answer: C — Dental, vision, health FSAs and EAPs offering counseling are group health plans under COBRA.

COBRA applies to any group health plan that provides medical care, which includes stand-alone dental and vision plans, health FSAs (subject to a limited rule for some FSAs) and EAPs that offer counseling or other medical services. Life and disability insurance are not group health plans and are not subject to COBRA. Missing these smaller plans is a common source of notice failures.

274. Answer: A — Explain that a controlling employer can be cited if it fails to use reasonable care to prevent hazards.

Under OSHA's multi-employer citation policy, an employer with general authority over a worksite is a controlling employer and can be cited if it fails to exercise reasonable care to prevent and detect violations, even when only another firm's workers are exposed. That calls for site inspections, hazard correction requirements and enforcement of subcontractor safety terms. The policy does not require the contractor to take over every subcontractor's training and equipment duties, and insurance does not reduce citation exposure.

275. Answer: B — $1,600,000

Replacement cost per exit is 50% x $80,000 = $40,000, and 40 exits x $40,000 = $1,600,000. Using full salary instead of 50% gives $3,200,000, and $40,000 is the cost of a single exit rather than the total.

276. Answer: C — Pause the pilot, explain its purpose openly, and set a policy on notice, scope and data use.

The damage comes from the lack of transparency, so the CHRO should stop the pilot, be candid about why it was done, and adopt a policy covering notice, proportionality, scope and how data may be used. Legal permission to monitor company systems does not resolve the trust problem. Ending all monitoring, including security controls, overcorrects, and waiting passively lets the damage spread.

277. Answer: B — Within four business days after the company determines that the incident is material

The 2023 rule requires disclosure under Form 8-K Item 1.05 within four business days after the company determines that a cybersecurity incident is material, and the materiality determination must be made without unreasonable delay after discovery. The clock does not start at discovery. The 72-hour period comes from other regimes, such as some breach notification and critical-infrastructure reporting rules.

278. Answer: D — A bundle of mutually reinforcing practices in selection, training, involvement and incentives

High-performance work systems are bundles of complementary HR practices, such as rigorous selection, extensive training, employee involvement, information sharing and performance-linked rewards, that together build ability, motivation and opportunity to contribute. The research emphasis is on the bundle, because single practices adopted in isolation have weaker effects. Close supervision reflects a control approach rather than a commitment approach, and HR technology alone is not an HPWS.

279. Answer: D — The move from managing managers to functional manager

Charan's third passage, from managing managers to functional manager, requires leaders to manage areas outside their own expertise, think strategically about their function and value other functions as partners. Moving from managing others to managing managers is the earlier passage focused on selecting and coaching first-line managers. The business manager passage centers on profit and cross-functional trade-offs.

280. Answer: D — Limit plan PHI to named staff for plan administration and keep it out of employment decisions.

A self-funded plan is a covered entity, and the plan sponsor may receive PHI only if the plan documents restrict use to plan administration, identify the employees who may access it and bar its use for employment-related actions. With a small team doing both roles, the firewall must be built through role definitions, separate records and training. Consent forms do not authorize employment use, and PHI should never sit in personnel files.

281. Answer: C — Explain that training alone fails while failure is punished, and pair it with changes to those practices.

The organizational analysis shows a cultural and systemic barrier: people are penalized for the experimentation the training would teach. A senior HR leader should advise the CEO that the reward and promotion practices must change alongside the training, or the new skills will not be used. Teaching resilience or launching fast treats the symptom and leaves the barrier in place.

282. Answer: D — Whether ratings correlate with objective outcomes and predict later performance, promotion and retention

Validity means ratings measure real performance, so the strongest evidence is criterion-related: ratings that track objective measures such as sales, quality or error rates and predict later outcomes. Satisfaction shows acceptance, not accuracy. A bell-shaped distribution and on-time completion describe the process, not whether the ratings are correct.

283. Answer: A — To show visually how objectives across perspectives drive financial results

A strategy map, developed by Kaplan and Norton, is a one-page visual of cause-and-effect links among objectives across the balanced scorecard perspectives. It helps leaders see how intangible assets such as people capabilities drive customer and financial results. Plotting share against growth describes the BCG matrix, not a strategy map.

284. Answer: C — Involve division leaders in designing service levels and governance before transition

Engaging division leaders in setting service-level agreements and governance addresses their concerns and builds ownership while keeping the CEO's direction intact. Proceeding without them invites resistance and workarounds. Optional participation undermines the scale economics of shared services, and unanimous approval gives any one leader a veto.

285. Answer: D — Many federal courts may hold it liable as a successor because of substantial continuity of the business.

Several federal circuits apply a federal common-law successor liability doctrine to FLSA claims, weighing factors such as substantial continuity of operations and workforce, the buyer's notice of potential liability, and the seller's ability to provide relief. Under that doctrine, an asset structure and contract terms do not by themselves shield the buyer. Notice of the claims is one factor, but a prior DOL finding is not required.

286. Answer: D — The business strategy and the workforce priorities that support it

A technology roadmap should sequence investments according to what the business and its workforce strategy need over the planning horizon. Vendor features, internal request volume and peer adoption can inform options, but each risks investing in capabilities that don't advance the organization's priorities.

287. Answer: B — Accrue the expected cost as a liability over employees' working years under OPEB accounting rules.

Under U.S. accounting standards for other postemployment benefits (OPEB), employers recognize the cost of retiree health benefits over the period employees earn them and report the unfunded obligation as a liability on the balance sheet. Pay-as-you-go expensing was replaced by accrual accounting for these benefits decades ago. ERISA does not require prefunding of retiree health benefits.

288. Answer: B — Lower labor costs in cheaper areas versus perceived unfairness and added complexity

Location-based pay can control costs, but it can feel unfair to employees doing the same work and requires maintaining pay zones and rules for relocation. A single national rate is simpler and can feel fairer but raises costs. Paying different rates by location is a common, lawful practice when applied consistently, so legal risk is not the central trade-off.

289. Answer: B — A waitlist design that randomly sets who starts now, with access for all later.

Because capacity is limited anyway, a waitlist (phased) design randomizes only the order of access, so no one is permanently denied, yet it still creates a valid comparison group. Comparing volunteers with non-enrollees confounds the benefit with self-selection. Before-and-after comparisons mix in other changes, and starting with high-turnover units invites regression to the mean.

290. Answer: C — Reposition the survey as a manager development tool, separate from reviews, and train on action planning.

Engagement surveys work only if employees trust that honest answers will not be held against them. Making clear that results guide managers' own development and action planning, keeping them out of employee evaluations, and training managers to respond constructively restores that purpose. Withholding results removes their value, and raising anonymity thresholds helps but does not stop managers from treating scores as performance measures. Exit interviews arrive too late to prevent turnover.

291. Answer: C — Build a staffing plan for each scenario with clear triggers for moving between them

Scenario planning prepares a workforce response for each plausible future and defines the indicators, such as order levels or cash runway, that trigger moving from one response to the next. This lets leaders act quickly without overcommitting. Planning only for the worst case risks cutting talent needed for recovery, betting on one case leaves the company unprepared for the others, and waiting means acting too late.

292. Answer: C — Being stuck in the middle, with no clear cost or differentiation advantage

Porter warned that firms trying to be both the low-cost leader and a differentiator without a clear commitment often achieve neither and become "stuck in the middle" with below-average returns. For HR, the implication is to align talent, pay and culture with one clear strategy. Some later research shows hybrid strategies can work when they are executed deliberately, which is not the case here.

293. Answer: A — Apply the global non-retaliation policy, protect the reporter, and ensure central oversight of the inquiry

Company policy can and should protect reporters beyond what local law requires, and bribery of foreign officials creates significant U.S. and local legal exposure, so the investigation needs central, independent oversight. The local general manager may be implicated or under pressure. Transferring the reporter without consent can itself look like retaliation.

294. Answer: C — State the real business reasons consistently, since an inaccurate AI rationale creates trust and legal risk

Reasons for layoffs should be accurate and consistent across the press release, employee communications and legal documents. A stated reason that does not match the facts can look like a pretext in discrimination claims, and blaming AI can fuel backlash and fear among remaining employees. Different explanations for different audiences will surface quickly, and giving no reason damages trust and invites speculation.

295. Answer: D — Positive, about $14,000

NPV = 120,000/1.08 + 120,000/1.08^2 - 200,000 = 111,111 + 102,881 - 200,000 = about $13,992, so it is positive. The $40,000 figure ignores discounting. The $22,000 figure discounts both years' savings by only one year, and the $6,000 figure discounts both years' savings by two years.

296. Answer: C — 366.7%

Benefit = 50 x 0.70 x $40,000 = $1,400,000. ROI = (benefit - cost) / cost = ($1,400,000 - $300,000) / $300,000 = 3.667, or 366.7%. Dividing benefit by cost without subtracting cost gives 466.7%, assuming all 50 disputes settle gives ($2,000,000 - $300,000) / $300,000 = 566.7%, and dividing net benefit by benefit instead of cost gives 78.6%.

297. Answer: C — Report them separately as intangible benefits, with any supporting evidence

In the Phillips approach, benefits that cannot be converted to money with credible effort are reported as intangible benefits alongside the ROI, not forced into it. Assigning estimated dollar values inflates the ROI and weakens credibility with finance, while omitting them understates the program's value.

298. Answer: D — The company may be found to have a permanent establishment and owe tax on local profits

Using an EOR doesn't prevent a permanent establishment. If workers habitually conclude contracts or carry out core revenue-generating activities for the company, tax authorities may find a taxable presence and tax a share of the company's profits locally. The EOR is the legal employer, so contractor classification isn't the main concern.

299. Answer: D — Brief the CEO and the EVP on the pattern with aggregate data and costs, protecting individuals.

A clear pattern with a real business cost should be raised with both the executive who can change it and the CEO who holds that executive accountable. Presenting it as aggregate data protects the people who left and keeps the conversation focused on facts. Sharing verbatim comments can identify former employees, and holding the data back lets a costly problem continue.

300. Answer: D — Benchmark HR and workforce costs and build a value-based efficiency plan proactively.

A strong response tests the activist's claim with properly normalized benchmarks, separates spending that drives value from spending that does not, and offers a credible plan (for example, spans and layers, shared services, automation) that management controls. An arbitrary cut without analysis can harm capability, staying silent leaves HR's costs defined by others, and a purely defensive message lacks credibility.

301. Answer: C — Set mandatory global principles and minimums, and let countries adapt details within them.

A global core with local flexibility fixes what must be the same everywhere, such as principles and minimum standards, while letting countries adjust details to fit their laws and cultures. A single translated manual ignores local legal differences, and fully local policies give up consistency. Adopting the largest subsidiary's rules simply exports one country's practices.

302. Answer: A — Notify the board chair or audit committee and arrange an independent outside investigation that reports to the board.

Allegations against a C-suite officer, especially ones touching financial integrity, require oversight by the board and an investigator independent of management. The CEO's close friendship with the CFO creates a conflict of interest, and an internal HR investigation reporting to management lacks the independence and credibility the situation requires. Interim measures such as leave may follow, but a broad announcement before any findings is premature and risks harming the accused and the process.

303. Answer: D — Build a joint labor-management effort focused on productivity and competitiveness.

Sharing the competitive data with union leaders and working jointly on work rules, productivity and gainsharing gives both parties a stake in keeping the plant viable and supports a constructive negotiation. A hard line risks a strike and lasting distrust, relocation threats can raise unfair labor practice issues and destroy goodwill, and employer instigation of a decertification petition is unlawful under the NLRA.

304. Answer: D — How much each tool affects employment decisions and the people subject to them

Oversight should be proportionate to potential harm, so a tool that screens out candidates or recommends terminations needs far more testing and human review than one that drafts job postings. Cost and usage volume do not measure impact on individuals' rights or opportunities. Model sophistication is also a poor proxy, because simple tools can drive consequential decisions.

305. Answer: A — Denials now require substantial increased costs in the context of the business, after alternatives

Groff rejected the more-than-de-minimis reading of undue hardship and held that an employer must show the burden would be substantial in the overall context of its business. Coworker hostility to religion or to accommodating it does not count as hardship, and employers should consider options such as voluntary shift swaps. Accommodations can still be denied when that higher threshold is met.

306. Answer: B — One that serves the employer's needs about as well while causing less adverse impact

A less discriminatory alternative matters when it is about as effective in meeting the employer's legitimate needs, such as comparable validity, while producing less adverse impact, and the employer refuses to adopt it. An alternative with poor validity does not meet that standard. Industry use alone does not prove the alternative is equally valid, and prior consideration is relevant only if the alternative is shown to be comparably effective.

307. Answer: C — A cross-functional review of purpose, legality, fairness and transparency

An ethical review process, typically involving HR, legal, privacy, IT and employee perspectives, tests each proposed use for legitimate purpose, legal compliance, bias risk, proportionality and how employees will be informed. The fact that data already exist does not make every use appropriate. Data quality checks alone miss ethical and legal questions, and a blanket ban gives up legitimate value that a review process can protect.

308. Answer: D — Find out why the team left and reduce the company's dependence on small key groups.

Beyond the immediate gap, the CHRO should diagnose the drivers (pay, leadership, career path, equity) through exit data and stay interviews, and reduce key-person concentration through succession, knowledge sharing and broader bench strength. Across-the-board pay or blanket retention bonuses are expensive and may miss the real cause, and rushing to rehire leaves the same structural risk in place.

309. Answer: B — A wage reopener that allows renegotiation of pay at a set point while the other terms remain fixed

A wage reopener lets the parties return to the table on pay at a specified time during a multi-year contract without reopening the rest of the agreement. It preserves the stability of a long contract while limiting the risk of wages falling out of line with the market. A cost-of-living clause also adjusts pay but does so automatically by formula, so the parties never actually renegotiate. A zipper clause would do the opposite by closing off midterm bargaining.

310. Answer: B — Build cross-site staffing, remote options, and employee support into continuity planning

Rising, recurring physical risk calls for workforce resilience built into enterprise continuity planning: the ability to shift work across sites, enable remote work where possible, and support affected employees so operations recover quickly. Evacuation drills protect safety but address only the immediate event, and insurance offsets losses without keeping operations running. Relocating everything within a year is a major business decision that goes well beyond the workforce analysis available.

311. Answer: C — Hold cross-regional calibration sessions using shared criteria and evidence for each rating.

Calibration across regions, using common definitions of potential and evidence for each rating, corrects leniency bias while keeping the knowledge regional leaders bring. Fixed quotas can exclude truly strong candidates in some regions, and accepting ratings as submitted leaves the slate distorted. Central re-rating without regional input loses firsthand knowledge and buy-in.

312. Answer: D — Have executives commit to a few visible priorities with owners and timelines, and report progress before the next cycle.

Participation is falling because employees see no return on their input, so the fix is visible, owned action that leaders communicate back. Incentives treat the symptom and can attract low-quality responses. Requiring manager templates creates paperwork without executive commitment or communication about what changed.

313. Answer: B — Model revenue growth, productivity and workforce mix levers and phase actions over three years.

A ratio target can be reached by growing revenue faster than labor cost as well as by cutting cost, so the CHRO should model how growth, productivity, automation, span and layer changes, sourcing mix and attrition combine year by year, protecting critical capabilities. An immediate cut of about 11% (4 points out of 36) risks service and revenue, a three-year pay freeze invites attrition of top talent, and challenging a board-set target without analysis is not a strategic response.

314. Answer: B — Goals, metrics and rewards that set the two functions against each other

Conflict that recurs despite skill training usually has structural causes, such as sales being rewarded for bookings while operations is rewarded for cost and on-time delivery. Changing shared goals, metrics and incentives addresses the source. Skills training has already been tried, and blaming personalities ignores that the conflict has outlasted specific people.

315. Answer: C — Privately show the CEO the evidence and how the behavior is undermining the strategy.

Courageous counsel means giving senior leaders candid, evidence-based feedback directly and privately, tied to business results. Training for everyone is tempting because it avoids confronting the CEO, but it does not address the root cause. Going to the board chair first bypasses the CEO, and waiting for the next review cycle lets the strategy keep stalling.

316. Answer: C — A complaint that a senior leader sexually harassed a junior employee in his unit

Mediation depends on parties who can negotiate as relative equals, and it is not designed to produce findings or discipline. A harassment allegation against a senior leader involves a sharp power imbalance and a legal duty to investigate and take corrective action, so it calls for a formal investigation. Manager-employee scheduling conflicts involve some hierarchy but no misconduct finding, and mediation often works well for them.

317. Answer: A — An action that produces value in every scenario, regardless of which future occurs

A no-regret move pays off whichever scenario unfolds, so leaders can act on it now without waiting for uncertainty to resolve. Easy reversibility and low cost describe hedges or real options, which preserve flexibility but do not necessarily pay off in every future, and executive agreement says nothing about how an action performs across scenarios.

318. Answer: D — Assess cultural, labor relations and management fit at each site, then adapt and pilot.

A practice's success often depends on its context, including cultural norms, labor relations (for example, works council rights in Germany) and supporting management systems. The CHRO should assess fit and adapt before a phased rollout. Copying the design exactly assumes the context transfers, and expatriate trainers or interest surveys address delivery without testing whether the practice fits.

319. Answer: C — Vendors define and measure engagement differently, so scores reflect different constructs.

Engagement vendors use different definitions (for example, emphasizing commitment, discretionary effort, satisfaction or intent to stay) and different items, so a score of 75 from one vendor and 75 from another may not measure the same thing. Converting to percentages fixes scale but not the underlying difference in construct. Well-designed engagement surveys can be reliable; the problem is comparability across instruments, not measurability.

320. Answer: A — It coordinates timing and ownership so employees get consistent, well-sequenced messages

Shared governance tools such as an editorial calendar and clear approval roles make it visible who owns each message and when it will go out, which prevents conflicts, overload and poor sequencing. They do not require routing everything to the CEO or cutting channels. Letting each function publish independently and merely logging the results would leave the coordination problem unsolved.

321. Answer: B — Narrowly defined jobs, efficiency-focused training and pay set near the market median

Cost leadership calls for predictable, efficient behavior at the lowest sustainable cost, so HR typically uses well-defined jobs, training aimed at efficiency and market-level pay. Broad roles, rotation, experimentation time and above-market pay for innovators support a differentiation strategy and add cost that a cost leader cannot pass on to customers.

322. Answer: C — Work with the CEO to surface and resolve the executives' objections so the team commits to a shared plan.

Visible, unified sponsorship from the leadership team is a key predictor of change success, and leaders who quietly undermine a change will stall it in their areas. The CHRO should help the CEO surface real objections and build genuine alignment before rollout. Partial rollouts and employee campaigns proceed on a split foundation, and adding goals may get compliance without commitment.

323. Answer: D — Treat the gap as a cultural difference to manage deliberately, defining which ways of working the combined company will keep.

Opposite scores on autonomy and process reflect different cultures, and integration should consciously decide which practices the combined firm needs for its strategy. Choosing the higher-scoring company's culture ignores strategic fit and alienates the other group. Averaging scores masks the conflict, and keeping separate practices indefinitely postpones integration.

324. Answer: D — Agree on decision criteria first, then gather data on productivity, retention and hiring to compare the options

Agreeing on criteria (productivity, retention, hiring reach, cost, collaboration) before evaluating options shifts the debate from personal positions to objective standards both sides accept. An employee vote is one input but not a decision method for enterprise strategy. A reflexive compromise may not meet business needs, and letting each function decide creates inconsistency and equity issues.

325. Answer: C — Adopt the most protective standards as a company-wide floor for reporting and anti-retaliation.

Setting the most protective standard as a company-wide baseline simplifies compliance, reduces the chance of uneven treatment and builds a consistent speak-up culture. Maintaining separate practices by location is tempting but creates complexity and errors as employees and managers move between sites. Waiting for a claim is reactive, and requiring internal reporting before contacting regulators can violate whistleblower laws.

326. Answer: B — Independence, conflict checks, relevant expertise and confidentiality, with selection no party controls

Parties trust mediation only if the neutral is impartial and seen to be impartial, so independence, conflict checks, relevant expertise and confidentiality matter most, along with a selection process no single party controls. Cost and speed are secondary. A former company counsel has an obvious conflict, and CEO selection undermines perceived neutrality when executives may be in dispute with the CEO's allies.

327. Answer: B — Its impact on customers, investors and communities

The outside-in view says HR creates value when its work improves results for external stakeholders such as customers, investors and communities. Judging HR by the efficiency and quality of its own programs is the inside-out view this perspective challenges, because excellent HR activity does not matter unless it changes business outcomes.

328. Answer: C — It makes them unenforceable in later disputes involving sexual harassment or sexual assault allegations.

The Speak Out Act makes nondisclosure and nondisparagement clauses agreed to before a dispute arises judicially unenforceable with respect to later sexual harassment or sexual assault disputes. It does not reach settlement agreements negotiated after a dispute arises, and it leaves protections for trade secrets and proprietary information intact. The ban on forced arbitration of these claims comes from a different 2022 law, the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act.

329. Answer: A — Use job-related criteria applied consistently, because refusing to hire predecessor employees to avoid the union is unlawful.

A successor may choose its workforce using legitimate, job-related criteria, but refusing to hire predecessor employees because of their union membership or to avoid a bargaining obligation violates Section 8(a)(3), and the NLRB can order hiring and bargaining as a remedy. Deliberately capping predecessor hires to avoid the union is the same unlawful motive in another form. Successors are not required to assume the seller's labor agreement.

330. Answer: A — Explain the rationale and future direction openly, then involve survivors in redesigning work

Survivors need to understand why the cuts happened and where the company is headed, and they regain a sense of control when they help redesign work that has piled up. Across-the-board bonuses are costly and do not address uncertainty or workload. A celebration ignores the sense of loss, and reminding people they are lucky deepens the guilt and fear behind the problem.

331. Answer: C — It keeps pay concerns from crowding out development talk, but employees may see pay as less tied to performance.

When pay and development are discussed together, employees tend to focus on the raise and become defensive, so separating them makes coaching conversations more productive. The trade-off is that the link between performance and pay can look weaker or less transparent, so the company must still explain how performance informs pay. Separating the timing does not reduce manager time, remove manager input or require formula-based pay.

332. Answer: A — Alignment of several attributes creates distinct subgroups, which raises relationship conflict and limits sharing

Fault-line theory (Lau and Murnighan) holds that when multiple attributes such as age, tenure, function, and origin line up, a team divides into subgroups, which increases relationship conflict and reduces information exchange; evenly sized subgroups can make fault lines stronger, not weaker. Blaming a single attribute misses that the alignment of attributes is the problem.

333. Answer: A — It can violate unwritten expectations of trust and autonomy employees believed were part of the deal

The psychological contract is the set of unwritten, mutual expectations employees hold about the relationship, such as being trusted and given autonomy. Intensive AI monitoring can be experienced as a broken promise even when it is lawful, which leads to lower commitment and higher turnover. The other choices describe legal or written obligations, which are not what the psychological contract covers, and the NLRA does not require employee approval of monitoring.

334. Answer: B — Review the dispute promptly, keep public comment brief, and take no action against protected posts

A prompt, fair review resolves the underlying dispute, while a brief public response protects the employee's privacy and avoids escalation. Posts about promotion decisions and treatment can be protected concerted activity or protected complaints, so punishing or pressuring the employee risks NLRA or retaliation claims. A detailed public statement discloses personnel information and feeds the controversy.

335. Answer: D — Compare total assignment cost with the objectives set at the start and the results achieved.

Assignment ROI weighs the full cost of the assignment against measurable benefits tied to objectives defined at the outset, such as business results, knowledge transfer or development. Completing the term and assignee satisfaction are useful indicators but say nothing about value created, and comparing cost with a local hire ignores why the assignment was made.

336. Answer: C — Leaders publicly own the rollout's problems, recognize staff, and explain fixes and escalation paths.

Staff feel blamed for leadership's decision, so leaders should take ownership of the rollout's problems, recognize frontline efforts, and explain how issues will be fixed and escalated. Having staff blame the system in front of customers damages the brand and does not address internal blame. Staying silent internally confirms employees' fears, and coaching to stay positive treats a leadership problem as an employee problem.

337. Answer: B — One core narrative agreed with legal and communications, with employees hearing it at the time of public release.

Merger announcements need one consistent story across audiences and a coordinated sequence; for a public company, material nonpublic information should not be shared broadly with employees before public disclosure, so employees should hear it at the same time, followed by tailored messages and manager briefings. Briefing all staff days early creates insider trading and leak risk. Separately crafted messages risk contradictions, and long silence feeds rumors and anxiety.

338. Answer: C — Capability and headcount needs are built into business plans and budgets as they are developed

Mature workforce planning is integrated with the strategic planning and budgeting cycle, so talent implications shape business plans rather than being added afterward. A detailed plan produced after budgets are approved is the most tempting choice, but it can only react to decisions already made. Consolidated spreadsheets and requisition-focused planning reflect immature, operational approaches.

339. Answer: A — Involve executives in refining it and link it to visible decisions, goals and measures

Cynicism after repeated visions comes from statements that never changed decisions, so the remedy is executive ownership and a clear link to resource allocation, goals and measures. A bigger campaign repeats the pattern that created cynicism. Delaying indefinitely leaves the company without direction, and a signed pledge produces compliance rather than real commitment.

340. Answer: D — Invest in visual, audio and in-person channels for critical safety and benefits messages

When the audience cannot reliably read the message, critical information about safety and benefits must reach them through channels they can use, such as pictograms, video, audio, toolbox talks and supervisor briefings. Simpler text helps but still excludes some workers. Signed acknowledgments document receipt without improving understanding, and literacy classes are a useful long-term step that cannot close the gap before enrollment.

341. Answer: B — Spiders

Harzing described bears as expatriates who exercise direct, dominant control, bumblebees as those who move among subsidiaries to socialize local staff into shared values, and spiders as those who build informal communication networks across units. The stem rules out direct supervision and socialization, which leaves spiders. Anchors is not one of the three roles in the typology.

342. Answer: A — One national practice removes a known source of pay gaps and EPA defense risk while simplifying compliance.

Prior pay can carry forward past discrimination, and several federal circuits hold that prior salary alone cannot justify a pay gap under the Equal Pay Act. A single national standard also avoids tracking a patchwork of state and local bans. No federal statute bans the question, starting pay may not fall, and salary history is one source of gaps among many.

343. Answer: C — Each activity sits where its talent, inputs, or markets are most favorable, so HR must coordinate across many legal systems.

Firms disperse value chain activities to capture location advantages such as specialized talent, lower costs, or proximity to markets. The HR challenge is managing a workforce across different employment laws, cultures, and pay markets while keeping enough global consistency. Local labor law cannot be overridden by a global contract, and tax or currency factors are secondary drivers that do not dictate home-currency pay.

344. Answer: A — Review each item with counsel and request an informal conference within the 15-working-day window.

The employer has 15 working days from receipt to file a notice of contest; an informal conference with the area director during that window can often reduce penalties, reclassify items or clarify abatement. Each citation should be assessed on its merits and on its repeat implications, contesting selectively where the facts warrant. Contesting does not erase citations, and missing the 15-day deadline makes them final orders.

345. Answer: A — When an age-inclusive climate and complex tasks let members share and use their different knowledge.

Studies find that age diversity helps when tasks are complex enough to benefit from varied knowledge and when an age-inclusive climate encourages members to share and build on that knowledge; without that climate, age diversity can foster perceived discrimination. Grouping members by age creates faultlines that split teams into subgroups. Routine tasks gain little from diverse perspectives.

346. Answer: B — Apply the agreed criteria, which the pilot fails, and explore ways to limit the engagement loss.

Criteria set in advance protect the decision from hindsight bias and from cherry-picking the favorable result. The pilot met the cost goal but failed the engagement limit, so it should not scale as designed, though a revised version may be worth testing. Rewriting the criteria after the fact or leaving each executive to weigh results individually defeats the purpose of agreeing on them.

347. Answer: A — Models can drift as data and applicant pools change, so a tool fair at launch may develop adverse impact later.

Machine learning models can change in behavior as input data, applicant pools and job demands shift, so validation at one point does not guarantee fairness later. Periodic adverse impact analysis catches drift early and supports a defense that the tool remains job related. Title VII sets no general annual revalidation or two-year expiration rule, and monitoring does not shift liability to the vendor.

348. Answer: B — Note that symbolic recognition meets needs pay does not, such as feeling valued, and aids retention.

Recognition and pay meet different needs. Executives, like other employees, value acknowledgment of their contributions, and its absence can weaken commitment even when pay is high. Low-cost symbolic recognition such as personal thanks from the CEO or board supports retention, while more cash duplicates the long-term incentives and does not meet the need for acknowledgment.

349. Answer: A — Facilitate the team in agreeing explicit norms, such as decision rights and how each decision is made

The friction comes from unspoken differences in decision style, so the fix is to make the rules explicit: which decisions need consensus, which need consultation and who has final authority. Imposing either cultural style for every decision alienates part of the team and fits some decisions poorly. Coaching only some executives frames their style as the problem and leaves the team without shared norms.

350. Answer: D — Integration

Nahavandi and Malekzadeh describe integration as a mode in which both organizations preserve basic beliefs and practices while adapting to each other, which requires a multicultural acquirer willing to accept differences. Assimilation means the acquired firm adopts the acquirer's culture, separation means the acquired firm keeps its culture with minimal contact, and deculturation means the acquired firm loses its culture without adopting a new one. Separation is the tempting near miss, but it does not involve mutual adaptation.

351. Answer: A — When the move is not a basic change in operations, unless labor costs were not a factor or the union could not offer enough concessions.

Dubuque Packing places the burden on the employer: relocating unit work without a basic change in the nature of operations is presumed to be a mandatory subject. The employer can rebut that by showing labor costs were not a factor or that, even if they were, the union could not have offered concessions that would change the decision. Headcount and the union status of the new site do not decide the question.

352. Answer: D — Minto pyramid principle

Barbara Minto's pyramid principle puts the governing thought or answer first, supports it with a small set of logically grouped key arguments, and places the data beneath each argument. Monroe's motivated sequence builds from attention and need toward action rather than leading with the answer. The SBI model is for feedback, and problem-agitate-solve is a sales copywriting formula that builds tension before offering a solution.

353. Answer: D — Drop that rule and focus moderation on harassment, threats, and confidential business data.

Under NLRA Section 7, employees, union or not, may discuss and criticize pay, policies, and working conditions with one another, so a rule that removes such posts would likely be unlawful. Moderation should target unprotected conduct such as harassment, threats, and disclosure of trade secrets. Owning the platform does not override Section 7, and forcing all complaints through HR would also restrict protected discussion.

354. Answer: C — Cooperate openly with OSHA, share root-cause findings and involve employees in the corrective actions

Rebuilding trust after a fatality takes transparency and visible, shared corrective action. Employees who say their warnings were ignored need to see their voice now shapes the fix. Counsel will review statements, but saying nothing for months reads as indifference. Bonuses and quick firings do not address the hazard-reporting failure behind the anger.

355. Answer: A — Meet privately with the VPs, with the CEO's backing, to hear concerns and agree on visible accountability.

Visible leader resistance undermines adoption more than any training gap, so the CHRO should address it directly and privately, using the CEO's sponsorship, to surface legitimate concerns and secure the leaders' public support. Publicly shaming senior leaders damages relationships, exemptions signal that the platform is optional, and training employees does not fix the leaders' messaging.

356. Answer: C — Regretted turnover rate among high-performing AI engineers

Strategic risk lies in losing the scarce, high-impact people the strategy relies on, so regretted (unwanted) turnover of high performers in that critical segment is the most direct leading signal. An enterprise-wide turnover rate can look healthy while the pivotal segment is losing its best talent. Time-to-fill and headcount-to-budget measure hiring efficiency and cost, not loss of critical capability.

357. Answer: D — Notify NYC-resident candidates at least 10 business days before use of the tool and its criteria

NYC Local Law 144 requires employers to notify candidates and employees who reside in New York City at least 10 business days before using an automated employment decision tool, including the job qualifications and characteristics the tool will assess and how to request an alternative process or accommodation. Notice after the screening defeats the purpose. The law requires notice, not written consent, and the period is 10 business days, not 5 business days or 30 calendar days.

358. Answer: C — A move toward a multidivisional structure with business-unit divisions

Chandler's study of large U.S. firms found that diversification into distinct businesses overloaded centralized functional structures and led firms to adopt the multidivisional (M-form) structure, with semi-autonomous divisions and a corporate office focused on strategy and capital allocation. A centralized functional form fits a single-business firm, which is exactly what this company is leaving behind.

359. Answer: C — Employees tend to trust the supervisors they work with every day

Research and practice show that employees view their immediate supervisors as the most credible source of workplace information, so trained supervisors carry campaign messages most effectively. They must still avoid threats, interrogation, promises and surveillance. Supervisors are excluded from the NLRA's protections and from bargaining units, and no law limits campaign communication to them.

360. Answer: B — Delphi technique

The Delphi technique gathers anonymous, independent input from experts in successive rounds, with summarized feedback between rounds, until a consensus forecast emerges. The nominal group technique also structures input, but participants meet face to face and rank ideas in one session. Scenario planning builds several plausible futures rather than converging on one forecast, and brainstorming is open, unstructured idea generation.

361. Answer: D — Pause or modify use of the tool, investigate the cause and involve legal counsel

A 62% ratio is well below the 80% rule of thumb, signaling possible adverse impact across a large applicant pool. Pausing or changing the tool limits ongoing harm, while investigation and counsel determine whether the tool is job-related and whether there are less discriminatory alternatives. Setting different cut scores by race or ethnicity is prohibited by Title VII, and continuing to use the tool unchanged increases legal exposure.

362. Answer: B — 0.50, a medium effect

Cohen's d = (78 - 72) / 12 = 6 / 12 = 0.50. By Cohen's common conventions (about 0.2 small, 0.5 medium, 0.8 large), this is a medium effect. Reporting 6.00 treats the raw point difference as the effect size, and 2.00 divides the standard deviation by the difference instead of the reverse.

363. Answer: D — It covers only religion, sex or national origin, never race, and customer preference alone does not justify it.

Title VII permits a BFOQ only for religion, sex or national origin, and only when the trait is reasonably necessary to the normal operation of the business. Race and color are never BFOQs. Courts have consistently rejected customer preference as a basis, as in cases involving flight attendants, unless the preference relates to a genuine need such as privacy in limited settings. Casting decisions based on race are often cited as an example, but Title VII contains no race BFOQ.

364. Answer: A — Assess the proposal with regional leaders and counsel, focusing on scope, monitoring and dispute terms and how it fits each country's law.

Global framework agreements are voluntary commitments, usually built on ILO core standards, and their effect depends on their scope, monitoring and dispute-resolution terms and on how they interact with local law and existing union relationships. A careful assessment with regional and legal input should come before any decision. Signing first gives away the chance to shape the terms, and these agreements generally are not directly enforceable in every country's courts.

365. Answer: A — Attendance rules tied to discipline are a mandatory subject, so a unilateral change risks an unfair labor practice.

Attendance policies that can lead to discipline affect terms and conditions of employment and are mandatory subjects of bargaining, so implementing one unilaterally can violate the NLRA's duty to bargain. Permissive subjects can be bargained voluntarily and the union cannot block them through bargaining, so the label is wrong. There is no employee ratification vote for each policy, and the 60-day notice figure is not the rule for policy changes.

366. Answer: B — $60,000

Predicted market pay = $20,000 + ($80 x 500) = $20,000 + $40,000 = $60,000, which becomes the midpoint under the company's policy. The $40,000 figure omits the intercept, and $24,000 multiplies by $8 instead of $80. Keeping $55,000 ignores the regression result, which shows the current midpoint is below market.

367. Answer: D — Design a tiered conflict resolution system with open-door, ombuds, mediation and review options, tracked with metrics.

The root cause is that disputes escalate without an early, trusted path to resolution, so an integrated system with several entry points and data tracking addresses the pattern at enterprise scale. Mandatory arbitration changes the forum after a dispute has become a legal claim but does nothing to resolve problems early. Training and more investigators help, but each addresses only one piece of the problem.

368. Answer: D — Offer temporary transfers to the second plant with travel support, after checking training and pay needs.

Redeployment uses existing skilled workers to meet a real need, cuts overtime, and avoids layoff costs and turnover. Offering transfers with travel support and confirming training, safety orientation and pay treatment keeps it fair and workable. Laying off while hiring temps wastes talent, paid idle time is costly, and a blanket mandate ignores hardship and can drive exits.

369. Answer: D — Address turnover and vacancy drivers, build an internal float pool with flexible schedules, and grow school pipelines.

Agency spending is a symptom of vacancies and turnover, so a lasting plan addresses why nurses leave (scheduling, workload, leadership, pay where it lags), creates internal flexible capacity such as a float pool, and builds a long-term supply of nurses. An abrupt cap risks unsafe staffing. Matching agency rates for all staff is costly and ignores non-pay drivers, and rate negotiation helps at the margin without fixing the underlying need.

370. Answer: A — Access to an underused talent pool, a large customer market and gains in innovation and problem-solving

Executives respond to strategic value: people with disabilities are a large talent pool with high unemployment, they and their families form a significant consumer market, and designing for varied needs often drives innovation. Tax incentives exist but are modest, and assuming lower health costs or less need for accommodations is inaccurate. Public relations and compliance are real but weaker arguments, and lower wage costs is not a legitimate rationale.

371. Answer: C — Examine whether the policy fits the firm's billing model and culture, and pilot or adapt it based on talent goals and data.

Benchmarks are inputs, not answers. A practice that works for one firm may conflict with another's business model, such as high utilization targets that discourage time off, so the CHRO should test fit against strategy and culture and consider a pilot. Copying wholesale ignores context, an outright rejection overstates mixed evidence, and employee popularity alone does not settle business fit.

372. Answer: B — Team learning

Senge's team learning discipline uses dialogue and skillful discussion so members think together and the team's intelligence exceeds that of its members. Mental models concern each person's deeply held assumptions, shared vision builds common commitment to a future, and personal mastery is individual growth. The fifth discipline, systems thinking, integrates the others.

373. Answer: B — Validate the assessment locally and monitor adverse impact separately in each country

Validity found in one country may not carry over because of language, cultural and labor-market differences, and local laws on testing and data differ. Local validation and country-level adverse impact monitoring show whether the tool predicts performance fairly in each place. Translation alone does not establish validity, and leaving the decision to each country gives up the consistency the global rollout aims for.

374. Answer: C — SEC Rule 21F-17 bars any action, including confidentiality terms, that impedes direct communication with the SEC.

Rule 21F-17 prohibits any person from taking action to impede an individual from communicating directly with the SEC about a possible securities law violation, including by enforcing a confidentiality agreement. The SEC has fined companies whose severance terms required notice to the employer or waived whistleblower awards. Ordinary confidentiality terms can remain if they carve out reporting to the SEC and other agencies.

375. Answer: C — Set role-based screening standards and one central adjudication matrix

Enterprise governance means defining what each role requires, adjudicating results against a single matrix, and applying it consistently, which reduces both discrimination risk and complaints. Documenting divergent practices does not fix the inconsistency. Applying the strictest criteria to every role is overbroad and can increase disparate impact, and the employer, not the vendor, must own hiring decisions.

376. Answer: B — Present any announcement as a proposal and build the required consultation into the timeline.

EU information and consultation rules require that representatives be consulted while decisions can still be influenced, so presenting closures as final can breach those duties and lead to injunctions or penalties. Framing the plan as a proposal and sequencing consultation into the timeline meets both disclosure and legal needs. Announcing to U.S. investors does not avoid European obligations, and total silence may conflict with disclosure duties.

377. Answer: C — A protocol to tell employees first or at the same time as the public, within legal limits

An employees-first (or simultaneous) disclosure protocol, coordinated with legal and investor relations, makes sure employees hear important news from leaders rather than the media. A rigid rule to hold all external news until after a town hall may conflict with securities disclosure obligations. A broad leak-discipline policy does not fix the timing problem and may chill protected activity, and sending press links after the fact still makes the media the first source.

378. Answer: A — Set realistic targets, balance volume with quality measures, and add audits, clawbacks and a protected hotline.

Unethical behavior arose from extreme goals measured only by volume with weak controls, so the fix must address all three: realistic targets, quality measures such as account usage and complaints, and controls such as audits, clawbacks and a protected reporting channel. Halving goals while keeping volume-only metrics leaves the same incentive. Eliminating all goals and variable pay overcorrects, and certifications alone do not change the incentives.

379. Answer: A — Section 301 of the LMRA, in federal district court

Section 301 of the Labor Management Relations Act lets employers and unions sue in federal district court for breach of a collective bargaining agreement, and federal law governs those suits. The NLRB handles unfair labor practices, not ordinary contract enforcement. Section 10(j) concerns temporary injunctions sought by the NLRB, and Title I of the LMRDA is a bill of rights for union members.

380. Answer: C — Report rates, substantiation rates, retaliation claims, case cycle time and culture survey scores.

A balanced dashboard combines measures of whether people speak up, whether reports are founded, whether reporters are protected, how quickly cases are resolved and how employees view the culture. Activity measures such as completion rates and communications show effort, not outcomes. Counts of reports and terminations without substantiation or retaliation data cannot show whether the system is fair and trusted.

381. Answer: B — Adjustments stop back pay from growing and support a good-faith defense against added damages.

Raising underpaid employees cuts off continued accrual of back pay and shows good faith, which can reduce liquidated damages under the Equal Pay Act. Adjustments can be framed as part of normal pay administration and do not require an admission. They do not erase claims for earlier periods, and the EPA prohibits lowering anyone's pay to close a gap.

382. Answer: B — It protects participants and builds the trust needed for candid, accurate data

Informed consent respects participants' autonomy and protects them from harm, and people who understand and trust how their input will be used are more likely to answer candidly, which improves the quality of the diagnosis. No general federal law requires informed consent for every internal employee survey. Consent does not permit sharing identifiable responses that were promised confidentiality, and it does not remove the consultant's duty to handle data responsibly.

383. Answer: B — Investigate under company policy, discipline employees as warranted, coordinate with the vendor, and give contractors a reporting channel.

The company controls its own employees' conduct and its premises, so it should investigate and discipline under its policy, coordinate with the vendor, which has its own obligations to its staff, and make sure contract workers have a way to report concerns. Referring everything to the vendor leaves the harassers unaddressed. Reassigning the cleaners penalizes the people who reported, and a general memo does not respond to the specific conduct.

384. Answer: D — One that bases work and talent decisions on skills rather than fixed jobs

A skills-based organization uses skills as the main unit for decisions about hiring, deployment, development, mobility and often pay, so work can be matched to capability rather than to rigid job descriptions. It typically de-emphasizes degree requirements rather than relying on them. Jobs and titles may still exist; the shift is in what drives talent decisions, not the elimination of structure.

385. Answer: B — Survey-based inclusion scores on fairness and belonging

Representation, hiring and exit counts are lagging measures: they show the results of decisions already made. Inclusion indices measure employees' current experience of fairness, voice and belonging, which tend to change before those experiences show up in exits and representation. A dashboard needs both, but inclusion scores give the earlier warning.

386. Answer: D — Toward the slower, participative end, because resistance and needed information call for involvement

Kotter and Schlesinger tie placement on the continuum to situational factors: the more resistance expected, the more the initiators need information and commitment from others, and the lower the stakes of moving slowly, the more the strategy should move toward participation. All three factors here point toward involvement. Speed is warranted mainly in a crisis or when initiators have strong power and need little input from others.

387. Answer: D — Threat of substitutes

A substitute meets the same customer need through a different product or method, here technology replacing labor-intensive visits. Substitutes cap the prices and demand an industry can sustain, with direct workforce implications for the agency. New entrants are additional firms offering the same service, which is not what is described.

388. Answer: B — The internal fill rate is 75%, a sign of a strong pipeline to check against how those leaders perform.

Internal fill rate is internal hires divided by total vacancies: 18 / 24 = 0.75, or 75%. A high rate suggests a healthy pipeline, but the board should see it alongside the performance and retention of those internal leaders, since a high rate alone could reflect insularity. Claiming that the rate proves the development program works overstates what one metric can show, and 300% is the ratio of internal to external hires (18 to 6), not a fill rate.

389. Answer: B — Give the CEO private, specific feedback on the behavior's impact on debate and culture, and offer coaching.

A trusted CHRO serves as a candid adviser to the CEO, and private, behavior-specific feedback tied to business impact gives the CEO the chance to change, with coaching as support. Going to the board first escalates prematurely and damages the relationship. Changing the values or coaching others to cope leaves the gap between espoused and enacted values in place.

390. Answer: D — The fund must be held in trust under a written agreement with equal employer and union trustees, who owe fiduciary duties to participants.

Section 302 of the Labor Management Relations Act allows employer payments to a union-affiliated training fund only if it is a trust established under a written agreement and jointly administered by equal numbers of employer and union trustees. Apprenticeship and training plans are also ERISA welfare plans, so trustees act as fiduciaries. Payments to a union-run fund without these safeguards would be unlawful, and contributions cannot be redirected at management's discretion.

391. Answer: B — Analyze review themes with internal data, fix root causes, and respond openly

Review sites reflect the actual employee experience, so lasting recovery depends on validating the themes against engagement, exit and manager data and fixing the underlying manager and career issues, while responding to reviews in a constructive way. Soliciting positive reviews or boosting marketing treats the symptom and can backfire if candidates find a gap between message and reality. Sites generally remove only reviews that violate their guidelines, not negative ones.

392. Answer: D — It nets out trends that affected all units, such as labor market shifts, using the other units as a comparison.

Difference-in-differences compares the change in the units that got the tool with the change in units that did not, which removes trends that hit all units, such as a cooling labor market. A simple before-and-after comparison would credit the tool with those trends. The method still rests on the parallel-trends assumption and does not prove causation, so claims that it removes all bias or ignores prior trends are wrong.

393. Answer: C — Use risk-based monitoring under a clear policy with legal and privacy oversight and limits on data use.

A proportionate, risk-based program with a transparent policy, governance by legal, privacy and HR, and limits on how data are used protects assets while preserving trust. Covert blanket monitoring maximizes privacy risk and damages culture. Manager discretion invites bias and discrimination claims, and excluding HR removes the due-process safeguards that employment actions require.

394. Answer: B — Ownership of intellectual property, which partner is the employer of record, and the assignees' rights to return

When people move between partners, the terms that create the most risk if left undefined are who owns what the team invents, which company employs and is liable for each person, and whether assignees may return to their original employer with their status protected. Merging pay and benefits plans is usually neither necessary nor practical in an alliance, and staffing numbers, titles and branding are operating details that do not protect either party's core interests.

395. Answer: A — It keeps protected traits seen online, such as religion or pregnancy, away from the people who make the decision.

Social media often reveals protected information such as religion, age, pregnancy, disability or national origin, and a decision-maker who has seen it is hard to defend in a claim. A screener who reports only job-relevant findings keeps that information away from those who decide. A vendor that is a consumer reporting agency actually triggers Fair Credit Reporting Act disclosure and authorization rules, and asking for passwords is restricted in many states.

396. Answer: D — Investigate the complaints and apply discipline consistent with policy, adding coaching as a supplement rather than a substitute.

A pattern of complaints puts the company on notice of possible harassment, so it must investigate and take prompt, effective corrective action applied consistently regardless of the executive's revenue. Coaching can support behavior change but cannot replace accountability. Quietly reassigning him avoids the issue without fixing it, and waiting for a formal complaint ignores the employer's existing knowledge and increases liability.

397. Answer: B — A central center of excellence sets standards and platforms, while business units deliver training.

A federated model balances consistency and responsiveness: a central center of excellence owns enterprise strategy, standards, methods and shared technology, and embedded business unit teams design or deliver learning for their specific needs. A model in which the center does everything is centralized, one in which units set their own standards is decentralized, and full outsourcing is a sourcing choice rather than a federated structure.

398. Answer: A — $125,000

Total base cost is 25 x $4,000 = $100,000, and adding the benefits load gives $100,000 x 1.25 = $125,000. $100,000 omits the benefits load, $25,000 is the load alone, and $5,000 is the loaded cost for a single employee rather than the total.

399. Answer: C — A nonunion preference is lawful if the text has no threat, promise or hint that organizing is futile.

Section 8(c) allows an employer to express its views on unionization as long as the expression contains no threat of reprisal or promise of benefit, so a well-drafted preference statement is lawful. Language implying that organizing would be pointless or would cost jobs crosses the line. A pledge requirement would interfere with Section 7 rights, and no specific facts must accompany the statement.

400. Answer: C — The board or a board committee approves the code, and a named executive owns its upkeep and reports on it.

Board approval signals that the code carries the authority of the organization's highest governing body, and a named executive owner, often the chief ethics and compliance officer, makes sure it is kept current, trained on and reported on. Having the board manage updates directly confuses oversight with management. Leaving approval to the CEO or legal department weakens the board's oversight role.