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STUDY GUIDES

SHRM-SCP

Practice Questions

Set 9

400 Questions

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 9

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

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

1. After a reorganization, average spans of control range from 4 in one region to 18 in another. The COO wants a single target of 10 applied everywhere. What is the BEST approach?

A. Set each region's target at its current average to avoid more disruption after the reorg

B. Use the industry median span of control as the target for every region and function

C. Apply the single target of 10 so that all regions and functions are structured in the same consistent way

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

2. Kaplan and Norton's strategy-focused organization includes the principle of making strategy everyone's everyday job. Which practice is MOST consistent with this principle?

A. Linking personal goals and incentives to scorecard objectives that employees can influence

B. Publishing the strategy statement in the employee handbook and on the intranet

C. Holding an annual strategy offsite for the senior leadership team to refresh priorities

D. Assigning strategy execution to a dedicated planning department with clear authority and its own budget

3. An executive team wants to adopt a high-performance work system. Which set of practices BEST defines an HPWS?

A. Low labor costs, outsourced staffing, part-time scheduling, standardized tasks and limited training

B. Lifetime employment, seniority-based pay, rotational job assignments, consensus decision-making and job security

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

D. Detailed job descriptions, close supervision, strict work rules, piece-rate pay and annual reviews

4. A company has launched new values emphasizing customer focus, collaboration and experimentation. Which recognition design choice BEST reinforces the new values?

A. Recognize teams only when they achieve quarterly revenue targets tied to the new strategy

B. Increase the dollar value of the annual top-performer award to raise the program's visibility

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

D. Keep the existing service-anniversary program and add the new values to the award certificates

5. A CFO asks whether to staff a full-time analytics role with a contractor at $85 per hour or an employee at $60 per hour plus a 35% benefits load. Assuming 2,080 hours per year, which statement is correct?

A. The employee costs about $43,680 more per year

B. The employee costs about $8,320 more per year

C. The contractor costs about $52,000 more per year

D. The contractor costs about $8,320 more per year

6. The CEO questions a $2 million annual employer brand budget and asks the CHRO to prove its value. Which evidence would BEST answer the question?

A. An offer to cut the brand budget in half for a year and then judge the effect on hiring.

B. Growth in social media followers and career site visits over the period since the brand campaign launched.

C. Industry surveys showing that most job seekers research employers online before they apply.

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

7. A retailer's CHRO wants to use AI for workforce planning and retention, but people data sit in nine systems, including separate payroll, scheduling and performance tools, with no common employee ID. The board has approved a two-year HR technology budget. Which investment should the CHRO prioritize FIRST?

A. Licensing an advanced AI retention model now so that leaders can see the value of AI analytics quickly

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

C. Buying an AI chatbot for employee questions, since it can run on a single system without data integration

D. Hiring a team of data scientists to build custom models from whatever data each system can currently export

8. Business unit leaders refer to a new continuous performance management model as 'HR's project' and delegate all communication about it to HR business partners. Adoption is low. What should the CHRO do to reposition the change as business-owned?

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

B. Expand HR business partner capacity so they can lead rollout sessions in every business unit

C. Rename the program in business terms and remove HR branding from all of its rollout materials

D. Have the CEO issue a memo requiring all managers to complete the new process by a set deadline

9. An HR executive is designing support for the company's senior leadership teams. According to J. Richard Hackman and Ruth Wageman's research on team effectiveness, which factor accounts for the largest share of differences in how well teams perform?

A. How much individual talent and functional expertise each member brings to the team from prior roles and earlier teams

B. How skillfully the leader coaches the team in real time as problems emerge during the work itself

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

D. How well the team's launch meeting builds early relationships and shared expectations among members

10. Facing a revenue shortfall, the CFO imposes a company-wide hiring freeze but agrees that some roles must still be filled. The CHRO is asked to design the exception process. What is the BEST design?

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

B. Approve exceptions on a first-come, first-served basis until a fixed exception budget cap for the year has been reached.

C. Allow exceptions only for roles whose requisitions were already approved before the freeze began.

D. Let each business unit leader decide which of their own open roles are critical enough to fill now.

11. At a 3,000-employee distribution company, a no-fault attendance policy assigns points for every absence, and HR finds that several pregnant employees have been disciplined for points from prenatal appointments and pregnancy-related illness. The CHRO is revising the policy. What is the BEST change?

A. Keep the points but add a one-time warning before any pregnant employee can be disciplined

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

C. Cap points for pregnancy absences at half the normal value so the policy still treats everyone alike

D. Require pregnant employees to schedule prenatal visits outside shifts before excusing any absence

12. Concerned about productivity, the executive team of a 4,000-employee insurer wants software that captures webcam photos of remote employees every 10 minutes. The CEO asks the CHRO for a recommendation. What is the BEST response?

A. Support the software but reduce captures to once an hour, which balances managerial oversight with employee privacy

B. Support a pilot with high performers first, so the program's value can be demonstrated before a company-wide launch

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

D. Support the software if employees sign consent forms, since signed consent resolves the privacy concerns in most of the company's locations

13. Why must sponsorship for a major change cascade through each layer of management rather than rest with the executive sponsor alone?

A. Middle managers control change budgets, so their approval is needed to release the funding.

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

C. Labor laws require each manager to sign off on organizational changes that affect employees.

D. Spreading sponsorship across layers reduces the time executive sponsors must give the change.

14. Sales leaders at a software firm want to recruit several account managers from the firm's largest customer, which accounts for 20% of revenue. What should the CHRO advise FIRST?

A. Proceed, since employees are free to change jobs and courts generally favor worker mobility over employer restrictions.

B. Ask the customer's HR leader to approve each candidate before the firm makes any contact.

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

D. Ban hiring from the customer entirely, including people who apply to the firm on their own.

15. A U.S. multinational wants to roll out learning analytics that track detailed engagement data, such as time on each page and quiz attempts, for employees in its German and French subsidiaries. What should the CHRO do FIRST?

A. Apply the same data practices used in the U.S. to keep reporting consistent across all of the regions.

B. Ask every employee to sign a consent form so that the company can collect all of the engagement data.

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

D. Store the data only on servers inside the EU, which removes the need for any further privacy review.

16. A company has entered into a deferred prosecution agreement for bribery and must accept an independent compliance monitor for three years. The CHRO is asked to lead the people-related part of remediation. What should the CHRO do FIRST?

A. Roll out refresher anti-bribery training to all employees worldwide within the first 60 days.

B. Terminate all employees in the unit where the bribery occurred to show regulators that the company has truly changed.

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

D. Wait for the monitor's first report and then build a plan around the recommendations it contains.

17. Late in negotiations, the union bargaining team rejects an offer that its leaders privately call reasonable, saying the members are not ready to accept it. What concept best explains this behavior?

A. Distributive bargaining to claim the largest share of a fixed pie of resources

B. Attitudinal structuring to build trust with the management team

C. Integrative bargaining to find options that create joint value

D. Intraorganizational bargaining to bring members' expectations in line

18. A U.S.-based company with employees in 22 countries wants to harmonize its benefits after several acquisitions. Local benefits vary widely, and some are required by law or strongly expected by local markets. What approach should the CHRO take?

A. Leave all benefit decisions to local management, since local laws and markets differ too much to align.

B. Standardize every benefit at the level of the most generous country to avoid any employee seeing a loss.

C. Adopt the U.S. benefits package in every country so that all employees receive identical coverage and plan designs worldwide.

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

19. An HR audit finds that the company keeps all former employee and applicant records indefinitely in case they are needed someday. Why does this practice conflict with the storage limitation principle found in privacy frameworks such as the GDPR?

A. Records must be deleted as soon as employment ends, with no legal exceptions permitted

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

C. Old records may be stored only if they are encrypted in a separate archive

D. Applicant data may be kept indefinitely, but former employee data may not

20. The company's payroll vendor reports a breach that exposed names, Social Security numbers and bank account data for 8,000 employees. What should the CHRO do FIRST?

A. Send all employees a message that their data is safe until the vendor finishes its investigation of the breach.

B. Demand the vendor's full indemnification for all costs before agreeing to cooperate with its breach investigation.

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

D. Terminate the vendor contract immediately and move payroll processing to a new provider before the next pay cycle.

21. A U.S.-based industrial firm plans to build AI talent hubs in three countries to tap new pools of engineers. The CHRO must recommend locations and an operating approach. Which set of considerations is MOST important?

A. Where competitors have opened AI hubs and which cities rank highest in global livability lists

B. Office lease rates, local tax incentives, time zone overlap with headquarters, and travel costs

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

D. Whether each location can recruit at the same salary bands that the firm uses in the United States

22. A flood destroys the only plant of a manufacturer's sole-source supplier, halting the manufacturer's own production for six weeks although its facilities are undamaged. Which coverage is designed to pay the manufacturer's resulting lost income?

A. Commercial general liability insurance

B. Standard commercial property insurance

C. Contingent business interruption insurance

D. Directors and officers liability insurance

23. An employer is deciding whether to enroll in E-Verify voluntarily. Which statement BEST describes the trade-off?

A. It grants immunity from worksite penalties for confirmed hires, but requires applicant checks

B. It replaces the Form I-9 requirement, but must then be used to recheck all current staff

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

D. It allows screening applicants before an offer, but subjects the employer to yearly DHS audits

24. A manufacturer still sponsors a final-average-pay defined benefit pension plan for long-service employees. Why do base salary increases for these employees raise the plan's liabilities?

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

B. Base increases cause employees to vest sooner in their accrued benefits, which speeds up the plan's payment obligations.

C. Pension liabilities are recalculated from total payroll, so any increase in payroll adds the same percentage to them.

D. Each raise triggers a matching employer contribution under the plan, which is booked as a new pension liability.

25. A pilot of a benefits-navigation vendor yields estimated annual savings of $1.2 million, with a 95% confidence interval from -$0.3 million to $2.7 million. Why should the executive team weigh the full interval rather than only the $1.2 million estimate?

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

B. The interval means the actual savings will fall within this range in 95% of the years after rollout.

C. A wide interval shows that the point estimate is biased upward and should be reduced before approval.

D. The midpoint of the interval is a more accurate estimate of savings than the reported point estimate.

26. Why might a company deliberately send a negotiator with limited authority who must get approval before agreeing to key terms?

A. To guarantee that the other side will reveal its bottom line first

B. To speed agreement by removing the need for any later ratification or approval step

C. To signal that the company views the negotiation as a low priority

D. To avoid on-the-spot concessions by referring offers to higher authority

27. Halfway through a four-year contract, labor market shifts lead the CFO to propose lowering the contract wage rate for a job classification. The union refuses. What does Section 8(d) of the NLRA mean for this proposal?

A. The rate can change with 60 days of notice

B. The rate cannot change midterm unless the union consents

C. The rate can change after bargaining to impasse

D. The rate can change if the FMCS has been given 30 days' notice

28. HR is investigating several complaints of abusive conduct by a regional president. An independent director who is close to the regional president calls the CHRO and asks for the names of the employees who complained. What should the CHRO do?

A. Refer the director to the regional president, who can explain the background of the complaints

B. Provide the names only after the director signs a confidentiality agreement covering the information

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

D. Provide the names, since directors have oversight duties and are entitled to all company information they request

29. A CHRO is building a documented job architecture with job families and levels. How does this affect the company's position in equal pay claims?

A. Leveling makes jobs in different families legally unequal, so their pay cannot be compared in court.

B. Leveling replaces the equal-work test, so courts compare employees only within the same assigned job level.

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

D. Leveling increases risk, since placing jobs at the same level is an admission that the pay must match.

30. A professional services firm's CEO wants the company to become a learning organization so it can keep adapting faster than competitors. Current training is a catalog of courses, and project teams rarely share lessons learned. What should the CHRO prioritize?

A. Buy an enterprise learning platform with a large on-demand content library that employees can access at any time they choose.

B. Double the training budget and require each employee to complete a set number of course hours every single year.

C. Create a corporate university led by senior partners to deliver standardized programs to staff at each career level.

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

31. A U.S. company plans to terminate a long-service manager in Ontario without cause, and the employment contract has no enforceable termination clause. Which factors do Canadian courts weigh to set common-law reasonable notice?

A. Severance practices at peer employers in the same industry and province

B. Character of the job, length of service, age and availability of similar work

C. Only length of service, applied as one week of notice per completed year

D. Performance ratings, salary history and the employer's financial results for the most recent year

32. A CHRO redesigning the benefits strategy asks an employee advisory group to work with the design team throughout the project so that employees' concerns are directly reflected in the options developed. HR, however, will choose and recommend the final design. Which level of the IAP2 Spectrum of Public Participation does this represent?

A. Consult
B. Collaborate
C. Empower
D. Involve

33. An independent director's consulting firm submits a bid for a multiyear culture transformation engagement that the CHRO is sponsoring. The firm is well qualified, and two other firms have also bid. What should the CHRO do?

A. Refer it to the governance committee, recuse the director, and run a documented competitive process
B. Decline to consider the bid, because a director's firm may never do business with the company in any capacity
C. Evaluate all bids as usual and note the director relationship in the final recommendation
D. Select the firm if its price is lowest, since the director's insight lowers execution risk

34. A 25-person engineering team will have four employees on continuous bonding leave during the same quarter. Which workforce plan should the CHRO support?

A. Ask the remaining team to absorb the work through extended hours for the whole quarter.
B. Map critical work early, cross-train coverage, and use temporary backfill during the leaves.
C. Postpone the team's product deadlines by one quarter rather than arranging any coverage.
D. Require the four employees to stagger their leaves so no more than one is out at any one time.

35. A vendor pitches a tool that sets each candidate's offer at the lowest amount the model predicts the candidate will accept, using data such as prior pay and job-search behavior. The CHRO is evaluating it. What is the BEST decision?

A. Adopt it but exclude gender and race fields, which will keep the tool's individual offers free of any discrimination
B. Reject it, since acceptance-based pricing can carry past pay inequities forward and erode internal pay equity
C. Adopt it, since paying each new hire the lowest acceptable amount is a sound cost-control strategy
D. Pilot it for a year and review its effect on offer acceptance before deciding on a wider rollout

36. A recording leaks in which a senior vice president calls frontline employees lazy and replaceable. The clip spreads on social media and engagement in her division drops sharply. The CEO has decided she will stay in her role. What should the CHRO recommend to rebuild trust?

A. Avoid further comment so the story fades quickly and does not draw more attention to the division

B. Investigate who leaked the recording and address the breach of confidentiality as a first priority

C. Issue a corporate statement that the remarks were taken out of context and do not reflect company values

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

37. A company has 4,000 employees and an average span of control of 6. Leaders propose a target average span of 9. Using the approximation that the number of managers equals employees divided by average span, what is the BEST estimate of the effect, and the key caution?

A. About 220 fewer managers, and the cut can be spread evenly because the average reflects every unit well

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

C. About 440 fewer managers, but cuts should be confirmed with each unit before any positions are eliminated

D. About 1,330 fewer managers, because each manager would add three direct reports to the current span

38. A company has 300 employees, and its annual turnover is 20%. The CHRO projects that a retention program will cut turnover to 15%. Each departure costs about $12,000. What are the projected annual savings?

A. $180,000

B. $540,000

C. $60,000

D. $720,000

39. For the same jobs, pay at a company's nonunion sites lags pay at its union sites by 8%. The company's strategy is to keep the nonunion sites union-free, but the CFO resists closing the gap. Which principle should the CHRO emphasize?

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

B. The gap should be closed by reducing union rates at the next round of bargaining instead.

C. Pay at nonunion sites must legally match union rates for the same jobs when both sites are in the same company.

D. Pay differences are irrelevant to organizing risk as long as benefits are equal at all sites.

40. A company's pay study shows an 18% raw gap between women's and men's median pay and a 3% gap after controlling for job, level, location and tenure. The CEO wants to tell the board there is no pay equity problem. What is the BEST response from the CHRO?

A. The raw gap is the legally relevant figure, so the company has an 18% pay discrimination liability

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

C. The adjusted gap is the only meaningful figure, so the raw gap should not be shared with the board

D. The 3% gap is within the normal margin of error, so no further analysis or action is required

41. An HR technology investment requires $500,000 upfront and is expected to save $200,000 per year for three years. Using an 8% discount rate, what is the approximate net present value?

A. About $15,400

B. About $100,000

C. About $54,000

D. About -$15,400

42. A global recruiting team is updating its practice standards to align with professional ethics codes. Which practice BEST reflects ethical recruiting?

A. Call candidates' current employers early in the process to confirm their job details before the company makes an offer.

B. Stress only the role's strengths, since candidates can ask about any drawbacks later in the process.

C. Share strong candidates' résumés with partner firms to help those candidates find other openings.

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

43. A company is conducting a living wage gap analysis for its global workforce. What does this analysis compare?

A. Workers' actual pay with the market median pay for similar jobs in each location

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

C. Workers' actual pay with the legal minimum wage set in each country of operation

D. Workers' actual pay with the pay of the company's executives in the same country

44. An HR platform's AI agents can now complete transactions on their own, such as changing pay, approving leave and removing system access. Which governance control is MOST important?

A. Full autonomy for all actions once agents reach 95% accuracy in a pilot

B. Human approval for consequential actions, with all agent actions logged

C. Running agents only after hours so that any errors affect fewer people

D. A monthly review of a random sample of agent actions, with no approvals

45. To cut overtime costs, the CFO proposes calling the annual production bonus for hourly plant workers 'discretionary' so it can be excluded from the regular rate. Plant leaders would still announce the production targets and payout formula at the start of the year. What should the CHRO advise?

A. Approve the change if the plan document states that management keeps final approval over each payout.

B. Approve the change, since bonuses paid once a year are always excluded from the regular rate.

C. Explain that announced targets make the bonus nondiscretionary, whatever it is called.

D. Approve the change if each employee signs an acknowledgment that the bonus is discretionary.

46. A company and union with a large arbitration backlog agree to add a grievance mediation step using FMCS mediators. The union fears that anything it says in mediation will be used against it later. Which design feature BEST addresses this concern?

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

B. Use the same person as mediator and as arbitrator, so that the arbitrator already knows the case if mediation fails.

C. Require each side to submit written briefs to the mediator, so that the record is complete if the case goes forward.

D. Make the mediator's recommendation binding on both sides, so that cases do not return to the arbitration backlog.

47. During contract negotiations, a union demands guaranteed remote-work rights for its members. Which bargaining approach is BEST for management?

A. Agree to the demand quickly to avoid a strike and preserve the relationship

B. Refuse to bargain over remote work, since work location is a reserved management right

C. Bargain in good faith toward criteria-based terms that keep flexibility

D. Implement a remote-work policy unilaterally before negotiations conclude

48. What is the core trade-off between an integrated HCM suite and a set of best-of-breed HR applications?

A. Stronger data security versus greater flexibility in configuring individual workflows

B. Lower subscription costs versus a longer and more complex implementation timeline

C. Greater vendor stability versus more frequent product releases and feature updates

D. One data model and simpler integration versus deeper functionality in specific areas

49. Finance asks HR to estimate the company's pension and 401(k) liability for 40 employees currently on extended military deployments. Which principle should guide the estimate?

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

B. Liability belongs to the Department of Defense, since the employees earn military pensions.

C. No liability arises, since pension accruals stop for anyone absent on military leave.

D. Liability is limited to the employer share of contributions for the first year of military service.

50. At a chemical plant, half of the maintenance technicians will be eligible to retire within five years, and much of their know-how is undocumented. A plant manager proposes asking each eligible technician for a planned retirement date. What should the CHRO do?

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

B. Hire apprentices to shadow the eligible technicians and reduce those technicians' overtime to cover the cost.

C. Ask eligible technicians for their planned retirement dates so replacements can be timed to each departure.

D. Offer the eligible technicians a retirement bonus tied to training a successor before a fixed exit date.

51. The board's audit committee learns that a single vendor runs payroll for the company in 12 countries and asks the CHRO how this concentration risk is being managed. What is the BEST mitigation strategy for the CHRO to present?

A. Bringing payroll in-house in the largest countries so the company controls the critical work

B. Asking the vendor to provide its most recent independent audit report on internal controls

C. Continuity plans, contractual resilience terms, backup arrangements, and ongoing monitoring

D. Moving payroll in half of the countries to a second vendor to divide the concentration risk

52. A company's 500 enrollees in its health plan currently pay 15% of a $16,000 annual premium. The company proposes raising the employee share to 20%. What is the employer's annual savings?

A. $1,200,000

B. $400,000

C. $340,000

D. $1,600,000

53. A 6,000-employee company will eliminate 600 jobs across several sites. The CEO wants to announce the reduction at a company-wide virtual town hall on the same morning that affected employees learn of it. How should the CHRO advise designing the message and format?

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

B. Announce the reduction at the town hall first, then have managers meet with affected employees later that afternoon

C. Send a written announcement to everyone instead of a town hall to avoid difficult live questions

D. Have HR present the details at the town hall so that the CEO is not tied personally to the job losses

54. A union strikes during contract negotiations, and the company brings in temporary replacement workers to keep serving customers. The CHRO is coordinating communications. What approach is BEST?

- **A.** Stop communicating with striking employees until a new agreement has been ratified
- **B.** Send fact-based, audience-specific messages that labor counsel reviews and that avoid threats or promises
- **C.** Offer strikers a return bonus directly so they cross the line without going through the union
- **D.** Tell customers that service may stop and tell employees that their jobs will be lost if the strike continues

55. A tentative agreement gives three classifications different raises: 300 assemblers averaging $20 per hour receive 2%, 150 technicians averaging $30 per hour receive 3%, and 50 maintenance mechanics averaging $60 per hour receive 6%. The CFO asks what the overall percentage increase in the unit's straight-time wage bill is. What should the CHRO report?

- **A.** 3.2%
- **B.** 3.0%
- **C.** 2.7%
- **D.** 3.7%

56. A company had 60 voluntary exits last year, and the analytics team estimates the fully loaded cost of each exit at $45,000. The CHRO proposes a retention strategy expected to cut voluntary exits by 25%. What annual savings should the CHRO project?

- **A.** $675,000
- **B.** $1,125,000
- **C.** $11,250
- **D.** $2,025,000

57. A CEO wants to deploy AI tools across customer service within a year, eliminating about 600 of 1,500 roles. Analysis shows that the company has growing, hard-to-fill openings in sales operations and data quality. What is the CHRO's BEST recommendation?

- **A.** Delay the AI rollout until a full workforce impact study is finished and then reviewed by the board
- **B.** Map affected skills to the open roles and co-lead a funded reskilling plan paced with the rollout
- **C.** Create a voluntary reskilling fund that any employee may apply to after the rollout is complete
- **D.** Proceed with the reductions and offer generous severance packages and outplacement services

58. The CHRO is preparing to present a redesign of the executive annual incentive plan to the board's compensation committee. Committee members have limited time and receive materials a week in advance. What is the BEST way to structure the proposal?

A. Lead with a detailed walk-through of every plan metric so members fully understand the mechanics before discussing it.

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

C. Lead with several alternative designs without a recommendation, so the committee can choose without management influence.

D. Lead with the executives' feedback on the current plan to show broad support from the team the plan will cover.

59. The CFO is pushing to consolidate the company's payroll, benefits administration and recruiting vendors into a single firm whose CEO is his close personal friend. No competitive bid has been held. What should the CHRO do?

A. Support the consolidation if the firm agrees to a meaningful fee discount that offsets any concern about favoritism.

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

C. Oppose the consolidation outright and ask the board to remove the CFO from all vendor matters.

D. Support the consolidation, since a single vendor simplifies administration and may reduce overall cost.

60. A company has an enterprise AI policy set by a cross-functional governance committee. HR wants guidance for AI used in hiring, performance and employee monitoring. How should HR's AI policy relate to the enterprise policy?

A. Replace the enterprise policy for all HR activity, since HR uses of AI raise issues that differ from others.

B. Operate separately from the enterprise policy, so HR can update its rules without committee approval.

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

D. Rely only on the enterprise policy, since adding HR-specific rules would create confusion and duplication.

61. In Kaplan and Norton's framework, how is human capital readiness measured?

A. By the share of all employees who rate themselves as ready for a promotion

B. By total training hours completed per employee across the entire organization during the fiscal year

C. By average engagement survey scores for employees across every job family

D. By the share of strategic job roles filled by people with the needed competencies

62. Internal audit finds that some workers on federal construction jobs were classified in lower-paid crafts than their work required. The CEO asks about the worst-case consequence. What should HR say?

A. Debarment from federal contracts for three years, plus back wages owed

B. Back wages only, since classification errors are never grounds for debarment

C. Permanent debarment from every federal and state contract anywhere in the country

D. A civil fine per worker, with no effect on eligibility for any future federal work

63. Settlement talks to end a strike have stalled because the union demands that all strikers return, including eight the company fired for picket-line misconduct. Which approach BEST balances legal rights and the goal of ending the strike?

A. Let each site manager decide individually whether the strikers they supervised should be allowed to return to work after the strike.

B. Grant blanket amnesty to all eight strikers, since employers cannot discipline strikers for conduct during a strike.

C. Refuse to return any striker accused of misconduct, since the company's decision on these cases cannot be reviewed.

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

64. The CFO asks the CHRO for next year's workforce plan, but demand forecasts vary widely because a large contract is still pending. What should the CHRO present?

A. A hiring freeze until the contract decision is known, to avoid adding fixed costs.

B. A plan built on the best-case forecast, so recruiting can start before talent gets scarce.

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

D. A single headcount plan based on the average of the high and low demand forecasts.

65. An attrition model gives a key engineer a flight-risk score of 0.70. An executive asks, "So she's leaving?" How should the CHRO explain the score?

A. The model is 70% accurate overall, so this particular prediction has a 30% chance of being wrong.

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

C. About 70% of the engineering team is likely to leave, so retention efforts should focus on that group.

D. She will almost certainly leave within the year, so succession planning for her role should start now.

66. A manufacturer with three business units is replacing its applicant tracking system. Each unit's leader has picked a different system and argues that its hiring needs are unique. The CHRO must recommend an approach to the executive team. What is the BEST approach?

A. Delay the decision until the units agree among themselves on a single preferred system

B. Pick the system favored by the largest unit, since it handles the most hiring volume

C. Let each unit buy its preferred system and connect all three through a custom-built integration layer

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

67. A pay equity review identifies 85 employees who need salary adjustments averaging $2,400 each. Total annual payroll is $40 million. What is the total remediation cost, and what share of payroll does it represent?

A. $204,000, or about 5.1% of payroll
B. $204,000, or about 0.51% of payroll
C. $204,000, or about 0.05% of payroll
D. $2,040,000, or about 5.1% of payroll

68. A board is considering announcing that three internal executives will compete openly over the next two years to become CEO. What is the main risk of this public horse-race approach?

A. Internal politicking during the race and the loss of the runners-up after the decision
B. Legal exposure because naming internal candidates publicly breaches their privacy rights
C. A weaker pool because internal candidates rarely have the skills the CEO role demands
D. Higher search fees because an outside firm must still assess every internal candidate

69. A hospital system with five campuses faces a nurse election petition at one campus. The chief nursing officer wants a systemwide response. What should the CHRO recommend?

A. Train leaders at all campuses on lawful conduct and keep pay and policy decisions on their normal schedule.
B. Limit all communication to the petitioned campus and do not inform leaders at the other four campuses.
C. Announce a systemwide nurse staffing improvement before the vote to show nurses that leaders are listening.
D. Ask the regional office to expand the petition to all five campuses so one vote covers the entire system.

70. Over six months, dozens of Glassdoor reviews have criticized the company's AI-driven hiring process as impersonal, and offer acceptance rates have fallen 12%. What is the CHRO's BEST strategic response?

A. Increase employer-brand advertising on social media to highlight the company's culture and its investment in innovation.
B. Ask the review site to remove the critical posts as violations of its guidelines on review content.
C. Diagnose pain points with candidate data, redesign key steps to restore human contact, and respond publicly.
D. Stop using AI in hiring entirely and return to the manual process the company used before the change.

71. A division president known for public criticism and win-lose arguments has left the company. Employees in the division now avoid conflict entirely, and engagement scores are the lowest in the company. What is the CHRO's BEST culture change plan?

A. Hold a town hall to announce that the old culture has ended and that open debate is now expected.

B. Run team-building events across the division to rebuild relationships damaged under the prior leader.

C. Select and develop leaders who model collaboration, teach conflict skills, and reinforce norms.

D. Survey employees each quarter on conflict behavior and publish the results by team to drive change.

72. A 401(k) plan has 900 terminated participants with small balances, and many of their mailing addresses are bad. Which approach best fits the plan fiduciaries' obligations?

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

B. Transfer the balances to the PBGC's missing participant program while the plan continues.

C. Mail one notice to the last known address, since that satisfies the duty to locate participants.

D. Turn the balances over to state unclaimed property programs after one year without any contact from the participants.

73. At a software company, hiring managers often offer above the pay range to close candidates. Incumbent engineers now earn less than recent hires with similar experience, and two senior engineers have quit. What is the BEST policy response from the CHRO?

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

B. Tell incumbents that new-hire premiums reflect market timing and cannot be changed

C. Freeze all above-range offers indefinitely, even if key roles stay open for months in the current market

D. Allow managers full discretion, since closing candidates is the main hiring priority

74. Why do institutional shareholders and proxy advisory firms generally oppose new excise tax gross-ups in executive change-in-control agreements?

A. They are banned by the Internal Revenue Code, which bars employers from paying an executive's excise taxes.

B. They break SEC disclosure rules, since gross-up payments cannot be reported in the summary compensation table.

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

D. They weaken retention, since gross-ups encourage executives to leave the company soon after a change in control closes.

75. A contractor obtains workers through a union's exclusive hiring hall. What makes an exclusive hiring hall lawful?

A. Referrals follow objective rules that treat members and nonmembers alike

B. Referrals go first to union members in good standing with paid dues

C. Referrals are made at the business agent's discretion based on each worker's skill

D. Referrals are limited to workers who first agree to join the union

76. A company uses an algorithm to recommend which internal candidates are shortlisted for promotion. The board's risk committee asks what algorithmic accountability means in this context. Which definition is most accurate?

A. The algorithm's accuracy rate is published so that employees can judge how reliable it is

B. The vendor that built the algorithm bears the legal responsibility for any of the decisions that it produces

C. The algorithm's code is audited once before launch to confirm it is free of programming errors

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

77. In a large change initiative, the CEO secures active commitment from her direct reports, who in turn secure commitment from their own leaders, so that each level of management actively supports the change with its people. What is this practice called?

A. Guiding coalition

B. Top-down change mandate

C. Cascading sponsorship

D. Change agent network

78. An enterprise survey shows that most employees do not feel safe raising concerns, and comments say people who disagreed with senior leaders were labeled "not team players." The CEO asks the CHRO to fix the problem. Which action should the CHRO recommend FIRST?

A. Require all managers to complete training on psychological safety within the quarter

B. Launch an anonymous hotline so employees can raise concerns without being identified

C. Add a speaking-up value to the leadership competency model used in annual performance reviews

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

79. Business leaders want to use performance ratings to select employees for a RIF, but for years nearly everyone has been rated 'exceeds expectations.' Which principle should guide the CHRO's decision on criteria?

A. Use new ratings completed by managers for this RIF, since recent ratings will reflect current performance most accurately.

B. Use the existing ratings, since performance-based selection is always a legitimate non-discriminatory reason.

C. Use tenure alone, since seniority is the only selection method that courts accept without further review.

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

80. What does the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy provide to multinational companies?

A. A certification program that audits and accredits multinationals' global labor practices.

B. Binding labor rules that each multinational must adopt to keep operating in ILO member states.

C. Voluntary guidance on employment, training, working conditions and industrial relations.

D. A standard global minimum wage that applies to multinationals in every member country.

81. Safety analytics show that injury rates at the company's warehouses roughly double on shifts that follow weeks with more than 12 overtime hours. Operations leaders resist any cap during peak season, citing customer commitments. What should the CHRO recommend to the executive team?

A. Defer to operations during peak season and review overtime again in the off-season

B. Run more fatigue and safety training for overtime workers so that peak-season production plans can stay as they are

C. Impose a hard 12-hour overtime cap at once and require exceptions to come to HR

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

82. Model anti-bullying legislation such as the Healthy Workplace Bill has been introduced in many U.S. state legislatures. A CHRO wants the organization ready if a version is enacted where it operates. Which step offers the best strategic preparation?

A. Wait until a bill is enacted and then draft a compliant policy, because the terms of proposed bills vary by state

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

C. Require arbitration of all bullying claims now so that any future statutory claims are kept out of court entirely

D. Add bullying to the list of protected categories in the EEO policy so it is handled exactly like discrimination claims

83. In Heifetz's adaptive leadership model, why should a leader keep the pressure of an adaptive change within a 'productive zone of disequilibrium'?

A. High tension speeds compliance, so leaders should raise pressure steadily until resistance disappears

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

C. Low tension keeps morale high, which the model treats as the main precondition for learning new behavior

D. Steady tension lets leaders apply technical fixes quietly before people notice the adaptive nature of the underlying problem

84. A CHRO is writing a global labor policy and asks about ILO Conventions 87 and 98 on freedom of association and collective bargaining. Which statement is accurate?

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

B. They bind multinational employers directly, so companies must follow them even where national law sets different rules.

C. They cover only public-sector workers, since private-sector bargaining is left to each country's national labor law.

D. They require each ratifying government to send unresolved private-sector bargaining disputes to compulsory arbitration.

85. A company uses a lead-lag pay policy. Market pay is projected to rise 3.5% during the plan year, so the company sets its structure midpoints 1.75% above market at the start of the year. Assuming market pay rises evenly, where does the structure stand during the year?

A. It lags the market all year by 1.75%, because half of the expected increase was not funded

B. It matches the market at year-end, because the 1.75% lead offsets the full 3.5% market increase

C. It leads the market all year by 1.75%, because the structure was set above market at the start

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

86. A bank's CHRO wants HR's AI models, including its attrition and promotion-readiness models, managed with the same discipline the bank applies to its financial models. Which set of elements reflects the core of a model risk management framework?

A. A list of approved vendors, annual software license reviews, user training, and help desk support for HR staff

B. Encryption of model data, multifactor log-in for HR users, network firewalls, and annual penetration testing

C. Executive sponsorship of each model, a communication plan, adoption targets, and a change management budget

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

87. A CHRO is supporting a reorganization the CEO has approved, but three influential board members and two division presidents oppose it, and the full board must ratify it next quarter. What is the CHRO's BEST next step?

A. Present the full business case to the entire board at once so every director hears the same information at the same time

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

C. Ask the CEO to remove the two division presidents from planning so their opposition cannot slow the work

D. Delay the reorganization until all directors and division presidents have agreed to support it in full

88. A company's new strategy depends on fast experimentation, but its culture punishes failure, and managers who miss targets lose their bonuses. Which enterprise lever should the CHRO recommend as the BEST place to start?

A. Run an innovation training program for every manager and team lead

B. Create an annual award recognizing the most successful new idea

C. Ask senior leaders to share stories about their own past failures at quarterly town halls

D. Redesign rewards so that well-run experiments that fail are not penalized

89. A CHRO is building the HR integration budget for an acquisition of a 3,000-employee company. Which set of costs should the budget include?

A. Legal fees for the antitrust review and investment banking fees for structuring the deal.

B. Retention bonuses, severance, pay and benefits harmonization, and HR system integration costs.

C. The purchase premium paid to the target's shareholders above the company's pre-announcement market value.

D. Write-downs of goodwill that may be required if the acquired business underperforms later.

90. A global union federation believes a U.S.-based multinational is interfering with organizing at its subsidiary in another country. Which mechanism might it use under the OECD Guidelines for Multinational Enterprises?

A. A formal complaint filed with the International Court of Justice

B. A specific instance complaint filed with a National Contact Point

C. An unfair labor practice charge filed with the NLRB's General Counsel

D. A petition for an ILO convention to be enforced by U.S. courts

91. After a business unit is sold, its seven-person executive team will disband over the next 90 days. Some will join the buyer, some will move into other roles, and some will leave. Morale is low and two leaders have stopped attending meetings. What should the CHRO's transition plan emphasize?

A. Moving all seven leaders into other roles quickly so none of them faces any uncertainty about their future with the company

B. Keeping the team meeting weekly as usual until the final day so its normal routines stay in place

C. Limiting communication about each leader's next step until every individual decision has been made

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

92. After a structure update, 45 employees fall below their new range minimums by an average of $1,900. To spread the cost, leadership will close half of each gap on January 1 and the rest on July 1. What is the base salary cost of these adjustments in the fiscal year that starts January 1?

A. $64,125

B. $106,875

C. $42,750

D. $85,500

93. During due diligence on an acquisition, the target company shows revenue per employee nearly 40% above industry peers. The CEO sees this as proof of a lean, productive workforce. What should the CHRO examine FIRST?

A. Whether the target's employee engagement scores are higher than those reported by its closest industry peers

B. How the target's revenue per employee compares with the acquirer's figure for last year

C. Whether the target's compensation levels are above or below the acquirer's pay structure

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

94. A fitness company's executives plan to pursue a blue ocean strategy by combining boutique coaching with low-cost app-based access, aiming at people who have never joined a gym. What does this strategy involve, and what talent does it require?

A. Win share in the existing market by outspending rivals on top-performing talent

B. Compete on lowest cost by standardizing jobs and pay across all of the markets

C. Create new demand in uncontested space, needing talent to design novel value

D. Acquire rivals to consolidate a crowded market and eliminate overlapping staff

95. A chief compliance officer must show regulators that the company's speak-up program works in practice, not just on paper. Which practice BEST demonstrates effectiveness?

A. Publishing the hotline number in the code of conduct and on breakroom posters

B. Tracking reporters' later ratings and pay changes for signs of retaliation

C. Requiring all employees to complete annual training on how to make a report

D. Reporting the total number of hotline calls to the audit committee each quarter

96. A U.S. company's ethics hotline accepts anonymous reports on any topic from employees worldwide. The company's privacy counsel warns that this design conflicts with data protection rules and works council rights in several EU countries. What is the BEST response?

A. Keep one global hotline design, since U.S. law requires public companies to accept anonymous reports.

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

C. Shut down the hotline in the EU and rely on managers to escalate any ethics concerns that they hear.

D. Ask EU employees to sign consents waiving local privacy rights so the hotline can stay as it is now.

97. The CEO's executive team rarely disagrees in meetings, but decisions are often reopened later in one-on-one conversations with the CEO, which slows execution. The CHRO has arranged for a team coach. How should the CHRO frame the issue for the team?

A. As a problem with the few executives who reopen decisions, who each need individual coaching

B. As a gap in the decision process that a new RACI chart for major decisions would close

C. As the CEO's issue alone, since the CEO lets executives reopen decisions in private

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

98. Why does segmenting an employee value proposition by life stage generally work better than segmenting it by generation?

A. Generational data are harder to collect because employees rarely share their birth year with HR or their managers.

B. Life-stage segments are smaller, so the company can tailor rewards to each individual employee.

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

D. Life-stage segments change less over time, so the EVP needs fewer updates than a generational one.

99. A breach of the company's HRIS exposes personal data of employees in the United States, Germany and Brazil. What should the CHRO do?

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

B. Notify the affected employees only after the full forensic investigation has been completed.

C. Follow U.S. state notice timelines for all affected employees, since the company is headquartered in the U.S.

D. Notify only the German regulator, since the EU has the strictest breach rules of the three countries.

100. After a merger, one legacy company paid at the 50th percentile of the market and the other at the 65th. The combined firm adopts a 55th percentile philosophy. Which approach is MOST commonly used to harmonize pay?

A. Raise all employees to the 65th percentile so that no one in the combined company feels disadvantaged by the merger.

B. Keep both legacy pay structures permanently so that employees from each company stay on the terms they knew before.

C. Cut pay immediately for employees above the new ranges so everyone is aligned with the new philosophy on Day 1.

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

101. A year after cutting 15% of its staff, a company's offer acceptance rate has fallen, online reviews cite the layoffs, and engagement scores remain low. What long-term strategy should the CHRO lead?

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

B. Launch a new employer brand campaign that highlights the company's renewed growth and its perks

C. Run an engagement pulse every month until scores return to their pre-layoff levels

D. Raise starting salaries 10% to offset the reputational damage in candidate markets

102. An enterprise survey shows that employees in many units routinely withhold concerns about safety shortcuts and project risks because they share a belief that speaking up is futile or dangerous. According to Morrison and Milliken, what is this, and what is its main strategic cost?

A. Groupthink; small teams converge on decisions too quickly to consider alternatives

B. Social loafing; employees exert less effort when their work is pooled within a group

C. Learned helplessness; employees stop trying after repeated failures to perform tasks

D. Organizational silence; leaders lose the information needed to catch problems early

103. Which employees does the Sarbanes-Oxley Act's whistleblower provision protect from retaliation for reporting suspected securities fraud?

A. Only employees of public companies who report the suspected fraud directly to the SEC before telling anyone else.

B. Employees of any private or public employer who report suspected fraud through a company ethics hotline.

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

D. Only officers and directors of public companies who report the suspected fraud to the audit committee.

104. A regional insurer's new strategy shifts most customer interactions to digital channels within three years. The reskilling budget covers only about a third of the requests that business units have submitted. What is the BEST way for the CHRO to decide where to invest?

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

B. License a broad digital learning library for all employees so that people can build whatever skills interest them.

C. Fill the new digital roles mainly through external hiring and use the reskilling budget for the remaining legacy roles.

D. Allocate reskilling funds to each business unit in proportion to its headcount so that every unit is treated fairly.

105. An enterprise already uses an LMS for compliance training and is considering adding a learning experience platform (LXP). What does an LXP mainly add, and what determines whether it delivers value?

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

B. Classroom scheduling and enrollment, with value depending on the size of the instructor team

C. Automatic proof of training ROI, with value depending on how many employees log in each month

D. Compliance tracking and audit records, with value depending on the number of required courses offered each year

106. To hold leaders accountable for communication, a CHRO plans to add employee survey items such as "My manager keeps me informed about changes that affect me" to manager scorecards. How should the CHRO introduce the measure so it drives real improvement?

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

B. Track how many team meetings each manager holds as a simpler, objective proxy for communication quality

C. Publish a ranked list of every manager's score so peer pressure motivates the lowest scorers to improve

D. Tie a large share of each manager's bonus to the scores in the first year so the measure gets attention

107. The board is satisfied that the company's 11% turnover is below the industry average of 14%. The strategy calls for doubling data science capacity, and turnover among data scientists is 24%. How should the CHRO respond?

A. Set a new companywide target of 9% so that the company stays well ahead of its industry peers.

B. Set a target of zero regretted turnover in every job family across the company.

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

D. Agree that turnover is healthy, since the overall rate is below the industry average.

108. At a compensation committee meeting, a director notes that half the companies in the executive pay peer group have revenues more than twice the company's revenue. She asks whether this skews the pay recommendations. How should the CHRO respond?

A. Explain that larger peers are needed because the company aspires to grow to their revenue and scope within the next few years

B. Keep the peer group but target the 25th percentile of its data to offset the effect of the larger companies

C. Remove all companies larger than the company itself so the group includes only smaller and equal-size peers

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

109. A CHRO's bar chart shows turnover for 12 regions, and one region's rate is far above the rest. What is the MOST effective way to draw executives' attention to that region?

A. Sort the regions alphabetically and add a legend that explains the color for each one.

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

C. Add a 3-D effect and data labels to every bar to make the chart more visually engaging.

D. Give each region its own distinct color so executives can tell all 12 regions apart easily.

110. A biotech company's approved workforce plan calls for 600 hires in the next 12 months to staff a new facility. The talent acquisition team has the capacity to fill about 250 roles a year at current quality standards. What is the BEST response from the head of HR?

A. Tell the executive team that the plan must be reduced to 250 hires because recruiting capacity cannot support more.

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

C. Relax selection standards for lower-level roles so that the existing team can process more candidates each month.

D. Triple the recruiting team right away so that internal capacity matches the full 600-hire plan within the year.

111. As part of an organization redesign, an executive team compares two models for a 10,000-employee company. Assume a pure pyramid in which every manager has exactly the average span. How many organizational levels, including the CEO and frontline levels, are needed at a span of 1:8 versus 1:5?

A. 6 levels at 1:8 versus 8 levels at 1:5
B. 6 levels at 1:8 versus 7 levels at 1:5
C. 5 levels at 1:8 versus 6 levels at 1:5
D. 4 levels at 1:8 versus 6 levels at 1:5

112. In a global matrix organization, project managers and functional managers both direct the same engineers, and employees report constant conflicting priorities. Which structural mechanism is MOST likely to reduce this role conflict?

A. Assigning each engineer to the manager who has the larger budget
B. Clear decision rights plus joint goal setting and reviews by both managers
C. Allowing whichever manager made the most recent request to take priority
D. Training engineers to negotiate competing priorities directly with each of their managers

113. A company's leadership competency model was built by studying its most successful leaders of the past decade, who excelled at cost control in a stable market. The new strategy calls for rapid product innovation and digital partnerships. How should the CHRO approach the model?

A. Add an innovation competency to the existing model and leave the remaining competencies unchanged.
B. Redesign it around the capabilities the new strategy requires, using executive input and research.
C. Replace the model with a widely used vendor model so that it reflects current industry best practice.
D. Keep the current model, since it is validated on proven leaders and has shown clear links to results.

114. A multistate employer's policy requires employees who can no longer perform their jobs because of a disability to apply and compete for open positions like any other candidate. The EEOC and many federal courts take a different view of reassignment. Which policy change BEST manages the company's risk?

A. Limit accommodation to the current job, since reassignment is a voluntary benefit under company policy.
B. Place qualified employees in equivalent vacancies without competing, consistent with the EEOC and many courts.
C. Require reassignment to include a promotion when no equivalent vacant position is available at the time.
D. Require employees to compete for vacancies, and reassign them only if they are the best-qualified candidate in the pool.

115. A CHRO proposes overhauling the company's talent model, including a new skills-based career architecture. Several board members are skeptical and view it as an HR initiative with an uncertain payoff. What is the BEST approach to influence the directors?

- **A.** Tie the proposal to strategic risks and goals, with a business case and measures directors can track
- **B.** Present benchmark data showing how many peer companies have already adopted skills-based talent models
- **C.** Share detailed program design and timelines to show the initiative has been carefully planned
- **D.** Ask the CEO to present the proposal so it carries more authority with the board than HR alone can

116. A Brazilian subsidiary develops a low-cost onboarding app that headquarters later adopts across the company's worldwide operations. What is this flow of know-how BEST called?

- **A.** Absorptive capacity
- **B.** Horizontal knowledge transfer
- **C.** Knowledge spillover
- **D.** Reverse knowledge transfer

117. A 14-week strike has ended. Some employees crossed the picket line, and returning strikers refuse to work with them; several supervisors have also made negative comments about the strikers. What should the CHRO do to rebuild the workforce relationship?

- **A.** Tell supervisors to stay silent on the strike and let the workforce resolve the conflict on its own over time.
- **B.** Reward employees who crossed the line with priority for overtime and promotions to recognize their loyalty.
- **C.** Separate strikers and crossovers into different shifts until tensions ease, and let the union handle its own disputes.
- **D.** Set and enforce one conduct standard for everyone, and launch joint labor-management steps to rebuild trust.

118. A CHRO is reviewing the company's employment practices liability insurance (EPLI) renewal. Which description of typical EPLI coverage is MOST accurate?

- **A.** Defense and settlement of discrimination, harassment and retaliation claims, with wage-hour claims often excluded.
- **B.** All claims made by employees, including regulatory fines and penalties, with no common exclusions applying.
- **C.** Workplace injury claims and benefit plan fiduciary breaches, with wrongful termination claims often excluded.
- **D.** Defense of wage-hour class actions and OSHA penalties, with harassment and discrimination claims often excluded from coverage.

119. The CEO of a growth-stage company wants executive annual bonuses calculated directly from each executive's OKR scores. The company's OKRs are designed as stretch goals where about 70% achievement is considered success. What should the CHRO advise?

A. Link bonuses directly to OKR scores to strengthen executives' goal commitment

B. Pay bonuses only when executives reach 100% of every key result they own

C. Cap each OKR at a level the executive is fully confident of reaching before tying bonus pay to it

D. Keep OKR scores separate from bonuses so leaders keep setting ambitious stretch goals

120. IT proposes running sentiment analysis on employees' messages in the company's collaboration platform to replace some surveys. What is the CHRO's MOST accurate assessment of this proposal?

A. Passive data is more objective than surveys, so it should replace survey listening as long as the vendor encrypts the data.

B. Because the company owns the platform, message analysis carries little legal risk and can proceed without notice to employees.

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

D. The approach is acceptable if results are shared only with senior leaders, since restricted access to the outputs removes the main privacy risk.

121. A company opened an engineering center in another country a year ago. Staff there say they get only the leftover maintenance tasks, are rarely invited to design meetings and have no visible career path, and turnover is rising. What is the CHRO's BEST strategy?

A. Accept the turnover as a normal cost of offshore operations and speed up local recruiting

B. Raise pay at the center well above the local market rate so engineers are less likely to leave for competitors

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

D. Have headquarters managers visit the center each quarter to publicly recognize the team's contributions

122. A unionized manufacturer wants to replace an outdated job classification system with a point factor plan. The union opposes the plan, claiming it is a disguised attempt to cut pay, and is preparing to make it a key issue in upcoming negotiations. What is the BEST strategy for gaining acceptance?

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

B. Delay the project indefinitely, since any change to job classifications will be rejected by the union

C. Hire an outside consultant to design the plan and present the results as the consultant's neutral decision

D. Implement the plan unilaterally and explain that job evaluation is a management right not subject to bargaining

123. A global manufacturer finds that business units handle employee conflict-of-interest disclosures very differently, with similar situations approved in one unit and rejected in another. Which policy design feature would BEST ensure consistent review across the enterprise?

A. A central disclosure system with an independent review committee and set thresholds

B. Annual attestation forms reviewed and approved by each employee's direct manager

C. Business-unit compliance leads who resolve each disclosure using their local judgment

D. A detailed code of conduct that lists prohibited relationships through many examples

124. A regional sales director's role generates about $1,460,000 in revenue per year. The CHRO estimates the role will be vacant for 90 days if filled through standard recruiting. Using a 365-day year, what is the estimated revenue at risk during the vacancy?

A. $365,000

B. $360,000

C. $122,000

D. $505,000

125. Under SEC executive compensation disclosure rules, when must a named executive officer's perquisites be included in the summary compensation table?

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

B. When any single perquisite exceeds $25,000, valued at what the executive believes it is worth

C. When their total exceeds the lesser of $50,000 or 10% of salary and bonus, at fair market value

D. In every case, regardless of amount, valued at what the executive would pay on the open market

126. A CHRO is drafting a labor relations policy for operations in 14 countries with very different union laws and traditions. Regional leaders worry that a single rigid policy will not work locally. What is the BEST approach?

A. Adopt the strictest country's rules as one uniform practice everywhere, so that every location exceeds its local legal standards.

B. Let each country set its own labor relations policy with no global standards, since local law already governs the practices.

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

D. Adopt the US headquarters approach worldwide, since one consistent set of practices is easier for the company to audit.

127. The CFO of a 12,000-employee manufacturer tells the executive team that every learning program must show a monetary ROI before its budget is renewed. The chief learning officer argues that full ROI studies are costly and proposes evaluating programs at different depths. What is the BEST way for the CHRO to resolve the disagreement?

A. Replace ROI with participant satisfaction surveys across all programs, since these are cheaper and easier to gather.

B. Require ROI studies for every program so the CFO gets consistent financial data on the entire L&D portfolio each year.

C. Run ROI studies only on programs that leaders expect to perform well, so the function can show strong returns.

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

128. An HR leadership team is launching a costly enterprise mentoring program and wants to avoid keeping it alive out of habit if it underperforms. What should the team set in advance?

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

B. A rule that the program will end only if its executive sponsor leaves the organization for any reason

C. A requirement that participants rate the program favorably before any decision to end it is made

D. A commitment to run the program for at least five years so that it has enough time to show results

129. A company with 500 full-time hourly employees (2,080 hours each per year) is considering a $2 per hour raise. Leaders estimate annual turnover would fall from 80% to 50%, and each replacement costs $4,000. What is the net annual cost of the raise after turnover savings?

A. $1,080,000

B. $2,080,000

C. $1,480,000

D. $480,000

130. A succession review shows only 1 ready-now successor for 12 critical leadership roles. Several high-potential employees have recently received external offers. What retention strategy should the CHRO prioritize?

A. Fill future vacancies through external hiring and let high potentials who receive outside offers leave if they choose to go.

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

C. Offer every high potential a large one-time retention bonus that is repaid if they leave within the next year.

D. Tell high potentials which roles they are slated for so they have a clear reason to decline outside offers now.

131. During a planned two-year expansion, a company's human capital ROI fell from 1.9 to 1.6 as it hired ahead of new revenue. The CEO asks whether workforce investment is failing. What is the BEST interpretation?

A. The decline means the company is overpaying, so pay for new hires should be cut to restore the earlier ratio

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

C. The decline shows the new hires are underperforming, so hiring should pause until HCROI returns to its earlier level

D. The decline is a measurement error, because HCROI should rise whenever compensation spending increases

132. Leaders at a 3,000-employee company propose cutting pay for remote employees who move to lower-cost areas. The CHRO is asked to analyze the trade-offs. Which recommendation BEST balances cost, fairness and retention?

A. Let each manager negotiate pay changes with relocating employees on their team, since managers know the value of each role.

B. Keep pay the same for everyone regardless of location, because any geographic difference in pay is likely to be seen as unfair.

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

D. Cut pay immediately for every employee who has already moved, to capture the savings and set the precedent for the new policy.

133. Which set of components gives the MOST credible measure of an international assignment's return on investment?

A. Assignee satisfaction scores, assignment completion rates, and the number of assignments filled each year.

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

C. The assignee's performance rating during the assignment compared with the rating before departure.

D. Total assignment cost compared with the cost of hiring a local employee to perform the same role in the host country.

134. A U.S.-based manufacturer is expanding into Asia and Latin America, but few of its senior leaders have worked outside the United States. The CEO wants a pipeline of leaders with a global mindset within five years. Which development strategy should the CHRO recommend?

A. Send senior leaders to short executive education programs on doing business in each region

B. Require all high potentials to finish an online cultural awareness course within the next year

C. Hire local country managers and keep corporate leadership roles focused on the U.S. market

D. Build global experience through international assignments, cross-border projects and coaching

135. When an employer evaluates whether a religious accommodation would impose undue hardship under Title VII, which factor is MOST relevant?

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

B. Whether the employee's belief belongs to an established and organized religious tradition.

C. Whether coworkers dislike the employee's religion or object to the accommodation being granted.

D. Whether the employee could practice the belief at some other time without asking for any change.

136. A company is formalizing governance for its HR data. Which assignment of roles BEST reflects the distinction among data owner, data steward and data custodian?

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

B. An HRIS lead is accountable owner, IT stewards definitions and quality, and the CHRO maintains storage.

C. The CIO is accountable owner, the CHRO stewards definitions and quality, and HRIS analysts maintain storage.

D. The CHRO is accountable owner and steward of definitions, and HRIS analysts maintain storage and access.

137. Outside counsel conducted a pay equity analysis at the CHRO's request under attorney-client privilege, and the company has approved salary adjustments for 140 employees. The CEO wants to tell employees about the work to build trust. What is the BEST approach for the CHRO?

A. Make the adjustments quietly in the normal pay cycle and avoid any mention of a review to protect privilege.

B. Publish the regression model and the factors that drove each adjustment so employees can see the process was fair.

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

D. Tell each affected employee that the adjustment corrects pay discrimination found in the review so the message is fully candid.

138. A company's enterprise leadership program has fully loaded costs of $750,000. Monetized benefits attributed to the program over the evaluation period total $1.2 million. What is the program's ROI?

A. 60%

B. 62.5%

C. 37.5%

D. 160%

139. A health system finds that employees returning from long medical leaves are often terminated when they cannot return on the exact date their leave ends. Two lawsuits are pending. The CHRO is redesigning the return-to-work process. Which redesign is BEST?

A. Keep the termination practice but send a final warning letter shortly before each leave ends.

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

C. Extend every medical leave to six months automatically before any separation decision is made.

D. Require a medical fitness-for-duty certification from every employee returning from any type of leave.

140. An ER case management system costs $120,000 in its first year. It is expected to cut average handling time from 40 hours to 25 hours per case across 300 cases a year, with labor valued at $70 an hour. What is the first-year net savings?

A. $405,000

B. $195,000

C. $75,000

D. $315,000

141. A CHRO needs to define requirements for roles that will exist only after a planned shift to a platform business model. Which job analysis approach is MOST appropriate?

A. Interview current incumbents about their present duties and extend those duties forward to the new model.

B. Wait until the new roles exist, then analyze them using the people who are doing the work.

C. Copy job descriptions from competitors that already have similar roles in their organizations.

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

142. A CFO wants to set next year's headcount for 50 stores using a regression of staffing hours on sales volume, which explains 70% of the variance across stores. Six stores fall far above or below the staffing levels the model predicts. What should the CHRO do before approving the model?

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

B. Remove the six stores from the data and rerun the model, since outliers distort the regression line that applies to the other 44 stores.

C. Reject the model, since leaving 30% of the variance unexplained is too much for using regression in headcount planning.

D. Approve the model as built, since an R-squared of 0.70 means its staffing predictions will be accurate for 70% of the stores.

143. A company plans to replace much of its permanent workforce with project-based contractors and short-term specialists. In terms of psychological contracts, what shift should the CHRO anticipate?

A. From balanced contracts that combine performance terms and development to relational contracts with fixed job security

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

C. From implied contracts that courts enforce as binding to express contracts limited to the written terms of each engagement

D. From transactional contracts built on specific exchanges to relational contracts built on mutual long-term investment, loyalty and security

144. What is an international framework agreement?

A. An agreement between a multinational and a global union federation on labor standards

B. A code of conduct a company adopts on its own without any input from unions

C. A collective agreement covering one country's workers across an entire industry

D. A treaty among countries that sets binding minimum labor standards for goods sold in international trade

145. A network analysis shows that a handful of senior engineers receive most of the requests for advice and approvals across the company, and several of them report long hours and growing frustration. According to Rob Cross's research on collaboration, what is the main risk?

A. Social loafing, in which peripheral employees reduce effort because others will carry the load

B. Collaboration overload, leading to burnout, bottlenecks and the loss of key contributors

C. Groupthink, in which central employees suppress dissent and narrow the options considered

D. Role ambiguity, in which central employees are unsure which requests fall within their jobs

146. After several internal equal pay complaints, a CHRO plans a companywide pay equity audit and considers running it under attorney-client privilege. What is the main strategic trade-off?

A. Privilege removes the duty to correct any pay gaps it finds, but it requires the audit to be done yearly

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

C. Privilege makes the results public in any later litigation, but it lowers the cost of the outside statistical analysis

D. Privilege applies only if HR runs the audit alone, but it means the board cannot be told about the results

147. Employees at a newly acquired firm have little information about whether the new owners will act in their interests. Researchers would predict that they will rely on how fairly they are treated during early interactions to decide whether to trust and cooperate. Which theory explains this?

A. Bandura's social learning theory

B. Fairness heuristic theory

C. Equity theory

D. Social comparison theory

148. A private equity firm has just acquired a software company and tells the CHRO it expects labor costs cut 15% within 90 days. The company's revenue depends heavily on a small group of senior engineers and account managers who are already being courted by competitors. What should the CHRO do?

A. Offer a voluntary separation package company-wide to reach the target with less disruption

B. Apply a uniform 15% reduction in every department and location so that the cuts are seen as fair to everyone

C. Ask the owners to delay any cuts until a full engagement survey can be completed and analyzed

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

149. A board names the company's COO as president and makes clear she is expected to become CEO in about two years. What is this succession model called, and what is its main advantage?

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

B. The horse-race model, which motivates several leaders to compete for the top role

C. The emergency-succession model, which keeps operations stable after a sudden exit

D. The outside-hire model, which brings in fresh thinking and new networks from beyond the organization

150. A company is replacing ad hoc severance deals with a formal plan that sets a formula and requires a release, administered by HR over time. What is the strategic implication if the plan is governed by ERISA?

A. It must be prefunded through a trust and insured by the Pension Benefit Guaranty Corporation

B. It loses its release requirement, because ERISA forbids conditioning any plan benefits on signing a waiver

C. It must pay benefits to every departing employee, including those fired for misconduct

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

151. Eighteen months after go-live, a new HRIS the CHRO championed has delivered only a third of the $3 million in annual savings promised in the business case, mainly because managers still route transactions through HR staff. The CEO wants an update at the next executive meeting. What is the BEST approach?

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

B. Have the vendor present the update, since adoption and training were part of the vendor's implementation responsibility.

C. Propose a phase-two module to automate manager transactions, funded from the savings it is expected to generate.

D. Emphasize qualitative gains such as better data and user satisfaction, since savings often take several years to appear.

152. A board risk committee asks the CHRO to add EEOC charge data to enterprise risk reporting. Why are charge trends by business unit and basis useful leading indicators?

- **A.** Units with no charges can be treated as low risk and excluded from further HR review or audit work
- **B.** Charge clusters can reveal problem managers or practices before they become costly lawsuits
- **C.** Charge counts show the company's final legal liability for each business unit's conduct
- **D.** Charge data replace the need to track internal complaints and engagement survey results

153. An L&D team uses Robert Brinkerhoff's Success Case Method to evaluate a sales coaching program. What does this method involve?

- **A.** Comparing average post-training test scores with pre-training scores for all of the participants.
- **B.** Calculating the program's return on investment by converting all measured benefits and costs into dollar values.
- **C.** Collecting reaction ratings at the end of each session and averaging them across all deliveries.
- **D.** Surveying participants, then interviewing the most and least successful to learn what drove results.

154. A CHRO is assessing the labor market for data engineers in several metro areas before choosing a new hub location. Compared with government labor statistics, what is the main strength and the main limitation of job-posting analytics?

- **A.** Measures actual employment, but it lacks detail on skills and job titles
- **B.** Covers every employer, but it reports pay only for unionized occupations
- **C.** More reliable, but it is published only once a year after a long review period
- **D.** More current and detailed, but postings may not match actual hiring

155. A board's succession assessments for C-suite candidates include ratings on derailers such as arrogance, volatility under pressure and excessive caution. Why are these included?

- **A.** Derailer ratings are needed to meet disclosure requirements for public company executives
- **B.** Strengths that drove past success can turn into derailing behaviors under senior-level pressure
- **C.** Derailers predict short-term financial results more reliably than prior job performance
- **D.** Derailers measure technical skill gaps that must be closed before a C-suite promotion can be approved

156. In a change management maturity model, what characterizes an organization at the HIGHEST level of maturity?

- **A.** Change management is used on a few high-profile projects when sponsors decide to request it.
- **B.** A dedicated change team supports the single largest transformation program in the enterprise.
- **C.** Change management is a standardized competency built into leadership roles and used across all projects.
- **D.** Each project team selects its own change approach, tools and templates based on the preferences of its leader.

157. A manufacturer that has competed for 20 years as the low-cost producer is repositioning itself as a product innovator. Its pay program lags the market at the 40th percentile, emphasizes plant-level gainsharing tied to cost reduction, and offers equity only to the top five executives. The board asks the CHRO what the compensation philosophy should look like going forward. What is the BEST recommendation?

A. Keep the lag position but add a one-time innovation bonus that each division head can award at discretion

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

C. Retain gainsharing as the core incentive and enlarge the merit budget to reward stronger individual performers

D. Raise base pay for all employees to the 75th percentile so the company can compete for innovative talent

158. A bank plans to automate much of its loan processing over 18 months. The change will eliminate about 200 of 900 operations roles and change most of the rest. Rumors are spreading, and morale is falling. Which messaging strategy should the CHRO recommend?

A. Wait to say anything until each affected employee can be told individually near the end of the project.

B. Stress the benefits of automation for customers and avoid discussing staffing until the rollout is complete.

C. Reassure employees that no jobs will be lost while the details of the automation plan are still being decided.

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

159. The CEO must choose between two internal candidates for company president and wants objective data beyond performance reviews and personal impressions. What should the CHRO propose?

A. A personality test for both candidates, naming the higher scorer on leadership traits as the next president

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

C. A panel interview with the CEO and two directors on each candidate's strategic vision

D. A 360 survey of each candidate's peers, using the higher overall rating to decide

160. A low-cost airline's labor costs have risen faster than fares for three years, compressing margins. The CEO asks the CHRO for the best long-term approach. Which should the CHRO recommend?

A. Match full-service rivals' pay to reduce turnover and the cost of constant recruiting.

B. Cut wages across the board to restore margins, accepting some rise in attrition.

C. Shift toward a premium service model that would justify the higher labor costs.

D. Pursue productivity gains through flexible work rules and cross-training.

161. A new CEO with a CFO background has told the executive team that every function must show its return on investment. The CHRO has strong relationships with employees but has not presented HR's work in financial terms. What should the CHRO prioritize to build credibility with the CEO?

A. Propose a smaller HR budget for next year to show the CEO that HR is committed to controlling cost.

B. Share employee engagement survey results showing high satisfaction with HR's programs and its services.

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

D. Arrange regular one-on-one meetings so the CEO can learn about the full range of HR's activities.

162. A consumer goods company has codes of conduct and audits for its 200 direct suppliers but no visibility into where raw materials come from. Investors are asking about forced labor risk deeper in the supply chain. What should the company do FIRST?

A. Audit every lower-tier supplier in the network at once to find any hidden labor abuses.

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

C. Switch all sourcing to suppliers in countries that have strong labor law enforcement.

D. Require direct suppliers to certify in writing that their own sources use no forced labor.

163. The CFO wants to publish the company's single engagement index score in the annual investor report as a key performance indicator. What is the CHRO's MOST important caution?

A. The score should be disclosed only if it beats the industry benchmark, since a lower score could harm the share price and investor confidence.

B. Engagement data is confidential personal information, so it cannot legally be disclosed to investors in any form.

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

D. Investors do not consider workforce data in their decisions, so the score adds disclosure risk without any benefit.

164. An analysis finds that the link between workload and burnout is strong for remote employees but weak for on-site employees. What role does remote status play in this relationship?

A. Mediator

B. Confounding variable

C. Dependent variable

D. Moderator

165. A CHRO proposes a $6 million reskilling academy but recommends piloting it in one region for $800,000 first, then expanding or stopping based on results. Under real options thinking, what is the main value of staging the investment?

A. It allows the firm to delay financial evaluation until the pilot has concluded

B. It raises the project's NPV by spreading the academy's fixed costs over more fiscal years

C. It guarantees a higher return than committing the full amount at the outset

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

166. A company with 400 employees has labor costs of $40 million and revenue of $200 million. The CEO approves a 4% raise budget but wants labor cost as a share of revenue to stay flat with no change in headcount. How much must revenue per employee increase?

A. $20,000 per employee

B. $4,000 per employee

C. $40,000 per employee

D. $10,000 per employee

167. The CHRO of a 25,000-employee company is evaluating an agentic AI tool that would complete manager-requested job changes, including title, pay and reporting-line updates, directly in the HRIS with no HR review. The vendor reports 98% accuracy in pilots. Which governance approach should the CHRO recommend to the executive team?

A. Reject the tool until the vendor can guarantee error-free processing for every type of transaction the HRIS supports.

B. Approve full autonomy for every change type, since 98% accuracy is better than the error rate of the current manual process.

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

D. Allow full autonomy for every change type, and have HR's compliance team audit a random sample of completed transactions once each year.

168. An enterprise skills-inference platform shows about 300 surplus roles in European operations and 250 hard-to-fill roles in North America that need similar skills. The CFO suggests redundancies in Europe and external hiring in North America. What is the CHRO's BEST strategy?

A. Use the platform's match scores to assign people directly, since skills inference is accurate enough to decide.

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

C. Relocate all 300 European employees to North America, since the strong skills match makes mobility the obvious choice.

D. Proceed with redundancies in Europe first, since consultation requirements make delays there the most costly.

169. A plant's gainsharing plan uses a baseline labor cost of 30% of production value. This year, production value is $10 million and actual labor cost is 26% of production value. Employees receive 50% of the savings. How large is the employee bonus pool?

A. $200,000

B. $1,500,000

C. $1,300,000

D. $400,000

170. A company has used the same staffing agency contractors for several years. Department managers set their schedules, direct their daily work, and include them in employee performance reviews. What is the PRIMARY enterprise risk, and how is it BEST mitigated?

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

B. Trade secret loss; mitigate it by requiring all contractors to sign confidentiality and invention agreements.

C. Lower engagement; mitigate it by inviting contractors to company events and training sessions.

D. Wage compression; mitigate it by moving contractor pay rates closer to the pay of employees.

171. A CHRO is deciding whether specialists in talent acquisition and rewards should sit in centralized centers of expertise or report to business-unit leaders. What is the MAIN trade-off?

A. Central experts offer consistency and scale; unit-controlled experts offer faster local responsiveness.

B. Central experts raise employee engagement; unit-controlled experts improve HR data quality.

C. Central experts lower legal risk; unit-controlled experts allow the company to cut HR headcount.

D. Central experts offer faster local responsiveness; unit-controlled experts offer greater consistency and scale.

172. To build a success profile for sales leaders, HR studies only the company's current top performers and finds that most are highly competitive and take big risks. Which analytic flaw MOST threatens this conclusion?

A. Recency bias, because raters weigh recent sales results more heavily than results from earlier years.

B. Confirmation bias, because the leaders being studied were asked to describe their own key traits.

C. Central tendency bias, because managers rate most sales leaders near the middle of the scale.

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

173. In Dave Ulrich's original model of HR roles, which role focuses on aligning HR strategies and practices with the business strategy?

A. Change agent

B. Employee champion

C. Administrative expert

D. Strategic partner

174. A company is forming a governance body to oversee AI tools used in hiring, promotion and performance decisions. Which composition and mandate would be MOST effective?

A. Data scientists only, since they understand best how the models are built, tested and tuned

B. An external ethics panel that comments on tools after they have been deployed

C. The HR technology team, advising vendors informally on product improvements

D. HR, legal, security, data science and business leaders with defined decision rights

175. At a technology company, 25% of engineers hold H-1B status, and executives are concerned about immigration policy volatility. The CEO asks the CHRO for a three-year talent risk plan that does not assume any particular rule change. What should the plan emphasize?

A. Keep relying on the H-1B lottery but file more registrations each year to offset any losses

B. Diversify talent sources, sponsor permanent residence for key staff, and build pipelines

C. Stop hiring H-1B workers now and replace the current ones as their visa terms come to an end

D. Move the visa-holding engineers into contractor roles to shift the sponsorship risk elsewhere

176. A leadership team lists the demands placed on it by customers, regulators, suppliers and investors, assesses how the organization currently responds to each, and then plans the responses it wants in the future. Which strategic OD intervention is this?

A. Open systems planning

B. Force field analysis

C. Balanced scorecard development

D. Appreciative inquiry

177. A company's enterprise risk management (ERM) committee is reviewing a three-year digital transformation. How should the CHRO make sure people risks, such as losing key talent and capability gaps, are addressed?

A. Transfer them to an insurance carrier through a key-person life insurance policy

B. Track them separately in the HR department's own project plan for the transformation

C. Present them to the board only if voluntary turnover rises above the company's annual average

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

178. An ADR program costs $120,000 a year. Leadership estimates it prevents 6 potential lawsuits a year, each with a 50% probability of being filed and average defense costs of $85,000. What is the program's estimated annual net benefit?

A. $135,000

B. $390,000

C. $255,000

D. $67,500

179. HR analytics shows that retail stores with higher engagement scores have higher sales. The CHRO proposes investing in engagement, but the CFO argues that strong sales may raise engagement rather than the reverse. What is the CHRO's BEST response?

A. Drop the proposal, since a correlation that can run in both directions cannot be used to support any investment decision.

B. Point out that the correlation is strong across all stores, which shows that engagement is the driver of the sales results.

C. Cite published research linking engagement to performance, since outside studies settle the question for this company.

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

180. A people analytics team replaces employee names with coded IDs before analysis, and HR IT keeps a separate key that links each code to an employee. Under the GDPR, how is this data classified?

A. Anonymized data, which falls outside the GDPR because the names were removed

B. Anonymized data, provided the key is stored in a separate secure system

C. Pseudonymized data, which is exempt from the GDPR once access is limited

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

181. A CHRO reviews promotion data for a hybrid workforce and finds that employees who come into the office most often are promoted at higher rates, though their performance ratings are no higher than those of remote peers. Which concept best explains this pattern?

A. Halo effect, in which one strong trait leads raters to inflate an employee's other attributes

B. Similar-to-me bias, in which raters favor people who share their background or interests

C. Recency bias, in which raters overweight events that took place near the end of the period

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

182. The board is considering moving the company's 400-person engineering function to a country where engineering salaries are about 50% lower. What should the CHRO's strategic analysis emphasize?

A. Compare the average engineering salaries in the two countries in detail, role by role.

B. Support the move if the salary savings exceed the threshold of 40%.

C. Weigh total cost against talent depth, attrition, IP risk and transition costs.

D. Recommend against the move in order to protect current employees' jobs.

183. During a review of employment agreements, the CHRO learns that the company's confidentiality agreements do not include the whistleblower immunity notice described in the Defend Trade Secrets Act. Why should the agreements be updated?

A. Without the notice, the company loses its ability to seek any injunction against an employee's trade secret theft at all.

B. Without the notice, the company is subject to fines from the Department of Labor for each agreement.

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

D. Without the notice, the agreements are void and employees may freely disclose trade secrets to competitors.

184. Ulrich and Lake described organizational capability as the bridge between business strategy and HR practices. What does this view imply for HR?

A. Capabilities are fixed assets, so HR should focus on building individual skills only

B. HR practices should be designed to build the capabilities that the strategy requires

C. The strategy should be adjusted to fit the HR practices the firm already has in place

D. HR practices should match industry best practice regardless of the firm's strategy

185. The board approves a plan to grow revenue 40% in two years, adding about 1,200 employees, but holds the HR budget flat. The CHRO's team is already at full capacity. What should the CHRO propose?

A. Decline to support the growth plan until the board agrees to increase HR funding

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

C. Cut all HR services by an equal percentage to free up capacity for recruiting

D. Accept the budget and ask HR staff to absorb the added hiring workload temporarily

186. Lau and Murnighan introduced the concept of team faultlines. What are faultlines?

A. Points of tension that arise when a team's goals conflict with the company's strategy

B. The single member characteristic, such as age or tenure, on which a team's members differ the most from one another

C. Formal reporting lines that divide a team's members among several different managers

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

187. An AI assessment has been validated as predictive of job performance across the general applicant pool. Why can it still unlawfully screen out a qualified applicant with a disability?

A. The ADA bans the use of any AI assessment once an applicant has disclosed a disability in advance.

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

C. Under the ADA, validation evidence counts only if the vendor has filed it with the EEOC for review.

D. The ADA requires that applicants with disabilities pass at the same average rate as other applicants.

188. A general counsel briefs the CHRO on how the U.S. Department of Justice's Corporate Enforcement Policy could affect the outcome if an internal investigation uncovers foreign bribery by a regional sales team. Which combination of company conduct does the policy reward most?

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

B. Firing the employees involved and adopting a new code of conduct before any government inquiry

C. Completing the investigation privately and paying back the profits earned from the tainted contracts

D. Hiring outside counsel to investigate and sharing a summary of the findings once charges are filed

189. An executive team must decide which of eight sites to consolidate. It needs informed input from 20 regional leaders over the next month, but those leaders could be influenced by one another and by concern for their own sites. Which decision method is BEST?

A. A consensus decision by all 20 regional leaders after an open discussion of each site's merits

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

C. A nominal group session that brings all 20 leaders together in one room to generate and rank ideas in a single day

D. A majority vote by the regional leaders, with the executive team agreeing to accept the result

190. An HRIS rollout is 18 months late and well over budget, and independent reviews show it is unlikely to deliver the planned benefits. Executives keep approving more funding, saying 'we have already invested too much to stop now.' Which decision bias does this illustrate?

A. Overconfidence bias

B. Representativeness heuristic

C. Escalation of commitment

D. Anchoring bias

191. Labor cost as a share of revenue at a regional health system has risen from 32% to 38% over two years. The board asks the CHRO for a recommendation at its next meeting. What should the CHRO do FIRST?

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

B. Propose a hiring freeze and overtime cap to return the ratio to 32% within the next year.

C. Recommend a pay freeze, since rising wages are the most common driver of higher labor cost.

D. Benchmark the 38% figure against peer health systems first to judge whether any action is needed at all.

192. Lewicki, McAllister and Bies argue that trust and distrust can coexist in the same working relationship. What is the basis for this view?

A. Distrust can exist only after a specific trust violation has occurred in the relationship

B. Trust is calculative while distrust is emotional, so they apply to different relationships

C. Trust and distrust are opposite ends of one scale, so more of one means less of the other

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

193. The CHRO of a 12,000-employee firm shares research showing that more than half of the variance in its performance ratings reflects who the rater is rather than the employee's performance. Ratings currently drive merit pay and promotions. What should the CHRO propose to the CEO?

A. Train all managers on rating errors and keep the current process, since rater training removes most idiosyncratic rating effects over time.

B. Eliminate performance evaluation entirely and base merit pay and promotions on employees' tenure in role from now on.

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

D. Force ratings into a fixed distribution within each team, since a forced curve removes differences in rater leniency.

194. A CHRO is designing a board safety dashboard and wants at least one leading indicator. Which metric qualifies?

A. Total workers' compensation costs incurred during the quarter

B. Number of lost workdays from injuries in the past 12 months

C. Percentage of hazard corrective actions closed by their due date

D. Days away, restricted or transferred (DART) case rate for the year

195. A company funds a job-training program for local young adults and wants to report its social impact rather than its activity. Which metric BEST measures impact?

A. Number of training sessions that company volunteers delivered at the local sites this year

B. Total dollars and employee volunteer hours that the company gave to the program this year

C. Change in participants' employment rate compared with a similar group of nonparticipants

D. Number of young adults who completed the program and earned a certificate this year

196. A manufacturer has decided, for purely economic reasons, to close a unionized plant with 350 employees. The CHRO is planning the approach to the union. What is the BEST strategy?

A. Bargain with the union over whether to close the plant before making a final decision

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

C. Provide WARN notice to employees and treat union involvement as optional, since the decision is already final

D. Announce the closure directly to employees and offer severance terms outside the contract

197. An analyst uses relative-weights regression to determine which of 40 survey items relate most strongly to an overall engagement index, so leaders can focus on a few priorities. What is this approach called?

A. Item response analysis

B. Key driver analysis

C. Exploratory factor analysis

D. Benchmark gap analysis

198. A company eliminating 600 roles because of automation will provide all the notice the WARN Act requires. Which commitment BEST reflects responsible transition beyond legal minimums?

A. Offer COBRA continuation coverage to eligible employees and their covered dependents.

B. Follow WARN's notice period and issue final paychecks within the state's legal deadlines.

C. Give the 60 days' notice WARN requires and pay all wages due to each employee on the final day of work.

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

199. A multinational wants to build a global people analytics platform covering employees in the EU, Brazil, China and the United States. Legal advises that local data protection laws restrict how employee data can be transferred and used. What is the BEST approach for the CHRO?

A. Collect blanket written consent from every employee for all data uses so the platform can run without limits.

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

C. Store all employee data at U.S. headquarters and apply the company's U.S. privacy policy to every country.

D. Abandon the global platform and let each country run its own analytics with no consolidated reporting at all.

200. A retailer's leaders respond to falling margins by tightening discount controls. When margins keep falling, they begin questioning whether the goal of being the lowest-price competitor still makes sense. In Argyris's terms, the shift to questioning the goal itself represents:

A. Single-loop learning

B. Deutero-learning

C. Defensive reasoning

D. Double-loop learning

201. Middle managers are quietly stalling an agile transformation that removes their approval authority. What is the BEST strategy for the CHRO?

A. Redefine managers' roles around coaching, with support and new success measures

B. Bypass managers and communicate directly with teams about the new model

C. Replace the resistant managers with outside hires who have agile experience

D. Restore managers' approval authority in order to win their support for the change

202. A multinational is rolling out an open-ended agile reorganization whose final roles and structure will be defined over time. Using Hofstede's framework, employees in countries that score high on which dimension are MOST likely to resist this kind of ambiguous change?

A. Power distance

B. Uncertainty avoidance

C. Long-term orientation

D. Individualism

203. The CFO proposes cutting 12% of engineering headcount to match a peer benchmark for revenue per employee. The CHRO's data shows the firm is already behind on a product launch central to its growth strategy, with a documented shortage of firmware engineers. What should the CHRO recommend?

A. Commission a second benchmark study with a different peer group before responding.

B. Accept the benchmark cut but spread it proportionally across all engineering teams.

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

D. Oppose any headcount reduction in engineering until the critical product launch is complete.

204. A CHRO wants funding for a three-year employee experience strategy at a retail company where store turnover is 70% and customer satisfaction scores are falling. The CFO is skeptical of HR initiatives that lack hard returns. What should the CHRO's business case emphasize MOST?

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

B. The ethical case that employees deserve a better experience whatever the financial return

C. Engagement survey scores showing that employee favorability is lower than the national norm

D. Benchmarks showing that competitors offer more perks and better amenities to their frontline workers

205. To understand why innovation has stalled, the analytics team proposes linking badge-swipe data, email and calendar metadata and performance ratings for all 12,000 employees. Employees have not been told such data might be combined. What should the CHRO do?

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

B. Approve the study but keep it confidential, so that awareness of the analysis does not change how employees behave.

C. Reject the study entirely, because combining workplace data sources for analysis is prohibited by federal privacy law.

D. Approve the study as proposed, because the company owns these systems and only metadata, not message content, will be used.

206. The governance committee of a public company's board asks the CHRO what conflict-of-interest information it should receive each year. Which reporting package is MOST appropriate for the committee?

A. Only the conflicts that resulted in disciplinary action or termination during the year

B. A certification that all employees completed the annual conflict-of-interest questionnaire

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

D. Every individual employee disclosure form for the year so that directors can review each case for themselves

207. An engineering services firm built its reputation on specialized code-compliance analysis that took years for staff to master. Generative AI tools now let competitors and clients produce similar analysis quickly. The CEO asks the CHRO how the firm can stay distinctive. What is the BEST strategic response?

A. Cut prices on compliance analysis so that the firm stays competitive as AI lowers the cost of the work in the market.

B. Restrict staff from using AI tools so that the firm's analysis remains distinctly human and clearly differentiated.

C. Hire more compliance specialists so the firm can produce analysis faster and in greater volume than its competitors.

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

208. A CHRO believes the CEO's plan to centralize all hiring will slow growth in the regions, but the CEO has rejected direct objections before. Using a Socratic approach, what should the CHRO do?

A. Agree with the plan in principle and wait for regional problems to emerge so the evidence makes the case for her.

B. Present a detailed list of the plan's weaknesses and recommend that the CEO reconsider the centralization decision.

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

D. Ask regional leaders to raise the concerns with the CEO so the objections come from the people most affected.

209. A company plans to make all pay ranges visible to employees for the first time. According to equity theory, which reaction should leaders MOST expect?

A. Employees will see the new ranges as hygiene factors, which by definition cannot influence their satisfaction

B. Employees will raise their effort mainly to compete for the larger prize attached to the next higher level

C. Employees will focus mainly on whether they believe their own effort can lead to the needed performance

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

210. A company's workers' compensation experience modification rate (EMR) rose from 0.90 to 1.25 after two years of costly claims. What is the MOST direct financial effect?

A. Premiums stay the same because the EMR affects only eligibility for state safety grants and awards

B. Premiums rise because the EMR now shows worse-than-expected claims experience

C. Premiums fall because a higher EMR means the company is paying off more of its claims

D. Premiums rise only if the company switches insurers before the next policy renewal

211. When defining a new EVP, which inputs are MOST credible?

- **A.** Senior leaders' views on what makes the company a great place to work, gathered in a workshop
- **B.** Messaging used by the most admired employers in the industry, adapted to fit the company's name and logo
- **C.** Award rankings and brand ratings from consumer surveys about the company's products and services
- **D.** Research with current employees, exit and stay interview data, and analysis of competitors' offers

212. A CHRO is designing the quarterly investigations report for the board's audit committee. Which content best supports the board's oversight role?

- **A.** Total hotline call volume compared with the prior quarter, plus the vendor's service performance data
- **B.** Full investigation files for every case closed in the quarter, including all interview notes and evidence
- **C.** Case themes by risk type and region, cases involving senior leaders, time to close and remediation status
- **D.** Names of each substantiated case's subject and the discipline imposed, sorted by business unit

213. At a 3,000-employee public company, the CEO allocates a discretionary bonus pool among 20 senior vice presidents with no written criteria. A review shows the CEO's longtime colleagues consistently receive the largest awards. What controls should the CHRO recommend to the compensation committee?

- **A.** Shift approval of the awards to the CHRO, who can apply independent judgment to the CEO's recommendations.
- **B.** Set award criteria in advance, require a documented rationale and have the committee review awards by group.
- **C.** Replace the discretionary pool with equal bonuses for all senior vice presidents so no favoritism can occur.
- **D.** Ask the CEO to rotate the largest awards among senior vice presidents so that each one receives one in turn.

214. A company plans to end retiree medical coverage. Its plan document and SPD reserve the right to amend or terminate the plan, but a recruiting brochure from the 1990s promised retiree medical "for life," and retirees are threatening to sue. What is the BEST action?

- **A.** Proceed with the cut, since a reservation-of-rights clause always overrides brochure language.
- **B.** Keep retiree medical unchanged permanently, since the brochure is a binding promise.
- **C.** Review all documents with counsel, assess the exposure, and align future SPDs and materials.
- **D.** Send retirees a corrected brochure first, then end coverage once they have received it.

215. A compliance committee wants to know whether retaliation against employees who report concerns is a real problem. Why is surveying reporters after their cases close a stronger metric than counting retaliation complaints?

A. A survey provides legal proof of retaliation, while complaints contain only allegations

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

C. Surveys of reporters can be completed far faster than formal investigations of retaliation complaints

D. Retaliation complaints are confidential and cannot legally be included in board reports

216. A self-funded employer's spending on GLP-1 drugs prescribed for weight loss has tripled in 18 months and now drives most of its pharmacy trend. Executives are split between dropping the coverage and continuing it unchanged. What should the benefits leader recommend?

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

B. Continue the coverage unchanged, since restricting it may harm employees who already rely on it.

C. Shift the full cost to employees as a voluntary benefit, so only those who want the drugs pay for them out of pocket.

D. Drop the weight-loss coverage now, since the cost increase is not sustainable for a self-funded plan.

217. Which statement BEST describes the purpose of the HR scorecard developed by Becker, Huselid and Ulrich?

A. To benchmark the HR department's cost per employee against industry peers

B. To track transaction volume and processing time for each HR service line

C. To show how HR deliverables drive the performance drivers that execute strategy

D. To rate individual HR staff members against their annual service objectives and goals

218. HR proposes an employee wellness program that is expected to return 6% on its cost. The finance committee declines to fund it even though the return is positive. What is the MOST likely reason?

A. Its return is below the cost of capital or below returns from competing uses

B. HR investments are expensed, so they cannot be evaluated with ROI measures

C. HR projects are required to recover their full cost within one fiscal year

D. Projects with positive returns under 10% are too small to report to the board

219. The company's annual executive incentive plan pays out on revenue growth, but the board's new strategy prioritizes profitability over growth. What should the CHRO recommend to the compensation committee?

A. Shift executive pay entirely to base salary to remove all incentive distortions.

B. Keep the revenue metric but raise its targets to stretch levels for next year.

C. Add profit measures such as operating margin and reduce the revenue weighting.

D. Add a discretionary bonus pool that the CEO can allocate as he sees fit.

220. A union proposes a $1.50-per-hour across-the-board wage increase for 500 employees who each work 2,080 hours a year. Benefit costs tied to wages (roll-up) add 30%. What is the annual cost of the proposal?

A. $1,560,000
B. $2,028,000
C. $1,950,000
D. $468,000

221. A vendor offers an AI tool that would sort employee complaints by urgency and predict which ones are likely to be substantiated, so HR can focus on the strongest cases. What governance should the CHRO require?

A. Limit AI to routing with human review of every complaint, test it for bias first, and drop the substantiation predictions.
B. Approve the tool once the vendor certifies it is unbiased, since the vendor is responsible for its model's fairness and accuracy.
C. Use the substantiation predictions to close low-scoring complaints automatically, since this frees investigators for serious matters.
D. Pilot the full tool on live complaints without telling employees, so their reporting behavior does not distort the pilot results.

222. A new CEO wants the executive team to make higher-quality strategic decisions. Which leadership practice does research on top-team conflict MOST support?

A. Minimizing disagreement so the team presents a united front to the board
B. Delegating contentious issues to staff analysts to keep meetings cordial
C. Structuring debate on ideas, such as devil's advocacy, but not on people
D. Requiring unanimous agreement on every major decision before acting

223. A software company's enterprise engagement score rose 6 points this year, yet regrettable turnover among high performers increased from 8% to 13%. The CEO asks the CHRO to explain the gap. What should the CHRO do FIRST?

A. Commission a new survey vendor, since rising scores alongside rising turnover suggest the current instrument and its items are flawed.
B. Segment engagement and turnover data by role, tenure, performance level and location to find where the two measures diverge.
C. Report that engagement and turnover are not related, so the company should rely on turnover as its main health metric.
D. Launch an enterprise-wide retention bonus for high performers to stop the turnover while the cause is investigated.

224. A CHRO is asked to pick five people metrics for the quarterly board dashboard from the more than 60 metrics HR tracks. Which principle should MOST guide the selection?

- **A.** Choose metrics that cover each HR function evenly so that no part of the HR operation is left out of view.
- **B.** Choose metrics most widely reported by industry peers so the board can benchmark the company against them.
- **C.** Choose metrics tied to the strategy's key talent risks that inform decisions the board oversees or acts on.
- **D.** Choose metrics with the most reliable data and longest history so that trends can be shown with confidence.

225. A CEO plans to drive a transformation by repeatedly warning employees that the company will fail unless they change. What is the main long-term risk of relying solely on this fear-based message?

- **A.** It tends to make employees overconfident about the company's long-term prospects
- **B.** It shifts responsibility for the change away from the executive team
- **C.** It can produce short-term compliance followed by fatigue and disengagement
- **D.** It usually fails to create any initial sense of urgency among employees

226. An attrition model built three years ago predicted exits well, but since a major reorganization and a shift to hybrid work, its predictions have become much less accurate. Leaders still use its output in quarterly talent reviews. What is the CHRO's BEST response?

- **A.** Add hybrid-work status to the existing model as a variable and resume using it in the next quarterly talent review.
- **B.** Pause reliance on the model in talent reviews, retrain and revalidate it on recent data, and set up ongoing monitoring.
- **C.** Keep using the model but add a note to its reports that predictions may be somewhat less accurate than they were in prior years.
- **D.** Replace the model with manager judgment permanently, since predictive models cannot adapt to organizational change.

227. In an all-hands meeting, a CEO said the company needs 'new blood and fresh energy.' A month later, the CEO approved a reorganization that eliminated several roles held by employees over 55. Which risk should the CHRO raise?

- **A.** Remarks made at company meetings are protected opinion and cannot be used as evidence in age claims.
- **B.** Remarks of this kind matter only if the CEO repeats them in writing in documents about the decision.
- **C.** Remarks of this kind matter only if they explicitly mention age or a specific number of years.
- **D.** Remarks by a decision maker close in time to a related decision can be used as evidence of age bias.

228. When an employer selects a background screening vendor, which statement about FCRA risk is accurate?

- **A.** The employer keeps its own FCRA duties, so diligence should test accuracy and compliance
- **B.** The employer's duties end once the vendor certifies that its procedures are compliant
- **C.** The employer is liable only if it chose a vendor that lacks industry accreditation
- **D.** The vendor takes on all FCRA duties, so an indemnity clause in the contract fully shifts the legal risk

229. A CHRO is reviewing the benefits strategy and asks how GINA's two main titles apply. Which statement is accurate?

- **A.** Title I governs employers' hiring decisions, while Title II governs group health plans and health insurers.
- **B.** Title I governs life and disability insurance, while Title II governs employers' wellness programs.
- **C.** Title I governs employers of 50 or more, while Title II governs employers of fewer than 50.
- **D.** Title I governs group health plans and insurers, while Title II governs employers' employment decisions.

230. A company is negotiating a seven-year contract with a cloud HCM vendor. The CHRO is concerned about being locked in if the vendor's service declines. Which contract provision BEST protects the company?

- **A.** Rights to export all data in a usable format, plus transition assistance from the vendor if the contract ends.
- **B.** A price cap that limits annual license increases to a fixed percentage of current fees for the full seven-year term.
- **C.** Service-level credits that reduce fees whenever the system falls below the agreed availability targets.
- **D.** A clause giving the company priority access to new features as the vendor releases them over the term.

231. A company has 18 grievances headed for arbitration and limited budget to try them all. The CHRO wants a consistent way to decide which cases to arbitrate. What is the BEST approach?

- **A.** Settle every case, since arbitration is costly and the outcomes are too uncertain for the company to predict with any accuracy.
- **B.** Rank cases by chance of winning and value of the precedent, arbitrating strong cases that matter and settling weak ones.
- **C.** Arbitrate every case, so that the union learns the company will not settle grievances that it believes are without merit.
- **D.** Arbitrate only the least costly cases, so that the company can stay within budget while it takes the most cases to hearing.

232. The executive team can fund one of two HR initiatives. An HRIS costs $900,000 and saves $300,000 per year. An LMS costs $400,000 and saves $100,000 per year. Which statement about payback is correct?

A. The HRIS pays back in 3 years, 1 year later than the LMS

B. The LMS pays back sooner because its upfront cost is less than half

C. Both pay back in 3 years once annual savings are compared to cost

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

233. An executive asks why legal counsel advised against a policy that treats any impairment expected to last under six months as 'temporary and not covered' by the ADA. Which principle explains counsel's advice?

A. Under the ADAAA, only impairments expected to last at least 12 months can qualify as an actual disability.

B. Under the ADAAA, duration is irrelevant, so every impairment of any kind or severity must be treated as a disability.

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

D. Under the ADAAA, short-term impairments are covered only when they result from a workplace injury or illness.

234. A CHRO wants to frame labor strategy using John Dunlop's industrial relations systems model. Which description matches that model?

A. Negotiators move through distributive, integrative, attitudinal and intraorganizational subprocesses as they reach a final settlement at the table.

B. Executives make choices at the strategic, functional and workplace levels that shape the course of labor relations within their company.

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

D. Each party's power depends on what it costs the other side to disagree with its demands compared with what it costs to agree with them.

235. A technology company spends heavily on employee development, yet only 8% of open roles are filled internally. Exit interviews show that employees leave for jobs elsewhere because their managers blocked internal transfers. What is the BEST response from the CHRO?

A. Increase development spending so that more employees are qualified for the roles that open up inside the company.

B. Launch an internal careers portal that lists all open positions so employees can more easily find opportunities.

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

D. Require all employees to create individual development plans with their managers at least once a year.

236. An investment firm's AI tools now perform much of the work junior analysts did, and leaders propose cutting analyst hiring by 70%. The CHRO notes that 80% of current portfolio managers began as analysts at the firm. What is the BEST strategic response?

A. Keep analyst hiring at current levels so the firm's pipeline is fully protected regardless of the AI gains.

B. Delay any decision on analyst hiring until the firm can see how AI affects senior portfolio manager roles as well.

C. Approve the 70% hiring cut and plan to hire future portfolio managers from competitors when they are needed.

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

237. The AccountAbility AA1000 standards, which underpin its stakeholder engagement standard, rest on which four principles?

A. Identification, assessment, mitigation and reporting

B. Transparency, accountability, legitimacy and equity

C. Inclusivity, materiality, responsiveness and impact

D. Governance, strategy, risk management and targets

238. A retailer's leadership team is reviewing sourcing risk. A supplier's goods contain cotton grown in China's Xinjiang region. How does the Uyghur Forced Labor Prevention Act treat these goods at U.S. import?

A. They are admitted if the cotton makes up less than half of the value of the finished product

B. They are barred only if customs officials can prove that forced labor was used at some stage of their production

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

D. They are admitted if the supplier signs a certificate stating that no forced labor was used

239. An enterprise risk committee notices that nearly every new item on its risk register is a risk that has already caused losses at peer companies. Which practice would BEST help the organization spot emerging risks before they reach the register?

A. Ask each department head to update the ratings of the risks already on the register every year.

B. Raise the likelihood scores of current risks each year to build in a margin for unknown threats.

C. Review internal loss history and incident reports each quarter to find the risks that recur most often.

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

240. Facing a 20% cut to the HR budget, a CHRO must decide how to protect the company's inclusion progress. Which principle BEST guides the decision?

A. Spreading the cut evenly across all inclusion programs shows that no single program matters more.

B. Inclusion built into core talent processes outlasts standalone programs that need separate funding.

C. Protecting the most visible external events matters most because they shape the employer brand and recruiting.

D. Pausing all inclusion work until budgets recover avoids running programs at reduced quality.

241. A company hires 100 employees a year into one role. Its new assessment has a validity coefficient of 0.40, the standard deviation of job performance in dollars (SDy) is $10,000 per year, and the average standardized assessment score of those hired is 1.0. Using the Brogden-Cronbach-Gleser model, what is the expected annual gain before testing costs?

A. $1,000,000

B. $4,000

C. $400,000

D. $160,000

242. A fitness company pursues a blue ocean strategy, creating an offering that combines elements of gyms, physical therapy and social clubs to reach noncustomers rather than competing with rival gyms. Which HR implication BEST fits this strategy?

A. Prioritize cost cutting to win price battles in existing market segments

B. Benchmark pay and job designs closely against direct competitors in the existing fitness industry

C. Recruit mainly from top rival gyms to match their proven capabilities

D. Hire and develop for creativity and cross-boundary thinking over industry experience

243. The CHRO, CIO and general counsel of a 30,000-employee company are designing an enterprise AI governance model. The CIO proposes that IT own all AI decisions and that HR be consulted only on employee communications. What role should the CHRO propose for HR?

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

B. Ask for HR to have final authority over all AI decisions, since every AI tool affects employees.

C. Accept the CIO's proposal, since AI is a technology matter and IT is best placed to govern it on its own.

D. Leave governance to legal, since the main AI risks are regulatory and legal teams track the law.

244. A CEO approves a culture initiative focused on accountability but tells the CHRO, 'HR owns this; I'll mention it at the annual meeting.' The CHRO knows the change will not succeed without the CEO's visible involvement. What is the BEST approach?

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

B. Recruit the most enthusiastic business-unit leader to serve as the initiative's visible sponsor

C. Proceed with HR as owner and ask the CEO to approve a larger communication budget instead

D. Escalate to the board's compensation committee so it can require the CEO's involvement

245. A company is selling one of its manufacturing divisions to a buyer in an asset purchase, and layoffs are possible around the closing. Under federal WARN, who is responsible for giving any required notice?

A. Both parties jointly for any layoff that occurs within the 60 days after the closing

B. The buyer for every layoff that occurs within 90 days before or after the closing date

C. The seller for any layoff the purchase agreement contemplates, regardless of its timing

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

246. During an acquisition integration, the CEO asks why the CHRO insists on finishing top-team selection within 60 days of closing. Which reason BEST supports the urgency?

A. Speed matters mostly for morale, since synergy value comes from systems, not from people

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

C. Retention agreements in most deals expire 60 days after closing, forcing quick decisions

D. Securities rules require the new leadership team to be disclosed within 60 days of closing

247. A plan sponsor adds automatic enrollment and invests the accounts of participants who make no election in a target-date fund that meets the Department of Labor's QDIA rules. What protection does the QDIA regulation give plan fiduciaries?

A. Relief from liability only if each participant signs a written acknowledgment accepting the default fund before investing

B. Relief from any notice duty, because defaulted participants are treated as having made their own investment choice

C. Full release from fiduciary liability for defaulted assets, including liability for the choice of which fund is the default

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

248. A multinational is setting next year's salary increase budget. Inflation is about 2% in one country where it operates and 15% in another, and pay markets are moving at different rates in each. What is the CHRO's BEST approach?

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

B. Use the headquarters country's budget as the global standard, since corporate pay policy should be the anchor for all.

C. Set each country's budget equal to its inflation rate, so that employees in every country keep their purchasing power.

D. Apply one global budget of 4% in every country, so employees across the company are treated consistently and fairly.

249. Nadler and Tushman describe the 'charismatic' side of leading large-scale transformation as a set of three behaviors. Which set is it?

A. Unfreezing, moving and refreezing

B. Structuring, controlling and rewarding

C. Envisioning, energizing and enabling

D. Modeling, coaching and delegating

250. During an annual strategy review, a CHRO observes the executive team discussing a major acquisition. Which observation is the STRONGEST sign of groupthink?

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

B. Members ask for an outside valuation before agreeing on the acquisition price

C. The CEO asks each member to state concerns before the group discusses options

D. Members debate sharply for several meetings but then commit to a decision after a recorded vote

251. A CEO asks the CHRO why the company's talent strategy aims to fill most senior roles through internal promotion. Which research-based argument BEST supports the strategy?

A. External hires usually outperform internal hires in their first two years because they bring new ideas.

B. Internal hires usually get larger pay increases than external hires who are placed in the same role.

C. External hires tend to stay longer, since they chose the company after weighing several competing offers.

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

252. A company compares employees who volunteered for its leadership program with employees who did not and finds that volunteers were promoted twice as often. Why does this comparison likely overstate the program's enterprise-wide impact?

A. Promotion rates should be compared using medians, because means exaggerate gaps.

B. The nonvolunteer group is larger, which mathematically lowers its promotion rate.

C. Volunteers may already differ in motivation and ability from employees who opted out.

D. Promotions are a lagging indicator, so the comparison understates the program effect.

253. Gelfand's tightness-looseness framework distinguishes cultures by which characteristic, and what does it imply for global HR policy?

A. The degree of hierarchy in society; tight cultures accept unequal power, so policies should be issued by top leaders only.

B. The closeness of family ties; tight cultures stress group loyalty, so policies should mainly reward team results.

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

D. The amount of economic regulation; tight cultures have more labor laws, so policies should focus on compliance.

254. A global engineering firm launched an expert-sharing platform, but few senior engineers contribute. Interviews show that engineers are rewarded based solely on their own billable hours and see sharing as giving away their advantage. What is the BEST action for the CHRO?

A. Require each engineer to post a set number of articles and case summaries to the platform each quarter.

B. Pay engineers a cash bonus for each document they upload to the platform during the year.

C. Replace the platform with a newer tool that has features designed to make sharing easier.

D. Make knowledge sharing and helping others part of engineers' performance and promotion criteria.

255. How does pass-through pricing differ from spread pricing in a pharmacy benefit manager contract?

A. Pass-through lets the PBM keep the difference; spread pricing bills the plan what the pharmacy is paid.

B. Pass-through applies only to specialty drugs; spread pricing applies only to generic drug prescriptions.

C. Pass-through ends all PBM fees for the plan; spread pricing adds rebates directly to employee accounts.

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

256. An industrial firm acquires a fast-growing software company. The deal's value depends on combining the software with the acquirer's equipment, but the software company's culture and speed must be protected or its key engineers will leave. Under Haspeslagh and Jemison's framework, which integration approach fits BEST?

A. Preservation

B. Holding

C. Symbiosis

D. Absorption

257. News reports reveal that a sanitation contractor used by one of the company's meat-processing suppliers had minors cleaning the plant on night shifts. The board asks the CHRO to recommend the company's response. What is the BEST recommendation?

A. End the supplier relationship at once and issue a statement that the company had no knowledge of the practice.

B. Wait until the DOL finishes its investigation, to avoid any appearance of interfering with the agency.

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

D. Accept the supplier's new written certification that it and its contractors now follow child labor laws.

258. During a systemic investigation, the EEOC issues a subpoena for company-wide hiring data, and the general counsel asks whether it can be resisted as too broad. Which statement is MOST accurate?

A. The EEOC may seek company-wide data only after it has found reasonable cause to believe bias occurred

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

C. The EEOC may request only data from the facility named in the charge, so the request can be refused

D. Subpoenas are advisory, and the company may decline them without facing any court enforcement

259. A CHRO is building an enterprise inclusion scorecard for the executive team. Which set of categories gives the MOST balanced view?

A. Training completion, event attendance and employee resource group membership counts

B. Representation at hire, representation at exit and EEO-1 job category totals

C. Representation, fairness of talent processes and employees' experience of inclusion

D. Employer brand ratings, media mentions and external diversity awards received

260. Presenting a proposal for a major investment in employee well-being, a CHRO tells the board that it is a chance to live up to the board's stated ambition of being the company people are proudest to work for. Which Yukl influence tactic is she using?

A. Ingratiation

B. Personal appeal to loyalty

C. Rational persuasion

D. Inspirational appeal

261. The COO avoids difficult decisions, causing delays across operations, and the CEO tolerates the pattern because of a long friendship. The CHRO believes coaching would help but the CEO resists. What is the CHRO's BEST influence approach?

A. Wait until the next annual review cycle so that the issue can be addressed through the normal process.

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

C. Raise the COO's performance with the board so that it can direct the CEO to take corrective action.

D. Arrange coaching for the COO directly without involving the CEO, since the CHRO controls the leadership development budget.

262. Why can an inclusion survey of current employees overstate how inclusive an organization is?

A. Surveys measure only representation, not employees' day-to-day experience at work.

B. Current employees tend to rate survey items lower than former employees would have rated the same items.

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

D. Anonymous surveys lead employees to exaggerate negative experiences they have had.

263. A software company of 6,000 employees lets each business unit decide on counteroffers. An HR analytics review finds that 55% of employees who accepted a counteroffer left within 18 months, and the practice has triggered pay-equity complaints from peers. The CEO asks the CHRO to recommend an enterprise position. What is the BEST recommendation?

A. Allow business units to keep matching outside offers but require HR to document the reason for each counteroffer.

B. Ban counteroffers for every role and level, and treat any resignation as final once the employee has given notice.

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

D. Let managers match outside offers only for top-rated employees, using each unit's own retention budget to fund it.

264. At a 4,000-employee company, health plan costs have grown faster than revenue for five straight years, and the CFO projects benefits will exceed 15% of payroll within three years. The company competes for talent in tight markets. What long-term strategy should the CHRO pursue?

A. Drop group coverage and give employees a stipend to buy coverage, since this caps the company's cost at a fixed amount.

B. Shift a larger share of premiums to employees each year, since cost sharing is the most direct way to hold employer costs flat.

C. Rebid the medical plan each year and choose the lowest quote, since vendor competition is the main driver of lower premiums.

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

265. A company recruiting remote employees nationwide is choosing between location-based pay and a single national pay rate for each role. What is the MAIN trade-off?

A. Location-based pay attracts more candidates, while national pay works only in high-cost cities.

B. Location-based pay is required by federal law, while national pay is allowed only for exempt roles.

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

D. Location-based pay removes pay equity concerns, while national pay creates pay compression issues.

266. An HR team reports that sales productivity rose 9% in the six months after a new coaching program launched. The CHRO wants stronger evidence before scaling the program enterprise-wide. Why would a pilot with a randomly assigned control group provide better evidence than this before-and-after comparison?

A. It removes the need for statistical testing, because the two groups can be compared directly.

B. It yields a larger measured effect, because participants know they are being compared with other people.

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

D. It produces results faster, because the control group does not need to be trained or measured.

267. The people analytics team at a 20,000-employee company reports that age is one of the strongest predictors in its new attrition model, which managers will use to target retention offers and development opportunities. Removing age lowers the model's accuracy only slightly. What is the CHRO's BEST decision?

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

B. Keep age in the model because it is predictive, but hide the variable from the managers who see the risk scores and offers.

C. Keep age only for employees under 40, since the ADEA protects only workers who are 40 and older.

D. Drop the model entirely and return to manager judgment, since any predictive model creates legal risk.

268. When negotiating service level agreements with a recruiting vendor, which set of terms BEST protects hiring quality rather than only speed?

A. Time to submit candidates, time to fill, and the number of qualified candidates presented per opening

B. Quality of hire, diversity of candidate slates, and candidate experience ratings, along with speed

C. Number of requisitions handled per recruiter and the number of interviews scheduled per week

D. Cost per hire, the fee percentage per placement, and the length of the replacement guarantee

269. A company now fills 35% of its operational roles with contractors supplied by staffing firms to reduce costs. Which ethical risk should the CHRO raise with the executive team?

A. Misclassified workers, unequal treatment of similar work and weaker oversight of contractor safety

B. Contractors gaining automatic rights to the company's benefits plans once they have worked for a full year

C. Contractors outperforming employees and reducing the morale of the company's permanent staff

D. Staffing firms being unable to fill roles quickly enough to meet the company's seasonal demand

270. An employee has sued for retaliation, and counsel asks HR to identify electronically stored information (ESI) that may be subject to discovery. Which items are MOST likely to be discoverable ESI?

A. Only electronic records that were later printed and signed by a manager

B. Collaboration chat messages, texts on company phones and HRIS audit logs

C. Only the records that the employee personally created, sent or received

D. Only the formal emails and documents filed in the employee's personnel file

271. A company's price-earnings (P/E) ratio is well above its industry average. The CEO asks the CHRO what this implies for the talent strategy. What does a high P/E most likely signal?

A. Investors see the stock as undervalued, which signals a cost-cutting mandate

B. Investors view the firm's heavy debt as risky and demand a higher return

C. Investors expect strong earnings growth, raising the stakes on growth talent

D. Investors expect earnings to fall soon, so headcount should be reduced now

272. At a 9,000-employee manufacturer, the executive team sets annual growth targets each October, and HR is briefed only in December. Each year several targets prove unachievable because the required talent cannot be hired or developed in time. The CEO says she values HR's view but the planning calendar is already full. What is the BEST action for the CHRO?

A. Raise the exclusion of HR from strategic planning with the board's compensation committee

B. Propose a workforce feasibility review of each strategic option before targets are set

C. Send executives a quarterly labor market report so they can weigh talent trends themselves

D. Ask to receive the approved targets earlier so HR has more time to build its hiring plans

273. A CEO wants to build a culture of customer focus and has launched a values campaign with posters and town halls. According to Schein, which leadership action would send the STRONGEST signal of the new priority?

A. Routinely measuring, asking about and rewarding customer outcomes in operating meetings

B. Redesigning the lobby and website to feature customer stories and product testimonials

C. Adding a customer focus module to new-hire orientation and the employee handbook

D. Publishing a new statement of company values that puts customer focus first among the list

274. A company encourages senior leaders to serve on nonprofit boards or take short external assignments with partner organizations. What is the main development value of these experiences?

A. They expose leaders to new contexts and governance perspectives that broaden strategic judgment.

B. They replace the need for feedback, coaching and other development within the company itself.

C. They provide formal credentials that qualify leaders for promotion to the executive committee on their return.

D. They mainly serve as a reward for top performers and do not add meaningful developmental value.

275. A US company's sales director moves abroad and works remotely from that country. How could this create permanent establishment risk for the company?

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

B. If the director is paid through US payroll, the company must pay double social security taxes

C. If the director earns more than the local average wage, the company must register as a local employer

D. If the director stays more than 30 days, the company automatically becomes a local tax resident

276. The board wants a succession metric that shows how well successors perform after taking new roles, not just how many successors are named. Which metric BEST fits?

A. Percentage of critical roles with at least one ready-now successor named

B. Average number of named successors per critical role in the current plan

C. Percentage of successors rated successful a year or more after placement

D. Percentage of leadership vacancies filled by people on the succession slate

277. The CEO mandates zero-based budgeting for every function next year. HR's budget has grown 3% to 5% a year for a decade with few line items ever questioned. How should the CHRO approach HR's budget?

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

B. Ask each HR team to defend its current budget, since HR team leaders know best which of their activities must continue.

C. Start from last year's HR budget and justify only the proposed increase, since the base reflects costs the company already approved.

D. Cut every HR line item by the same percentage, since this shows the CEO that HR is fully supporting the savings goal.

278. A multinational with operations in 22 countries finds that regional training varies widely in quality and that leadership programs teach conflicting models. Regional leaders value their ability to respond quickly to local needs. Which L&D structure BEST addresses both concerns?

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

B. An outsourced model in which one global vendor designs and delivers all training under one contract.

C. A fully centralized model in which headquarters designs and delivers every program in every region.

D. A fully decentralized model in which each region keeps its own budget, content and delivery choices.

279. The CEO champions collaboration in every speech but publicly praises and rewards individual 'heroes' who bypass their teams. Employees have noticed the mixed message. How should the CHRO influence the CEO?

A. Privately share evidence of the mixed message and suggest specific recognition changes

B. Report the inconsistency to the board's compensation committee for action

C. Raise the issue at the next executive team meeting so that peers can hold the CEO accountable for it

D. Launch a collaboration award program without raising the issue with the CEO

280. In June, after two quarters of losses, the CFO of a company with a safe harbor 401(k) match asks HR to stop the match at the next payroll to save cash. The annual safe harbor notice did not say the match could be suspended. What should the CHRO advise?

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.

B. Stop the match and recover the contributions already made this year, since the plan's safe harbor status will be lost anyway.

C. Stop the match at the next payroll, since an employer may change its matching formula at any time whenever business conditions require.

D. Keep the match until year-end, since a safe harbor match can be suspended only if the annual notice reserved that right.

281. A CHRO wants an employee relations metric that serves as a leading indicator of future litigation exposure. Which metric is MOST useful for this purpose?

A. Total number of employees completing annual compliance and conduct training

B. Overall hotline contact volume compared with the same period of the prior year

C. Growth in retaliation complaints from employees who had previously raised concerns

D. Average employee engagement score across all business units for the most recent year

282. A large financial services firm acquires a smaller company whose strong purpose-driven identity is a key reason its high performers joined. Leaders of the acquired company fear their mission will disappear. What is the CHRO's BEST approach to the combined vision?

A. Leave both missions unchanged and run the firms as separate cultures indefinitely

B. Survey acquired employees and adopt whichever mission statement scores higher

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

D. Replace the acquired firm's purpose with the parent's vision on day one for clarity and speed

283. A hotel group's strategy is to compete on guest loyalty. The CHRO is building an HR scorecard for the board and wants to show how people measures drive business results. Which approach BEST accomplishes this?

A. Map causal links from workforce measures to guest loyalty and then to revenue.

B. Report HR efficiency measures, such as cost per hire and average time to fill.

C. Track HR program activity, such as the number of training hours delivered.

D. Benchmark each HR metric against the industry averages for hotel companies.

284. A company will make 40 sales hires this year. A new onboarding program will cut ramp time to full productivity from 6 months to 4 months. Full productivity is $25,000 in monthly sales, and new hires average 50% of full productivity during ramp. How much added sales should the program produce for this group?

A. $1.0 million

B. $0.5 million

C. $2.0 million

D. $3.0 million

285. A hospital's chief nursing officer wants to issue written discipline for every medication error, citing patient safety. The CHRO is asked to weigh in using just culture principles. What should the CHRO recommend?

A. Remove all discipline for medication errors so that nurses feel safe reporting every mistake they make.

B. Discipline only errors that actually harm a patient, regardless of whether the nurse's conduct was reckless or not.

C. Discipline every medication error equally so that nurses understand that patient safety is not negotiable.

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

286. A company's arbitration agreement bars class actions and requires the employer to pay all arbitration filing and administrative fees. Plaintiffs' firms then file 4,000 individual arbitration demands at once. What strategic exposure does this create?

A. Shift of all fee obligations to the claimants once filings pass a set threshold

B. Loss of the right to arbitrate because the demands exceed the provider's capacity

C. Automatic conversion of the demands into a single class arbitration proceeding

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

287. Which set of features defines a true assessment center for selecting or developing leaders?

A. Raters from all levels, anonymous feedback, and an individual action plan

B. Multiple exercises, multiple trained assessors, and job-related dimensions

C. A single in-depth interview, a personality inventory, and reference checks

D. A cognitive ability test, a work sample, and a final interview by the CEO

288. A global HR system rollout led by an outside integrator is nine months behind schedule and 40% over budget, and the integrator is requesting a large change order to continue. Business leaders are losing confidence in the project. What should the CHRO recommend to the executive sponsor FIRST?

A. Cut the remaining scope to core modules so the project can go live within the original approved budget.

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

C. Terminate the integrator for nonperformance and bring the remaining implementation work in-house right away.

D. Approve the change order to avoid further delay, since switching integrators midstream would add even more cost.

289. A CHRO is redesigning the company's leadership development architecture around the leadership pipeline model. According to that model, what MOST distinguishes one leadership level from the next?

A. Each passage builds on the same technical expertise, so the best individual performers move up fastest.

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

C. Each passage mainly adds a larger budget and headcount while the core leadership skills stay the same.

D. Each passage is defined by years of tenure, so readiness depends chiefly on time spent at the prior level.

290. The CFO is skeptical of a proposed $2 million HCM system replacement. What is the CHRO's BEST approach to building the case?

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

B. Present strong support from HR leaders and employees who are frustrated with the current system

C. Ask the vendor to prepare an ROI analysis that the CFO can review independently of HR

D. Emphasize that the current system is outdated and that most competitors have already upgraded

291. An employee files a detailed complaint alleging that the CEO pressured her into a sexual relationship and later blocked her promotion. The CHRO, who reports directly to the CEO, receives the complaint. The company has an independent board with an audit committee. What should the CHRO do FIRST?

A. Open a confidential HR investigation right away and brief the board once the facts have been established.

B. Inform the CEO of the allegation and ask him to step back from personnel decisions while HR investigates.

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

D. Refer the complaint to the general counsel to lead the investigation, since attorney-client privilege must be protected.

292. A global company is designing a new manager development program to be used in 30 countries. Leaders want shared expectations for every manager, but regional HR leaders warn that topics such as giving feedback and labor relations work very differently across their countries. What design approach is BEST?

A. Design one standard program for all countries so that every manager receives exactly the same content.

B. Let each country design its own program from scratch using a shared list of leadership competencies.

C. Use the headquarters program everywhere and translate it, adding local examples to the case studies.

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

293. A plant manager wants to postpone a scheduled repair of a broken machine guard for two weeks so the line can finish a large customer order. What should the VP of HR advise?

A. Run the machine with a worker assigned to watch the point of operation until the repair is done.

B. Postpone the repair but limit use of the machine to the most experienced operators in the plant.

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

D. Run the machine as long as the operators sign a risk acknowledgment at the start of each shift.

294. A plan sponsor finds two problems: its 401(k) plan did not follow its own eligibility terms, and plan fiduciaries let payroll hold participant contributions too long. Which programs are designed to correct these failures?

A. DOL DFVCP for both failures, since both involve errors in fiduciary reporting

B. IRS EPCRS for both failures, since both affect the plan's tax-qualified status

C. DOL VFCP for the eligibility failure and IRS EPCRS for the late contributions

D. IRS EPCRS for the eligibility failure and DOL VFCP for the late contributions

295. After a restructuring, survey scores dropped sharply. The CEO says the results are biased by the restructuring and should be ignored. How should the CHRO influence the CEO?

A. Escalate to the board, since the CEO's refusal to act on data is a governance issue that directors should handle.

B. Agree to set the results aside this year and plan to repeat the survey once the effects of the restructuring have fully passed.

C. Recommend hiring an outside consultant to repeat the survey so the CEO receives results from an independent source.

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

296. After a new rotating schedule policy is announced at a 4,000-employee manufacturer, more than 300 hourly, nonunion employees sign a petition asking leadership to reverse it. Several plant managers want to know who organized the petition. What should the CHRO advise?

A. Identify the organizers so leadership can meet with them directly as employee representatives and negotiate a compromise schedule.

B. Keep the policy as announced and remind employees that scheduling is a management right, since nonunion employees lack bargaining rights.

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

D. Have each supervisor meet privately with the signers on their own crew to learn their individual reasons and whether anyone pressured them to sign.

297. A company moved to a global matrix in which managers report to both a country head and a global function head. Managers from cultures that expect a single clear boss say they do not know whose direction to follow, and decisions are stalling. What should the CHRO do?

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

B. Have managers send every conflicting decision to the CEO's office so that it is resolved centrally

C. Tell managers to follow whichever leader is more senior when the two lines give different directions

D. Return to a country-based structure so that every manager has only one boss in the future

298. A federal court has vacated part of the EEOC's PWFA regulations, and the agency has signaled that it may revise other parts. A CHRO must decide how the company's 40-state accommodation program should respond. Which approach is MOST defensible?

A. Drop any accommodation not spelled out word for word in the statute until courts settle the issue

B. Follow the original regulation in full in every state, treating the court ruling as nonbinding

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

D. Suspend the program's PWFA procedures until the EEOC finishes revising the entire regulation

299. A CEO wants to adopt the signature HR practices of a famous technology company, such as unlimited vacation and peer-based pay decisions. What is the MAIN reason such transplanted practices often fail?

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

B. Such practices are effective only in companies with more than 10,000 employees

C. Famous companies' practices are protected as trade secrets and cannot be copied exactly

D. Employees resist any practice that began at a competitor or in a different industry

300. When choosing a country for a regional HR shared services center, which set of factors should carry the MOST weight?

A. Corporate tax rate, distance from headquarters and executive preferences

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

C. Labor cost alone, since service centers are judged mainly on efficiency

D. The country where the largest share of the company's current workforce is located

301. A CEO wants to eliminate performance ratings because he believes they demotivate employees. What trade-off should the CHRO stress MOST before the change is made?

A. Without ratings, merit budgets must be split equally among all employees, which erodes the link between pay and results.

B. Ratingless systems work only in small firms, so the company would need to keep ratings for most of its larger divisions.

C. Removing ratings generally violates federal recordkeeping rules, so the company would need to keep numerical ratings on file for compliance.

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

302. Leadership wants to use an AI tool that summarizes open-text survey comments and flags individual employees whose comments seem negative. What governance requirement should the CHRO set?

A. Allow flagging as long as employees are told after the survey closes that their comments were analyzed by AI.

B. Allow individual flagging if the tool's accuracy exceeds 90%, which keeps the risk of misidentifying employees low.

C. Allow flagging only for comments from managers, since leaders have a lower expectation of confidentiality in employee surveys.

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

303. In designing an enterprise dispute resolution system, why do Ury, Brett and Goldberg recommend that most disputes be resolved by reconciling interests rather than by determining rights or exercising power?

A. Rights-based processes are rarely available to employees in nonunion organizations

B. Power-based contests are prohibited by most federal employment statutes

C. Interest-based resolution produces outcomes that are easier to enforce in court if a party later breaches

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

304. A company plans to award site managers a bonus for each quarter with zero recordable injuries. What is the main risk of this design?

A. It can increase workers' compensation premiums by rewarding managers for faster claim filing.

B. It can conflict with FLSA overtime rules because the bonuses must be included in regular pay.

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

D. It can trigger separate OSHA reporting duties for the bonus payments made to the site managers each year.

305. A CHRO preparing an anti-corruption training module for a global workforce wants to explain why many countries, not only the United States, prosecute bribery abroad. What is the main purpose of the OECD Anti-Bribery Convention?

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

B. To ban facilitation payments and political donations made by multinationals in signatory countries

C. To set uniform penalties for commercial bribery between private companies in all of the signatory countries

D. To create an international court that prosecutes companies for bribery across national borders

306. The CEO of a tech company wants all employees back in the office five days a week. Most staff have worked hybrid for four years, and 30% of recent hires live more than 50 miles from an office. What should the CHRO do to inform the decision?

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

B. Implement the mandate as directed and track results for a year, since actual outcomes will show whether it was the right call.

C. Survey employees and recommend the option the majority prefers, since policies with broad support are easier to enforce.

D. Benchmark the office policies of five peer companies and recommend the most common approach as the market standard.

307. The CFO asks whether the $30 million the company spends each year on international assignments delivers value. Assignment goals are rarely documented, and costs are tracked only as country totals. What should the head of global mobility do FIRST?

A. Survey current assignees about their satisfaction with the mobility program.

B. Benchmark the program's total spending against peer companies' budgets.

C. Set documented goals and track full costs and outcomes for each assignment.

D. Cut the mobility budget by a set percentage to show the CFO cost discipline.

308. A CHRO uses appreciative inquiry to guide a culture renewal effort. In which order are the phases of the 4-D cycle carried out?

A. Discover, Design, Dream, Destiny

B. Dream, Discover, Design, Destiny

C. Define, Discover, Dream, Design

D. Discover, Dream, Design, Destiny

309. A CHRO is considering analytics on collaboration-tool metadata, such as meeting load and after-hours email, across operations in Germany, France and the United States. What should the CHRO do BEFORE launching?

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

B. Launch in the United States first, since US law bars any employee challenge to employer monitoring of its own systems.

C. Collect each employee's consent by email, since consent is the preferred legal basis for processing employee data.

D. Launch everywhere with anonymized data, since anonymized metadata falls outside both the GDPR and works council rights.

310. A company-wide operating model change is stalling across all regions. Senior leaders support it, and frontline employees have received communications, but middle managers are not changing their routines and some are signaling doubts to their teams. What is the CHRO's BEST strategy?

A. Replace the managers who are most resistant to show the organization that the change is not optional.

B. Increase communication from senior leaders directly to frontline employees, bypassing the middle managers entirely.

C. Link a significant portion of managers' bonuses to change milestones to ensure they comply with it.

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

311. In the same fiscal year, a company plans to launch a new HCM system, reorganize its operations function and replace its expense system. Engagement survey comments already mention change fatigue, and frontline supervisors would be affected by all three. What is the CHRO's BEST response?

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

B. Delay the HCM launch indefinitely, since HR controls only its own project's timeline and scope.

C. Proceed with all three on schedule and add resilience training for supervisors and their teams.

D. Combine all three launches on a single go-live date so that employees face only one period of disruption.

312. To cut costs, an executive team plans to widen average spans of control from 6 to 12 direct reports. Why should the CHRO insist that the plan also change manager selection, tools, and decision rights?

A. Wider spans shift coaching to HR partners, so managers need fewer people skills

B. Wider spans add layers of hierarchy, so decision rights need to be moved upward

C. Wider spans raise engagement on their own, so managers need fewer development tools

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

313. An executive assessment uses the Hogan Development Survey to identify tendencies, such as arrogance or excessive caution, that tend to emerge under stress or pressure and can undermine a leader's effectiveness. What are these tendencies called?

A. Dark-side traits

B. Inside motives and values

C. Bright-side traits

D. Emotional intelligence gaps

314. An executive team asks why the CHRO insists on publicizing the specific actions taken after each engagement survey. Which explanation BEST reflects research on employee listening?

A. Visible action reduces the need to survey employees as often in the years that follow.

B. Publicizing actions lets leaders show employees that the overall survey results were positive.

C. Announcing actions replaces the need to share the actual survey results with employees.

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

315. Several division heads want to delay an enterprise-wide pay equity correction that a validated analysis shows is needed to address significant unexplained pay gaps. The CHRO has tried to find a compromise without success. When is it appropriate for her to use the competing mode with her peers?

A. When she lacks full information and needs her peers' expertise to refine the analysis further

B. When maintaining good working relationships with the division heads matters more to her than the issue at hand

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

D. When the issue is relatively minor and other priorities deserve more of her time and attention

316. A video of an employee making offensive remarks to a customer goes viral, and the company activates its crisis communications plan. Which component should HR own?

A. Investigating the conduct and deciding the employment action consistent with policy and law

B. Responding directly to individual commenters on social media who demand the employee's firing

C. Deciding whether the company's share price warrants a disclosure to investors or regulators

D. Drafting and issuing the company's public statement to the media and on social channels

317. Six months after the CEO introduced a matrix structure, two senior vice presidents still route decisions through their old functional chains and skip joint planning meetings. Neither has objected openly. How should the CHRO advise the CEO?

A. Raise the issue at the next executive team meeting so peers can press the two SVPs to cooperate in public.

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

C. Begin succession planning to replace both SVPs, since passive resistance at that level rarely changes over time.

D. Wait another quarter, because senior leaders usually adapt to new structures once the early confusion passes.

318. The executive team of a fast-growing company needs to strengthen its skills in enterprise strategy and leading through scale, but members have skipped classroom sessions in the past, calling them too generic. What development approach is MOST likely to succeed?

A. Provide a library of e-learning modules on strategy that executives can complete at their own pace.

B. Make attendance at a classroom program mandatory and have the CEO open each session personally.

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

D. Shorten the classroom sessions to two hours and hold them before the start of the business day.

319. Only 35% of employees agree that they understand where the company is headed, even though the CEO sends quarterly strategy emails. Strategy understanding is lowest among frontline staff. What communication strategy should the CHRO recommend?

A. Post the full strategic plan on the intranet so employees can read the complete details at their own pace.

B. Increase the CEO's strategy emails to a monthly schedule so the message reaches employees more often and more consistently throughout the year.

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

D. Add a strategy quiz to the learning system and require all employees to complete it by the end of the quarter.

320. In a three-pillar HR operating model, which group typically designs enterprise-wide programs such as global leadership development?

A. Centers of excellence staffed with functional specialists

B. Regional HR generalists who report to country managers

C. Shared services centers that handle transactional HR work for employees

D. HR business partners aligned to each business unit

321. A university affiliated with a church asks which employees fall within the ministerial exception. Under Hosanna-Tabor and Our Lady of Guadalupe School, what is the key factor?

A. Whether the employee holds the formal title of minister and has religious training

B. Whether more than half of the employee's working time is spent on religious duties

C. Whether the employee performs key religious functions, such as teaching the faith

D. Whether the employee is a member of the religion that sponsors the institution

322. A company's board formally adopts a stakeholder capitalism approach rather than a strict shareholder-primacy view. What is the MOST direct implication for HR strategy?

A. HR metrics are removed from executive scorecards so leaders can focus on customer and community goals.

B. HR investments must be justified only by their short-term effect on earnings per share and stock price.

C. Employees gain a legal right to approve or veto major strategic decisions, such as plant closures, relocations, and mergers.

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

323. At a 6,000-employee company, department heads have delayed or denied reasonable accommodation requests, and some admit they worry the costs will hurt their budget results. Hiring managers have also hesitated to hire applicants who disclose disabilities. What structural change should the CHRO propose?

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

B. Set an annual cap per department for accommodations so department heads can plan for the expense.

C. Require department heads to complete ADA training before they approve or deny any accommodation request.

D. Give department heads a budget credit for each accommodation so the cost is partly offset.

324. Facing a 10% reduction in force across 3,000 employees, the CFO proposes letting an AI model rank everyone and selecting the lowest-ranked employees, saying it will be fast and objective. What is the CHRO's BEST response?

A. Support the model but keep its role confidential, so employees are less likely to challenge the selection results

B. Support the model, since an algorithm removes manager bias and makes the selection decisions objective and legally defensible

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

D. Reject any use of data in the selection and let each manager choose whom to release from their own unit

325. The DOL's Wage and Hour Division opens an investigation at one of a company's 14 distribution centers. All centers use the same timekeeping system and rounding rules. How should the CHRO coordinate the enterprise response?

A. Limit activity to the site under investigation, since reviewing other sites could create documentary evidence of willfulness.

B. Ask WHD to expand its investigation to all 14 sites so that every issue can be resolved at once.

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

D. Change the practices at all sites now and mail back-pay checks to employees before WHD finishes its work.

326. A CHRO finds that the succession planning tool labels many senior managers as 'retirement risk' based only on age, and those managers are rarely listed as successors for bigger roles. Which principle should guide the revision?

A. Ask each employee over 55 to commit in writing to a retirement date so that succession planning is based on facts.

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

C. Keep the label, since planning for retirements is a legitimate business need that the ADEA recognizes.

D. Keep the label but remove it from records that managers can see, so it does not shape their decisions.

327. A retailer's board is choosing a new CEO as the company shifts from store operations to an e-commerce-led model. The internal front-runner is a respected operations leader with no digital experience. What should the CHRO advise the board to do?

A. Choose an external digital leader, because a strategic shift of this size requires an outsider to drive it.

B. Appoint the internal candidate and hire a chief digital officer to fill the gap in e-commerce skills.

C. Choose the internal candidate, because insiders generally outperform outsiders as CEO in most studies.

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

328. Which combination of contract terms BEST allocates enterprise risk in a five-year agreement for an AI hiring platform?

A. A broad license letting the vendor use applicant data to train its models for all of its clients.

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

C. A fixed five-year price, unlimited user licenses and automatic renewal at the end of the initial contract term.

D. Broad vendor indemnity for all claims, which replaces the need for the employer's own bias audits.

329. An HR executive proposes using the Delphi technique to forecast skill needs under several uncertain technology scenarios. The CEO needs a recommendation on a major workforce investment within two weeks. What is the main limitation of Delphi in this situation?

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

B. It produces only quantitative trend projections, so it cannot handle uncertain or qualitative scenarios

C. It relies on face-to-face group discussion, which allows senior or vocal experts to dominate the resulting forecast

D. It requires a large random sample of employees, which is costly to gather on short notice from units

330. An executive team is debating whether to centralize HR at corporate headquarters or decentralize it to the business units. Which statement BEST describes the core trade-off?

A. Centralizing improves responsiveness to local needs but tends to raise compliance risk and cost

B. Decentralizing improves policy consistency because each unit can design the rules that suit its staff

C. Decentralizing lowers total HR cost because business units stop duplicating corporate overhead

D. Centralizing improves consistency and scale efficiency but can reduce responsiveness to local needs

331. Armed conflict breaks out suddenly in a country where a company has 40 expatriate and local employees, and airports may close within days. The company has a travel-security provider under contract. What should the CHRO direct FIRST?

A. Suspend operations and place in-country staff on unpaid leave pending review

B. Ask each employee to decide whether to stay and to arrange their own travel

C. Send a written reminder of the travel policy and wait for official instructions from the embassy

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

332. A company's sales engineers now build proposals with a generative AI system that drafts most of the content, and output per engineer has doubled. Leaders want to update the incentive plan. Which design principle BEST fits this jointly produced work?

A. Move all incentive pay to company profit sharing, since individual contributions can no longer be seen.

B. Cut incentive targets in half, since the AI system rather than the employee now produces most of the value in each proposal.

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

D. Keep paying on proposal volume, since output per engineer remains the clearest measure of productivity.

333. After a 10,000-employee insurer announces a return-to-office requirement, ADA accommodation requests to work remotely rise 400%, and managers are deciding them inconsistently. What should the CHRO do?

A. Approve all pending remote-work requests to avoid ADA claims, then revisit each one after the return-to-office transition is complete.

B. Issue a blanket rule that remote work is not a reasonable accommodation under the new policy, so managers can decide requests faster.

C. Let each manager decide requests for their own team, since they best understand job duties, and require HR to review only the denials.

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

334. A company is outsourcing its IT help desk, and 60 employees will move to the vendor while 200 other IT staff remain. Rumors suggest more outsourcing is coming. What should the CHRO's communication plan include?

A. A vendor-led briefing so the vendor can explain its terms to all IT employees

B. One all-IT announcement so that everyone hears the same message at the same time

C. Tailored messages for transferring and remaining staff, with honest answers on scope

D. Messages to transferring staff only, since remaining staff are not directly affected

335. A heavily unionized electric utility plans to acquire a nonunion field services contractor and fold its crews into utility operations. What should drive workforce planning for the integration?

A. Assuming the contractor's crews stay nonunion since they were never organized

B. Moving all union workers into the contractor's lower-cost pay structure

C. Delaying any review of the labor agreements until after the deal closes

D. Assessing CBA work-jurisdiction terms and the risk of accretion to the unit

336. An anonymous hotline report alleges that a public company's CEO pressured subordinates to falsify sales results and made sexual advances toward an employee. Which body should oversee the investigation?

A. The executive leadership team, which knows the CEO's conduct and the business best of all

B. The chief human resources officer, working with the employee relations team on fact-finding

C. A committee of independent directors that retains outside counsel reporting directly to it

D. The general counsel, who reports to the CEO and can assign the company's in-house lawyers

337. The board's compensation committee asks the CHRO about the risk that a few individuals hold critical knowledge for key products. Which response BEST addresses this risk?

A. Increase the base salaries of the key individuals so that they are less likely to leave

B. Document the key individuals' work processes in a central repository and close the issue

C. Require the key individuals to sign noncompete agreements as a condition of their next bonus

D. Map critical knowledge, build successors and knowledge transfer, and retain key people

338. A CHRO has budget to fund two of five proposed HR AI projects. Each sponsor has submitted an enthusiastic estimate of benefits. How should the CHRO decide?

A. Fund the two lowest-cost proposals so the budget can stretch to cover more projects later in the year.

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

C. Fund the proposals from the most senior sponsors, since their backing will help the projects succeed.

D. Fund the two proposals with the largest estimated savings, since sponsors know their own processes and costs best.

339. A private equity sponsor tells the HR leader of a portfolio company to move the company's 401(k) and health plan administration to a sister company the sponsor also owns. The sister company's fees are 25% higher than the current vendor's, with no service improvement. Plan fees are paid partly from plan assets. What should the HR leader do?

A. Refuse the switch and notify plan participants in writing of the sponsor's request and the higher fees

B. Make the switch as directed, since the sponsor controls the board and sets the strategy for all of its portfolio companies

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

D. Negotiate a slightly lower price with the sister company and then make the switch without further review

340. A nonprofit board approves a plan to open six new community service sites within 18 months. The CHRO's analysis shows current staff and volunteers can support about two additional sites, and the local hiring market is tight. What is the CHRO's BEST advice to the board?

A. Recommend that the board cancel the expansion until staffing levels fully recover

B. Present the capacity data and propose phasing the expansion with a staffing plan

C. Support the plan and ask current staff and volunteers to cover the new sites temporarily

D. Advise relying on more volunteers to staff the sites, which avoids added payroll costs

341. A public company is expanding the human capital section of its annual ESG report. Which set of disclosures belongs under the social pillar of ESG?

A. Voluntary turnover, pay equity results, training hours, and injury rates

B. Scope 1 and 2 emissions, water use, and waste diverted from landfills at each site

C. Board independence, ethics hotline volume, and anti-bribery controls

D. Revenue growth, return on invested capital, and capital expenditures

342. A company adopts a global matrix in which country managers and product-line heads share authority over most employees. What leadership demand is MOST important for senior executives in this structure?

A. Resolving conflicting priorities through collaboration and shared goals rather than formal authority alone

B. Running each business unit independently so that the reporting lines do not overlap in practice

C. Avoiding open conflict between the two reporting lines so that employees receive only consistent messages from above

D. Requiring every decision to be approved by both bosses so that no single executive acts alone

343. A year after a new workforce planning tool went live, most department managers still build headcount plans in their own spreadsheets and send them to finance, which accepts them. HR has already rerun the original training twice. What is the CHRO's BEST strategy?

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

B. Run a third round of tool training with more hands-on exercises and require every manager to attend.

C. Build a macro that imports manager spreadsheets into the tool automatically at the end of each cycle.

D. Report each manager's login frequency to senior leaders every month until usage reaches the target.

344. A CHRO explains to the executive team why engagement alone has not improved productivity. Which statement BEST describes the role of employee enablement?

A. Enablement mainly refers to training programs that raise employees' skills before they become fully engaged.

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

C. Enablement measures how emotionally committed employees are to the organization and its mission and values.

D. Enablement is the stage after engagement, in which employees who are committed begin to recommend the employer to friends and peers.

345. Executives ask how USERRA claims are enforced. Which statement is accurate?

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

B. Claims must be filed with the EEOC within 300 days of the violation, just as Title VII requires.

C. VETS can investigate, but claims expire four years after the violation under federal law.

D. Employees must complete a VETS investigation before they may file suit in federal court.

346. A technology company relies on employer-sponsored work visas for about 30% of its senior engineering hires. Which consideration should MOST shape the CHRO's long-term talent strategy?

A. Sponsorship works best for urgent roles that need to be filled within just a few weeks' time.

B. Visa rules rarely change, so sponsorship can be treated as a stable, predictable long-term source of supply.

C. Sponsored workers can be paid less than domestic hires, which makes sponsorship a cost saver.

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

347. A company targets the 75th percentile of market pay for software engineers and data scientists, whom it considers critical to its strategy, and the 50th percentile for all other job families. Which approach does this reflect?

A. A lead policy, in which the company pays above the market for all jobs to attract top talent

B. A broadbanding policy, in which several grades are merged into a small number of wide bands

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

D. A lag policy, in which pay trails the market early in the year and catches up by year-end

348. The board of a cyclical industrial company asks the CHRO how the workforce would flex if a recession cut revenue by 10% to 25%. No downturn is forecast yet, but the board wants to avoid the rushed layoffs of the last cycle. What is the BEST approach?

A. Prepare a ready-to-run layoff list of 10% of staff now, so the company can act quickly once a downturn becomes clear.

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

C. Freeze all hiring now as a precaution, since slowing growth before a downturn is cheaper than cutting staff during one.

D. Benchmark how peer companies cut staff in the last recession and adopt the median reduction as the company's plan.

349. A public company's say-on-pay proposal received 62% support this year after several years above 90%. The compensation committee chair asks the CHRO for a response plan. What should the CHRO recommend FIRST?

A. Reduce the CEO's target pay for next year by enough to restore support levels, and announce the cut right away.

B. Take no action, since the vote is advisory and still passed with a clear majority of the shares that were voted on the proposal.

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

D. Meet only with the leading proxy advisory firms to change their recommendations before the next annual meeting.

350. An ERP rollout, a reorganization and a new performance management system are all set to launch in the same quarter for the same employees. Which concept BEST explains why sequencing these initiatives would protect adoption?

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

B. Unfreezing, in which people must be prepared before a new change can take hold

C. Change resistance, in which employees reject changes that conflict with their personal values and interests

D. Diffusion of innovation, in which adopters accept change at different speeds

351. The nominating committee of a mid-size company's board asks the CHRO how to broaden the slate of candidates for two open executive leadership team seats, which in the past were filled by former colleagues of current executives. What should the CHRO recommend?

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

B. Ask current executives to nominate candidates from outside their usual professional networks for the two open seats.

C. Require that at least one finalist for each seat come from a group not represented on the current team.

D. Engage the search firm the company has used for prior executive hires and ask it for a longer slate.

352. After a year of lost contracts and two rounds of job cuts, the CEO of a 2,000-employee engineering firm wants the annual strategy offsite to center on a SWOT analysis. Several executives tell the CHRO the leadership team is already demoralized and fear the session will become a long list of failures. What should the CHRO propose?

A. Postpone the strategy offsite until results improve and the leadership team's morale recovers

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

C. Run the SWOT as planned but have an outside facilitator keep the weaknesses discussion brief and focused

D. Replace the offsite with private interviews so executives can name weaknesses without blame

353. A board is choosing between two CEO candidates. One has strong financial results but a record of complaints about pressuring teams to cut corners; the other has slightly weaker results and a strong integrity record. Why should the board weigh integrity and values heavily?

A. Past financial results are unreliable predictors of future success because they mostly reflect market conditions

B. Integrity is easier to measure than results, so it gives the board a more objective basis

C. Regulators must approve the CEO's appointment and will reject candidates with any complaints

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

354. After a call center raised hourly call quotas by 20%, absences rose sharply and complaints about stress doubled. Turnover is now costing more than the productivity gained. What strategic proposal should the CHRO bring to leadership?

A. Expand the employee assistance program and offer stress-management workshops to help agents cope with the higher quotas.

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

C. Increase overtime pay to encourage remaining agents to cover the scheduling gaps until turnover stabilizes and new hires are fully trained and productive.

D. Enforce the attendance policy more strictly at the call center so absence does not become accepted as normal behavior.

355. An executive asks which business unit generates the better return on its compensation spending. Unit A has revenue of $60 million, operating expense of $50 million, and compensation of $20 million. Unit B has revenue of $90 million, operating expense of $80 million, and compensation of $40 million. Using HCROI, which unit performs better?

A. Unit A, with an HCROI of 1.50 versus 1.25 for Unit B

B. Neither, because both units earn $10 million of operating profit

C. Unit B, because its $50 million return exceeds Unit A's $30 million

D. Unit A, with an HCROI of 0.50 versus 0.25 for Unit B

356. An executive team is about to compare three structural options for a reorganization. Why should the team first agree on a set of design criteria?

A. So that each leader's current scope of authority is preserved in the new design

B. So that the chosen structure can be announced before employees hear rumors

C. So that the team can copy the structure used by the most profitable competitor

D. So that options are judged against the capabilities the strategy requires

357. A customer service unit has chronic absence, and engagement data show high workloads, little schedule control and low manager support. Which upstream intervention will most likely reduce absence?

A. Promote the employee assistance program and resilience training to everyone in the unit

B. Offer a quarterly bonus to employees who have no unplanned absences during the bonus period

C. Tighten the attendance policy so that each unplanned absence adds points sooner toward discipline

D. Redesign workload and staffing and give employees more schedule control to address burnout

358. An employer with EU operations plans to use software that automatically dismisses warehouse workers whose productivity scores fall below a threshold, with no human review. Under GDPR Article 22, what is the central concern?

A. Article 22 covers only hiring decisions, so automated dismissals of current workers fall outside the scope of its protections

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

C. Automated decisions become lawful once the works council has been informed that the system is in use

D. Automated decisions are permitted as long as the productivity metrics are disclosed to workers in advance

359. Why can a strict zero-tolerance policy on threats increase the risk of workplace violence?

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

B. It requires employers to report all threats to police, which exposes them to lawsuits.

C. It covers only physical acts, so verbal threats and intimidation go unaddressed by managers.

D. It conflicts with federal law, which bars employers from firing workers for verbal threats.

360. A CHRO wants to show the executive team that a new structured onboarding program is worth its cost. Which evidence would be MOST persuasive?

A. Benchmarks showing that peer companies spend more per new hire on onboarding than the company does.

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

C. The number of onboarding modules completed and the share of new hires who finished every module.

D. Satisfaction scores from new hires who completed the program's orientation and welcome sessions.

361. A CHRO is facilitating the executive team's strategic planning process. Which sequence of phases is correct?

A. Environmental scan, strategy formulation, strategy implementation, evaluation

B. Strategy formulation, environmental scan, strategy implementation, evaluation

C. Environmental scan, strategy implementation, strategy formulation, evaluation

D. Evaluation, strategy formulation, environmental scan, strategy implementation

362. The CEO of a 12,000-employee company is considering a public statement on a divisive social issue. Pulse data show employees are sharply split, and managers report tense team discussions. What should the CHRO advise about internal communication?

A. Adopt the position favored by most employees so that the majority of the workforce feels supported.

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

C. Prohibit all discussion of the issue at work to keep teams focused and prevent conflict between staff.

D. Stay silent internally until the external statement is released, so that all company messages stay consistent.

363. A global company's engagement results show one country scoring 12 points above the global average every year, though its turnover and productivity are typical. Research suggests respondents there tend to agree with statements and choose extreme ratings. How should the CHRO interpret these results?

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

B. Statistically lower that country's scores by 12 points so all countries can be ranked fairly on a single scale.

C. Exclude that country from the global index, since its results are not valid enough to include in enterprise reporting.

D. Treat the country as the company's model for engagement and transfer its management practices and programs to lower-scoring regions.

364. Engineers and support staff at a fast-growing tech company begin organizing through an online platform. This is the company's first union drive. What should the CHRO do FIRST?

A. Have managers join the platform under their own names to track which employees are participating.

B. Block access to the organizing platform on company devices and networks to slow its growth.

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

D. Announce new equity grants for engineers to show the company values them, timed before any election petition is filed.

365. The board's risk committee asks the CHRO to add key-talent loss to the enterprise risk register. How should the CHRO present this people risk so it fits the register's framework?

A. List it as an HR operational issue that the HR function owns and reports on separately

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

C. Present best-practice retention programs that peer companies use to reduce talent loss

D. Describe it with multiyear engagement survey trends and employee comments that show its human cost

366. An executive team is conducting an ethical impact assessment before deploying AI to screen applicants and allocate work. Beyond current employees, which stakeholders should the assessment consider?

A. The HR team alone, since HR owns the processes into which the AI system is being deployed.

B. The vendor's engineers, since they are best placed to judge whether the model treats its users fairly.

C. Applicants, customers, contractors, local communities and the regulators who oversee these decisions.

D. Shareholders and board members, since their returns depend on the AI investment's success.

367. Exit interviews at a retail chain reveal that store managers and coworkers regularly mock employees with disabilities, and few people have reported it. The CHRO is building a culture plan. Which principle should guide it?

A. Treat it as a morale issue, since the ADA addresses hiring and accommodation decisions rather than day-to-day workplace conduct.

B. Treat it as an individual conduct issue, waiting for a formal complaint before investigating any of the stores.

C. Treat it as a training issue, since annual awareness training alone protects the company from liability.

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

368. The U.S. Department of Justice is evaluating a company's compliance program after misconduct surfaced. What do prosecutors MOST examine about internal reporting?

A. Whether every report is referred to law enforcement before the company opens its own investigation into it

B. Whether the company has received fewer reports each year since the program was launched

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

D. Whether the hotline is run by an outside vendor instead of by internal compliance staff

369. How does specific stop-loss coverage differ from aggregate stop-loss coverage in a self-funded health plan?

A. Specific covers total plan claims above a set level; aggregate covers one person's claims above a deductible.

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

C. Specific is required by ERISA for every self-funded plan; aggregate is optional for larger employers only.

D. Specific covers only catastrophic hospital claims; aggregate covers prescription drugs and outpatient care.

370. A company's injury rate is double its industry average, and the CEO asks the CHRO for a three-year plan. Which approach is most likely to produce lasting improvement?

A. A safety management system built on leadership commitment, worker participation and hazard control

B. A stricter discipline policy for safety rule violations, applied by supervisors at every site

C. A bonus for each crew that goes the full year without a single recordable injury entered on the site's OSHA 300 log

D. A compliance audit program that checks every site against OSHA standards twice per year

371. A company-wide review shows that Black and Hispanic employees received lower average performance ratings than white employees in every division last year. The CEO wants to require that rating distributions match across groups next cycle. What should the CHRO recommend FIRST?

A. Adopt the CEO's requirement for one full review cycle and then evaluate whether the rating gaps have narrowed as leaders expected.

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

C. Have the employee resource groups review the data and propose changes to the performance process.

D. Require all managers to complete bias training before ratings are finalized in the next review cycle.

372. A CHRO learns that an HRIS implementation is 40% over budget and three months behind schedule because of data conversion problems and scope changes. The next executive team meeting is in two weeks. What should the CHRO do?

A. Wait to report until the next quarterly review, when the recovery plan is complete

B. Tell the team the project is on track while shifting money from other HR budgets

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

D. Present the overrun as a vendor failure and ask finance to dispute all of the vendor's outstanding invoices

373. At a unionized logistics company, grievances have doubled, and union leaders say they learn about operational changes from rumors. The collective bargaining agreement has two years left. Which step should the CHRO take to improve two-way communication without reopening the contract?

A. Offer to renegotiate the grievance procedure so disputes can be settled faster at the first step.

B. Ask supervisors to brief union stewards informally whenever a change affects their own work areas.

C. Hold monthly town halls with bargaining-unit employees to gather their input directly on proposed changes.

D. Propose a joint labor-management committee that meets regularly on upcoming changes.

374. The board's audit committee asks the CHRO to identify the labor-law risks the company carries. Most of the company's sites are nonunion. Which point should the CHRO make clear?

A. NLRA exposure is limited to the unionized sites, because nonunion employees are not covered by the Act.

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

C. NLRA exposure applies only during an election, because charges cannot be filed at other times.

D. NLRA exposure is mainly a supervisor issue, because most charges are filed against individual supervisors.

375. A former executive demands $250,000 to settle a wrongful termination claim. Outside counsel estimates a 30% chance the company will lose at trial, with a $600,000 judgment, and expects defense costs of $150,000 regardless of the outcome. What is the expected cost of litigating, and how does it compare with the demand?

A. $750,000, which is higher than the $250,000 demand

B. $330,000, which is higher than the $250,000 demand

C. $225,000, which is lower than the $250,000 demand

D. $180,000, which is lower than the $250,000 demand

376. A CEO wants to set very difficult stretch goals for all business units. According to research on goal-setting, which risk should the CHRO raise?

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

B. Very hard goals increase cooperation across business units, which can slow down decisions on new projects and investments.

C. Very hard goals help only when employees are paid by commission, and they have no effect otherwise.

D. Very hard goals lower effort for most employees because people work harder when goals are vague.

377. After acquiring a competitor, leaders of both companies agree that neither existing culture fits the combined firm's new strategy. They plan to drop key practices from both sides and jointly build new norms, values and ways of working. Which culture integration approach does this describe?

A. Blending of practices from both cultures

B. Assimilation into the acquirer's culture

C. Separation of the two existing cultures

D. Transformation into a new shared culture

378. The third-party administrator of a company's self-funded health plan reports that an attacker accessed claims data for 4,000 plan members. The business associate agreement requires the TPA to notify the plan and support the breach response. As CHRO, what should you do FIRST?

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

B. End the TPA contract at once and move claims processing to a new administrator before assessing the breach.

C. Wait to notify members until the TPA's forensic review is complete, however long that review ends up taking.

D. Leave notification to the TPA, since the business associate agreement makes the vendor solely liable for the breach and all notices.

379. In Ames v. Ohio Department of Youth Services (2025), the Supreme Court rejected the rule that plaintiffs from a majority group must show 'background circumstances' to bring a Title VII claim. What is the main implication for a CHRO's policy and audit design?

A. Keep current audits, since the ruling changed only how cases proceed in court and not what employers must do in practice.

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

C. Focus audits on majority-group employees, since the ruling makes them the most likely source of new discrimination claims.

D. Drop demographic audits entirely, since tracking outcomes by group could now be used as evidence in majority-group claims.

380. The founder-CEO of a fast-growing 900-employee company decides pay and promotions informally, often on a handshake. Turnover among mid-level staff is rising, and exit interviews cite unfair pay. He tells the new CHRO that formal processes would 'kill our culture.' What is the CHRO's BEST influence approach?

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

B. Implement a full job architecture and pay grades quickly, since legal risk outweighs the founder's preferences.

C. Ask the board to require formal pay processes, since the founder is unlikely to change without outside pressure.

D. Accept the founder's approach and focus HR on recruiting to replace the mid-level staff who choose to leave.

381. A company has just closed the acquisition of a 40-person AI startup, mainly to gain its engineering team. The engineers value autonomy and challenging work. How should the CHRO design retention?

A. Pay all 40 employees a one-time cash bonus at closing to thank them for joining the company.

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

C. Move the engineers into existing teams quickly so they absorb the acquirer's culture sooner.

D. Align their pay with the acquirer's existing salary bands and rely on the larger firm's standard benefit plans.

382. A company's rewards survey shows employees place little value on a costly on-site fitness center but highly value flexible schedules, which cost little to offer. What total rewards practice does shifting spending from the first to the second illustrate?

A. Benefits cost shifting, moving expense from employer to employees

B. Total rewards optimization, aligning spending with perceived value

C. Market pricing, matching each reward element to competitor spending

D. Broadbanding, combining reward elements into fewer, wider categories

383. A CHRO is presenting the value of the accommodation program to the board. Last year the company provided 40 accommodations at a total cost of $12,000 (an average of $300 each). An internal analysis estimates that 10 of those 40 employees would otherwise have left, and the average cost to replace an employee is $18,000. What is the program's estimated net savings?

A. $180,000

B. $168,000

C. $177,000

D. $708,000

384. A CFO proposes cutting the cost of a global engagement survey by sending it to a random 20% of the company's 40,000 employees instead of everyone. Managers currently receive team-level reports and use them for action planning. What should the CHRO weigh MOST?

A. Sampling 8,000 employees would produce company-wide results that are too imprecise for the executive team to rely on.

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

C. Employees left out of the sample could bring legal claims that they were denied a voice in the survey.

D. Random samples are statistically biased in surveys, so only a full census can produce valid results at all.

385. A company is replacing its applicant tracking system. Disability advocates report that the current portal cannot be used with screen readers and that its timed online assessments offer no accommodation option. Which principle should guide the CHRO's procurement decision?

A. The ADA applies only to employees after hire, so portal accessibility is a customer-experience issue.

B. Liability rests with the software vendor, so strong warranty and indemnity terms are the company's main safeguard.

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

D. Listing a phone number for help on request makes portal accessibility irrelevant under the ADA.

386. A CHRO must show the board how much of a sales-productivity gain came from a new coaching program rather than from market conditions. Under the Phillips ROI methodology, which method MOST credibly isolates the program's effect?

A. Asking participants to estimate the share of their improvement due to coaching

B. Projecting the pre-program sales trend forward and comparing it with actual results

C. Asking sales managers to estimate how much of the gain the coaching produced

D. Comparing a group that received the coaching with a similar group that did not

387. What is the main strategic reason for applying a company's code of conduct provisions on conflicts of interest and confidentiality to members of its board of directors?

A. Binding directors to the code shields them from personal liability for any breaches of their fiduciary duties.

B. Directors are legally treated as employees, so the code must cover them in the same way as staff.

C. Applying the code to directors lets the CEO discipline board members who breach its provisions.

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

388. At a board meeting, a director asks the CHRO of a 20,000-employee retailer how planned AI scheduling and checkout automation will affect the wages of hourly store workers over the next three years. The CHRO has not yet modeled this. What is the BEST response?

A. Refer the question to the CFO, since wage effects are mainly a financial matter outside the scope of HR.

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

C. Cite national research on AI and wages for retail workers, since company-specific forecasting would be too speculative to share.

D. Assure the board that wages will not be affected, since AI will take over tasks rather than replace workers.

389. A CHRO at a public company is preparing the board's nominating committee to update its CEO succession process, which has not been reviewed in a decade. The CHRO belongs to an invitation-only network of CHROs from noncompeting companies. How should the CHRO BEST use this network?

A. Ask peers to share the names of their internal CEO candidates so the board can compare its own bench against them.

B. Adopt the succession process used by the most respected company in the network so the board follows proven, well-tested practice.

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

D. Invite a peer CHRO to present to the board so that members hear about succession directly from an outside expert.

390. A CHRO is diagnosing why several senior project teams underperform. According to J. Richard Hackman's research, which set of conditions BEST predicts team effectiveness?

A. Clear roles, balanced personality types, team-based pay and colocated team members

B. A real team, compelling direction, enabling structure and a supportive context

C. Trust, productive conflict, commitment, accountability and a results focus

D. Forming, storming, norming and performing stages completed in the right order

391. Executives planning a 300-person reduction disagree on selection criteria. Some want to rely on recent performance ratings, others on cost per role, and the CFO suggests targeting the highest-paid employees. The CHRO is facilitating. What should the CHRO do?

A. Select by seniority alone across all units, since it is objective and least likely to be challenged in court by employees

B. Target the highest-paid employees as the CFO suggests, since it achieves the largest savings per exit

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

D. Adopt the most recent performance ratings as the main criterion, since they are already documented

392. A regional insurer has lost six of its 14 machine learning engineers in nine months to a competitor that is building an AI claims unit. Exit interviews cite the competitor's higher-profile projects and clearer career paths more often than pay. What is the CHRO's BEST strategic response?

A. Match the competitor's offers for every remaining engineer immediately to stop any further departures.

B. Outsource the machine learning work to a vendor so the company no longer depends on in-house engineers.

C. Ask legal to send cease-and-desist letters to the competitor to discourage further recruiting of staff.

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

393. Mitroff's crisis management model begins with a phase in which organizations scan for and act on early warnings. What is the main value of investing in this phase?

A. It keeps the damage from spreading to other parts of the organization

B. It allows the organization to prevent some crises or reduce their impact

C. It ensures every crisis is reviewed afterward to capture lessons learned

D. It helps the organization restore normal operations after a crisis ends

394. A CHRO wants to build a workforce that does not merely withstand disruption but becomes stronger because of it, for example by using each crisis to speed up learning and redeploy talent. This goal BEST reflects which concept?

A. Workforce resilience

B. Workforce antifragility

C. Workforce redundancy planning

D. Workforce robustness

395. According to the HR scorecard approach developed by Becker, Huselid and Ulrich, how should HR choose the deliverables it measures?

A. Benchmark peers and adopt the HR metrics that top companies report most often

B. Measure each HR program's activity level to show HR's workload to executives

C. Track HR efficiency metrics first, since cost and speed are easiest to measure

D. Identify the HR outcomes that drive the strategy map's key performance drivers

396. An explosion at one of a manufacturer's plants injures several workers, and some employees are still unaccounted for. The CHRO is a member of the enterprise crisis management team, which has just convened. What should the CHRO prioritize FIRST?

A. Draft the external media statement in partnership with corporate communications and legal

B. Open workers' compensation claims and notify the insurance carrier of the loss

C. Launch a root-cause investigation into the safety lapse that caused the blast

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

397. Two years after a redesign to continuous feedback, employee surveys show that check-ins are rare and shallow, and managers say they don't know how to coach. What investment decision should the CHRO make?

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

B. Shift coaching duties from managers to HR business partners who already have strong coaching expertise.

C. Return to the annual review process, since the new system needs coaching skills most managers do not have.

D. Buy a feedback app that sends automated check-in reminders to managers and their employees every two weeks.

398. A CEO launches a transformation with detailed budgets, project plans and milestones, but employees cannot describe where the company is heading or why. Which of John Kotter's common change errors does this illustrate?

A. Failing to create a guiding coalition

B. Permitting too much complacency

C. Declaring victory too soon

D. Underestimating the power of vision

399. An HR analytics team has built a machine-learning model that predicts which employees are likely to quit, and leaders want to use its scores to decide who gets retention bonuses and stretch assignments. Which governance control is MOST needed before the scores are used in these decisions?

A. Confirm that the model excludes protected characteristics such as race, sex and age from its input data.

B. Limit access to the scores to senior leaders so employees do not learn their predicted flight risk.

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

D. Benchmark the model's accuracy against the vendor's results at other companies in the same industry.

400. Racist graffiti targeting Black employees appeared in a restroom at a unionized plant. The union president asks the company to let the union handle it through its own channels and to hold off until the union's executive board meets next week. What should the CHRO do?

A. Install hidden cameras throughout the plant at once to identify the culprit, and inform the union after installation is complete.

B. Refer the matter to the union, since the grievance process governs conduct among bargaining-unit members.

C. Wait for the union's agreement before acting, since plant conditions are a mandatory subject of bargaining.

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