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SHRM-SCP

Practice Questions

Set 9

Answer Key & Explanations

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 9 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: D — Set span ranges based on work type, such as routine operations versus complex expert work

The right span depends on the work: managers of routine, similar roles can lead larger teams, while leaders of complex, specialized or new work need smaller ones. Ranges by work type give consistency without forcing a structure that does not fit the work. A single target ignores those differences, and current averages may simply reflect the reorganization's problems.

2. Answer: A — Linking personal goals and incentives to scorecard objectives that employees can influence

Making strategy everyone's job means employees understand the strategy and their personal objectives and incentives are tied to the scorecard measures they can affect. Publishing the strategy is tempting because it builds awareness, but awareness alone does not connect daily work to strategic objectives. Limiting strategy to senior leaders or a planning department contradicts the principle.

3. Answer: C — Selective hiring, extensive training, employee involvement, performance-based rewards and information sharing

High-performance work systems combine practices that build employee ability, motivation and opportunity to contribute, such as rigorous selection, substantial training, involvement in decisions, pay linked to performance and broad sharing of information. Close supervision and strict rules reflect a control-based approach. A low-cost, outsourced model is the opposite of the HPWS investment logic.

4. Answer: C — Tie recognition to specific value-based behaviors, given promptly by peers and managers

Recognition shapes culture when it rewards observable behaviors linked to the values and happens close to the behavior, from peers as well as managers. A larger annual award reaches few people and rewards results rather than values-based behavior. Service awards recognize tenure, and revenue-only recognition can work against values such as collaboration and experimentation.

5. Answer: D — The contractor costs about $8,320 more per year

Contractor: $85 x 2,080 = $176,800. Employee: $60 x 1.35 = $81 per hour, x 2,080 = $168,480. The contractor costs $176,800 - $168,480 = $8,320 more. Ignoring the benefits load overstates the gap at $52,000. A full decision would also weigh flexibility, worker classification and the cost of ramp-up.

6. Answer: D — Changes in applicant quality, offer acceptance, and cost per hire since the brand effort began.

The brand's business value shows up in recruiting outcomes: better-qualified applicants, higher offer acceptance, lower cost per hire, and less reliance on agencies, ideally tracked before and after the investment. Follower counts and site visits are activity measures that do not show business impact. General surveys do not show this company's results, and halving the budget risks harm without a clear test design.

7. Answer: B — Integrating core people data with common identifiers and definitions so analytics can draw on one source

AI tools are only as good as the data they draw on, and fragmented records without a common ID will produce unreliable outputs. Integrating core data first creates the foundation that later models depend on. Buying a retention model early is tempting for quick visibility, but it would run on inconsistent data and risk discrediting the larger AI strategy.

8. Answer: A — Make unit leaders own adoption goals and lead messaging, with HR providing tools and coaching

Employees take their cues from their own leaders, so line executives must visibly own the change, with accountability for adoption, while HR acts as enabler. Adding HR capacity reinforces the perception that it is HR's program. A CEO mandate may raise compliance but leaves unit leaders on the sidelines, and rebranding changes the label without changing ownership.

9. Answer: C — How well the team is designed and set up before it starts working, such as its membership and direction

Hackman and Wageman's '60-30-10' finding holds that roughly 60% of the variation in team effectiveness depends on prework (designing a real team with compelling direction and enabling structure), about 30% on the launch, and only about 10% on later coaching. Real-time coaching matters but has the smallest effect, and individual talent alone does not overcome poor team design.

10. Answer: A — Set criteria tied to revenue, safety, or compliance impact and route exceptions to an executive panel.

An exception process should protect the purpose of the freeze while keeping the business safe, which calls for objective criteria based on business impact and a consistent, cross-functional decision body. Letting each leader decide invites inconsistency and erodes the freeze. Prior approval or arrival order says nothing about how critical a role is.

11. Answer: B — Exclude absences protected as accommodations or by leave laws from points and review past discipline

Time off for pregnancy-related needs can be a reasonable accommodation under the PWFA, and absences may also be protected by the FMLA or the ADA. Penalizing employees for using a protected accommodation or leave exposes the company to retaliation and interference claims, so those absences should not count, and discipline already imposed should be reviewed and corrected. Warnings or reduced points still punish protected absences, and forcing all visits outside work ignores the individualized accommodation duty.

12. Answer: C — Propose measuring output and goal attainment instead, and explain the trust, privacy and legal risks of constant webcam capture

Webcam capture inside employees' homes is highly intrusive, may record family members and protected information, and measures presence rather than results, so it tends to damage trust and retention without improving performance. The strategic answer addresses the real concern (productivity) with outcome-based measures. Consent is weak protection in an employment relationship and is not valid everywhere, and capturing images less often reduces but does not cure the problem.

13. Answer: B — Employees take cues from their own leaders, so a gap at any layer weakens adoption below it.

Employees look first to their immediate supervisors to judge whether a change matters, so a senior sponsor's commitment must be echoed and reinforced at every level. A disengaged manager at any layer breaks the chain for everyone below. Cascading sponsorship is not a legal requirement or a way to free executives from involvement, and it is not mainly about budget authority.

14. Answer: C — Review the customer contract for no-hire terms and weigh the relationship risk before any outreach.

Service and licensing contracts often contain nonsolicitation clauses, and recruiting a major customer's staff can strain a relationship worth a large share of revenue, so legal and business review should come first. Worker mobility does not override the firm's own contractual promises. A total ban turns away candidates who approach the firm on their own, and asking the customer to approve candidates breaches their confidentiality.

15. Answer: C — Define the specific purposes, limit data to what those purposes need and assess privacy impacts.

Under the GDPR, the company needs a clear purpose and lawful basis and must limit collection to what is necessary, and detailed monitoring of employees typically calls for a data protection impact assessment and, in countries such as Germany, works council involvement. Employee consent is rarely a reliable basis because of the power imbalance in employment. EU data storage does not remove the duties of data minimization and purpose limitation.

16. Answer: C — Analyze the people factors behind the misconduct, such as incentives, pressure and gaps in accountability.

Remediation that lasts starts with root-cause analysis of why the misconduct happened and was tolerated, including incentive design, sales pressure, hiring and discipline. That analysis then shapes changes the monitor can test. Training everyone right away looks responsive but may not address the causes, and waiting for the monitor signals the company is not taking ownership of its own remediation.

17. Answer: D — Intraorganizational bargaining to bring members' expectations in line

Walton and McKersie's intraorganizational bargaining describes the negotiation that happens within each side, such as a union team aligning members' expectations with what is realistically achievable. Leaders may hold out to show members they pushed hard, which makes ratification more likely. Distributive, integrative and attitudinal processes describe dealings between the two sides.

18. Answer: D — Set global principles and minimum standards for core benefits, and let local teams design market-driven benefits.

A global framework sets a common philosophy and minimum standards for benefits that reinforce the company's values, such as life insurance or employee assistance, while local teams design benefits shaped by statutory requirements and market practice. Exporting the U.S. package ignores local law and social programs. Full decentralization gives up consistency and cost control, and leveling up to the most generous country is costly and often unnecessary.

19. Answer: B — Data should be kept only as long as its purpose requires, and excess data adds risk

Storage limitation means personal data should be retained no longer than needed for its purpose, including legal retention obligations, and then deleted or anonymized. Over-retention enlarges the data exposed in a breach and the volume subject to access requests and discovery. The principle does not require deletion at termination, because records may lawfully be kept for set retention periods, and encryption reduces risk but does not justify indefinite keeping.

20. Answer: C — Activate the incident response plan with legal, IT security and communications to confirm scope and notice duties.

The first priority is a coordinated response: confirm what data was exposed, meet legal notification duties under applicable state laws and contracts, support affected employees and use the contract's breach-notification and cooperation terms. Terminating the vendor mid-crisis can disrupt payroll and the investigation, and contractual remedies such as indemnification are pursued alongside the response, not as a condition of it.

21. Answer: C — Talent supply, immigration rules, data transfer limits on people data, and local employment law

An AI talent hub succeeds only if the location has a deep talent pool and if the firm can legally move people and data there, which makes immigration, data transfer and employment law central. Costs and incentives matter but are secondary to whether the hub can be staffed and operate lawfully. Following competitors or applying U.S. salary bands ignores local market realities.

22. Answer: C — Contingent business interruption insurance

Contingent business interruption coverage pays for lost income when a covered loss at a supplier's or customer's property disrupts the insured's operations. Standard property and business interruption coverage generally require physical damage to the insured's own property. D&O and general liability policies cover claims made against the company, not lost income.

23. Answer: C — It offers some good-faith protection and remote document review, but adds case duties

A confirmation creates a rebuttable presumption that the employer did not knowingly hire an unauthorized worker, and enrolled employers in good standing may use DHS's alternative remote document examination procedure. In exchange, the employer must create cases on time, follow mismatch procedures and post notices. E-Verify does not replace the Form I-9, cannot be used to prescreen applicants, does not confer immunity, and voluntary users generally may not run existing employees.

24. Answer: A — The benefit is based on final average pay, so each raise lifts the benefit earned for all prior years of service.

In a final-average-pay formula, the benefit equals a percentage times years of service times final average pay, so a raise increases the value of every year already served, not just future years. This is why pay decisions for long-tenure participants carry hidden pension cost. Vesting depends on service rather than pay, and defined benefit plans do not credit matching contributions.

25. Answer: A — Plausible outcomes range from a net loss to large savings, so the risk of no savings must be weighed.

The interval shows the range of savings consistent with the pilot data, and because it extends below zero, a net loss cannot be ruled out; executives should judge whether they can tolerate that downside. A wide interval signals imprecision, not upward bias. A 95% confidence interval describes the method's long-run reliability in capturing the true value, not the share of future years in which savings will fall in the range, and for a symmetric interval the midpoint equals the point estimate.

26. Answer: D — To avoid on-the-spot concessions by referring offers to higher authority

Limited authority lets a negotiator buy time, test offers without committing and resist pressure by deferring to a higher authority, which can protect the company from hasty concessions. The trade-off is that the counterpart may see it as a stalling tactic and that final approval creates ratification risk, so it slows rather than speeds agreement. It does not force the other side to disclose its bottom line.

27. Answer: B — The rate cannot change midterm unless the union consents

Section 8(d) bars a party from modifying terms contained in a contract during its term without the other party's consent. The company may propose a change, but the union may refuse to discuss it, and impasse does not permit implementation of a midterm change to a contract term. The 60- and 30-day notices apply to modifying or ending a contract at its expiration, not midterm.

28. Answer: C — Decline to share names, involve counsel, and offer to report findings through the proper board committee

Complainant identities are shared only on a need-to-know basis, and a director's individual request, especially from someone close to the accused, does not create that need. Board oversight runs through the committee structure, and counsel should help manage the director's request. A confidentiality agreement does not remove the retaliation risk, and referring the director to the accused compromises the investigation.

29. Answer: C — Consistent leveling supports defensible comparisons, but courts still judge equal work by actual duties.

Under the Equal Pay Act, 'substantially equal work' depends on the actual skill, effort, responsibility and working conditions, not on titles or labels. A well-built architecture helps the employer group comparable work and explain differences, but inaccurate leveling can undermine credibility. Courts look past the structure to what people actually do, so the architecture supports a defense without controlling the result.

30. Answer: D — Build routines like after-action reviews and knowledge sharing, and have leaders reward experimentation and learning.

A learning organization is defined by how people learn together and change behavior, not by the volume of formal training. Embedding routines such as after-action reviews and knowledge sharing, and having leaders reward experimentation and openness to mistakes, builds the collective learning that sustains advantage. More course hours, a content library or a corporate university increase training supply but do not change how teams capture and share what they learn.

31. Answer: B — Character of the job, length of service, age and availability of similar work

Canadian courts apply the Bardal factors when there is no enforceable termination clause: the character of the employment, length of service, the employee's age and the availability of similar employment. Common-law notice often far exceeds the statutory minimums. A fixed week-per-year formula reflects a rough statutory approach, not the common-law test.

32. Answer: D — Involve

On the IAP2 spectrum, involve means working directly with stakeholders throughout the process so their concerns are consistently understood and reflected in the alternatives, while the organization keeps the decision. Collaborate goes further, partnering on each aspect including identifying the preferred solution. Consult only gathers feedback on options HR has already developed, and empower places the final decision with the stakeholders.

33. Answer: A — Refer it to the governance committee, recuse the director, and run a documented competitive process

A director's financial interest in a company contract is a related-party matter that the board's governance committee should review, both for the conflict itself and for its effect on the director's independence. The director must be kept out of deliberations, and a documented competitive process protects the decision. Simply noting the relationship at the end leaves the conflict unmanaged, and an outright ban is stricter than most governance frameworks require.

34. Answer: B — Map critical work early, cross-train coverage, and use temporary backfill during the leaves.

Planning coverage early through work mapping, cross-training and temporary backfill keeps critical work moving without restricting protected leave. Employers can require agreement only for intermittent or reduced-schedule bonding leave; they cannot make employees delay or stagger continuous FMLA bonding leave. Asking the rest of the team to absorb a full quarter of extra work risks burnout and turnover.

35. Answer: B — Reject it, since acceptance-based pricing can carry past pay inequities forward and erode internal pay equity

Pay set by predicted willingness to accept, rather than by the job's value and the candidate's qualifications, tends to reproduce earlier pay gaps, since prior pay and negotiation behavior often differ by group, and it creates unexplained differences among people doing the same work. Removing protected fields does not fix this because prior pay acts as a proxy. A pilot that tracks only acceptance rates would miss the equity harm entirely.

36. Answer: D — Have the executive apologize in person, hold listening sessions and follow through on visible changes

When a leader damages trust, the leader needs to take personal responsibility, listen to those affected and show changed behavior over time. Hunting for the leaker looks like retaliation and may interfere with employees' protected concerted activity. Calling the remarks out of context, or staying silent, signals that leadership does not take the harm seriously.

37. Answer: B — About 220 fewer managers, but the right span varies by type of work, so one average target can mislead

Managers at a span of 6 are about 4,000 ÷ 6 ≈ 667; at a span of 9 they are about 4,000 ÷ 9 ≈ 444, so roughly 667 − 444 ≈ 222 fewer manager positions. Dividing 4,000 by the change in span (3) gives the inflated 1,333 figure, and 444 is the new manager count, not the change. Averages mislead because suitable spans differ by work complexity, manager duties and team location, so targets should be set by role or unit, not applied evenly.

38. Answer: A — $180,000

Departures fall from 300 x 20% = 60 to 300 x 15% = 45, so 15 fewer departures x $12,000 = $180,000. The $720,000 and $540,000 figures are the total turnover costs before and after the program, not the savings. The $60,000 figure applies the 5-point reduction to only 5 departures instead of 5% of 300.

39. Answer: A — A lasting gap signals that unionizing pays, which undercuts the strategy for the nonunion sites.

Compensation philosophy must support the labor strategy, and a visible premium for represented workers in the same jobs gives nonunion employees a concrete reason to organize. No law requires nonunion pay to match union rates, so this is a strategic, not legal, issue. Seeking to cut union rates may not be achievable and does not address the nonunion employees' concern.

40. Answer: B — The 3% gap needs review, and the 18% raw gap points to representation issues across levels

The adjusted gap estimates pay differences for similar work and should be investigated and remediated where it is not explained by legitimate factors. The large raw gap usually reflects differences in representation across jobs and levels, which raises talent pipeline and advancement questions. Equal pay claims turn on comparisons of similar work, so the raw gap does not by itself measure legal liability.

41. Answer: A — About $15,400

NPV = -$500,000 + $200,000/1.08 + $200,000/1.08^2 + $200,000/1.08^3 = -$500,000 + $185,185 + $171,468 + $158,766, or about $15,400. The undiscounted savings of $600,000 minus the cost gives $100,000, which ignores the time value of money. The positive NPV means the project clears the 8% required return, although only slightly.

42. Answer: D — Describe the role honestly, including its drawbacks, and keep each candidate's job search confidential.

Ethical recruiting requires honesty in representing the job and the organization, and respect for candidates' confidential information, including the fact that they are looking. Leaving out known drawbacks misleads candidates and drives early turnover. Sharing résumés without consent and contacting current employers early both breach confidentiality and can cost candidates their current jobs.

43. Answer: B — Workers' actual pay with a credible estimate of a living wage for their location

A living wage gap analysis compares what workers actually earn, including relevant cash and in-kind benefits, with a credible estimate of the income needed for a decent standard of living for a family in that location. Legal minimum wages often fall below a living wage, so meeting them does not close the gap. Market medians and executive pay ratios measure competitiveness and pay equity, not adequacy.

44. Answer: B — Human approval for consequential actions, with all agent actions logged

Agents that act, not just recommend, need defined authority limits: routine, low-impact steps can be automated, but actions affecting pay, employment status or access require human approval, and a complete audit trail supports review and correction. A 95% accuracy rate still means many errors at scale, some of them costly or unlawful. After-the-fact sampling finds problems only after harm has occurred.

45. Answer: C — Explain that announced targets make the bonus nondiscretionary, whatever it is called.

A bonus is excludable as discretionary only if the employer keeps sole discretion over both whether it is paid and the amount until near the end of the period, and does not promise it in advance. Announcing targets and a formula to encourage production makes the bonus nondiscretionary regardless of its label or a reserved approval step. Annual payment and employee acknowledgments do not change its character.

46. Answer: A — Make the step confidential, bar using its statements in a later arbitration, and keep arbitration open if it fails.

Grievance mediation works because it is voluntary, informal and confidential, so the parties can explore settlement openly. Barring the use of mediation statements in later arbitration and preserving the right to arbitrate give the union the protection it needs. A binding recommendation turns mediation into arbitration, and using the mediator as the later arbitrator discourages candor because what is said in mediation could shape the award.

47. Answer: C — Bargain in good faith toward criteria-based terms that keep flexibility

Remote work affects terms and conditions of employment, so it is generally a mandatory subject of bargaining and management must bargain in good faith. A strategic approach seeks objective criteria (such as role eligibility and performance standards) that meet employee interests while keeping management's ability to adjust. Refusing to bargain or acting unilaterally risks unfair labor practice charges, and quick concession gives up flexibility.

48. Answer: D — One data model and simpler integration versus deeper functionality in specific areas

Suites offer common data, a consistent user experience and fewer integrations to maintain. Best-of-breed tools often provide richer capabilities in areas such as recruiting or learning, at the cost of more integrations and fragmented data. Cost, release cadence and security vary by vendor rather than defining the choice.

49. Answer: A — Plan for contributions and accruals owed on reemployment, plus matches on make-up deferrals.

Under USERRA, reemployed servicemembers are treated as not having had a break in service for pension purposes, so employers must fund the accruals and employer contributions they would have received. Employees may make up elective deferrals over up to three times the service period (but no more than five years), and the employer must provide any matching contributions on them. There is no one-year cap, and military pay does not relieve the civilian plan of its obligations.

50. Answer: A — Launch a knowledge-transfer program open to all technicians, with paid mentoring roles for experienced staff.

Pressing older workers for retirement dates or linking incentives to leaving by a set date can look like age-based pressure to retire. A program that documents knowledge and pays experienced technicians for mentoring captures expertise while valuing those workers. Cutting their overtime to fund apprentices is an adverse action aimed at the older group, and a retirement bonus with a fixed exit date may not be seen as voluntary.

51. Answer: C — Continuity plans, contractual resilience terms, backup arrangements, and ongoing monitoring

Concentration risk is best managed with layered controls: tested business continuity plans, contractual resilience and recovery requirements, contingency arrangements and ongoing oversight. Splitting vendors or insourcing may be options, but each adds cost and complexity and isn't justified without analysis. An audit report alone is a single, backward-looking check.

52. Answer: B — $400,000

The employee share rises by 5 percentage points: 0.05 x $16,000 = $800 per enrollee, and $800 x 500 = $400,000 a year that shifts from the employer to employees. Applying 5% to the employer's 85% share gives the incorrect $340,000. The $1,600,000 figure is the employees' total new contribution (20% x $16,000 x 500), not the change.

53. Answer: A — Notify affected employees individually first, then have the CEO explain the reasons, support, and path ahead

Affected employees should hear the news privately from their manager before it is announced broadly, which preserves their dignity. The town hall should then be led by the CEO, explaining the business reasons, how departing employees will be supported and what the future holds, with time for questions. Having HR front the announcement or avoiding live questions signals that leaders are distancing themselves from the decision.

54. Answer: B — Send fact-based, audience-specific messages that labor counsel reviews and that avoid threats or promises

During a strike, the employer can communicate lawfully with strikers, replacements and customers, but messages must be accurate, consistent across audiences and free of threats or promises of benefit, so labor counsel review is essential. Offering benefits directly to represented employees bypasses the union and can be unlawful direct dealing. Telling strikers their jobs will be lost is a coercive threat (and inaccurate when only temporary replacements are used), and going silent leaves rumors and union messaging unanswered.

55. Answer: A — 3.2%

The overall increase must be weighted by payroll. Hourly payroll is 300 x $20 = $6,000, 150 x $30 = $4,500 and 50 x $60 = $3,000, for $13,500. The hourly increase is $120 + $135 + $180 = $435, and $435 / $13,500 = 3.2%. Weighting by headcount alone gives 2.7%, the middle classification's rate is 3.0%, and a simple average of the three rates gives 3.7%; none of these reflects the actual change in wage cost.

56. Answer: A — $675,000

Total turnover cost = 60 x $45,000 = $2,700,000. A 25% reduction means 15 fewer exits, so savings = 15 x $45,000 = $675,000 (or 0.25 x $2,700,000). $2,025,000 is the remaining turnover cost, not the savings, $1,125,000 treats 25% as 25 exits, and $11,250 is 25% of the cost of one exit.

57. Answer: B — Map affected skills to the open roles and co-lead a funded reskilling plan paced with the rollout

The CHRO adds strategic value by supporting the business goal while reducing its people cost and risk: matching displaced employees' adjacent skills to hard-to-fill roles, and timing reskilling with the deployment, keeps talent and institutional knowledge. Severance alone treats the change as a cost event and ignores the internal talent shortage. A voluntary fund opened after the rollout comes too late to redeploy people, and an open-ended delay puts HR against the strategy instead of in partnership with it.

58. Answer: B — Lead with the recommendation and its link to strategy, then show market data, cost, risks and the consultant's view.

Committees decide efficiently when the recommendation and strategic rationale come first, supported by market data, cost modeling, risk review and the independent consultant's perspective. Starting with mechanics buries the decision. Emphasizing executives' support raises conflict-of-interest concerns, and offering options with no recommendation abdicates the CHRO's advisory role.

59. Answer: B — Ask that the CFO disclose the relationship, step back from the decision, and that a competitive process be run.

A personal relationship between a decision-maker and a vendor creates a conflict of interest that should be disclosed and managed by recusal and an objective, competitive selection. That protects the company and the CFO. A fee discount does not cure the conflict, and going straight to the board to remove the CFO skips the normal conflict-of-interest process.

60. Answer: C — Build on the enterprise policy and add HR-specific rules for employment decisions and employee data.

A layered policy architecture keeps one enterprise standard while allowing functions to add rules for their specific risks, such as fairness in employment decisions and handling of employee data. This avoids conflicting rules and gaps. Relying only on the enterprise policy is tempting for simplicity, but general rules rarely address the legal and fairness issues unique to employment.

61. Answer: D — By the share of strategic job roles filled by people with the needed competencies

Kaplan and Norton define human capital readiness by first identifying the strategic job families that most affect the strategy, then measuring how many positions in them are filled by people with the required skills, knowledge and values. Training hours measure activity, not readiness, and the concept focuses on strategic job families rather than the whole workforce or self-ratings.

62. Answer: A — Debarment from federal contracts for three years, plus back wages owed

Contractors that disregard their Davis-Bacon obligations face debarment from federal contracts for three years, in addition to owing back wages and having contract funds withheld. For a business that depends on government work, debarment is an enterprise-level risk. Permanent debarment from all state and federal contracts overstates the federal remedy, and back wages alone understates it.

63. Answer: D — Separate serious misconduct from minor cases, and refer disputed discharges to expedited arbitration under the settlement.

Employers may lawfully refuse to reinstate strikers whose misconduct was serious enough to coerce or intimidate others, but discharges for minor picket-line conduct are often found unlawful. Sorting cases by seriousness and sending disputed ones to expedited arbitration removes the deadlock while protecting the company's position on serious misconduct. Blanket amnesty gives up legitimate rights, and refusing all returns or leaving decisions to individual managers invites inconsistency and charges.

64. Answer: C — Best-, base-, and worst-case headcount scenarios, with the triggers and costs of each.

Scenario planning lets the CFO see the cost and staffing implications of each outcome and the signals that would trigger each plan, so the company can act quickly when the contract is decided. An average forecast matches neither likely outcome. Planning only for the best case risks overhiring, and a freeze risks being unable to deliver if the contract is won.

65. Answer: B — Employees with similar profiles have about a 70% chance of leaving, so it signals risk, not certainty.

A flight-risk score is a probability estimate based on patterns among similar employees; it flags elevated risk worth acting on, such as a stay conversation, but it does not predict a certain outcome. Treating it as a certainty can lead to poor decisions about the individual. A probability score is also different from the model's overall accuracy rate.

66. Answer: D — Set enterprise requirements with the units, then pick one platform that allows unit settings

An enterprise decision should start from shared requirements (data, compliance, reporting, candidate experience) built with the units, then choose a platform that standardizes the core while allowing configuration for legitimate unit differences. Three separate systems raise cost, fragment candidate data and complicate compliance reporting, even with integration. Choosing by unit size skips the requirements work, and waiting for consensus gives up the CHRO's leadership role.

67. Answer: B — $204,000, or about 0.51% of payroll

Total cost is 85 x $2,400 = $204,000, and $204,000 / $40,000,000 = 0.0051, or 0.51% of payroll. The 5.1% figure comes from misplacing the decimal when converting to a percentage, and $2,040,000 is a tenfold arithmetic error.

68. Answer: A — Internal politicking during the race and the loss of the runners-up after the decision

A public horse race can divide the organization into camps, encourage politicking and short-term behavior, and often leads the candidates who are not chosen to leave, taking talent and knowledge with them. Search fees and privacy concerns are minor or inaccurate. Internal candidates are often well suited to the role, which is why boards consider a race in the first place.

69. Answer: A — Train leaders at all campuses on lawful conduct and keep pay and policy decisions on their normal schedule.

Organizing interest often spreads across a system, so leaders at every campus need consistent guidance, and keeping decisions on their normal course avoids changes that look timed to influence the vote. A new, unplanned improvement announced before the election risks being treated as an unlawful benefit. Expanding the petition to all campuses could put the entire system's nurses into one unit and is hard to justify given the single-facility presumption.

70. Answer: C — Diagnose pain points with candidate data, redesign key steps to restore human contact, and respond publicly.

Falling acceptance rates show a real business problem, so the CHRO should use candidate feedback and funnel data to find where the experience fails, add human contact at key points, and respond visibly to show change. Extra advertising does not fix the experience behind the reviews. Seeking removal of legitimate reviews backfires, and abandoning AI entirely gives up its benefits without diagnosing the cause.

71. Answer: C — Select and develop leaders who model collaboration, teach conflict skills, and reinforce norms.

Culture changes through what leaders model, what people are equipped to do and what gets reinforced, so leader selection, skill-building and consistent reinforcement address the root of a dominating conflict culture. A town hall announcement can't overcome years of learned avoidance on its own. Team-building and surveys can support the effort but won't sustain new norms by themselves.

72. Answer: A — Adopt a documented search policy and roll eligible small balances to IRAs under the plan's terms.

Locating missing participants is a fiduciary duty, and DOL guidance calls for a documented process that goes beyond a single mailing (searches, beneficiary contact, commercial locators). Plans may force out small balances to IRAs if the plan document permits, which reduces the population of lost accounts. ERISA generally preempts state escheat laws for plan assets, and the PBGC program is for terminating plans, not ongoing ones.

73. Answer: A — Require approval for above-range offers and fund a review of incumbent pay against market

The problem has two parts: uncontrolled offers and resulting compression. Requiring approval with set criteria for above-range offers restores control, while reviewing incumbent pay against market data, and updating ranges if they are outdated, addresses the retention risk already visible. A hard freeze may stall hiring, full discretion continues the problem, and telling incumbents nothing can change invites more turnover.

74. Answer: C — They shift the executive's personal tax cost to shareholders at a high, escalating price unrelated to performance.

A gross-up reimburses the executive for the golden parachute excise tax plus the taxes on the reimbursement itself, so its cost rises sharply. The company also loses its deduction for excess parachute payments. Investors and proxy advisers treat new gross-ups as a problematic pay practice because shareholders absorb a large cost that has nothing to do with performance. Gross-ups are legal and must be disclosed.

75. Answer: A — Referrals follow objective rules that treat members and nonmembers alike

Exclusive hiring halls are lawful if the union operates them under objective, nondiscriminatory referral standards applied equally to members and nonmembers. Giving priority based on union membership or dues status, or making arbitrary referrals, violates the NLRA. Unions operating hiring halls also owe a duty of fair representation in how they refer workers.

76. Answer: D — Named people are responsible for the algorithm's outcomes and review and answer for its decisions

Algorithmic accountability means that clearly identified people in the organization are answerable for an algorithm's outcomes, with processes for review, explanation, correction and appeal. Using a vendor's tool does not shift the employer's responsibility for employment decisions. Publishing accuracy or doing a one-time code audit is useful but does not assign ongoing human responsibility.

77. Answer: C — Cascading sponsorship

Cascading sponsorship extends visible support down the hierarchy so that each level of leadership reinforces the change with the people who report to it. A guiding coalition is a senior team that leads a change, not a level-by-level chain of sponsors, and a change agent network relies on facilitators who lack line authority. A top-down mandate directs compliance without building active commitment at each level.

78. Answer: D — Have senior leaders own the findings, invite challenge and act visibly on what they hear

The comments point to senior leader behavior as the cause, so the response must start at the top, with leaders owning the findings, inviting dissent and showing through action that challenge is welcome. An anonymous channel can help, but it works around the fear rather than addressing it. Manager training and new competencies will not be credible while employees see senior leaders punishing disagreement.

79. Answer: D — Use criteria that reliably distinguish employees, since inflated ratings give no defensible basis for selection.

When nearly everyone has the same rating, ratings cannot explain why one person was chosen over another, and plaintiffs will argue the real reason was something else, such as age. Defensible criteria must be job-related, documented and able to distinguish employees. Ratings created just for the RIF draw suspicion because they look built to justify a result, and seniority is one option rather than the only one courts accept.

80. Answer: C — Voluntary guidance on employment, training, working conditions and industrial relations.

The MNE Declaration, adopted by governments, employers' organizations and workers' organizations, gives multinationals voluntary guidance on employment, training, conditions of work and life, and industrial relations. It is not binding law and does not certify companies or set wage levels. It encourages enterprises to contribute positively to economic and social progress and decent work.

81. Answer: D — Present the cost and risk data and propose overtime limits paired with peak staffing options

A strategic recommendation weighs the documented injury risk, and its human, legal and financial costs, against production needs, then offers a way to meet both, such as limits backed by temporary staffing, cross-training or schedule changes. Deferring ignores a known hazard. A unilateral cap bypasses the business owners who must carry it out, and training does not remove the fatigue that drives the injuries.

82. Answer: B — Adopt a status-blind abusive conduct policy now, with reporting, investigation and correction steps

Model bills of this kind generally let employers defend themselves by showing they took reasonable steps to prevent and promptly correct abusive conduct. A status-blind abusive conduct policy with a working complaint and investigation process prepares the company for that defense and lowers risk now. Waiting gives up those benefits, bullying is not a protected category, and an arbitration program does not prevent the conduct itself.

83. Answer: B — Enough tension motivates people to do hard adaptive work, while too much leads to fight, flight, or shutdown

Adaptive work requires people to give up familiar habits and values, which will not happen without some discomfort. Too little tension lets people avoid the work, while too much overwhelms them and triggers avoidance or conflict, so leaders regulate distress to stay in between. Keeping tension low avoids the adaptive work entirely, and steadily rising pressure risks overwhelming people.

84. Answer: A — Under the ILO's 1998 Declaration, all member states must respect these principles even if they have not ratified them.

Conventions 87 and 98 are among the ILO's fundamental conventions, and the 1998 Declaration on Fundamental Principles and Rights at Work says every member state has an obligation to respect, promote and realize these principles because of its membership, even without ratification. The United States, for example, has not ratified either convention. The conventions bind states rather than companies directly, cover workers generally, and do not require compulsory arbitration.

85. Answer: D — It leads the market until midyear, matches it at midyear, then lags by about 1.75% at year-end

Setting midpoints halfway between today's market and the projected year-end market (3.5% / 2 = 1.75%) is the classic lead-lag approach. As the market rises evenly, the 1.75% lead shrinks to zero at midyear and becomes a lag of about 1.75% (1.0175 / 1.035, about 1.7% below) by year-end. On average the company matches the market over the year.

86. Answer: D — A model inventory, independent validation before and after deployment, ongoing monitoring, and clear ownership

Model risk management, as practiced in financial services, centers on knowing which models exist, validating them independently, monitoring their performance over time, and assigning accountable owners. These elements address the risk that a model is wrong or misused. Security controls such as encryption and firewalls protect data and systems, which matters, but they do not test whether a model's outputs are sound.

87. Answer: B — Map each stakeholder's interests and influence, then engage key opponents one on one to address their concerns

Stakeholder mapping shows who has influence and what each opponent cares about, which lets the CHRO address concerns and build a supporting coalition before the formal vote. A single group presentation does not address individual interests and can harden opposition in public. Excluding opponents breeds resistance, and waiting for unanimous support may stall a sound plan indefinitely.

88. Answer: D — Redesign rewards so that well-run experiments that fail are not penalized

When reward systems penalize failed bets, people will avoid experimenting no matter what they are told, so changing performance and reward systems removes the main barrier. Training and storytelling help only once incentives support risk-taking. An award for the most successful idea still rewards only success, not well-designed experiments.

89. Answer: B — Retention bonuses, severance, pay and benefits harmonization, and HR system integration costs.

HR integration costs are the people-related expenses of combining two organizations: retention agreements for key talent, severance and outplacement, harmonizing pay structures and benefits, HRIS and payroll integration, communications, and change management. The purchase premium, deal advisory fees, and goodwill impairment are transaction or accounting items that belong elsewhere in the deal model.

90. Answer: B — A specific instance complaint filed with a National Contact Point

Governments that adhere to the OECD Guidelines maintain National Contact Points that handle specific instances, which are complaints that a company has not observed the Guidelines, including their employment and industrial relations chapter. NCPs offer mediation and issue statements rather than binding judgments. The NLRB has no jurisdiction over foreign workforces, and the International Court of Justice hears disputes between states.

91. Answer: D — Clear individual decisions and timelines, recognition of the team's results, and a formal close-out of handoffs

In the adjourning stage of team development, people need clarity about their own futures, closure on the work and recognition of what they achieved, along with orderly handoffs to protect the business. Keeping routines as if nothing has changed ignores the transition. Promising roles to everyone may be impossible and unfair to others, and withholding information increases anxiety and disengagement.

92. Answer: A — $64,125

Each step is $950 per employee. The January 1 step is paid for the full year: 45 x $950 = $42,750. The July 1 step is paid for half the year: 45 x $950 x 0.5 = $21,375. Total = $64,125. The $85,500 figure is the full annualized cost that applies from the next year on, and $42,750 counts only the first step.

93. Answer: D — How much work the target outsources or gives to contractors who are not counted as employees

Revenue per employee is inflated when much of the work is done by contractors, outsourcers or temporary staff, who are not counted in the denominator. Checking contingent labor and outsourcing spend shows whether the advantage is real productivity or simply a different staffing model, which affects integration cost and risk. Pay and engagement comparisons matter later, but they do not test the metric itself.

94. Answer: C — Create new demand in uncontested space, needing talent to design novel value

Kim and Mauborgne's blue ocean strategy creates uncontested market space by delivering value differentiation and lower cost together, often to noncustomers. That requires talent and a culture that can rethink industry assumptions and innovate on value. Outspending rivals for share is "red ocean" competition in an existing market.

95. Answer: B — Tracking reporters' later ratings and pay changes for signs of retaliation

Regulators look for evidence that the program works, and tracking what happens to reporters afterward, such as reviews, pay, promotions and terminations, tests whether non-retaliation commitments are kept. Posting the number and training are expected baseline elements, not proof of effectiveness. Call volume alone does not show whether reporters are protected or concerns are resolved.

96. Answer: B — Adapt hotline scope, anonymity, notices, and retention by country with local counsel and councils.

Global whistleblowing systems must comply with EU data protection rules and national laws, which may limit report scope or anonymity, require notices to the people named in reports and set retention limits, and in some countries require works council consultation. Localizing the design keeps the hotline available while staying compliant. U.S. rules on audit-committee complaint procedures do not override EU law, and employee consent is generally not valid under GDPR in employment because of the power imbalance.

97. Answer: D — As a shared team pattern of avoiding open debate, which the team needs to address together

Team coaching treats dysfunction as a property of the system: the team avoids conflict in the room, so members never truly commit and decisions are relitigated later. Framing it as a shared pattern lets the whole team, including the CEO, own and change its norms. Blaming a few individuals or the CEO alone misses the collective dynamic, and a RACI chart clarifies roles without addressing the avoidance of open debate.

98. Answer: C — Needs follow circumstances like caregiving, which vary more within a birth cohort than between cohorts.

What employees value, such as childcare support, flexibility, pay growth or retirement planning, tracks their life circumstances, and people born in the same years can be at very different life stages. Research finds small differences between generations relative to the variation within them, so life-stage segmentation targets real needs. Life stages actually change over a career, which is part of why they predict shifting needs.

99. Answer: A — Activate the response plan with counsel to meet each country's notice rules, including GDPR's 72 hours.

Each jurisdiction has its own notice rules: the GDPR generally requires notice to the supervisory authority within 72 hours of becoming aware of a breach, Brazil's data protection authority sets its own short deadline, and U.S. states have their own laws. A coordinated response with counsel ensures each deadline is met. Waiting for a full forensic report can miss these deadlines, and notifying one regulator does not satisfy the others.

100. Answer: D — Move below-target employees up in phases, and red-circle or grandfather pay for those above the new ranges.

Pay harmonization usually phases increases for employees below the new targets as budgets allow, and protects employees above the new ranges through red-circling or grandfathering, freezing their base or limiting increases until the market catches up. Immediate cuts damage trust and retention and may raise legal and contract issues. Leveling everyone up to the higher market position is costly and abandons the chosen philosophy.

101. Answer: A — Rebuild trust with candid leader communication, follow-through and an honest employer brand

Lasting recovery requires rebuilding trust inside first: leaders who explain decisions candidly, keep their commitments and act on feedback, so that the employer brand can truthfully reflect the employee experience. A polished campaign that ignores the layoffs lacks credibility with candidates who read reviews. Higher pay may help offers but does not repair trust, and frequent surveys without visible action can deepen cynicism.

102. Answer: D — Organizational silence; leaders lose the information needed to catch problems early

Morrison and Milliken describe organizational silence as a collective, systemwide pattern of withholding concerns, driven by shared beliefs that speaking up is futile or risky. Its main cost is that leaders lose the upward feedback needed to detect and correct problems, while employees disengage. Groupthink is a decision bias within cohesive groups, and the other choices describe effort or motivation problems rather than withheld voice.

103. Answer: C — Employees of public companies and of their contractors who report to a supervisor, a federal agency or Congress.

SOX Section 806 protects employees who report suspected mail, wire, bank or securities fraud, or SEC rule violations, to a federal agency, a member of Congress or a supervisor. The Supreme Court in Lawson v. FMR held that the protection also reaches employees of private contractors and subcontractors of public companies. Internal reports to a supervisor are covered, so going to the SEC first is not required.

104. Answer: A — Measure skills gaps in roles critical to the digital strategy and fund the highest-impact gaps first.

When funds are limited, skills gap data for the roles that drive the strategy shows where investment will matter most, so the gaps with the largest business impact are funded first. Funding by headcount spreads money evenly whether or not a unit is central to the shift. An open learning library is useful but not targeted, and defaulting to external hiring ignores the cost, speed and retention value of building skills internally.

105. Answer: A — Personalized, self-directed discovery of content, with value depending on how well the content is curated

An LXP focuses on learner-driven discovery, recommending content from many sources based on roles, skills and interests, while the LMS remains the system of record for required training. Without curation, an LXP fills with low-quality or irrelevant content and adoption falls. Compliance tracking and scheduling are core LMS functions, and logins alone do not prove business value.

106. Answer: A — Set baselines first, give managers coaching and tools, then phase the measure into performance reviews

Accountability measures work best when leaders understand the baseline, have the skills and resources to improve, and see the measure phased in fairly before it carries heavy consequences. Tying a large bonus share to scores immediately is tempting, but it invites gaming, such as pressuring teams for ratings, before managers know how to improve. Counting meetings measures activity rather than whether employees actually feel informed.

107. Answer: C — Propose turnover targets by role segment tied to the strategy, starting with data science.

Turnover targets should reflect strategy and role criticality, not an aggregate compared with an industry average. A 24% rate in a role the company must double is a serious strategic risk hidden by the overall figure. A lower companywide target still averages away the problem, and zero regretted turnover everywhere is unrealistic and ignores which roles matter most.

108. Answer: D — Acknowledge the upward bias risk and propose rebalancing the group around the company's size with a sensitivity check

Because pay correlates with company size, a peer group weighted toward much larger firms biases benchmarks upward, a concern shareholders and proxy advisors also raise. The CHRO should acknowledge the issue, rebalance the group so the company sits near its median size, and show how results change. Aspirational growth plans do not justify paying at the size of firms the company has not reached, and arbitrarily lowering the target percentile masks rather than fixes the problem. Removing every larger peer overcorrects and positions the company at the top of its group.

109. Answer: B — Show all the regions in muted gray and the outlier region in one bold, contrasting color.

Color is a preattentive attribute: the eye notices a single contrasting color before conscious reading, so highlighting only the outlier against muted bars directs attention to it immediately. Giving all 12 regions different colors removes that contrast and forces executives to decode a legend. 3-D effects distort comparisons and add clutter.

110. Answer: B — Phase hiring by business priority and cover the remaining gap with contingent staff, partners or an acquisition.

A workforce plan that exceeds hiring capacity calls for sequencing hires by business priority and using build, buy, borrow and acquire options, such as contingent labor, partners or an acqui-hire, to cover the gap. Tripling recruiters is slow and costly and may leave excess capacity later. Lowering standards trades a short-term gain for quality problems, and simply cutting the plan lets a constraint override strategy without exploring alternatives.

111. Answer: B — 6 levels at 1:8 versus 7 levels at 1:5

At a span of 8, five levels hold at most 1 + 8 + 64 + 512 + 4,096 = 4,681 people, so a sixth level is needed. At a span of 5, six levels hold 1 + 5 + 25 + 125 + 625 + 3,125 = 3,906, so a seventh is needed (seven hold 19,531). As a quick check, log(10,000)/log(span) rounded up, plus one, gives the same answers here: 4.43 rounds to 5, plus 1 = 6, and 5.72 rounds to 6, plus 1 = 7. Forgetting to count the top level gives one level fewer in each model.

112. Answer: B — Clear decision rights plus joint goal setting and reviews by both managers

Role conflict in a matrix comes from ambiguous authority, so clarifying who decides what (for example, functional managers own how work is done and project managers own what and when) and having both managers set goals and evaluate performance together aligns their demands. Assigning engineers by budget abandons the matrix rather than managing it. Pushing negotiation onto employees or using recency rules leaves the ambiguity in place.

113. Answer: B — Redesign it around the capabilities the new strategy requires, using executive input and research.

A model built on past success describes what worked under the old strategy and can screen out the capabilities the new strategy needs. A future-focused redesign starts with strategic requirements and draws on senior leaders and external evidence. Adding one competency leaves outdated priorities in place, and a generic vendor model is not tailored to this company's strategy.

114. Answer: B — Place qualified employees in equivalent vacancies without competing, consistent with the EEOC and many courts.

The ADA lists reassignment to a vacant position as a reasonable accommodation, and the EEOC and several circuits hold that it means placing a qualified employee in the vacancy, not merely allowing them to compete. Some circuits allow a best-qualified policy, but a multistate employer reduces risk by following the more protective view. Reassignment does not require a promotion, and it is a legal accommodation of last resort, not a voluntary benefit.

115. Answer: A — Tie the proposal to strategic risks and goals, with a business case and measures directors can track

Directors are persuaded by how a proposal addresses strategic risks and goals and how they will know it is working, so a business case with trackable measures speaks to their oversight role. Peer adoption data shows popularity, not value to this company. CEO support helps, but having the CEO present does not answer the directors' doubts about payoff, and detailed plans address execution rather than value.

116. Answer: D — Reverse knowledge transfer

Reverse knowledge transfer is the movement of knowledge or innovation from a foreign subsidiary back to the parent organization. Horizontal transfer refers to sharing between peer subsidiaries rather than up to headquarters. Spillover describes unintended leakage of knowledge to other firms, and absorptive capacity is the ability to take in knowledge, not the flow itself.

117. Answer: D — Set and enforce one conduct standard for everyone, and launch joint labor-management steps to rebuild trust.

After a long strike, leaders must stop harassment from any side, hold supervisors to the same standard and show visible commitment to moving forward, often through joint committees with the union. Rewarding crossovers for crossing would discriminate against strikers for protected activity. Separating groups for an open-ended period and staying passive both let resentment harden.

118. Answer: A — Defense and settlement of discrimination, harassment and retaliation claims, with wage-hour claims often excluded.

EPLI typically covers defense costs and settlements or judgments for claims such as discrimination, harassment, wrongful termination and retaliation. Common exclusions include wage-and-hour claims (sometimes covered only for defense costs with a sublimit), workers' compensation, ERISA fiduciary claims, and fines or penalties. Injuries fall under workers' compensation and fiduciary breaches under fiduciary liability insurance.

119. Answer: D — Keep OKR scores separate from bonuses so leaders keep setting ambitious stretch goals

When pay depends on OKR scores, executives tend to sandbag targets or game measures, which defeats the purpose of aspirational OKRs; common practice is to keep them separate from compensation or use them only as one input. Direct linkage creates that gaming, capping targets abandons stretch goals, and requiring 100% on stretch goals makes bonuses nearly unattainable.

120. Answer: C — Covert monitoring can erode trust and chill protected concerted activity, so any use needs transparency, aggregation and clear limits.

Owning the system does not remove trust, privacy or labor law concerns. Analyzing employee communications can create an impression of surveillance that discourages employees from discussing working conditions, which NLRA Section 7 protects. Restricting results to senior leaders does not fix the covert nature of the monitoring; transparency, aggregate analysis and defined purposes are needed.

121. Answer: C — Give the center ownership of whole products, equal development access and career paths, and local leaders

The staff's concerns are about meaningful work, inclusion and growth, so the strategy should give the center ownership of whole products or features, include it in design decisions, open global development and career paths and build local leadership. Higher pay does not fix second-class status. Visits help but are symbolic on their own, and accepting turnover leaves the cause in place.

122. Answer: A — Propose a joint labor-management committee to design and test the factors and set protections for current pay

Joint design builds trust and gives the union a role in shaping factors and weights, while red-circling or other pay protections answer the fear that the plan is a pay cut. Job classifications and wage rates in a bargaining unit are generally mandatory subjects of bargaining, so implementing the plan unilaterally risks an unfair labor practice charge. Indefinite delay leaves an outdated system in place, and a consultant's results presented as neutral do not address the union's concerns or bargaining rights.

123. Answer: A — A central disclosure system with an independent review committee and set thresholds

Consistency comes from one intake system, one independent decision body and clear thresholds that tell everyone what must be disclosed and escalated. Manager-level review is the most tempting choice, but it spreads decisions across hundreds of reviewers who may have their own conflicts and apply different standards. Examples in a code help awareness but do not create a consistent review process.

124. Answer: B — $360,000

Daily revenue is $1,460,000 / 365 = $4,000, and $4,000 x 90 days = $360,000. Dividing annual revenue by four ($365,000) treats 90 days as an exact quarter, using 260 workdays inflates the daily figure and gives about $505,000, and $122,000 is only one month of revenue. Comparing this estimate with the cost of a retained search helps justify the faster, more expensive option.

125. Answer: A — When their total value is $10,000 or more, valued at the company's aggregate incremental cost

SEC rules require perquisites and other personal benefits to be reported in the All Other Compensation column when their aggregate value for a named executive officer is $10,000 or more, measured at the company's aggregate incremental cost. Any individual perquisite above the greater of $25,000 or 10% of total perquisites must also be quantified in a footnote. The lesser of $50,000 or 10% standard was the threshold before the 2006 rule changes.

126. Answer: C — Set core global principles, such as respect for freedom of association, and let each country set practices that fit local law.

A global framework of shared principles with local implementation gives consistency on values and risk while respecting the differences in labor law and custom across countries. Imposing the headquarters model ignores those differences and can violate local law. Leaving each country fully on its own gives up the consistency that protects the company's reputation and supply relationships.

127. Answer: D — Adopt a tiered policy: ROI studies for costly, strategic programs and lighter measures for the rest.

A tiered evaluation strategy matches evaluation depth to a program's cost, strategic importance and visibility, so the most significant investments get rigorous ROI analysis without spending more on measurement than it is worth. Requiring ROI on everything sounds rigorous but wastes resources on small programs where the study can cost more than the insight it yields. Choosing only likely winners biases the results and damages credibility with finance.

128. Answer: A — Measurable success thresholds and review dates that trigger redesign or ending the program if missed

Sunset criteria agreed before launch, such as outcome thresholds tied to the program's purpose and fixed review points, let leaders end or redesign a program on evidence rather than inertia or politics. A fixed five-year commitment removes the discipline of review. Participant satisfaction is a reaction measure, not evidence of value, and tying the program's life to its sponsor makes the decision political.

129. Answer: C — $1,480,000

The raise costs $2 x 2,080 x 500 = $2,080,000. Turnover costs fall from 400 hires x $4,000 = $1,600,000 to 250 hires x $4,000 = $1,000,000, saving $600,000. Net cost = $2,080,000 - $600,000 = $1,480,000. Subtracting the full current turnover cost gives $480,000, subtracting only the new turnover cost gives $1,080,000, and ignoring the savings gives $2,080,000.

130. Answer: B — Give high potentials stretch assignments, sponsorship and clear career conversations that accelerate their readiness.

High potentials leave when they see no growth path, and accelerated development through stretch roles and sponsorship both retains them and strengthens the bench. Naming specific successor slots creates expectations that may be unmet and causes problems if plans change. Bonuses buy time but do not build readiness, and relying on outside hires gives up the bench.

131. Answer: B — The decline is expected during an investment phase; judge it by the multiyear trend against the plan's revenue ramp

HCROI compares profit returned to compensation spending, so hiring ahead of revenue lowers it temporarily. A single-year drop during a planned investment phase is expected and should be judged against the multiyear trend and the expected revenue ramp. Pausing hiring or cutting pay based on one data point could undermine the strategy the investment is meant to support.

132. Answer: C — Adopt a transparent location-based pay structure applied to future moves, with clear rules and a pay equity review.

A published, rules-based location pay structure applied to future moves gives predictable outcomes, reduces the risk of reneging on prior arrangements, and an equity review checks whether the changes fall harder on any protected group. Retroactive cuts damage trust and invite turnover among valued staff. Manager-by-manager negotiation produces inconsistent and possibly discriminatory pay, and refusing any differentiation gives up a legitimate cost lever without analysis.

133. Answer: B — Defined objectives, fully loaded costs, outcomes measured against the objectives, and retention after return.

A credible ROI measure sets objectives up front (business results, skill transfer, leadership development), captures the full cost including allowances, tax and relocation, measures results against those objectives, and tracks whether the person stays to deliver value after repatriation. A cost comparison with a local hire ignores the benefits the assignment was meant to produce. Satisfaction and completion rates are activity measures, not returns.

134. Answer: D — Build global experience through international assignments, cross-border projects and coaching

A global mindset develops mainly through experience, so the strongest strategy combines international assignments and cross-border project work with coaching and reflection to turn experience into learning. Courses and short programs build awareness but rarely change how leaders think and act. Relying only on local managers fills country roles but leaves the corporate pipeline without global leaders.

135. Answer: A — The accommodation's cost and operational impact relative to the size and nature of the business.

Under Groff v. DeJoy, undue hardship is judged by substantial increased costs in relation to the conduct of the particular business, considering practical impacts in light of the nature, size and operating cost of the employer. Coworker hostility to religion or to accommodating it cannot count. Title VII protects sincerely held beliefs whether or not they belong to an organized religion.

136. Answer: A — The CHRO is accountable owner, an HRIS lead stewards definitions and quality, and IT maintains storage.

The data owner is the senior business executive accountable for a data domain, which for HR data is the CHRO. The steward manages definitions, quality rules and day-to-day use, typically an HRIS or HR analytics lead, while the custodian, usually IT, operates the technical environment such as storage, security and backups. Making the CIO the owner confuses technical custody with business accountability.

137. Answer: C — Work with counsel to announce the review and the adjustments in general terms without disclosing the privileged analysis.

Employers can describe their commitment, the fact of a review and the resulting adjustments while keeping counsel's analysis and conclusions privileged, and counsel should help shape the wording. Releasing the model or detailed findings could waive privilege, and telling employees that the review found discrimination is an admission that creates legal exposure. Saying nothing protects privilege but gives up the trust the CEO is trying to build.

138. Answer: A — 60%

ROI = (benefits - costs) / costs x 100 = ($1,200,000 - $750,000) / $750,000 x 100 = $450,000 / $750,000 x 100 = 60%. The 160% figure is the benefit-cost ratio (1.6) expressed as a percentage, which wrongly includes the recovery of the original cost. Dividing net benefits by benefits (37.5%) or costs by benefits (62.5%) uses the wrong denominator.

139. Answer: B — Contact employees before leave ends and start the ADA interactive process for any further needs.

Terminating employees automatically when leave ends ignores the ADA duty to consider reasonable accommodations, which can include more leave or modified duties. Reaching out before leave ends and engaging in an individualized interactive process addresses the legal risk while protecting operations. A blanket six-month extension is costly and still is not individualized, and blanket fitness-for-duty demands exceed what the FMLA and ADA allow.

140. Answer: B — $195,000

Hours saved = (40 - 25) x 300 = 4,500. Gross savings = 4,500 x $70 = $315,000. Net savings = $315,000 - $120,000 = $195,000. The $315,000 figure forgets to subtract the system cost, $405,000 treats the new 25 hours as the hours saved (25 x 300 x $70 - $120,000), and $75,000 subtracts the system cost twice.

141. Answer: D — Use strategic plans and expert panels to project the tasks and skills that future roles will need.

Strategic, future-oriented job analysis draws on business plans, technology roadmaps, and expert judgment to project the tasks, competencies, and qualifications of roles that are changing or do not yet exist. Incumbent interviews describe today's work, not tomorrow's. Waiting delays hiring for the new model, and competitor descriptions may not fit the company's strategy or its actual work.

142. Answer: A — Examine the stores with large residuals for factors the model omits, such as layout, hours or service mix, before applying it.

Large residuals show where sales volume alone fails to explain staffing, and they often point to legitimate drivers the model leaves out. Reviewing them protects those stores from being cut or overstaffed by formula. R-squared measures the share of variance explained, not the share of stores predicted accurately, and dropping outliers without understanding them hides the information needed to improve the model.

143. Answer: B — From relational contracts built on loyalty and long-term security to transactional contracts built on specific, short-term exchanges

Denise Rousseau distinguished relational psychological contracts, which rest on long-term, open-ended mutual investment, from transactional ones, which are short-term and focused on defined economic exchange. A contingent workforce model moves the relationship toward the transactional end, so the CHRO should expect lower loyalty and plan accordingly. Psychological contracts are perceived beliefs, not legally enforceable agreements, which rules out the implied-versus-express framing.

144. Answer: A — An agreement between a multinational and a global union federation on labor standards

International framework agreements are negotiated between a multinational and a global union federation, often with its home-country union or works council, and commit the company to core labor standards across its operations. Treaties are between governments, sector agreements cover one country, and a unilateral code of conduct is not negotiated.

145. Answer: B — Collaboration overload, leading to burnout, bottlenecks and the loss of key contributors

Cross's research found that a small share of employees often provides a large share of value-added collaboration, and that these people are at high risk of overload, burnout and departure, while also becoming bottlenecks that slow work. Groupthink and social loafing are group dynamics that the facts do not suggest. The pattern described is overload on a few central people, not confusion about job scope.

146. Answer: B — Privilege shields a candid analysis from discovery, but it may be waived if the audit is later used as a defense

Running the audit at the direction of counsel helps protect the analysis from discovery, so the company can identify problems candidly. If the company later relies on the audit to show good faith, it may waive privilege, so many employers plan a separate, non-privileged summary of remediation. Privilege never removes the need to fix unlawful pay gaps.

147. Answer: B — Fairness heuristic theory

Fairness heuristic theory, developed by Lind and colleagues, holds that when people lack direct information about an authority's trustworthiness, they use early fairness judgments as a mental shortcut to decide whether to cooperate. Equity theory is the tempting choice, but it concerns comparing one's input-to-outcome ratio with others', not using fairness as a substitute for trust. Social comparison and social learning theories deal with self-evaluation against others and learning by observation.

148. Answer: D — Model the cuts by role criticality and show the owners the talent and revenue risks of each option

The CHRO's role is to help the owners hit their target without destroying the value they bought, so scenario modeling that protects critical roles and quantifies risk frames the trade-off in their terms. Across-the-board cuts ignore where value sits. A company-wide voluntary package tends to attract the people with the best outside options, here the very engineers and account managers the business cannot lose, and stalling for a survey ignores the owners' legitimate timeline.

149. Answer: A — The heir-apparent model, which allows a planned handoff and time to test the successor

Naming a president or COO as the expected next CEO is the heir-apparent model. Its main advantage is an orderly transition: the successor can build relationships, learn the role and be observed in a senior job before taking over. A horse race involves several open competitors, and emergency succession addresses unplanned departures rather than a planned handoff.

150. Answer: D — It needs a plan document, SPD and claims process, but gains federal preemption and deferential review

A severance program that requires an ongoing administrative scheme can be an ERISA welfare benefit plan. That brings duties such as a written plan document, a summary plan description, a claims and appeals procedure and fiduciary conduct, and it also brings preemption of most state-law claims and, if the plan grants discretion, deferential court review. Welfare plans need not be prefunded or PBGC-insured, and releases and eligibility rules are allowed.

151. Answer: A — Report the shortfall candidly with root causes, a revised benefits plan with owners, and decisions needed from peers.

A senior leader who sponsored the business case owns its results, so the CHRO should be transparent about the gap, explain why it happened, and set out a credible recovery plan. Because the root cause is manager behavior, peers must commit to changes in their own areas. Leading with soft benefits looks like spin, and more spending does not fix an adoption problem.

152. Answer: B — Charge clusters can reveal problem managers or practices before they become costly lawsuits

Charges often arrive before litigation, so a cluster by unit, manager or basis, such as several retaliation charges from one division, can signal a practice or leader that needs attention. Charges are allegations, not findings of liability, and a unit without charges may still have problems that employees have not reported. Internal complaints and survey data remain earlier signals and should be reviewed with charge data, not replaced by it.

153. Answer: D — Surveying participants, then interviewing the most and least successful to learn what drove results.

The Success Case Method identifies the most and least successful participants, often through a brief survey, then interviews them to document concrete results and the factors (such as manager support) that helped or blocked application. ROI conversion, pre/post test comparisons and reaction ratings are other evaluation approaches that do not explain why results varied.

154. Answer: D — More current and detailed, but postings may not match actual hiring

Job-posting data are near real time and rich in skills and location detail, but they capture employer advertising, which can include duplicate, evergreen or unfilled postings and underrepresent roles filled informally. Government statistics are more representative and methodical but are released with a lag and in broader occupation codes. The other choices reverse or misstate these traits.

155. Answer: B — Strengths that drove past success can turn into derailing behaviors under senior-level pressure

Research on executive derailment shows that talented leaders often fail not for lack of ability but because overused strengths and dark-side tendencies emerge under the stress, scope and visibility of senior roles. Assessing these risks helps boards and candidates plan development and support. Derailers are behavioral patterns, not technical gaps or disclosure requirements.

156. Answer: C — Change management is a standardized competency built into leadership roles and used across all projects.

At the highest maturity level (in Prosci's model, "organizational competency"), change management is standardized, applied consistently across initiatives and part of leaders' and managers' expected skills. Using it only on selected projects, concentrating it in one program or leaving each team to pick its own methods all reflect lower, less consistent levels of maturity.

157. Answer: B — Lead the market for critical R&D and product roles and add incentives and equity tied to new-product results

An innovator strategy calls for differentiated pay: competitive or leading pay where innovation talent is decided, plus variable and long-term rewards linked to new-product success and risk-taking. Raising everyone to the 75th percentile adds large fixed cost without targeting the roles that drive the new strategy. A discretionary one-time bonus and an efficiency-focused gainsharing plan both leave the philosophy anchored to the old cost strategy.

158. Answer: D — Explain which roles will change or be cut, the timeline, and the reskilling and placement support.

Honest, specific communication about what will change, when, and what support is available limits rumors and keeps trust, even when the news is hard. A no-job-loss reassurance is false and will destroy credibility when cuts occur. Silence or focusing only on customer benefits lets fear fill the gap and pushes valued employees to leave early.

159. Answer: B — A simulation-based assessment against the role's future needs, scored by trained assessors

An executive assessment with business simulations, scored by trained assessors against the challenges the president will face, gives job-related, comparable evidence of how each candidate would perform at the next level. A personality test alone is not a sufficient basis for the decision, peer 360 ratings reflect current-role relationships rather than readiness, and an unstructured panel interview is prone to the same impression bias the CEO wants to avoid.

160. Answer: D — Pursue productivity gains through flexible work rules and cross-training.

A cost leadership strategy depends on low unit costs, and the sustainable lever is output per employee: flexible roles, cross-trained crews, faster aircraft turns and well-designed schedules. Wage cuts may restore margins briefly but damage engagement, labor relations and service reliability. Matching full-service pay worsens the cost problem, and changing the competitive strategy is a board and CEO decision, not an HR fix.

161. Answer: C — Tie HR priorities to the CEO's business goals and present their costs and expected financial returns.

Credibility with a finance-minded CEO comes from speaking the language of the business: linking HR initiatives to strategic goals and quantifying their costs and returns. Satisfaction data shows that employees like HR's programs but not that they create value. Cutting the budget without analysis and simply describing activities both miss what the CEO has said matters.

162. Answer: B — Rank raw materials by forced labor risk and trace the riskiest ones back to their source.

Mapping lower tiers is best done using a risk-based approach: identify the materials and regions with the highest forced labor risk, then trace those chains back to their origin using supplier disclosure and traceability tools. Auditing every lower-tier supplier at once is impractical and spreads resources thin. Written certifications from direct suppliers provide little real visibility, and wholesale resourcing is premature before the risks are known.

163. Answer: C — A single index can be misread or managed to a target, so it should come with context, consistent methods and related outcomes.

A single index invites gaming once it becomes a public target, and it says little without context, method stability and links to outcomes such as retention. Aggregate engagement results are not individual personal data, so disclosure is not legally barred. Disclosing only when favorable undermines credibility and consistency.

164. Answer: D — Moderator

A moderator changes the strength or direction of the relationship between two other variables; here, remote status determines how strongly workload is related to burnout. A mediator would be the mechanism that carries workload's effect to burnout, such as lost recovery time. Burnout is the dependent variable, and a confounder would cause both workload and burnout rather than alter the link between them.

165. Answer: D — It keeps the right to expand or abandon as uncertainty resolves, limiting losses

Real options thinking treats the right to expand, delay or abandon as valuable when outcomes are uncertain. The pilot buys information for a fraction of the cost, so the firm limits its downside while keeping the upside. Staging does not guarantee a higher return, and each stage should still be evaluated financially.

166. Answer: A — $20,000 per employee

Labor cost is 20% of revenue ($40M / $200M). After the raise it is $41.6M, so revenue must reach $41.6M / 20% = $208M to keep the ratio flat. Revenue per employee rises from $500,000 to $520,000, an increase of $20,000 (4%). $4,000 is the added labor cost per employee ($1.6M / 400), not the revenue increase needed to keep the ratio constant.

167. Answer: C — Set tiered autonomy: the agent finishes low-risk changes, while pay and status changes go to a human approver with audit logs.

Agentic AI that acts without review needs decision rights matched to risk: routine updates can run autonomously, while changes to pay or employment status, which carry legal and employee-relations consequences, keep a human approver and an audit trail. At 25,000 employees, a 2% error rate on pay changes could still mean many wrong paychecks, so pilot accuracy alone does not justify full autonomy. An annual sample audit finds errors long after harm occurs, and demanding zero errors sets a standard no process, human or automated, can meet.

168. Answer: B — Assess redeployment options such as remote roles, mobility and reskilling, while meeting local consultation duties.

The data point to an internal supply that could fill much of the demand, so redeployment through remote work, voluntary relocation and targeted reskilling may cut both severance and hiring costs while keeping knowledge. European collective redundancy rules require consultation with employee representatives, which also creates a natural forum for discussing alternatives. Inferred skills are a starting point, so matches need validation and employee choice rather than automatic assignment.

169. Answer: A — $200,000

Baseline labor cost is 30% x $10 million = $3.0 million, and actual labor cost is 26% x $10 million = $2.6 million. Savings are $3.0 million - $2.6 million = $400,000, and the 50% employee share is $200,000. $400,000 is the total savings before the split, while $1.3 million and $1.5 million take 50% of actual or baseline labor cost instead of the savings.

170. Answer: A — Co-employment liability; mitigate it with clear agency supervision, contract terms, and tenure limits.

When the client company controls the work, schedules and evaluations of agency workers, it may be treated as a joint or co-employer, exposing it to wage and hour, discrimination and benefits claims. Mitigation includes contracts that assign supervision and HR duties to the agency, keeping contractors out of employee programs such as performance reviews, and setting limits on assignment length. Including contractors in employee programs actually increases the risk.

171. Answer: A — Central experts offer consistency and scale; unit-controlled experts offer faster local responsiveness.

Centralized centers of expertise pool scarce skills, promote consistent policies and gain economies of scale, but they can be slower to respond to unique unit needs. Specialists controlled by business units respond quickly to local priorities, but they risk duplication and inconsistent practices. The reversed version of this trade-off is the most common misreading.

172. Answer: D — Survivorship bias, because people with the same traits who failed or left are missing from the data.

Survivorship bias occurs when analysis includes only cases that 'survived' a selection process. If many competitive risk-takers failed or left, those traits may not predict success at all. A valid profile compares successful and unsuccessful leaders, including those who exited. The other biases are rating errors that do not describe the missing-data problem in this design.

173. Answer: D — Strategic partner

Ulrich's strategic partner role is about aligning HR strategy and practices with business strategy and helping execute it. The change agent role manages transformation, the administrative expert role delivers efficient HR processes, and the employee champion role represents employee concerns and builds commitment.

174. Answer: D — HR, legal, security, data science and business leaders with defined decision rights

AI in people decisions raises legal, ethical, technical, security and business questions, so oversight needs all of those perspectives and clear authority to approve, condition or reject uses. A data-science-only group misses employment law and workforce effects. A panel that comments after deployment and has no decision rights cannot prevent harm.

175. Answer: B — Diversify talent sources, sponsor permanent residence for key staff, and build pipelines

Concentration in one visa category is an enterprise risk, so a resilient plan spreads exposure across domestic pipelines, international hubs and permanent residence sponsorship for critical staff. Ending all H-1B hiring discards needed talent and may be unnecessary. Increasing lottery reliance deepens the concentration, and converting sponsored workers to contractors would not remove sponsorship obligations and creates misclassification risk.

176. Answer: A — Open systems planning

Open systems planning treats the organization as an open system. Leaders map the demands of key environmental domains, compare current responses with desired ones, and plan actions to close the gaps. Force field analysis is tempting, but it weighs forces for and against a single change rather than mapping stakeholder demands across the environment.

177. Answer: D — Log them in the enterprise risk register with likelihood, impact, owners and mitigation

ERM works by capturing all material risks in a common register and assessing each one for likelihood and impact, with an accountable owner and mitigation plan, so people risks can be weighed alongside financial and operational risks. Keeping them only in an HR plan hides them from enterprise oversight, waiting for turnover to spike is reactive, and key-person insurance offsets financial loss without addressing capability gaps.

178. Answer: A — $135,000

Expected avoided cost = 6 x $85,000 x 0.50 = $255,000; net benefit = $255,000 - $120,000 = $135,000. Ignoring the 50% probability gives $510,000 - $120,000 = $390,000, and $255,000 is the gross avoided cost before subtracting program costs. Applying the probability a second time to the net figure produces $67,500.

179. Answer: D — Acknowledge the point and test the direction with longitudinal data or a controlled pilot before investing at scale.

The CFO's concern is valid: a correlation does not show which variable drives the other. The CHRO can test direction by checking whether engagement changes come before sales changes over time, or by piloting engagement actions in some stores and comparing them with similar stores. A strong correlation alone does not establish cause, and dropping the proposal discards a testable opportunity.

180. Answer: D — Pseudonymized data, which is still personal data because it can be re-linked

Pseudonymized data can be re-attributed to individuals using additional information such as a key, so it remains personal data subject to the GDPR, although pseudonymization is a recognized safeguard. Only anonymized data, which cannot reasonably be re-identified by any party, falls outside the regulation. Storing the key separately is good practice but does not make the data anonymous.

181. Answer: D — Proximity bias, in which leaders favor people they see often, apart from results

Proximity bias is the tendency to favor employees who are physically visible to decision makers, regardless of results. Because ratings are equal, the promotion gap points to visibility, not performance, which creates equity and retention risk. Halo and similar-to-me bias can affect promotions, but neither explains a pattern tied to time in the office.

182. Answer: C — Weigh total cost against talent depth, attrition, IP risk and transition costs.

Labor arbitrage decisions should rest on total cost and capability: the depth and competition for talent in the destination, wage inflation and attrition there, intellectual property and governance risk, time zone and collaboration costs, severance and knowledge transfer costs, and effects on innovation. Salary comparisons alone overstate the savings, and a fixed threshold or a protective stance substitutes a rule for analysis.

183. Answer: C — Without the notice, the company cannot recover exemplary damages or attorney fees from an employee under the DTSA.

The DTSA requires employers to give notice of whistleblower immunity in agreements governing confidential information, and an employer that fails to do so cannot recover exemplary damages or attorney fees against an employee who did not receive notice. The agreements remain enforceable and injunctive relief remains available. The DOL does not fine employers over this omission.

184. Answer: B — HR practices should be designed to build the capabilities that the strategy requires

Ulrich and Lake argued that firms compete through organizational capabilities, such as speed, innovation or customer focus, and that HR practices create value by building those capabilities. The strategy defines the needed capabilities, and HR designs practices to deliver them. Copying best practice without reference to strategy, or bending strategy to existing practices, reverses that logic.

185. Answer: B — Shift HR resources from low-value work to growth needs and flag unfunded risks

A strategic CHRO works within constraints by reprioritizing (automating or stopping low-value activities, redeploying HR staff to talent acquisition and onboarding) and gives leaders a clear view of the execution risks of what remains unfunded, so they can make an informed trade-off. Absorbing the load leads to burnout and missed hiring targets. Refusing support damages credibility, and equal cuts treat high- and low-value services the same.

186. Answer: D — Hypothetical dividing lines that split a team into subgroups when several member attributes align

Faultlines are hypothetical dividing lines that can split a group into subgroups based on the alignment of multiple attributes, such as when all the older members are also engineers from one site. The concept differs from diversity on a single characteristic: a team can be highly diverse yet have weak faultlines if attributes do not line up. Strong faultlines raise the risk of subgroup conflict.

187. Answer: B — Its scores may reflect a disability rather than job skills, and individuals may need accommodation.

The ADA bars selection criteria that screen out individuals with disabilities unless they are job related and consistent with business necessity, and it requires tests to measure the skills they claim to measure rather than an applicant's impairment. Group-level validation does not show that a particular applicant's score, such as on a timed or speech-analyzing test, reflects ability to do the job, so reasonable accommodation may still be required. The ADA does not ban AI tools, require EEOC filing or mandate equal pass rates.

188. Answer: A — Voluntarily self-disclosing the misconduct, cooperating fully, and remediating it in a timely way

The policy gives its greatest benefit, up to a declination, to companies that voluntarily self-disclose, fully cooperate and timely and appropriately remediate, absent aggravating factors. Firing wrongdoers and repaying profits are parts of remediation, but without self-disclosure and cooperation they do not earn the policy's main credit. Sharing findings only after charges are filed is neither voluntary nor timely.

189. Answer: B — A Delphi process that gathers anonymous rounds of expert input and feedback before executives decide

The Delphi technique collects anonymous, iterative input from dispersed experts over time, limiting the influence of dominant voices and site loyalties, while the executive team retains the decision. Nominal group technique works well face to face but in a single session, and the leaders' ideas would be identifiable to peers. Consensus or a vote by people with a stake in their own sites gives away a strategic decision.

190. Answer: C — Escalation of commitment

Escalation of commitment is the tendency to keep investing in a failing course of action because of resources already spent (sunk costs) and a desire to justify the earlier decision. Overconfidence involves overrating one's own judgment, anchoring involves over-relying on an initial number, and the representativeness heuristic involves judging likelihood by similarity to a stereotype or prototype.

191. Answer: A — Break down the increase by headcount mix, pay rates, overtime and agency use, and productivity.

A rising ratio can come from more staff, a richer skill mix, higher pay, overtime and agency premiums, lower volume or falling productivity, and each calls for a different fix. Diagnosing the drivers first ensures the recommendation targets the real cause. Benchmarking shows whether 38% is high but not why it rose, and freezes chosen before analysis may cut the wrong costs and harm patient care.

192. Answer: D — Trust and distrust are separate dimensions, so a relationship can be high in both at once

Lewicki and colleagues treat trust and distrust as separate dimensions rather than opposite ends of one continuum. In complex relationships, a person can trust a colleague's technical judgment while distrusting the same colleague's discretion. Distrust does not require a prior violation, and the model does not assign each concept to a different type of relationship.

193. Answer: C — Reduce reliance on single-rater scores by adding calibration, multiple inputs and objective measures to pay and promotion decisions.

If ratings mostly reflect the rater, high-stakes decisions built on one manager's score are unreliable and hard to defend. Combining calibrated, multi-source and objective evidence spreads out individual rater effects. Rater training helps modestly but does not remove idiosyncratic effects, and a forced curve addresses only leniency while creating new distortions in teams of differing quality.

194. Answer: C — Percentage of hazard corrective actions closed by their due date

Leading indicators measure activities that prevent harm before it happens, such as timely closure of identified hazards, training completion or near-miss reporting. DART rates, workers' compensation costs and lost workdays are lagging indicators because they count harm after it has occurred.

195. Answer: C — Change in participants' employment rate compared with a similar group of nonparticipants

Impact is the change in people's lives that can be attributed to the program, which is best shown by comparing outcomes for participants with a similar group that did not take part. Completions and certificates are outputs or short-term outcomes, and dollars, hours and sessions are inputs or activities. These counts show effort but not whether the program made a difference.

196. Answer: B — Give timely notice and bargain in good faith with the union over the effects of the closure

Under the NLRA, an employer generally does not have to bargain over an economically driven decision to close a plant, but it must give the union timely notice and bargain in good faith over the effects, such as severance, benefits, recall and transfer rights. Offering terms directly to employees bypasses the union and is unlawful direct dealing, and WARN notice does not replace the duty to bargain over effects.

197. Answer: B — Key driver analysis

Key driver analysis identifies which items or factors are most strongly associated with an outcome such as engagement, often with regression or relative-weights methods. Factor analysis groups correlated items into dimensions rather than ranking their relationship to an outcome, and benchmark gap analysis compares scores with external norms.

198. Answer: D — Offer retraining for open internal roles, career transition support and severance tied to tenure.

Responsible transition goes beyond what law compels, helping displaced workers move to new roles and absorb the financial shock through retraining, redeployment, outplacement and severance. WARN notice, COBRA continuation for employers with 20 or more employees and timely final pay are legal obligations, so offering them reflects compliance, not commitments beyond the minimum.

199. Answer: B — Build a governance framework with local legal review that limits data, sets purposes and uses aggregation.

Strict privacy regimes can be met with a governance design that limits what is collected, documents lawful purposes, controls transfers and uses aggregated or pseudonymized data, with local counsel confirming each country's rules. Applying one country's standards everywhere ignores those laws. Blanket consent is a weak basis under laws such as the GDPR, because consent in employment is often not considered freely given. Giving up global analytics gives away the strategic value of the project.

200. Answer: D — Double-loop learning

Single-loop learning adjusts actions to meet existing goals, as when leaders tighten discount controls. Double-loop learning questions the underlying assumptions, values and goals that govern those actions, such as whether low price should remain the strategy. Deutero-learning refers to learning how the organization learns, and defensive reasoning protects existing assumptions from scrutiny.

201. Answer: A — Redefine managers' roles around coaching, with support and new success measures

Managers often resist when change threatens their status and identity, so giving them a meaningful new role, the skills to perform it and measures that reward it addresses the cause. Mass replacement is costly and signals that change is unsafe. Restoring approvals defeats the transformation's purpose, and bypassing managers deepens resistance.

202. Answer: B — Uncertainty avoidance

Uncertainty avoidance measures how uncomfortable a culture is with ambiguity and unstructured situations, so high-scoring cultures tend to prefer clear rules and defined roles and to resist open-ended change. Power distance concerns acceptance of hierarchy, which could affect how change is led but not tolerance for ambiguity itself. Individualism and long-term orientation relate to group ties and time horizon.

203. Answer: C — Show the capability gap and its revenue risk, and propose savings that protect key roles.

Benchmarks show how the firm compares, not what its strategy requires, so the CHRO should quantify the business risk of deepening a critical capability gap and offer alternative savings. Proportional cuts would still weaken the pivotal firmware roles. A flat refusal ignores the legitimate cost goal, and a new benchmark repeats the same flaw of relying on external averages.

204. Answer: A — Links from experience gaps to turnover cost and customer results, with a pilot to measure impact

A skeptical CFO needs to see how the investment connects to outcomes the business already cares about, here the cost of 70% turnover and falling customer satisfaction. A pilot gives measurable evidence before full funding. Competitor perks and survey norms describe the problem but do not show financial return, and an ethics-only case does not answer the CFO's concern.

205. Answer: A — Limit and aggregate the data, have legal and privacy experts review the study and tell employees how data will be used.

Enterprise people analytics should follow data minimization, aggregation, legal and privacy review and transparency, because covert linking of personal data can damage trust even when it is lawful. Owning the systems does not settle the ethical and trust questions, and no single federal law bans all such analysis, so an outright rejection rests on a false premise.

206. Answer: C — Disclosure trends, material conflicts involving executives or directors, and how each was resolved

Board-level oversight calls for aggregated trends plus visibility into the conflicts that carry the most risk, especially those involving senior leaders and directors, along with how they were handled. Every individual form overwhelms the committee with operational detail that belongs with management. Completion rates and disciplinary cases alone show activity but not whether significant conflicts are being identified and resolved.

207. Answer: D — Redefine the advantage around judgment, client relationships and AI-enabled delivery, and reskill staff to match.

When technology makes a once-rare skill widely available, it is no longer a source of sustained advantage. The firm should move its advantage to what remains hard to imitate, such as expert judgment on complex cases, trusted client relationships and proprietary ways of combining people with AI, and reskill staff accordingly. Banning AI, cutting prices or adding specialists all compete on a capability that has become a commodity.

208. Answer: C — Ask the CEO probing questions about how the plan would work in practice so he can identify its limitations himself.

Socratic questioning guides a leader to examine assumptions and reach conclusions through his own reasoning, which reduces defensiveness and increases ownership of any change in course. Listing weaknesses is the direct assertion that has already failed. Waiting for problems allows avoidable harm, and routing concerns through others is not a questioning approach.

209. Answer: D — Employees will compare their pay against others in similar roles and act to reduce any inequity they perceive

Equity theory holds that people compare the ratio of their outcomes to inputs with that of referent others. Visible ranges give employees new reference points, and those who see themselves as underpaid relative to peers may reduce effort, press for raises or leave unless differences are clearly explained. The effort-performance belief is part of expectancy theory, competing for the next-level prize is tournament theory, and hygiene factors come from Herzberg's two-factor theory rather than equity theory.

210. Answer: B — Premiums rise because the EMR now shows worse-than-expected claims experience

The EMR compares an employer's actual losses with the losses expected for employers of its size in the same classifications, with 1.0 as average. At 1.25, premiums run about 25% above the manual rate, compared with a 10% discount at 0.90, so on the same payroll and rates the premium rises by nearly 40% (1.25 / 0.90 is about 1.39). A high EMR can also hurt the company in bids that screen contractors on safety record, which makes it a strategic, not just an insurance, issue.

211. Answer: D — Research with current employees, exit and stay interview data, and analysis of competitors' offers

A credible EVP is grounded in evidence of what employees actually experience and value, why people stay or leave, and how the offer compares with competitors for the same talent. Executive opinion alone reflects a leadership view rather than employee reality, consumer brand data measure a different audience, and copying competitors produces an undifferentiated message.

212. Answer: C — Case themes by risk type and region, cases involving senior leaders, time to close and remediation status

Boards need aggregated information that reveals risk patterns and the effectiveness of the program, plus visibility into matters that warrant board attention, such as allegations against senior leaders. Time to close and remediation status show whether the process works and whether issues are fixed. Full files and individual names are too granular and raise privacy concerns, and call volume alone says little about risk.

213. Answer: B — Set award criteria in advance, require a documented rationale and have the committee review awards by group.

Discretion is not the problem in itself; unstructured discretion is. Defining criteria before the performance period, documenting why each award was made and having the compensation committee review outcomes, including any patterns by group, keeps the CEO's judgment while making it accountable. Equal bonuses and rotation break the link between pay and performance, and moving approval to the CHRO, who reports to the CEO, weakens board oversight rather than strengthening it.

214. Answer: C — Review all documents with counsel, assess the exposure, and align future SPDs and materials.

Courts generally enforce a clear reservation-of-rights clause, but inconsistent communications can support misrepresentation or fiduciary breach claims, so the company should assess the risk with counsel before acting. The longer-term fix is to make sure brochures, SPDs and plan documents say the same thing. Assuming the clause always wins ignores that exposure, and a corrected brochure cannot retroactively undo past representations.

215. Answer: B — Many reporters who experience retaliation never file a complaint, so a count understates it

Retaliation complaints capture only the cases employees choose to report, and people who already feel punished for speaking up are often the least likely to report again. Asking reporters directly after case closure surfaces subtle or unreported retaliation and gives a truer picture of the risk. Survey results are perceptions, not legal proof, and complaint data can be aggregated for board reporting.

216. Answer: A — Set clinical coverage criteria with lifestyle program support, and track cost and health outcomes over time.

A balanced strategy uses clinical criteria, such as prior authorization and qualifying conditions, plus support like lifestyle or nutrition programs to manage spend while preserving access for those most likely to benefit, and it tracks both cost and health outcomes. Dropping coverage abruptly may cut off employees mid-treatment and forgo possible long-term health gains. Continuing unchanged ignores a material cost risk, and making the full cost voluntary removes access for most employees.

217. Answer: C — To show how HR deliverables drive the performance drivers that execute strategy

The HR scorecard measures HR's contribution to strategy by linking HR deliverables (such as critical-role competence) to the performance drivers in the business strategy map and then to firm results. Cost benchmarks, staff appraisals and transaction metrics measure HR efficiency or activity, not HR's strategic contribution.

218. Answer: A — Its return is below the cost of capital or below returns from competing uses

Capital is limited, so each project competes against the cost of capital and the other projects that could use the same funds. A 6% return may fall below the company's hurdle rate or may be lower than returns from other proposals, which makes the opportunity cost of funding it too high. Expensed spending can still be evaluated with ROI, and no general rule requires one-year payback.

219. Answer: C — Add profit measures such as operating margin and reduce the revenue weighting.

Incentives drive behavior, so metrics must reflect the strategy: rewarding revenue alone can encourage unprofitable growth and discounting. Reweighting toward margin, operating income or return measures aligns pay with the profitability goal. Higher revenue targets intensify the misalignment, removing incentives weakens pay for performance, and CEO discretion lessens committee oversight and shareholder confidence.

220. Answer: B — $2,028,000

Direct wage cost = $1.50 x 2,080 x 500 = $1,560,000; with a 30% roll-up, total cost = $1,560,000 x 1.30 = $2,028,000. Ignoring the roll-up gives $1,560,000, and $468,000 is the roll-up alone. Using 2,000 hours instead of 2,080 produces $1,950,000.

221. Answer: A — Limit AI to routing with human review of every complaint, test it for bias first, and drop the substantiation predictions.

Employers remain responsible for responding to every complaint, so AI may support routing but humans must review each case, and using predicted substantiation to deprioritize complaints risks missing valid claims and creating retaliation or negligence exposure. Bias testing before use is essential because complaint data can reflect patterns tied to protected groups. A vendor certification does not shift the employer's responsibility, and undisclosed pilots on live complaints erode trust.

222. Answer: C — Structuring debate on ideas, such as devil's advocacy, but not on people

Research distinguishes task (cognitive) conflict, which improves decision quality by surfacing alternatives and assumptions, from relationship (affective) conflict, which harms teams. Structured techniques such as devil's advocacy and dialectical inquiry generate task conflict while keeping it impersonal. Suppressing disagreement invites groupthink, and requiring unanimity can stall decisions or push members to fake agreement.

223. Answer: B — Segment engagement and turnover data by role, tenure, performance level and location to find where the two measures diverge.

Enterprise averages can hide pockets of disengagement, so the first step is to segment both data sets to locate where they diverge, such as among high performers in particular roles. Replacing the vendor or launching a broad bonus acts before the cause is understood. Engagement and turnover are generally related, so dismissing the link is not supported.

224. Answer: C — Choose metrics tied to the strategy's key talent risks that inform decisions the board oversees or acts on.

Board reporting should be decision-relevant: a few measures linked to strategy execution and material human capital risk that fit the board's oversight role. Data quality and benchmarks matter, but a reliable or common metric that does not bear on strategy or risk wastes scarce board attention. Even coverage of HR functions reflects HR's structure rather than what the board needs to govern.

225. Answer: C — It can produce short-term compliance followed by fatigue and disengagement

Fear can create urgency and quick compliance, but sustained threat messages tend to drive anxiety, defensive behavior and burnout, and they give people something to escape rather than something to pursue. The claim that fear fails to create urgency is tempting but wrong, because fear does create urgency in the short term; the problem is sustaining commitment. This is why many change models pair urgency with a positive vision.

226. Answer: B — Pause reliance on the model in talent reviews, retrain and revalidate it on recent data, and set up ongoing monitoring.

Major structural changes alter the relationships a model learned, so its predictions drift and should not keep driving decisions. Governance calls for suspending reliance, retraining and revalidating on post-change data, and monitoring performance going forward. Adding one variable without revalidation assumes the rest of the model still holds, and a caveat does not stop leaders from acting on unreliable scores.

227. Answer: D — Remarks by a decision maker close in time to a related decision can be used as evidence of age bias.

Courts discount 'stray remarks,' but statements by a decision maker that are close in time and related to the decision can support an inference of age bias. Phrases like 'new blood' and 'fresh energy' are often read as age-coded even though they do not mention age. Verbal statements count as evidence without being written down, so leaders should be coached on language and decisions should rest on documented, job-related reasons.

228. Answer: A — The employer keeps its own FCRA duties, so diligence should test accuracy and compliance

The FCRA places separate obligations on the employer as a user of consumer reports, including the disclosure, authorization, certification and adverse action steps, which cannot be delegated away. Vendor selection should therefore focus on accuracy, dispute handling and compliance support, with indemnities as a supplement. Indemnities and vendor certifications allocate cost but do not remove the employer's legal exposure.

229. Answer: D — Title I governs group health plans and insurers, while Title II governs employers' employment decisions.

GINA Title I bars group health plans and insurers from using genetic information for eligibility or premiums and from requiring genetic testing, and it is enforced by the Departments of Labor, Health and Human Services, and Treasury. Title II bars employers with 15 or more employees from using genetic information in employment decisions and is enforced by the EEOC. GINA does not regulate life, disability or long-term care insurance.

230. Answer: A — Rights to export all data in a usable format, plus transition assistance from the vendor if the contract ends.

Vendor lock-in is best addressed through an exit strategy: guaranteed data portability in a usable format and contractual transition assistance so the company can move to another provider. Service-level credits compensate for poor performance but do not make leaving any easier, and price caps address cost rather than lock-in.

231. Answer: B — Rank cases by chance of winning and value of the precedent, arbitrating strong cases that matter and settling weak ones.

A portfolio approach weighs the likely outcome against how much the ruling would matter for future contract administration. Strong cases on important issues are worth arbitrating, while weak cases or ones with little precedent value are better settled, often on a non-precedent basis. Arbitrating everything wastes money and risks bad precedents, and choosing by cost alone ignores both merit and strategic value.

232. Answer: D — The HRIS pays back in 3 years, 1 year sooner than the LMS

Payback period = upfront cost / annual savings. HRIS: $900,000 / $300,000 = 3 years. LMS: $400,000 / $100,000 = 4 years. A lower upfront cost does not mean faster payback when savings are also lower. Payback ignores savings after the payback point and the time value of money, so it should be used alongside NPV.

233. Answer: C — Under the ADAAA, an impairment lasting fewer than six months can still be a disability if it is severe enough.

The ADA Amendments Act broadened coverage, and its regulations state that an impairment lasting or expected to last fewer than six months can be substantially limiting. The 'transitory and minor' exception applies only to 'regarded as' claims and requires both conditions. A 12-month rule comes from other programs, not the ADA, and duration still matters, so not every minor impairment is a disability.

234. Answer: C — Managers, workers and government operate within technical, market and power contexts to produce a web of rules, held together by a shared ideology.

Dunlop's systems model identifies three actors (management, workers and their organizations, and government agencies), three contexts (technology, market or budget constraints, and the distribution of power in society), and the web of rules they produce, bound together by an ideology the actors share. The bargaining subprocesses come from Walton and McKersie, the three decision levels from Kochan, Katz and McKersie, and the cost-of-disagreement idea from Chamberlain.

235. Answer: C — Remove barriers such as manager vetoes on transfers, and recognize managers who release talent.

The data points to a specific barrier, managers holding on to their people, so the most effective response changes that behavior through policy, such as removing transfer vetoes, and through incentives that reward managers who export talent. More development spending does not help if people still cannot move. A portal or development plans can support mobility, but neither addresses managers blocking transfers.

236. Answer: D — Model the long-term leadership pipeline impact and redesign junior roles to keep a smaller but strong pipeline.

The CHRO should bring a long-term view by showing how a deep hiring cut today shrinks the pool of future leaders, then redesign junior roles so a smaller cohort still builds the needed judgment. Relying on competitors for future leaders is costly and uncertain, and keeping hiring flat ignores real efficiency gains. Waiting avoids the question while the pipeline effects begin to compound.

237. Answer: C — Inclusivity, materiality, responsiveness and impact

AccountAbility's AA1000 AccountAbility Principles are inclusivity, materiality, responsiveness and impact, and the AA1000 Stakeholder Engagement Standard applies them to the design and quality of engagement. Governance, strategy, risk management and metrics and targets are the TCFD pillars. The other lists are not the AA1000 principles.

238. Answer: C — They are presumed made with forced labor and barred unless the importer rebuts it with clear evidence

The UFLPA creates a rebuttable presumption that goods made wholly or in part in Xinjiang, or by listed entities, were produced with forced labor and may not be imported. The importer bears the burden of rebutting it with clear and convincing evidence and must meet other conditions. The presumption shifts the burden away from the government, and a supplier's certificate or a small content share does not overcome it.

239. Answer: D — Scan external trends, weak signals and expert views on a set cycle and feed them into risk reviews.

Horizon scanning looks outward and forward, collecting signals about technology, regulation, society and markets that have not yet produced losses. Loss history and incident reviews are backward-looking, so they find the same kinds of risks the register already captures. Inflating scores or re-rating listed risks does nothing to surface risks that are not yet on the list.

240. Answer: B — Inclusion built into core talent processes outlasts standalone programs that need separate funding.

When inclusion is part of how the company hires, promotes, pays and develops people, it does not depend on a discretionary budget line and survives cuts. Even across-the-board cuts weaken everything without prioritizing what is most durable, and protecting visible events favors optics over impact. Pausing all work signals that inclusion was never a business priority.

241. Answer: C — $400,000

Annual gain before costs = number hired x validity x SDy x mean standardized score of hires = 100 x 0.40 x $10,000 x 1.0 = $400,000. Stopping at the per-hire value gives $4,000, squaring the validity coefficient gives $160,000, and leaving validity out gives $1,000,000.

242. Answer: D — Hire and develop for creativity and cross-boundary thinking over industry experience

Blue ocean strategy creates uncontested market space by redefining industry boundaries, so the talent needed is creative and able to combine knowledge from different fields. Benchmarking closely against rivals, fighting on price and hiring from competitors are red ocean behaviors that keep the firm competing in the existing space.

243. Answer: A — Co-own decisions on AI that affects employees, covering workforce impact, fairness and people policy.

Effective AI governance draws on technology, legal and people expertise, and HR is accountable for workforce impact, fairness in employment decisions and people policy. Co-ownership of employee-related AI decisions fits that accountability without claiming authority over all AI. Limiting HR to communications leaves gaps in areas where employment risk is greatest, while demanding final say over all AI overreaches.

244. Answer: A — Share evidence on sponsorship and agree with the CEO on specific, time-bound sponsor actions

Many executives underestimate what sponsorship requires, so the CHRO should coach the CEO with evidence on why visible sponsorship matters and make the role concrete through specific, manageable actions. Going to the board before working with the CEO damages the relationship, and a business-unit leader or a bigger communication budget cannot substitute for the authority of the CEO on a company-wide culture change.

245. Answer: D — The seller up to and including the effective date of the sale, and the buyer after it

WARN's sale-of-business provision makes the seller responsible for notice of plant closings or mass layoffs up to and including the effective date of the sale, and the buyer responsible after that date. The seller's employees are treated as the buyer's employees for WARN purposes once the sale is effective. Deal teams often allocate costs through indemnities, but the agreement's terms do not change who owes statutory notice.

246. Answer: B — Most synergy value is expected within 12 to 24 months, and slow people decisions erode it

Deal models typically count on most synergies being captured in the first one to two years, and synergy work cannot start until leaders are named who own it. Delays in selection breed uncertainty, distraction and departures of key talent, all of which push value further out. There is no general 60-day disclosure rule for a post-deal leadership team, and synergies depend heavily on people decisions.

247. Answer: D — Relief from liability for the investment results of defaulted assets, while the duty to select and monitor the QDIA remains

The QDIA safe harbor treats defaulted participants as exercising control over their accounts, so fiduciaries are not liable for losses that result from investment in the QDIA. Fiduciaries remain responsible for prudently selecting and monitoring the QDIA itself, so the relief is not a full release. The rule requires initial and annual notices to participants, but no signed acknowledgment.

248. Answer: A — Set budgets by country from local market movement and inflation, within an overall cost limit set by leadership.

Salary budgets should reflect what local labor markets are doing, which in high-inflation countries is shaped by inflation but not identical to it, so country-specific budgets within an enterprise cost limit are standard practice. A uniform global budget would overpay in the low-inflation market and leave employees in the high-inflation one falling behind. Matching inflation exactly ignores market movement and can make the company's costs unsustainable.

249. Answer: C — Envisioning, energizing and enabling

Nadler and Tushman's charismatic leadership behaviors are envisioning (articulating a compelling future), energizing (generating motivation and excitement) and enabling (supporting people psychologically). They pair these with instrumental behaviors (structuring, controlling and rewarding), which is the tempting distractor. Effective transformation needs both, but the charismatic set is the three named here.

250. Answer: A — Members hold back doubts, and dissenting data is quickly waved away as disloyal

Groupthink occurs when the drive for cohesion overrides critical evaluation; its symptoms include self-censorship, pressure on dissenters and an illusion of unanimity. Sharp debate followed by commitment is healthy conflict, and soliciting concerns or seeking outside validation are safeguards against groupthink rather than signs of it.

251. Answer: D — Internal hires tend to ramp up faster and cost less, while external hires are usually paid more at first.

Research on internal mobility consistently finds that external hires are paid a premium, take longer to reach full performance, and are more likely to leave early, while internal hires already know the culture and networks. External hiring still has a place for importing new capabilities, but it does not reliably produce stronger early performance. The claim that external hires stay longer runs opposite to the evidence.

252. Answer: C — Volunteers may already differ in motivation and ability from employees who opted out.

This is selection bias: employees who choose to join a development program are often more ambitious, more capable or more favored by their managers, so they might have been promoted more often anyway. The gap therefore mixes the program's effect with pre-existing differences, and rolling the program out to everyone would likely produce less benefit. Group size does not change a rate, and a lagging indicator would understate rather than overstate the effect.

253. Answer: C — The strength of social norms and tolerance of deviance; tight cultures expect clear rules, loose ones allow discretion.

Michele Gelfand defines tight cultures as having strong norms and low tolerance for deviation, and loose cultures as having weaker norms and more permissiveness. Global policies may therefore need clearer rules and enforcement in tight cultures and can allow more local discretion in loose ones. Hierarchy is power distance and family loyalty is collectivism, which are separate constructs.

254. Answer: D — Make knowledge sharing and helping others part of engineers' performance and promotion criteria.

The barrier is that the reward system discourages sharing, so making collaboration part of performance and promotion criteria aligns incentives with the desired behavior. Paying per document or setting quotas tends to produce volume over quality, and a new tool does not fix the incentive problem.

255. Answer: D — Pass-through bills the plan what the pharmacy is paid; spread pricing lets the PBM keep the difference.

In a pass-through model, the plan pays the PBM what the PBM pays the pharmacy and usually passes through rebates, with the PBM earning a transparent administrative fee. In spread pricing, the PBM charges the plan more than it pays the pharmacy and keeps the spread as revenue. Pass-through models still include PBM fees, and neither model is limited to a drug category.

256. Answer: C — Symbiosis

Haspeslagh and Jemison match integration to two needs: strategic interdependence and organizational autonomy. When both are high, symbiosis applies: the firms stay separate at first and gradually exchange capabilities. Absorption fits high interdependence with low autonomy, so it would deliver the synergy but risk losing the engineers. Preservation fits low interdependence with high autonomy.

257. Answer: C — Commission an independent audit, verify age checks, and add audit and remediation terms to contracts.

An effective response verifies facts independently, fixes the age-verification failure, and builds enforceable audit and remediation rights into supplier and contractor agreements. Immediate termination can push the problem elsewhere without protecting the minors or the supply chain, and denying knowledge does not address governance. A self-certification is the kind of control that already failed, and waiting for the DOL leaves the risk unmanaged.

258. Answer: B — Courts generally enforce subpoenas for data relevant to the charge, and they read relevance broadly

The EEOC has subpoena authority during investigations, and the Supreme Court has said relevance is interpreted generously to include information that may shed light on the charge. In a systemic case, data from other locations can be relevant, and courts review enforcement deferentially. An employer may negotiate scope or petition to revoke, but company-wide data are often enforceable, and no cause finding is required first.

259. Answer: C — Representation, fairness of talent processes and employees' experience of inclusion

A balanced inclusion scorecard measures who is in the organization (representation), whether talent processes such as hiring, pay and promotion work fairly, and how people experience the workplace. Activity counts measure effort rather than results, representation-only sets miss process and experience, and external recognition reflects reputation rather than internal reality.

260. Answer: D — Inspirational appeal

An inspirational appeal builds enthusiasm by linking a request to the target's values, ideals and aspirations, here the board's stated ambition. Rational persuasion relies on logical arguments and evidence, personal appeal draws on friendship or loyalty, and ingratiation uses praise to create goodwill before a request.

261. Answer: B — Show the CEO the business impact of the delays and frame coaching as development that protects the COO's success.

Influence works best when it connects to the CEO's own goals and respects the relationship, so linking delays to business results and framing coaching as an investment in the COO lowers resistance. Going around the CEO or straight to the board damages trust and bypasses the COO's manager. Waiting a year lets costly delays continue.

262. Answer: C — People who felt excluded may have left or not responded, so their views are underrepresented.

Survivor bias removes people who left because they felt excluded, and nonresponse bias occurs when disengaged employees skip the survey, so the remaining respondents skew positive. That is why survey results should be read alongside exit data and response rates. Surveys do measure experience, and anonymity generally increases candor rather than exaggeration.

263. Answer: C — Make no counteroffers the default, allow narrow exceptions for pivotal roles, and fund proactive retention.

The data shows counteroffers rarely buy lasting retention and they erode internal equity, so the default should be no counteroffer, with tightly governed exceptions where losing a pivotal role would be costly. Moving money into stay interviews and market adjustments addresses why people leave before they resign. A total ban removes useful flexibility for critical talent, and documenting or rating-based matching keeps the reactive, inequitable practice in place.

264. Answer: D — Build a multiyear plan across plan design, population health, vendors and funding, modeling cost and talent effects.

Persistent cost growth is a structural problem that calls for several levers together, such as plan design, wellness and chronic condition management, network and pharmacy management, and funding approach, while weighing effects on recruiting and retention. Shifting cost to employees each year helps in the short run but erodes the value of total rewards in tight labor markets. Dropping coverage risks Affordable Care Act penalties for a large employer and a major talent disadvantage.

265. Answer: C — Location-based pay controls costs but can seem unfair; national pay is simpler but costs more.

Location-based pay ties pay to local labor markets and controls cost but can be seen as unfair when people do the same work and must be updated when employees move. A single national rate is simpler and helps recruiting in lower-cost areas but raises labor costs. No federal law requires either approach, and location-based pay does not remove pay equity concerns.

266. Answer: C — It separates the program's effect from other changes, such as market shifts, that affected everyone.

A before-and-after comparison cannot rule out other causes, such as a stronger market, new products or seasonality, that would have raised productivity anyway. Random assignment makes the groups comparable, so the difference between them can be credited to the program. The control group still must be measured, and differences still need statistical testing to rule out chance.

267. Answer: A — Exclude age and its proxies, test outcomes for adverse impact by age, and keep human review of decisions.

Retention offers and development are terms and privileges of employment, so allocating them partly on age invites ADEA disparate treatment claims, and proxies can reintroduce the same bias. Excluding age and proxies, checking results for adverse impact and keeping human oversight preserves most of the model's value lawfully. Hiding age from managers does not help, because the scores they act on are still based on age; using age for younger workers still sorts people by age and disadvantages those 40 and older.

268. Answer: B — Quality of hire, diversity of candidate slates, and candidate experience ratings, along with speed

SLAs that include quality of hire, diverse slates and candidate experience hold the vendor to outcomes that matter to the business, not just fast or plentiful submissions. Speed and volume measures alone can reward rushing weak candidates through, and cost and fee terms address price rather than quality.

269. Answer: A — Misclassified workers, unequal treatment of similar work and weaker oversight of contractor safety

Heavy reliance on contingent workers creates ethical and legal risks: workers who are controlled like employees may be misclassified, people doing the same work may be treated very differently, and safety oversight can fall through the gaps between the host company and the staffing firm. Contractors do not gain automatic benefit rights after a year, and staffing speed is an operational rather than ethical issue.

270. Answer: B — Collaboration chat messages, texts on company phones and HRIS audit logs

Under the Federal Rules of Civil Procedure, ESI covers relevant electronic information in any form, including chat and collaboration messages, texts on company devices, and system audit logs showing who changed records and when. Limiting the search to formal emails and personnel files is a common and costly mistake, and discoverability does not depend on authorship or on whether a record was printed.

271. Answer: C — Investors expect strong earnings growth, raising the stakes on growth talent

A high P/E means investors pay more for each dollar of current earnings, usually because they expect strong future growth. To justify that valuation, the company must deliver the growth, which raises the stakes on attracting and keeping the talent that drives it. Undervaluation is usually associated with a low P/E, not a high one.

272. Answer: B — Propose a workforce feasibility review of each strategic option before targets are set

The problem is that talent constraints surface only after targets are fixed, so the fix is to build HR's feasibility analysis (talent supply, cost, time to capability) into strategy formulation itself. Receiving targets earlier still leaves HR reacting to decisions already made, and a passive report does not ensure the data shapes the choice among options. Going to a board committee bypasses the CEO, who has already signaled openness.

273. Answer: A — Routinely measuring, asking about and rewarding customer outcomes in operating meetings

Schein's primary embedding mechanisms include what leaders pay attention to, measure and control, how they allocate rewards and resources, and how they react to critical incidents. These consistent behaviors signal real priorities far more strongly than secondary mechanisms such as formal statements, physical design and published materials, which only reinforce the message when they match leaders' actions.

274. Answer: A — They expose leaders to new contexts and governance perspectives that broaden strategic judgment.

External experiences place senior leaders in unfamiliar settings where they must influence without formal authority, understand board-level governance and see issues from new stakeholder perspectives, all of which broaden strategic thinking. They do not confer formal credentials, they are developmental rather than only a reward, and they complement rather than replace internal development.

275. Answer: A — If the director habitually concludes contracts there for it, it may owe local corporate tax

Permanent establishment is a taxable presence for corporate income tax purposes. A remote employee who habitually concludes contracts or plays the principal role in concluding them on the company's behalf can create a dependent-agent PE, and a fixed place of business at the company's disposal can also create one. Salary level or a fixed short stay does not trigger PE, and social security coordination is a separate issue.

276. Answer: C — Percentage of successors rated successful a year or more after placement

A successful placement rate measures the quality of succession by tracking how placed successors perform and whether they stay after moving into the role. Bench coverage and successors per role count names on a plan, and the hit rate shows whether the plan was used, but none of these shows whether the people placed actually succeeded.

277. Answer: A — Rebuild the cost of each HR activity from zero, link it to business outcomes, and propose stopping or resourcing low-value work.

Zero-based budgeting requires each activity to be justified from zero based on its value, not on prior spending, so the CHRO should cost each HR service, tie it to outcomes, and identify work to stop, automate or outsource. Starting from last year's base and justifying only the increase is incremental budgeting, the opposite of what was mandated. Asking teams to defend their current budgets keeps the old base in place.

278. Answer: A — A hybrid model in which a central team sets strategy and standards while regions tailor and deliver.

The facts point to two needs: consistency in quality and core content, and local responsiveness. A hybrid structure gives a central function control of strategy, standards and core programs while regions adapt and deliver. Full centralization would sacrifice local responsiveness, full decentralization is what produced the inconsistency, and outsourcing changes the provider without resolving the governance issue.

279. Answer: A — Privately share evidence of the mixed message and suggest specific recognition changes

As a trusted advisor, the CHRO should give the CEO candid, private, data-based feedback and concrete alternatives, because leader behavior and recognition signal what is truly valued. Confronting the CEO in front of peers risks defensiveness. A new award does not fix the contradiction, and escalating to the board before raising it directly breaks trust.

280. Answer: A — Because of the losses, the match can be suspended after a plan amendment and 30 days' notice, with ADP/ACP testing for the year.

IRS rules allow a mid-year suspension of safe harbor contributions if the employer is operating at an economic loss or the notice reserved the right to suspend. The employer must give participants at least 30 days' notice, amend the plan, fund contributions through the effective date, and pass ADP/ACP testing for the full year. Contributions already made cannot be taken back, and the notice reservation is only one of the two permitted grounds.

281. Answer: C — Growth in retaliation complaints from employees who had previously raised concerns

Retaliation is the most frequently alleged basis in EEOC charges, and complaints that follow earlier protected reports often turn into charges and lawsuits. A rise in these complaints is a strong early warning. Training completion is an activity measure, total hotline volume can rise for healthy reasons such as greater trust, and broad engagement scores are too general to signal legal exposure.

282. Answer: C — Co-create a combined vision with leaders from both firms that keeps the acquired purpose

When the acquired firm's purpose drives retention of its key talent, a jointly developed vision that preserves what made it valuable protects the deal's human capital value while creating one direction. Imposing the parent's vision quickly risks losing the very people the firm paid for. Running separate cultures indefinitely blocks integration, and a popularity survey of one group is not an enterprise process.

283. Answer: A — Map causal links from workforce measures to guest loyalty and then to revenue.

A strategy map, as used in balanced scorecards, links learning and growth measures (such as frontline engagement and skills) to internal processes, customer outcomes and financial results, showing how people investments create value. Efficiency, activity and benchmark measures can be useful, but none of them shows the causal chain from the workforce to the strategy.

284. Answer: A — $1.0 million

Each hire reaches full productivity 2 months sooner and gains the 50% gap in those months: 2 x $25,000 x 50% = $25,000 per hire. For 40 hires: 40 x $25,000 = $1.0 million. Valuing the 2 months at full quota without subtracting ramp-level output gives $2.0 million, which double-counts sales the hires would have made anyway.

285. Answer: D — Classify each event as human error, at-risk behavior, or reckless conduct and respond to each one differently.

Just culture distinguishes human error, which calls for consoling and system fixes, at-risk behavior, which calls for coaching, and reckless conduct, which can warrant discipline. Disciplining every error drives underreporting, which harms patient safety. Removing all accountability ignores reckless behavior, and basing discipline on outcome rather than behavior is inconsistent with just culture.

286. Answer: D — Large up-front fee obligations that pressure the employer to settle before merits

In mass arbitration, the employer's per-case fee commitment, multiplied across thousands of demands, can reach millions of dollars before any claim is heard, creating leverage to settle regardless of merit. The class waiver prevents consolidation into one proceeding, which is what makes the cost exposure so large. Fee shifting to claimants happens only if the agreement and provider rules allow it, and many provider rules now address mass filings with special fee schedules rather than shifting costs to employees.

287. Answer: B — Multiple exercises, multiple trained assessors, and job-related dimensions

An assessment center is a method, not a place: candidates take part in several simulations, multiple trained assessors observe and rate behavior, and ratings are tied to dimensions drawn from job analysis and combined in a structured way. Feedback from raters at all levels describes a 360-degree review, and a test plus an interview lacks the multiple simulations and assessors that define the method.

288. Answer: B — Commission an independent review of the scope, plan and integrator before deciding to continue, reset or exit.

With a project this far off track, the sponsor needs an objective view of what is wrong and what it will take to finish before committing more money or changing course. Approving the change order rewards poor performance without understanding the causes. Terminating the integrator or cutting scope may turn out to be right, but either is premature without a diagnosis of the problems.

289. Answer: B — Each passage requires new skills, a new use of time and a shift in what the leader values in work.

The leadership pipeline model describes a series of passages, such as from managing self to managing others and from functional manager to business manager, each requiring changes in skills, time application and work values. Leaders who carry the habits of the prior level, such as continuing to do the work instead of leading it, tend to fail. Viewing transitions as merely bigger budgets or teams misses that the nature of the job itself changes at each turn.

290. Answer: A — Quantify benefits and risk reduction, show total cost of ownership, and plan to track results

A CFO expects measurable financial and risk benefits weighed against the full cost of ownership, plus accountability for delivering the promised results. Age, peer adoption and user frustration aren't financial arguments, and a vendor-prepared ROI lacks credibility because the vendor benefits from the sale.

291. Answer: C — Notify the board chair or audit committee chair so the board can retain an outside investigator who reports to it.

When the alleged wrongdoer is the CEO, everyone in the management chain, including the CHRO and the general counsel, has a reporting-line conflict. The board, which oversees the CEO, must control the investigation through independent outside investigators. Routing the matter to the general counsel seems prudent, but the general counsel also reports to the CEO, so the process would still not be independent.

292. Answer: D — Build a global core on shared leadership expectations and add locally developed modules as needed.

A global core with local modules delivers consistent leadership expectations while respecting real differences in culture, law and labor practice. A single standard program or a translated headquarters version ignores those differences, and fully local programs lose the consistency leaders want and duplicate effort across 30 countries.

293. Answer: C — Do not run the machine unguarded; meet the order another way, such as other lines or overtime.

Operating a machine without a required guard exposes workers to amputation and violates OSHA machine guarding requirements; administrative steps like spotters or experienced operators do not substitute for the engineering control. A signed acknowledgment does not shift the employer's legal duty. The production need should be met through alternatives while the hazard is fixed.

294. Answer: D — IRS EPCRS for the eligibility failure and DOL VFCP for the late contributions

The IRS Employee Plans Compliance Resolution System corrects qualification failures, such as not following plan terms on eligibility. The DOL Voluntary Fiduciary Correction Program corrects fiduciary breaches, such as late deposit of participant contributions. The DOL's Delinquent Filer Voluntary Compliance Program covers late Form 5500 filings, not either of these problems.

295. Answer: D — Show which results changed and which did not, compare affected and unaffected groups, and link key items to retention data.

Evidence persuades: showing patterns across affected and unaffected groups and linking scores to outcomes such as turnover addresses the CEO's bias concern directly. Setting results aside wastes the data and signals that feedback is ignored. Going to the board is premature, and a repeat survey costs time without addressing the objection.

296. Answer: C — Treat the petition as protected concerted activity, hold open listening sessions, reassess the policy on its merits, and explain the decision.

Section 7 of the NLRA protects nonunion employees who act together about working conditions, and a group petition about schedules is classic concerted activity. The best response engages the group openly and judges the policy on its merits without targeting signers. One-on-one questioning of signers can look like unlawful interrogation, and singling out organizers invites claims of surveillance or retaliation. Saying nonunion workers have no rights here misstates the law.

297. Answer: A — Clarify each line's decision rights, name a primary line for key decisions, and coach managers

Managers from hierarchical cultures need clear authority lines, so the CHRO should define which decisions belong to which line, name the primary line for decisions such as performance and pay, and support managers as they learn to work in a matrix. Reversing the structure abandons the strategy behind it. Deferring to seniority does not address the actual decision rights, and escalating everything to the CEO would create a bottleneck.

298. Answer: C — Anchor the program to the statute and ADA-style process while tracking new rules and rulings

Vacating parts of a regulation does not suspend the statute: the PWFA still requires covered employers to make reasonable accommodations for known limitations related to pregnancy, childbirth or related conditions, absent undue hardship, using the ADA's interactive process. A program built on the statutory duties stays compliant while the rules change. Suspending procedures invites violations, a word-for-word reading is narrower than the law, and ignoring a vacatur of the rule is not a sound compliance position.

299. Answer: A — Practices work as a system fitted to that firm's strategy, culture, and other practices

HR practices create value as bundles that reinforce one another and fit a particular strategy and culture; lifted out of that context, a single practice often lacks the complementary practices and norms that made it work. Unlimited vacation, for example, depends on strong performance management and trust. The practices themselves are widely publicized, and there is no size threshold that determines their success.

300. Answer: B — Language skills, talent supply, labor cost, data rules and time-zone coverage

A shared services center succeeds only if it can hire and keep people who speak the languages it serves, at a sustainable cost, under data protection rules that allow the processing, and with hours that cover the region. Looking at cost alone ignores attrition, quality and language needs, and placing the center where most employees work may not offer the right talent or cost. Tax rates and executive preferences matter less than service capability.

301. Answer: D — Pay and promotion decisions still need differentiation, so managers need clear criteria, calibration and written rationale.

Dropping the label does not remove the need to differentiate pay and promotions, so the company must replace ratings with clear decision criteria, calibration and documented rationale or decisions become opaque and harder to defend. No federal law requires numerical ratings. Merit pay can still be differentiated without ratings, so equal splits are not required, and large companies have run ratingless systems.

302. Answer: D — Limit the AI to aggregate theme analysis, bar attempts to identify respondents, and require human review of its outputs.

Identifying individuals breaks the confidentiality promise that makes honest feedback possible and creates retaliation risk. Using AI only for aggregate themes, with human review of its outputs, keeps the benefit while protecting trust. High accuracy makes identification more harmful, not less, and notice after the fact does not fix a broken promise.

303. Answer: D — Interest-based resolution tends to cost less, satisfy parties more and reduce recurrence

The framework compares approaches on transaction costs, satisfaction with outcomes, effect on the relationship and recurrence of disputes, and interest-based resolution generally performs best on all four. Rights and power procedures remain necessary backups but are costlier and more damaging when used routinely. Enforceability in court is not the rationale; interest-based agreements are valued for durability and relationship preservation.

304. Answer: C — It can discourage injury reporting, which OSHA may treat as unlawful retaliation against employees.

Incentives tied to lagging injury counts push managers and crews to hide injuries, and OSHA's recordkeeping rule prohibits retaliation for reporting injuries; programs that deter reporting can be treated as violations. Hidden injuries also mean hidden hazards. Site managers are typically exempt, so overtime rules are not the main concern, and the bonus creates no OSHA reporting duty.

305. Answer: A — To require signatory countries to make bribing foreign public officials in international business a crime

The OECD Anti-Bribery Convention commits its parties to criminalize the bribery of foreign public officials in international business transactions and to enforce those laws. It does not set uniform penalties, create an international court, or itself prohibit facilitation payments; each country enforces its own implementing law.

306. Answer: A — Model effects on attrition, recruiting reach, productivity and real estate cost using internal data, then recommend a policy.

The CHRO's job is to show the CEO the likely business effects of the decision, including regretted attrition, especially among distant recent hires, narrower recruiting markets, productivity evidence and real estate costs, before the policy is set. Implementing first and measuring later risks irreversible talent loss. Peer benchmarks and employee preference are inputs but do not answer the business question for this company.

307. Answer: C — Set documented goals and track full costs and outcomes for each assignment.

The CFO's question cannot be answered until each assignment has defined objectives and its full cost and results are tracked, so building that measurement foundation comes first.
Across-the-board cuts may remove high-value assignments, satisfaction surveys do not measure business value, and peer spending comparisons show cost but not return.

308. Answer: D — Discover, Dream, Design, Destiny

The 4-D cycle begins with Discover (identifying what works best now), moves to Dream (imagining what could be), then Design (shaping the ideal organization) and Destiny (sustaining and carrying out the change). Some versions add a preliminary Define step to select the topic, but it comes before Discover, and those versions end with Destiny rather than Design. Starting with Dream skips the grounding in existing strengths that the method depends on.

309. Answer: A — Complete a data protection impact assessment, consult works councils where required, and be transparent with employees.

Systematic monitoring of employees in the EU generally calls for a data protection impact assessment under the GDPR, and German and French employee representatives have consultation or co-determination rights over monitoring technology. Transparency also protects trust. Consent is rarely a reliable basis in employment because of the power imbalance, and data used for analysis is often only pseudonymized, which keeps it within the GDPR.

310. Answer: D — Involve middle managers in shaping implementation, address their concerns, and give them tools and coaching.

Middle managers are both targets of change and the people expected to lead it for their teams, and they often resist when their own concerns, roles and capabilities are unaddressed. Involving them, building their skills and addressing their questions turns them into change agents. Bypassing them undermines their role, and removals or bonus incentives may get compliance but not genuine leadership of the change.

311. Answer: A — Build a portfolio view of the changes with an impact heat map and work with leaders to sequence them.

Change saturation is managed at the enterprise level: mapping every initiative's impact on each group reveals overload, and leaders can then sequence or pace changes to protect adoption and operations. Resilience training does not reduce the load, and an indefinite HR-only delay ignores the other initiatives and the HCM's business case. A single combined go-live piles the heaviest burden on the same supervisors at once.

312. Answer: D — Managers will have less time per person, so the way they manage must change too

Doubling spans halves the time a manager can give each employee, so performance declines unless the work model changes: managers selected for coaching ability, better tools and data, and more decisions pushed to employees. Wider spans remove layers rather than add them, and they do not raise engagement or move coaching to HR on their own.

313. Answer: A — Dark-side traits

Hogan uses 'dark side' for counterproductive tendencies, measured by the Hogan Development Survey, that surface under stress, fatigue or when people stop managing their image, and that can derail careers. 'Bright side' refers to everyday personality as seen at one's best, measured by a different Hogan inventory, and motives and values describe what drives a person rather than how they behave under pressure.

314. Answer: D — Employees who see input lead to visible change believe future surveys are worth their time.

Closing the loop shows employees that their feedback matters, which builds trust and raises participation and candor in later surveys. When nothing visible happens, employees conclude the survey is a formality and stop responding. Announcing actions works alongside sharing results; it does not substitute for them.

315. Answer: C — When the action is vital to the organization and she is confident it is right, even if it is unpopular

Thomas and Kilmann describe competing as appropriate when an unpopular action is vital to the organization's welfare and you are confident you are right, such as correcting pay inequities that carry legal and ethical risk. Prioritizing relationships calls for accommodating, needing others' expertise calls for collaborating, and minor issues call for avoiding.

316. Answer: A — Investigating the conduct and deciding the employment action consistent with policy and law

In a crisis plan, communications typically owns public statements and legal advises on disclosure, while HR owns the employment side: gathering facts, verifying the video's context, giving the employee a chance to respond and applying discipline consistently. Rushing a public statement or a termination before the facts are known can create legal exposure and inconsistent treatment.

317. Answer: B — Have the CEO meet each SVP directly to explore concerns, restate expectations and link adoption to their goals.

Passive resistance by senior leaders should be addressed directly by their manager, the CEO, through private conversations that uncover concerns and make expectations and accountability clear, including through goals and incentives. Confronting them in public tends to entrench resistance, moving to replacement skips the conversation, and waiting lets the resistance undermine the new structure across the organization.

318. Answer: C — Use real strategic challenges, peer learning and executive coaching built around their own agenda.

Senior leaders learn best through experiences tied to their actual work, such as action learning on real strategic issues, peer exchange and individualized coaching. These formats answer the objection that classroom training is generic. Mandates and shorter sessions keep the same generic format, and self-paced e-learning is generic as well.

319. Answer: C — Equip managers to translate the strategy into what it means for each team, with two-way forums and regular progress updates.

People understand strategy when it is connected to their own work and discussed, not just broadcast. Managers translating strategy for their teams, backed by two-way dialogue, closes the gap for frontline staff. More emails or a long document repeat a one-way approach that is already failing, and a required quiz tests recall rather than understanding.

320. Answer: A — Centers of excellence staffed with functional specialists

Centers of excellence hold deep expertise and design programs and policies, such as leadership development or rewards, for the whole enterprise. Business partners consult with leaders and bring those programs into their units, and shared services deliver transactional and employee-support work. Regional generalists implement locally rather than designing global programs.

321. Answer: C — Whether the employee performs key religious functions, such as teaching the faith

The Supreme Court has used a functional approach: what matters most is what the employee does, such as teaching religion, leading worship or passing on the faith. In Our Lady of Guadalupe, teachers without ministerial titles or extensive religious training were covered because they taught religion. Title, training and membership are not required, and the Court set no time-percentage test.

322. Answer: D — Employee well-being, pay fairness, and development become goals the board weighs alongside shareholder returns.

Stakeholder theory holds that a firm creates long-term value by serving employees, customers, suppliers, communities, and shareholders. For HR, that means workforce outcomes become explicit objectives that leaders are held accountable for, not only costs to minimize. Judging HR solely by short-term EPS reflects shareholder primacy, and stakeholder capitalism does not give employees a legal veto over strategy.

323. Answer: A — Fund accommodations from a central budget so costs no longer affect individual department results.

When a manager's own budget bears the cost, cost becomes a factor in a decision that should rest on the law and the employee's needs. A central fund removes that incentive at the source and makes the process consistent. Training does not change the budget pressure, a per-department cap creates a new reason to deny requests, and a partial credit still leaves some local cost.

324. Answer: C — Insist on defined, job-related selection criteria with human review and a disparate impact analysis before any decisions

RIF selections must rest on legitimate, job-related criteria applied consistently and reviewed for adverse impact on protected groups (including older workers, who are entitled to specific disclosures in group terminations under the OWBPA). An AI ranking can reflect biased inputs and is hard to explain, so it needs human review and adverse impact analysis. Unstructured manager discretion is also a common source of discrimination claims.

325. Answer: C — Engage counsel, cooperate with WHD at the site, and run a privileged review of the same practices at the other centers.

Because the practices are common across sites, the company should cooperate fully where WHD is investigating while counsel assesses the same issues elsewhere under privilege. Ignoring known similar risks invites willfulness findings rather than avoiding them. Unsupervised payments made before the facts are known may not resolve claims, and inviting a broader investigation gives up control before the company understands its exposure.

326. Answer: B — Base readiness and flight risk on stated plans and job-related data, not age-based assumptions about retirement.

Assuming that older workers will retire soon is an age stereotype, and using it to exclude them from succession slates can support disparate treatment claims. Employers may plan for turnover, but readiness and risk should rest on job-related information and plans employees share voluntarily. Hiding the label still lets it drive outcomes, and pressing older workers for retirement dates is itself evidence of age bias.

327. Answer: D — Assess internal and external candidates against criteria derived from the new strategy before deciding.

The decision should start with what the new strategy requires and then compare insiders and outsiders on those criteria, weighing cultural knowledge against needed new capabilities and the higher risk often associated with outside hires. Defaulting to either an insider or an outsider skips that analysis. Pairing the insider with a digital officer may help, but it decides the outcome before the candidates have been assessed.

328. Answer: B — Audit and data-access rights, notice of model changes, compliance support and exit terms with return of data.

Because the employer stays liable for how the tool performs, the contract should guarantee the information and access needed to audit it, advance notice when the model changes, vendor help with compliance and a clean exit with data returned. Price and licensing terms address cost, not risk. Indemnity can help with costs, but it does not replace the employer's own monitoring, and broad data-use rights for the vendor increase privacy and confidentiality risk.

329. Answer: A — It typically takes several rounds of anonymous questionnaires, which can make it too slow for urgent decisions

The Delphi technique gathers anonymous expert judgments through multiple rounds of questionnaires with feedback between rounds until opinions converge, which takes time. Its anonymity is designed to prevent dominant voices, it handles qualitative judgment well, and it uses a selected expert panel rather than a random employee sample.

330. Answer: D — Centralizing improves consistency and scale efficiency but can reduce responsiveness to local needs

A centralized HR function gains standard policies, economies of scale and tighter compliance control, but it can be slower to respond to the needs of individual units. Decentralization reverses that trade-off: units get tailored, responsive support, but often at higher cost from duplicated roles and with less consistency. The other statements reverse or misstate those effects.

331. Answer: D — Locate every employee and dependent, then activate the provider's evacuation plan

Duty of care requires the employer to act quickly to protect its people: first confirm where every employee and dependent is, then activate the security provider's evacuation and shelter plans, with regular two-way communication. Leaving employees to arrange their own exit shifts the employer's responsibility onto them when options are closing. Unpaid leave decisions and policy reminders do nothing for immediate safety, and waiting for embassy guidance can waste the window to leave.

332. Answer: C — Reward outcomes and judgment the employee controls, such as quality, client results and oversight of AI output.

When AI handles much of the output, volume measures stop reflecting individual effort and can encourage people to push unchecked AI drafts out the door. Incentives should shift to what the employee adds and controls: quality, judgment, client outcomes and responsible review of AI work. Moving entirely to profit sharing weakens line of sight, even though individual contribution is still measurable through those outcomes.

333. Answer: D — Centralize decisions with trained specialists who apply consistent criteria and an individualized interactive process.

The ADA requires an individualized assessment and good-faith interactive process, and centralizing decisions with trained staff gives the consistency and documentation a surge needs. A blanket rule that remote work is never a reasonable accommodation conflicts with the duty to consider each request. Approving everything undercuts the business decision and creates precedents that are hard to reverse, and manager-by-manager decisions are the source of the current inconsistency.

334. Answer: C — Tailored messages for transferring and remaining staff, with honest answers on scope

The two groups have different questions: transferring employees need details on terms, benefits and timing, while remaining staff need clarity on their roles and on whether more outsourcing is planned. Tailored messages, ideally delivered close together and with candid answers on scope, address both. A single announcement cannot cover both sets of concerns, and ignoring remaining staff lets rumors grow.

335. Answer: D — Assessing CBA work-jurisdiction terms and the risk of accretion to the unit

When a nonunion group is integrated into a unionized operation, the existing contract's recognition, work-jurisdiction and subcontracting clauses may cover the work, and the NLRB may accrete the new employees into the existing unit if they share an overwhelming community of interest and lack a separate identity. Planning must address that risk before closing. Assuming the crews stay nonunion or unilaterally applying lower pay to union workers would create legal and cost exposure.

336. Answer: C — A committee of independent directors that retains outside counsel reporting directly to it

Allegations against the CEO must be overseen by someone outside the CEO's chain of command, usually the audit committee or a special committee of independent directors with outside counsel. The CHRO and the general counsel both report to the CEO, so their oversight would not be seen as independent. Executive peers have the same conflict and may be witnesses.

337. Answer: D — Map critical knowledge, build successors and knowledge transfer, and retain key people

Key-talent concentration risk is reduced by identifying where critical knowledge sits, developing successors, spreading knowledge through deliberate transfer, and using targeted retention for those individuals. Pay increases alone do not reduce dependency, noncompetes are legally uncertain and do not transfer knowledge, and documentation alone captures only explicit knowledge.

338. Answer: B — Score each proposal on strategic fit, validated value, risk and readiness using the same criteria, then rank.

Portfolio decisions should apply consistent criteria, including strategic alignment, value that has been tested rather than assumed, risk and readiness to implement. Relying on sponsors' own estimates rewards optimism. Choosing the cheapest projects ignores value, and choosing by sponsor seniority substitutes politics for analysis.

339. Answer: C — Raise the ERISA fiduciary and related-party concerns with counsel and the board, backed by a cost and service comparison

Plan fiduciaries must act solely in participants' interest and pay only reasonable fees, and hiring an affiliated party in interest at above-market cost can create prohibited-transaction risk. The HR leader should document the comparison and take the issue to counsel and the board so a prudent fiduciary decision is made. Following the sponsor's direction does not relieve fiduciaries of their duties, and going directly to participants skips the governance steps needed to resolve the issue.

340. Answer: B — Present the capacity data and propose phasing the expansion with a staffing plan

The CHRO's role is to make the workforce implications of the strategy visible and offer a workable path, such as phasing the openings while building paid staff and volunteer pipelines. Stretching current people across three times the capacity risks burnout, turnover and service failures. Cancelling discards a mission-driven goal that can be achieved over time, and volunteers alone rarely provide the reliability and skills that sustained services require.

341. Answer: A — Voluntary turnover, pay equity results, training hours, and injury rates

The social pillar covers how a company manages relationships with employees, suppliers, customers and communities, so workforce metrics such as turnover, pay equity, training and safety sit there. Board independence and anti-bribery controls are governance disclosures, emissions and water are environmental, and return on capital is ordinary financial reporting.

342. Answer: A — Resolving conflicting priorities through collaboration and shared goals rather than formal authority alone

Matrix structures build tension in by design, because employees serve two lines of authority. Executives must negotiate trade-offs, align goals and resolve conflicts openly, relying on influence and collaboration. Running units independently abandons the matrix, requiring dual approval of every decision slows the organization, and avoiding conflict lets problems go unresolved instead of being worked out.

343. Answer: A — Coach managers, link tool use to their goals, and agree with finance to stop accepting spreadsheets.

Adoption stalls when a parallel path remains open and managers see no reason to change. Practical support, accountability tied to their own planning goals and closing the spreadsheet route with finance address all three barriers. More of the same training has already failed, an import macro entrenches the old process, and login reports measure activity without removing the alternative.

344. Answer: B — Engaged employees need the right roles, tools and processes to turn their effort into results, or they become frustrated.

Enablement means having roles, resources and work processes that let people perform. Motivated employees who face obstacles become frustrated and may leave, so both engagement and enablement are needed for performance. Emotional commitment describes engagement itself, and enablement is much broader than training.

345. Answer: A — VETS can investigate, the DOJ may sue for the employee, and no statute of limitations applies.

The DOL's Veterans' Employment and Training Service investigates complaints and can refer unresolved cases to the Department of Justice (or, for federal employees, the Office of Special Counsel) for representation. Since 2008, USERRA has had no statute of limitations, so older claims remain viable. Employees may also sue directly without first going to VETS, and the EEOC has no role.

346. Answer: D — Sponsorship costs, processing times, and policy shifts, with domestic pipelines kept as a hedge.

Sponsored hiring involves substantial legal and filing costs, long and uncertain timelines, compliance duties, and exposure to policy changes, so it should be one channel within a diversified plan rather than a sole source. Visa programs generally require paying sponsored workers at least the prevailing or actual wage, so sponsorship is not a way to cut pay. Lengthy processing makes it poorly suited to urgent openings.

347. Answer: C — Differentiated market positioning based on how critical each job family is to the strategy

Differentiated positioning sets different market targets by job family, investing more where talent is scarce or strategically critical and matching the market elsewhere to control cost. A lead policy applies above-market pay across the board, a lag approach describes timing of pay relative to market movement, and broadbanding is a structure design, not a market positioning choice.

348. Answer: B — Model mild and severe scenarios with triggers, naming cost levers and the critical roles to protect in each.

Scenario planning prepares leaders to act deliberately: each scenario links business triggers to a sequence of levers (hiring slowdowns, contractor reductions, hours, then layoffs) while protecting capabilities needed for recovery. A precautionary hiring freeze imposes costs when no downturn is forecast. A ready-made layoff list skips the less damaging levers and creates legal and morale risk.

349. Answer: C — Lead outreach to major shareholders to learn their concerns, then disclose the feedback and any changes in the next proxy.

Support in the low 60s is widely seen as a significant signal; ISS, for example, expects a visible response when support falls below 70%. The committee should first engage major investors to understand the specific concerns, then explain what it heard and did in the next CD&A. Cutting pay before knowing the concerns may not address them, and investors make their own decisions beyond proxy adviser recommendations.

350. Answer: A — Change saturation, in which the volume of change exceeds people's capacity to absorb it

Change saturation occurs when the combined load of concurrent changes exceeds the capacity of the people affected, causing fatigue and poor adoption even for well-designed initiatives. Sequencing reduces that load. Resistance is tempting, but it describes opposition to a change's content or values, which sequencing alone would not fix.

351. Answer: A — Build a skills matrix from the strategy, map current leaders against it and search broadly for the gaps found.

A skills matrix ties leadership composition to what the strategy requires, shows which skills and experiences are missing and justifies a wider search, which naturally broadens the slate. Asking executives for outside nominees still relies on their networks, and reusing the same search firm tends to repeat past results. A finalist requirement can help but treats the symptom without defining what the team needs.

352. Answer: B — Lead with a SOAR analysis built on strengths and aspirations, then test the plan against key threats

SOAR (strengths, opportunities, aspirations, results) is a strengths-based strategic planning tool drawn from appreciative inquiry; it builds energy and commitment in a demoralized team while still producing measurable goals, and stress-testing the plan against external threats keeps it realistic. Shortening the weaknesses section of a SWOT keeps the deficit focus that worries the executives, and postponing planning leaves the firm without direction when it most needs one.

353. Answer: D — The CEO sets the tone for the whole culture, and integrity failures at the top can cause severe harm

The CEO's values shape the organization's culture, incentives and tolerance for misconduct, so a leader who achieves results by pressuring people to cut corners can expose the company to major legal, financial and reputational harm. Boards therefore assess how candidates achieve results, not only what they achieve. Results still matter, and most companies do not need regulatory approval of a CEO.

354. Answer: B — Present the cost data, recommend recalibrating quotas and staffing with workforce planning, and pilot changes with clear measures.

Because the quota change appears to be the cause and the total cost now exceeds the gain, the strategic move is to show the business case and redesign workload and staffing, testing changes with metrics. EAP support helps individuals but leaves the cause unaddressed. Stricter enforcement and more overtime add strain to an already burned-out workforce and are likely to deepen turnover.

355. Answer: A — Unit A, with an HCROI of 1.50 versus 1.25 for Unit B

HCROI = [revenue - (operating expense - compensation)] / compensation. Unit A: [$60M - ($50M - $20M)] / $20M = $30M / $20M = 1.50. Unit B: [$90M - ($80M - $40M)] / $40M = $50M / $40M = 1.25. Unit B's larger dollar return reflects its size, not a better return per compensation dollar, and dividing operating profit by compensation is a different, incorrect formula.

356. Answer: D — So that options are judged against the capabilities the strategy requires

Design criteria translate the strategy into the capabilities the organization must deliver (for example, speed to market or a single customer face). Agreeing on them first gives leaders an objective test for comparing options and keeps the choice from being driven by politics or personalities. Preserving each leader's scope is a common but unhelpful driver of design, not a criterion that serves the strategy.

357. Answer: D — Redesign workload and staffing and give employees more schedule control to address burnout

When burnout drives absence, the most effective response targets its causes: excessive demands, low control and poor support. Tighter discipline and attendance bonuses treat the symptom and can push sick or exhausted employees to come in anyway. An EAP and resilience training help individuals cope but leave the underlying job conditions unchanged.

358. Answer: B — Workers have a right not to be subject to decisions based solely on automated processing with significant effects

Article 22 gives individuals the right not to be subject to decisions based solely on automated processing that produce legal or similarly significant effects, and dismissal clearly qualifies. Narrow exceptions exist, but even then the employer must provide safeguards such as human intervention and the ability to contest the decision. Advance disclosure of metrics is a transparency step, not a lawful basis for fully automated dismissal.

359. Answer: A — Fear of automatic firing deters reports, and abrupt firing can escalate a person at risk.

When every concern leads to termination, coworkers may hesitate to report worrying behavior, and a sudden firing without assessment can increase a troubled person's grievance and risk. A threat assessment approach allows proportionate responses and continued monitoring. Zero-tolerance policies typically cover threats, and no federal law bars firing employees for making threats.

360. Answer: B — First-year retention and ramp time for program hires versus a comparison group, valued in dollars.

Executives respond to business outcomes, so the strongest case compares retention and ramp-up time for hires who went through the program with a comparable group who did not, then translates the difference into avoided turnover cost and earlier productivity. Satisfaction scores and completion counts measure reactions and activity, not results. Peer spending benchmarks show inputs, not return.

361. Answer: A — Environmental scan, strategy formulation, strategy implementation, evaluation

Strategic planning begins by scanning the internal and external environment, then formulating strategy based on that analysis, then implementing it and finally evaluating results to inform the next cycle. Formulating strategy before scanning means choosing direction without evidence, and implementation cannot precede formulation.

362. Answer: B — Focus messages on shared values and respectful conduct, and equip managers to handle tense discussions.

When a workforce is divided, internal messaging should affirm the values everyone shares, set expectations for respectful behavior and give managers tools to support their teams. Siding with the majority alienates the rest. A blanket ban on discussion is hard to enforce and can conflict with employees' NLRA rights to discuss working conditions, and silence leaves employees learning the company's position from the media.

363. Answer: A — Compare the country's results to its own trend and local benchmarks rather than ranking it against other countries' raw scores.

Cultural response styles such as acquiescence and extreme responding can inflate scores, so raw cross-country rankings are misleading. Trends within a country and country-specific benchmarks give a fairer view. A blunt point adjustment assumes the whole gap is bias, and excluding the country discards useful data.

364. Answer: C — Brief leaders on lawful conduct, avoid monitoring the platform and diagnose the concerns behind the drive.

In a first drive, the greatest risks come from leaders who react without guidance, so the CHRO should prepare them on lawful conduct and focus on understanding the issues driving employees. Monitoring participants creates surveillance risk, and blocking the platform because of its union content is discriminatory. A sudden new grant timed to the drive can be found to be an unlawful benefit intended to discourage organizing.

365. Answer: B — Rate likelihood and impact, with risk indicators and thresholds tied to the board's appetite

Enterprise risk registers compare risks using common measures, so the CHRO should rate likelihood and impact, define key risk indicators and set tolerance thresholds that link to the organization's stated risk appetite. Engagement trends and comments are tempting because they are HR's familiar data, but on their own they cannot be compared with financial or operational risks. Treating the risk as an HR-only issue keeps it out of enterprise oversight.

366. Answer: C — Applicants, customers, contractors, local communities and the regulators who oversee these decisions.

An ethical impact assessment looks at everyone affected by or responsible for overseeing a system: applicants screened by it, contractors whose work it allocates, customers who experience the results, communities where the company hires and regulators. Shareholders have a legitimate interest, but limiting the review to them omits those who bear the system's effects. Vendor engineers and HR provide input but are not the affected stakeholders the assessment exists to protect.

367. Answer: D — Treat it as harassment risk under the ADA, building prevention, easy reporting and prompt correction with accountability.

Courts recognize hostile work environment claims based on disability under the ADA, and an employer's defense depends on reasonable steps to prevent harassment and to correct it promptly. Because the exit interviews already put the company on notice, waiting for formal complaints is not defensible. Training helps but is not enough without reporting channels, investigation and real consequences for leaders who allow the behavior.

368. Answer: C — Whether employees trust the channels, are protected from retaliation and see reports acted on

DOJ guidance on evaluating corporate compliance programs asks whether reporting mechanisms are known, trusted and tested, whether the company protects whistleblowers and prohibits retaliation, and whether reports are investigated with results used to fix root causes. Vendor management is optional, and falling report numbers can signal fear rather than success. Companies are not expected to refer every report to law enforcement first.

369. Answer: B — Specific covers one person's claims above a deductible; aggregate covers total plan claims above a set level.

Specific (individual) stop-loss reimburses the plan when a single member's claims exceed the specific deductible, protecting against large individual claims. Aggregate stop-loss reimburses the plan when total claims for the group exceed an attachment point, often set at about 125% of expected claims. ERISA does not mandate stop-loss coverage, and neither type is limited by type of service.

370. Answer: A — A safety management system built on leadership commitment, worker participation and hazard control

Lasting improvement comes from a systematic approach, such as OSHA's recommended practices or ISO 45001, that combines leadership accountability, worker involvement, hazard identification and control, and continuous review. Injury-free bonuses can suppress reporting, and discipline-heavy approaches discourage people from raising hazards. Audits are useful, but compliance checks alone do not change the conditions and culture that drive injuries.

371. Answer: B — Analyze where the gaps arise by unit, manager, job level and rating criterion, and review how ratings are produced.

Before mandating a fix, the CHRO needs to know whether gaps come from particular managers, vague criteria, job-level mix or unequal access to high-visibility work, because each cause calls for a different solution. Requiring matching distributions treats the symptom, could itself raise disparate-treatment concerns, and may hide real performance-management problems. Training and ERG input can be useful later, but neither identifies the root cause.

372. Answer: C — Brief the CEO promptly, then present causes, options and a recovery plan to the executive team

Bad news should reach leaders early and without surprises: the CHRO should give the CEO a heads-up, then come to the executive team with a frank account of what went wrong, the options and a recovery plan. Waiting for a later review lets the problem grow and damages credibility. Blaming the vendor without owning the scope changes, or quietly shifting funds, undermines trust in HR's reporting.

373. Answer: D — Propose a joint labor-management committee that meets regularly on upcoming changes.

A labor-management committee gives union leaders a regular, structured forum to hear about changes early and solve problems jointly, without changing the contract. Seeking input from represented employees on changes while bypassing the union risks unlawful direct dealing. Informal steward briefings are inconsistent and do not reach union leadership.

374. Answer: B — NLRA rights cover nonunion staff, so work rules and discipline for concerted activity create exposure.

Section 7 protects concerted activity by employees whether or not they are represented, so handbook rules, social media policies and discipline for group complaints are exposures at nonunion sites too. Charges can be filed at any time within the six-month limitations period. Charges are filed against the employer, which is liable for its supervisors' conduct.

375. Answer: B — $330,000, which is higher than the $250,000 demand

Expected cost = (0.30 x $600,000) + $150,000 = $180,000 + $150,000 = $330,000, so settling at $250,000 is about $80,000 cheaper on an expected-value basis. Leaving out the defense costs, which are incurred no matter what, gives $180,000, and applying the 30% probability to the defense costs too gives 0.30 x $750,000 = $225,000; $750,000 is the worst case, not the expected cost.

376. Answer: A — Very hard specific goals can encourage unethical behavior and excessive risk-taking to reach the target.

Goal-setting research shows that specific, difficult goals generally raise performance, but extreme goals can narrow focus and lead people to cut ethical corners or take excessive risks to hit the number. Specific goals outperform vague ones, so the claim that vague goals raise effort reverses the finding, and difficult goals improve performance well beyond commission-based roles. Difficult goals tend to reduce rather than increase cooperation, because people focus on their own targets.

377. Answer: D — Transformation into a new shared culture

Transformation abandons both legacy cultures in favor of a new one designed for the combined strategy. Blending is the tempting choice, but it keeps and combines the best existing practices from each side rather than replacing them. Assimilation absorbs the target into the acquirer's culture, and separation leaves both cultures largely intact.

378. Answer: A — Convene the incident response team to get the facts from the TPA and confirm how required breach notices will be made.

The self-funded plan is the HIPAA covered entity, so it remains responsible for notifying affected individuals without unreasonable delay and within 60 days of discovery. Because 500 or more people are affected, it must also notify HHS and, where 500 or more residents of a state are affected, the media. A business associate agreement can assign tasks to the vendor, but it does not shift the plan's accountability, so the first step is to get the facts and confirm who will meet each deadline.

379. Answer: B — Apply one standard to all employees, testing decisions and handling complaints the same way for every group.

Ames held that Title VII sets the same evidentiary bar for every plaintiff, so a majority-group employee need not show extra background circumstances. Policies, investigations and audits should therefore treat a claim from any group the same way and test outcomes for all groups. Because more claims can now survive early, the ruling does affect practice, while dropping audits removes a key way to find problems.

380. Answer: A — Show him exit and pay-equity data linked to his growth goals, then propose light structures he helps design.

Founders are most likely to accept change when it is framed around what they care about, such as growth and keeping talent, and when they help shape a solution that preserves what they value about the culture. Imposing a full structure without his support will likely fail, and accepting the status quo ignores real retention and pay-equity risk. Going to the board first damages trust before persuasion has been tried.

381. Answer: B — Use multi-year vesting awards for key engineers and protect their team autonomy and meaningful roles.

In an acqui-hire, the talent is the asset, so retention should combine financial hooks that vest over time with the autonomy and challenging work these engineers value. A bonus paid at closing is tempting, but it rewards joining rather than staying. Quick absorption into existing teams often drives out acquired talent, and standard bands may cut pay below market for scarce skills.

382. Answer: B — Total rewards optimization, aligning spending with perceived value

Total rewards optimization reallocates spending from elements that cost a lot but are valued little toward elements employees value more, raising the perceived value of the package without raising its cost. Cost shifting moves expense to employees rather than improving value, market pricing benchmarks pay against competitors, and broadbanding is a pay structure technique.

383. Answer: B — $168,000

Avoided turnover cost is 10 departures x $18,000 = $180,000. Net savings subtract the full program cost: $180,000 - $12,000 = $168,000, a return of 14 times the spend. Reporting $180,000 ignores the program cost; $708,000 wrongly assumes all 40 employees would have left (40 x $18,000 - $12,000); and $177,000 subtracts only the cost of the 10 retained employees' accommodations (10 x $300) rather than the full $12,000 spent.

384. Answer: B — Sampling would leave most teams below the minimum size for reporting, undermining manager-level action planning.

A 20% sample gives very precise enterprise estimates, but most teams would have only a few respondents, below confidentiality thresholds, so managers would lose the reports they use to act. A census also meets employees' expectation of being heard. Precision at the company level is not the issue with a sample of 8,000, and random sampling is unbiased by design.

385. Answer: C — Inaccessible tools can screen out disabled applicants, so require accessibility testing and alternatives.

The ADA covers the application process, and an employer is responsible for selection tools that screen out applicants with disabilities, even when a vendor built them. Governance should require accessibility testing, a clear way to request accommodations such as extra time, and alternatives for applicants who cannot use the tool. A vendor warranty can shift some cost but not the employer's legal responsibility, and a phone number helps only if the alternative path is real and equally effective.

386. Answer: D — Comparing a group that received the coaching with a similar group that did not

Phillips identifies a control-group comparison as the most credible way to isolate program effects, because it nets out market conditions and other factors affecting both groups. Trend-line analysis is useful when a control group is not possible, but it assumes no other new influences arose, and participant or manager estimates are the least credible methods.

387. Answer: D — Directors face conflicts and see confidential data, and binding them shows the rules apply at the top.

Directors regularly see material nonpublic information and may have outside business interests, so conflict and confidentiality rules address real risks. Holding the board to the same standards it demands of management also gives the program credibility. Directors are not employees, and code coverage does not protect them from fiduciary liability; enforcement rests with the board itself, not the CEO.

388. Answer: B — Commit to return with an analysis of affected roles, likely changes in hours and skill mix, pay effects and options.

A board question about workforce effects calls for a company-specific analysis: which roles and tasks change, how hours and skill requirements shift, what that means for earnings, and what mitigation options exist. Offering a reassurance the CHRO cannot support damages credibility, because automation can cut hours and therefore earnings even when jobs remain. National research is useful context but does not answer how this company's plans will affect its own workers.

389. Answer: C — Gather peers' lessons on current succession practices and adapt the relevant ones to the company's strategy and board needs.

An external network is most valuable as a source of insight into practices, pitfalls and trends that the CHRO then tailors to the company's strategy and governance. Asking for peers' candidate names would breach confidentiality and damage the trust that makes the network work. Copying another company's process ignores context, and bringing a peer before the board does not replace the CHRO's own recommendation.

390. Answer: B — A real team, compelling direction, enabling structure and a supportive context

Hackman found that team effectiveness depends mainly on enabling conditions: a real team with clear boundaries and stable membership, a compelling direction, an enabling structure, a supportive organizational context, and expert coaching. The stage sequence describes Tuckman's model of team development, and the trust-to-results list reflects Lencioni's dysfunctions model rather than Hackman's conditions.

391. Answer: C — Set job-related criteria tied to future needs, test for adverse impact, and document how they are applied

Defensible layoff criteria should be job-related, tied to the skills the organization needs going forward, tested for adverse impact on protected groups, and applied consistently with documentation. Performance ratings may be inconsistent or biased if never calibrated. Seniority alone may not protect needed skills, and targeting the highest paid can disproportionately affect older workers and raise ADEA risk.

392. Answer: D — Analyze the rival's talent model and strengthen project visibility and AI career paths for key staff.

The exit data show the competitor is winning on meaningful work and career growth, so the response should target those drivers using what is known about the rival's talent model. Blanket pay matching is costly and does not address the stated reasons for leaving. Legal letters have no basis unless there is a specific contract or trade secret issue, and outsourcing gives up a capability the business appears to need.

393. Answer: B — It allows the organization to prevent some crises or reduce their impact

Mitroff's five phases are signal detection, probing and prevention, damage containment, business recovery and learning. Signal detection is valuable because spotting and acting on warning signs can prevent a crisis or soften its impact. Containing damage is the tempting choice, but that is a later phase that begins once a crisis has hit, while restoring operations and capturing lessons belong to the recovery and learning phases.

394. Answer: B — Workforce antifragility

Taleb's antifragility describes systems that gain from volatility, stress and disorder rather than merely surviving it. In his framing, resilient or robust systems resist shocks and return to their prior state, and redundancy is one tactic for absorbing shocks, so none captures the goal of getting stronger from disruption.

395. Answer: D — Identify the HR outcomes that drive the strategy map's key performance drivers

The HR scorecard starts with the business strategy and strategy map, identifies the performance drivers that create value, and then defines the HR deliverables (such as workforce competencies or behaviors) that support those drivers. HR practices and metrics are chosen for their link to strategy. Benchmarked metrics and activity counts may not connect to how this firm creates value.

396. Answer: D — Confirm every worker's status and set up support for the injured and their families

In the first hours of a crisis, life safety and people come first: HR's distinct role is to account for every employee and support the injured and their families, in coordination with first responders. The media statement is mainly corporate communications' job and depends on accurate headcount information. Root-cause investigations, workers' compensation claims and insurer notices are necessary but come after people are accounted for and cared for.

397. Answer: A — Fund sustained coaching-skill training for managers and include people development in their own goals.

The redesign is failing because of a capability gap, so the investment should build managers' coaching skills over time and hold them accountable for developing people. Reminder apps increase the number of check-ins but not their quality. Returning to annual reviews gives up the strategy, and HR partners cannot coach every employee at scale.

398. Answer: D — Underestimating the power of vision

Kotter warns that plans and budgets are not a vision: without a clear, simple picture of the future that people can explain in a few minutes, a transformation dissolves into confusing projects. Permitting complacency concerns failing to create urgency, and the guiding coalition error concerns lacking a powerful leadership group. Declaring victory too soon occurs late in a change effort.

399. Answer: C — Test model outputs for adverse impact across groups and validate that its predictors are job-related.

Once flight-risk scores drive pay and development decisions, a model that scores some groups as higher risk can produce disparate impact, so its outputs must be tested by group and its predictors validated before use. Simply removing protected characteristics is the tempting answer, but it is not enough because other variables, such as tenure patterns or commute distance, can act as proxies. Restricting access and checking accuracy do not address whether outcomes differ unfairly.

400. Answer: D — Remove the graffiti at once and investigate, while informing the union and inviting a joint message to the workforce.

The employer has an independent duty under Title VII to take prompt, effective action against racial harassment, and a collective bargaining agreement does not delay or transfer that duty. Removing the graffiti and investigating immediately, while partnering with the union on messaging, meets the duty and preserves the labor relationship. Installing new surveillance cameras is generally a mandatory subject of bargaining, so doing it unilaterally creates a separate labor-law problem.