SUMMIT
STUDY GUIDES

SHRM-SCP

Practice Questions

Set 10

Answer Key & Explanations

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

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

Summit Study Guides

summitstudyguides.com

SUMMIT
STUDY GUIDES

Copyright © 2026 Summit Study Guides. All rights reserved.

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

Trademark Notice

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

Disclaimer

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

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

How to Use This Set

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

SHRM-SCP Practice Set 10 — Answer Key

Quick key first, then a full explanation for every question

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

Answers and Explanations

1. Answer: C — Train managers on retaliation, and require HR review of adverse actions taken against recent complainants.

The pattern points to decisions made shortly after protected activity, so the fix combines manager training with a targeted review step before adverse actions against recent complainants. Requiring legal approval for every disciplinary action would overload the process and slow legitimate management. Settling charges and sending reminders does not change how decisions are made, and transferring complainants can itself be seen as retaliatory.

2. Answer: C — Target roles with the most bribery exposure, such as sales, procurement, customs and government-facing staff.

Enforcement agencies expect compliance resources to follow a risk assessment, so the deepest training should go to roles and locations most likely to face bribery demands. Giving everyone a baseline module while concentrating live training on high-exposure functions is a defensible, risk-based design. Prioritizing senior leaders is tempting for tone at the top, but seniority alone does not match where corrupt payments are most likely to be requested or made.

3. Answer: D — Aligning ERG goals with business strategy, allocating resources and setting common governance rules

An inclusion council provides oversight: it connects ERG plans to organizational priorities, sets funding and governance rules, shares good practices and removes barriers. It does not run each group's day-to-day programs, which belong to ERG leaders. ERGs should be open to all employees, so gatekeeping membership is inappropriate, and complaints still belong in the formal HR process.

4. Answer: B — It can lower the number of involuntary exits and shows a good-faith effort to keep affected employees in work.

A redeployment pool keeps talent, lowers severance costs and reduces the number of involuntary terminations, which can reduce adverse impact and supports a good-faith defense. It does not replace an adverse impact analysis, which should still cover final outcomes, including who was redeployed. OWBPA disclosures are still required for releases from employees who are terminated, and no program guarantees immunity from claims.

5. Answer: D — Show how it protects the value of AI investments by reducing legal, reputational and adoption risk.

Boards respond to arguments tied to enterprise value and risk, and responsible-AI controls protect AI investments by preventing costly claims, reputational damage and employee distrust that would undercut adoption. Framing it purely as a cost invites cuts, and following competitors is not a business case. Ethical commitments matter, but refusing to connect them to business outcomes weakens the case to a board that must weigh competing investments.

6. Answer: B — To gauge capacity and willingness to change, so leaders can target risks in the plan.

A readiness assessment, done before the change, looks at factors such as leadership sponsorship, change history, current workload, and culture to show where the organization is likely to struggle, so the change and communication plans can be adjusted. Measuring results after implementation is a post-change evaluation. Readiness assessments diagnose the organization; they are not a tool for screening out individuals.

7. Answer: A — Autonomy and status consciousness

GLOBE found that some attributes, such as being autonomous, status conscious, risk taking or ambitious, are viewed positively in some cultures and negatively in others, so a global model must account for how they will be received in each location. Integrity, vision, inspiration, decisiveness and team building were universally endorsed as contributing to effective leadership.

8. Answer: D — Challenger safety

Clark's stages are inclusion safety (being accepted), learner safety (asking questions and making mistakes), contributor safety (using one's skills to add value) and challenger safety (questioning how things are done). Challenger safety is the highest stage and is required for people to challenge the status quo. Contributor safety lets people add value within existing approaches but not challenge them.

9. Answer: D — Accelerate development of internal candidates through stretch roles, and plan selective external hires for gaps.

A large, predictable pipeline gap calls for a build-and-buy strategy: accelerate internal development through assignments, coaching and exposure, and use targeted external hiring where internal readiness will not arrive in time. Replacing every leader externally is costly and disrupts culture. Retention incentives can buy limited time but do not fix the pipeline, and promoting by seniority ignores readiness and fit.

10. Answer: B — Model the likely bumping chains in advance and seek a deal with the union to limit disruption, such as qualification rules.

HR cannot suspend or ignore the contract's bumping rights unilaterally, but it can predict the impact and bargain with the union over practical changes, such as requiring that a bumping employee be qualified for the job or limiting the number of rounds. Planning plus negotiation protects both seniority rights and operations. Treating the disruption as unavoidable gives up a realistic option, and selecting by performance would breach the contract.

11. Answer: D — Give the union notice, share relevant information and bargain over the tool's effects

Under the NLRA, changes that affect work standards and discipline are mandatory subjects of bargaining, and the employer must furnish information relevant to the union's representation duties, with confidentiality concerns addressed through accommodation rather than outright refusal. Treating the change as purely a management right is the most tempting error, but it ignores the effects on working conditions. Seeking individual consents bypasses the union and can be unlawful direct dealing.

12. Answer: C — Combining the roles would weaken compliance independence, because compliance must be able to examine HR decisions

An effective compliance program depends on a compliance officer with independence and direct access to the board, including the ability to review HR's own actions. Combining the roles puts one person in charge of judging decisions she made. A certification adds knowledge but not independence, and having compliance report to HR creates the same conflict in a different structure.

13. Answer: B — Projects with excellent change management are far likelier to meet objectives than those with poor.

Prosci's benchmarking studies consistently find that projects with excellent change management are far more likely to meet or exceed their objectives than projects with poor change management. Prosci also finds that active and visible sponsorship is a top success factor, but it complements structured change management rather than replacing it. The other claims contradict the research.

14. Answer: A — Long stable periods are interrupted by short bursts of fundamental, revolutionary change.

The punctuated equilibrium model, borrowed from evolutionary biology and applied to organizations by researchers such as Tushman and Romanelli, holds that organizations evolve through long periods of incremental adjustment punctuated by brief revolutionary periods that reshape strategy, structure and power. Continuous improvement describes incremental change, life-cycle models describe fixed stages, and unfreeze-change-refreeze is Lewin's model.

15. Answer: D — About 91%, so the rule of thumb by itself does not flag adverse impact

Retention rates are 180 / 200 = 90% for employees under 40 and 82 / 100 = 82% for those 40 and over. The impact ratio is 82% / 90% = 0.911, or about 91%, above the 80% rule of thumb. The 56% figure comes from dividing layoff rates (10% / 18%), which the question did not ask for. The 82% figure is just the older group's retention rate, and the rule compares rates as a ratio, not a percentage-point gap. Statistical significance testing is still advisable because the older group's layoff rate is nearly double.

16. Answer: B — Track regretted turnover, engagement and performance by segment, such as role and performance level.

The business risk of a return-to-office mandate is losing valued people and productivity, often in specific groups such as high performers, caregivers or long-distance commuters. Segmented measures of regretted turnover, engagement and performance reveal that risk. Badge data measures compliance, not impact. An overall turnover rate or overall satisfaction score can mask serious losses in critical segments.

17. Answer: B — Monitoring is allowed if required by law, or voluntary with notice and consent, with aggregate results to the employer.

GINA permits genetic monitoring of the biological effects of toxic substances at work when federal or state law requires it, or when the program is voluntary with written notice and authorization. Individuals are told their own results, and the employer may receive results only in aggregate form that does not identify anyone. Selecting participants by family history would itself use genetic information.

18. Answer: B — Top-down change aimed at shareholder value, often through restructuring, downsizing, and incentives

In Beer and Nohria's research, Theory E focuses on economic value and relies on top-down decisions, restructuring, layoffs and financial incentives. Theory O focuses on building organizational capability and culture through participation and learning. The emergent and incremental descriptions do not match either archetype's defining focus on economic value.

19. Answer: C — Engage union leadership early to share the business case and open talks on effects such as reskilling and job placement.

Under the NLRA an employer generally must bargain with the union over the effects of a decision like automation on unit employees, and early engagement builds trust and allows joint solutions such as reskilling. Making direct offers to represented employees about terms of employment bypasses the union and risks an unfair labor practice charge, and waiting three years is not realistic for a two-year rollout.

20. Answer: C — Back pay and other relief for affected people, plus possible contract cancellation and debarment

Remedies for Section 503 and VEVRAA violations can include back pay and other relief for affected individuals, and serious violations can lead to contract cancellation or termination and debarment from future contracts. For a company dependent on federal revenue, the revenue at risk is often larger than the remedy itself. These sanctions come from the statutes and their regulations, not from EO 11246.

21. Answer: C — Calibration sessions using defined rating anchors, with managers' reviews covering their rating quality

Inflation persists when managers face no checks, so calibration against clear rating anchors plus accountability for rating quality changes the system without imposing quotas. A forced distribution on every team, including small ones, is arbitrary and raises legal and morale risks. Removing the top category hides real top performers, and tying rating budgets to company results ignores individual differences.

22. Answer: C — Data protection authorities sought to protect the rights of accused people and limit processing of personal data.

Data protection regulators, notably in France and Germany, viewed hotlines as processing of personal data about accused individuals and stressed the risk of malicious or unfounded anonymous accusations. They pushed companies to limit hotline scope and encourage named reports. The EU Whistleblowing Directive has since widened protected reporting, but global hotlines must still be adapted to local data protection rules.

23. Answer: B — Resist a common date unless it is offset, since one strike could then stop all four plants at once.

Staggered expirations let the company keep most operations running during any single dispute, while a common date gives the union the ability to halt all four plants at once. Aligned dates can simplify administration, but the leverage cost usually outweighs it unless offset. Contract duration is a mandatory subject, and common dates tend to strengthen rather than weaken pattern pressure.

24. Answer: A — Fund degrees and shorter credentials, such as certificates, in skills tied to strategic workforce needs

Aligning tuition support with strategic skill gaps and allowing stackable certificates and other short credentials as well as degrees makes the program more accessible and more relevant to business needs. Raising the cap does not fix the misalignment, and ending the program discards a retention and reskilling tool.

25. Answer: C — Tie the cuts to a clear strategy, offer reskilling into new roles where possible, and explain candidly

Trust and reputation are best protected by honesty about the reasons, a credible strategy, and visible efforts to reskill and redeploy affected employees before or alongside the reductions. Obscuring the link to AI risks a credibility loss when the truth emerges, and spreading cuts across quarters creates prolonged anxiety and repeated negative news instead of reducing attention.

26. Answer: C — It removes local cost pressure that can lead managers to deny requests or avoid hiring people with disabilities.

Accommodation costs are often small, but when they hit a manager's budget they can still influence decisions, leading to delays, denials or reluctance to hire. Centralizing the cost removes that conflict of interest. A central budget does not create a cost cap that bypasses the undue hardship standard, which considers the employer's overall resources, and it does not replace the interactive process with the employee.

27. Answer: B — It rose about 3.6%

Productivity was 1,100,000 / 380,000 = 2.89 units per hour last year and 1,200,000 / 400,000 = 3.00 this year. The change is 3.00 / 2.89 - 1 = about 3.6%. The 9.1% figure is output growth alone, 5.3% is the growth in hours, and 3.8% subtracts the two growth rates instead of dividing the ratios.

28. Answer: A — Customer ratings can reflect bias against protected groups, and the employer can be liable for relying on them.

Research has found that customer satisfaction ratings can be lower for women and minority employees for the same service, and an employer that uses biased ratings for pay or discipline can face disparate treatment or disparate impact claims. The CHRO should test scores for group differences and use them as one input only. Federal law does not bar using customer feedback, and cost and harshness are minor concerns next to legal risk.

29. Answer: C — Converting isolated results to money and comparing net benefits with fully loaded costs.

Phillips Level 5 goes beyond business impact by isolating the program's effect, converting it to monetary value, and comparing net benefits with fully loaded costs to produce ROI. Tracking whether results persist is still impact measurement at Level 4, and executive opinion or external benchmarks do not tell the CFO whether the investment paid for itself.

30. Answer: C — Several years, so leading indicators such as observed behaviors and decisions are needed to track progress.

Deep culture change that reaches shared assumptions typically takes several years, longer than most planning and budget cycles. Because lagging business results take that long to appear and have many causes, leaders need leading indicators such as targeted behavior measures, pulse items, decision patterns and leader actions. Waiting only for revenue results is the tempting distractor, but it leaves the board blind and makes course correction too late.

31. Answer: C — Starting pay may carry past bias, so controlling for it can hide the very gap the analysis is meant to find.

A regression controls for legitimate factors such as job, level, tenure and location to isolate any remaining gap linked to sex or race. Variables like starting pay or prior salary can be 'tainted,' meaning they reflect earlier discrimination, so controlling for them can explain away a real disparity. Starting pay is not a protected characteristic, and it often explains a lot of variation, which is exactly why it can mask bias.

32. Answer: B — Inferring a test's validity for a job from validated links to job components it shares

Synthetic, or job component, validity builds a validity case for a job by identifying its components and drawing on evidence that predictors are valid for those components in other jobs. Pooling many studies describes meta-analysis and validity generalization. Mirroring job tasks describes content validity, and correlating scores with later ratings describes criterion-related validity.

33. Answer: D — Create a fast intake and review process and an approved catalog of vetted HR tools

Shadow technology appears when the official path is too slow, so the durable fix pairs control with speed: inventory what exists, review it for security and privacy, and offer a quick intake path and a catalog of approved options. An immediate blanket ban and cancellation disrupts operations and tends to push purchases further out of sight. Risk acceptance forms do not fix data exposure, and HR remains accountable for employee data no matter who buys the tool.

34. Answer: B — Labor costs become open-ended, so the company should seek a cap, a lag or a different design.

An uncapped COLA ties labor cost to an index the company does not control, which makes multiyear costs unpredictable and can outpace revenue. Common protections include a cap, a trigger, a diet formula, delayed adjustments or a lump-sum design that does not compound. COLA clauses are lawful and do not freeze base pay or reopen the full agreement.

35. Answer: D — Whether the tool's scores actually predict job performance in the roles it is used to fill

A selection-rate audit compares outcomes across groups; it says nothing about whether the tool measures job-relevant qualities or predicts performance, which is a validity question. A tool can pass a rate comparison and still be invalid, and a tool with adverse impact must be shown to be job related. The 80% figure is only a rule of thumb, so passing it does not end the legal or practical inquiry.

36. Answer: A — Propose adjusting the structure based on market movement and model the cost impact

Structures should follow market pay movement, which the benchmark data measure, and the CHRO should model the actual cost, such as employees falling below new minimums and effects on merit budgets. Inflation affects employees but is not the same as market pay movement, and adding both would double count. Approving exceptions one by one erodes internal equity, and an across-the-board 9% raise confuses moving ranges with moving pay.

37. Answer: C — Focus most of the budget on frontline drivers identified in the data, such as scheduling and store manager capability.

Strategic allocation puts limited funds where the gap and the business cost are largest and targets the specific drivers behind the gap. An even split ignores where the value is. Broad recognition events may be cheap per person but do not address the frontline's root causes.

38. Answer: A — It enables matching and tracking at scale, but it cannot ensure relationship quality

Platforms bring efficient matching on skills and goals across locations, self-service enrollment and participation data at a scale manual programs cannot reach. They do not ensure that relationships are productive, so programs still need human oversight, training for participants, check-ins and attention to cultural norms.

39. Answer: C — For discrete, project-based work with defined outcomes, where workers control how and when they work.

Freelancers fit specialized, time-bound projects judged by results, where workers keep control over methods and schedules, which is also the pattern most consistent with independent contractor status. Ongoing core work under close direction looks like employment under common classification tests. A signed contract does not determine status, and avoiding benefits is not a lawful basis for classifying workers.

40. Answer: D — Defined knowledge-transfer duties, with named successors and milestones

Phased retirement serves a knowledge strategy only if the reduced role is structured around transfer, with named successors, defined responsibilities and milestones. Broad eligibility and flexible scheduling may be attractive but do not ensure knowledge moves, and paying a premium adds cost without targeting the goal. Retirement and benefit plan implications should also be reviewed with counsel.

41. Answer: A — Form a working group with both parents' HR leads to agree on guiding principles for the policies

In a joint venture, both parents are key stakeholders, and agreeing on shared principles first (such as cost neutrality, legal compliance in each country and equity among secondees) gives the CHRO a basis both sides accept. Defaulting to the larger parent alienates the other owner, and permanent dual policies breed perceived inequity inside the JV. Drafting a full policy set before alignment invites rejection at the board level.

42. Answer: D — A reinforcing sponsor is a line leader who sustains the change with their own people.

The authorizing (or initiating) sponsor has the authority to legitimize the change and commit resources. Reinforcing (or sustaining) sponsors are leaders lower in the hierarchy who express support and hold their own teams accountable, carrying sponsorship to every level. Change agents facilitate the work but lack line authority over those affected, and outside advisers are not sponsors.

43. Answer: D — Whether it builds workforce capabilities the strategy needs, with measurable business links.

Strategic alignment means an investment advances what the business needs to win, such as the talent, skills or speed its strategy depends on, and shows measurable links to those goals. Cutting HR's own costs may be worthwhile but does not show support for competitive strategy. Newness of technology and peer adoption say nothing about fit with this company's strategy.

44. Answer: A — Use voluntary, anonymous surveys and accommodation metrics reported only in aggregate

Voluntary, anonymous survey questions and process measures, such as how quickly accommodation requests are resolved and how employees rate the process, give useful data without collecting individual medical information. The ADA limits disability-related inquiries of employees and requires confidentiality of medical information. Manager estimates invite stereotyping, mandatory disclosure is an improper inquiry, and medical leave counts are a misleading proxy that also uses confidential data.

45. Answer: B — It combines data, visuals and narrative to explain what the results mean and drive a decision

Data storytelling turns analysis into insight for a specific audience: it frames a business question, focuses on the few data points that matter, uses clear visuals and ends with an implication or recommendation. Showing every metric is typical of dashboards and tends to overwhelm decision-makers. Stories may include examples, but they support the evidence rather than replace it, and the method works with descriptive or predictive data.

46. Answer: C — Coaching depends on candor, which erodes if what leaders share can be used in talent decisions

Effective coaching requires leaders to discuss weaknesses and doubts openly, and that candor disappears if coaching content can feed evaluative decisions such as succession. Best practice keeps coaching content confidential and agrees in advance on what, if anything, is shared, while succession relies on separate assessment data. Coaching conversations are not generally protected health information under HIPAA, so that rationale is wrong.

47. Answer: D — Publish which sources are analyzed and why, report only aggregate themes, and exclude private messages.

Passive listening can add insight, but it erodes trust unless employees know what is collected, why, and how it is protected; transparency, aggregation, and clear limits are the core safeguards. Running it quietly gains a cleaner baseline at the cost of trust if it is discovered. Dropping passive data entirely gives up legitimate insight when well-governed options exist.

48. Answer: C — Provide approved tools, prohibit entering confidential data into public tools, and train staff on permitted uses

A balanced acceptable use policy channels demand into sanctioned, secured tools, draws a clear line around confidential and client data, and trains people so they can innovate safely. A blanket ban is hard to enforce and tends to push use underground. Manager review of outputs does nothing to stop confidential data from being entered into public tools in the first place.

49. Answer: D — Escalate to the board chair or lead independent director so the board can retain an independent investigator.

When the accused is the CEO, everyone in the normal reporting chain, including HR and the general counsel, reports to the person being investigated, so the board must oversee the process. An investigator who is independent of management and reports to the board protects credibility, privilege and the complainant from retaliation. Alerting the CEO first risks evidence loss and retaliation.

50. Answer: B — Uniform central policies can supply the common question that broad class certification requires

In Dukes, the Supreme Court found no common question across 1.5 million women because promotion and pay decisions were left to local managers' discretion without a common mode of exercising it. A single centralized policy, such as a scoring tool used for all promotions, can provide that common question, so it should be validated and monitored for adverse impact. Dukes did not bar Title VII class actions.

51. Answer: C — Risk-based limits with preapproval required for anything given to government officials

Gifts to government officials carry the highest anti-bribery risk, so risk-based limits with compliance preapproval put a control in front of the transaction rather than relying on after-the-fact attestations. A flat cap ignores who the recipient is, annual certifications are a weak detective control, and a reporting rule for gifts received addresses conflicts of interest rather than gifts given to officials.

52. Answer: D — Line of sight

Line of sight is an employee's understanding of how his or her job and goals connect to the organization's objectives. Leaders strengthen it by cascading goals and explaining in plain terms how team work drives strategy. Span of control refers to the number of direct reports a manager has, and the other choices are not the established term for this idea.

53. Answer: C — Retain an external investigator through counsel and scope the review to patterns as well as individual claims.

Systemic allegations involving senior leaders, combined with the ER team's reporting line, call for an external investigator, ideally engaged through counsel, with a scope that examines patterns and practices. Speed does not offset the appearance of bias from the internal team. Treating the complaints as unrelated would miss the systemic issue, and a CFO self-review is not independent.

54. Answer: C — Extend succession planning to critical technical roles and build successors through knowledge transfer

Succession planning should cover roles based on their criticality, not only their place in the hierarchy. Identifying and developing successors through mentoring, documentation and paired assignments reduces the risk of losing scarce expertise. Retention bonuses can delay departures but do not create a successor.

55. Answer: A — Base the unit's criteria on a job analysis of its roles, while keeping core values and legal standards.

Selection criteria should come from the actual requirements of the work, so a job analysis of the innovation roles may justify different competencies, such as tolerance for ambiguity, while shared values, structured processes, and legal compliance stay consistent across the enterprise. Applying the core profile unchanged screens out the people the unit needs. Leaving criteria to one leader's experience or dropping structured assessment weakens job-relatedness and fairness.

56. Answer: B — Build a return-to-work program with early contact, transitional duty and medical coordination.

Lost-time duration is a major driver of claim costs, and structured return-to-work programs with early outreach, modified or transitional duty, and coordination with treating providers shorten absences and improve outcomes. A new carrier does not change the underlying claims. FMLA leave can run concurrently with workers' compensation but does not shorten absences, and contesting valid claims raises legal costs and harms trust.

57. Answer: C — Personal networks tend to be made up of similar people, so referrals reproduce the existing leadership profile.

Network homophily is the tendency for people to connect with others like themselves in background, career path and demographics. When sourcing depends on leaders' personal networks, the pool mirrors the current leadership and excludes qualified candidates outside those circles. Referred candidates are not necessarily less qualified; the problem is who is never considered, not the quality of those who are.

58. Answer: A — Review both contracts for work-preservation or transfer limits, then give each union notice and a chance to bargain as needed.

Whether work can be moved midterm depends first on the contracts: a work-preservation or similar clause can bar the move, and without one the employer may still owe bargaining over the decision or its effects, depending on why the work is moving. Both unions have a stake, so the Plant A union cannot be bypassed because the Plant B union agrees. Units cannot be merged unilaterally, and relocation is not automatically a management right.

59. Answer: B — Compare the $600,000 still needed with the $900,000 benefit still expected

The $1.4 million already spent is a sunk cost that cannot be recovered whatever the team decides, so only future costs and future benefits are relevant. Spending $600,000 more to gain $900,000 yields a positive $300,000, so continuing is justified on these numbers. Comparing the full budget or the amount already spent with future benefits, or continuing to avoid 'wasting' past spending, are all forms of the sunk cost fallacy.

60. Answer: D — A cooperative partnership with joint problem solving and training

A differentiation strategy built on quality needs skilled, committed workers who share ideas, so it fits a high-commitment, cooperative labor relations approach that invests in training and joint problem solving. Minimizing wages fits cost leadership. An arm's-length or subcontracting-heavy approach would erode the trust and skills the quality strategy needs.

61. Answer: D — Pipeline coverage: qualified candidates available per projected opening

Pipeline coverage compares the qualified internal and external candidates available with the openings the plan projects. A low ratio warns of shortfalls before they happen, so it is a leading indicator. Last year's turnover, time-to-fill and cost-per-hire are lagging measures that describe past results rather than future capacity to fill roles.

62. Answer: C — The maximum employer cost stays at 4% of pay, but employees must defer 8% to receive it.

The current maximum is 100% x 4% = 4% of pay, and the proposed maximum is 50% x 8% = 4% of pay, so the ceiling on cost is unchanged. Under the stretch formula, an employee deferring 4% now receives only 2%, so reaching the full 4% match requires an 8% deferral. Applying the 50% rate to 4% instead of 8% is the mistake behind the 2% figure.

63. Answer: B — Require an analysis of bias in the historical data and in the model's likely outcomes before choosing to build, buy or do neither

A model trained on historically skewed outcomes can learn and repeat that pattern, so the ethical first step is to examine the data and expected outcomes for bias before deciding how, or whether, to proceed. Removing demographic fields does not solve the problem because other variables can act as proxies for them. Buying a tool does not move liability, since the employer remains responsible for discriminatory effects of selection procedures it uses.

64. Answer: A — An increase motivates only if it is large enough to be seen as a clear reward, so top-tier raises must stand apart from the norm.

Research on pay increases suggests that a raise must clear a noticeable threshold to be seen as meaningful, so a 4% versus 3% gap sends almost no signal while a much larger gap does. The aim is to make the reward visible and tied to results. Speed to range maximum is a side effect rather than the purpose, and a doubled top tier does not by itself lower total spending.

65. Answer: D — WARN can combine waves within 90 days, so both may count as one event requiring notice

WARN's aggregation rule counts employment losses at a single site within any 90-day period together when each group alone falls below the threshold, unless the employer shows they resulted from separate and distinct causes. Here 80 combined losses at a 220-employee site are at least 50 employees and more than one-third of the workforce, so notice is likely required. Staggering the waves does not avoid the obligation.

66. Answer: B — Tie in-office time to clear business purposes, quantify the talent risk, and give the CEO workable options

A CHRO adds value by linking work arrangements to business needs, showing the cost of losing top talent, and presenting alternatives (such as purpose-based in-office days) so the CEO can make an informed decision. Simple deference or blanket opposition each fails to give strategic counsel, and planning to replace top performers ignores the cost and disruption of regrettable turnover.

67. Answer: B — Define evidence-based criteria for potential, require supporting examples, and review results by location for skew.

Visibility bias occurs when familiarity substitutes for evidence, so clear criteria for potential, required examples and analysis of outcomes by location target the bias directly. Quotas address the symptom but can promote people who do not meet the standard. Rotating meeting locations increases exposure only slightly, and removing executive review eliminates calibration across the enterprise.

68. Answer: C — A third-party administrator that processes the plan's medical claims

A business associate creates, receives, maintains or transmits protected health information on behalf of a covered entity, and a claims administrator for a self-funded plan does exactly that. A hospital treating members is itself a covered entity acting for its own purposes, and an insurer issuing its own policy is also a covered entity. Payroll deduction data held by the employer in its role as employer is not plan protected health information.

69. Answer: D — They analyze companies' pay programs and issue voting recommendations that many institutional investors weigh.

Proxy advisers review executive pay against their policies and publish vote recommendations, which many institutional investors consider when voting on say-on-pay, so their views can strongly affect outcomes. They do not set binding limits, and the firms that design pay programs are compensation consultants. Vote tabulation is handled by other agents.

70. Answer: B — Irresponsible purchasing practices push suppliers to use excess overtime and hidden subcontracting.

Responsible purchasing practices recognize that a buyer's ordering behavior, such as late changes, short lead times and prices below production cost, can push suppliers into excessive overtime, unauthorized subcontracting and wage violations. The fix includes better forecasting, stable orders and fair pricing, not only more audits. Attributing overtime to audit bias or worker preference misses the buyer's role.

71. Answer: D — Take accountability for the safety management system, set policy and ensure worker participation.

ISO 45001 places leadership and commitment on top management: they must take overall responsibility and accountability, set the occupational health and safety policy, and ensure consultation and participation of workers. Tasks can be delegated, but top management keeps overall accountability. OSHA does not approve ISO systems, and the standard does not set a fixed injury-rate target.

72. Answer: C — Preoccupation with failure

Weick and Sutcliffe's preoccupation with failure means treating every lapse and near miss as a symptom of possible system weakness, encouraging reporting and resisting complacency after success. It suits safety-critical work because small signals often precede catastrophes. Reluctance to simplify interpretations concerns resisting easy explanations, sensitivity to operations concerns awareness of frontline conditions, and commitment to resilience concerns containing and recovering from errors once they happen.

73. Answer: A — Managers account for at least 70% of the variance in team engagement

Gallup's research found that the manager or team leader accounts for at least 70% of the variance in team engagement, which makes manager quality a high-leverage enterprise lever. Pay and executive visibility matter, but Gallup did not find that they explain most of the differences between teams. A figure near 20% understates the finding considerably.

74. Answer: B — Present COBRA and Marketplace options side by side, noting the 60-day window after coverage ends.

Loss of employer coverage opens a special enrollment period, generally 60 days, for Marketplace coverage, which may be cheaper with premium tax credits. Voluntarily dropping COBRA midyear does not create a new special enrollment period, so employees need to compare options before choosing. Describing both options factually is not insurance advice, and COBRA enrollment blocks tax credits only while the person is enrolled.

75. Answer: D — Redesign how merit, promotion and equity decisions will be made without ratings, including calibration and documented rationale.

Ratings feed several pay and talent processes, so removing them without replacements leaves merit, promotion and pay equity decisions without consistent, defensible inputs. The CHRO should design the substitute mechanisms, such as manager guidance, calibration and documented reasons, before ratings go away. Unguided manager discretion raises bias and equity risk, and hidden ratings undercut the transparency the change is meant to deliver.

76. Answer: D — It lets members admit errors, ask questions and raise concerns, so leaders must invite candor.

Edmondson defines psychological safety as a shared belief that the team is safe for interpersonal risk-taking, which enables the speaking up, error reporting and experimentation that team learning requires. Leaders build it by framing work as learning, acknowledging their own fallibility and inviting input. It is not about lowering standards or avoiding accountability, and it is a team climate shaped by leaders rather than a personality trait.

77. Answer: B — Process and experience measures, such as fair promotion processes and inclusion survey results.

Measures of process fairness and employee experience reward the behaviors executives control without encouraging decisions based on protected characteristics. Demographic quotas create legal risk under Title VII because they can push managers toward selections based on group membership. Event counts and self-ID participation measure activity, not inclusion outcomes.

78. Answer: C — It bars discrimination claims by employees who perform key religious functions, whatever their job title.

Grounded in the First Amendment, the exception (Hosanna-Tabor, 2012; Our Lady of Guadalupe School, 2020) bars discrimination claims of all kinds by employees who perform important religious functions for a religious institution, and courts look at what the employee does, not the title. In Our Lady of Guadalupe it covered Catholic school teachers who taught religion. A preference for co-religionists in hiring for all positions describes the Section 702 exemption.

79. Answer: A — Address the safety claims with verifiable facts and an independent review while avoiding attacks on employees or the union.

Safety allegations affect regulators, customers and the workforce, so the company should respond with verifiable facts and, where appropriate, an independent review, which supports credibility. Attacking the union or employees tends to escalate the dispute and looks defensive. Employees who raise safety concerns publicly in connection with a labor dispute are generally engaged in protected activity, and disciplining them would invite unfair labor practice charges and possible safety-retaliation complaints. Public comment on safety is not direct dealing.

80. Answer: D — Keep any confidentiality clause narrow, preserve agency-filing rights, and address the executive's conduct separately

A settlement cannot lawfully bar a person from filing a charge or cooperating with the EEOC, and broad secrecy paired with no consequences signals to employees that harassment is tolerated. Narrow confidentiality, protected agency rights, and separate accountability for the executive manage legal and culture risk together. Litigating on principle invites publicity and cost, and keeping the executive in place sends the wrong cultural signal.

81. Answer: B — What they pay attention to, measure and reward, and how they react to crises

Schein's primary embedding mechanisms include what leaders regularly pay attention to, measure and control; how they react to critical incidents and crises; how they allocate resources and rewards; their role modeling; and how they select and promote people. Structure, policies, rituals, stories and formal statements are secondary mechanisms that reinforce culture only when they match leaders' actual behavior.

82. Answer: C — $224,000

The cost per employee is $70,000 x 0.08 = $5,600, and the total is $5,600 x 40 = $224,000 per year, before any related costs such as payroll taxes or benefits tied to pay. $5,600 is only the per-employee amount, $22,400 misplaces the decimal, and $2,240,000 treats 8% as 0.8 instead of 0.08.

83. Answer: D — I can raise a concern about misconduct here without fear of retaliation.

Hotline volume alone is ambiguous: a drop can mean less misconduct or less willingness to report. An item asking whether employees feel safe raising concerns without fear of retaliation directly measures willingness to speak up. Code certification and hotline awareness measure exposure, not willingness, and an item about observing no misconduct measures perceived misconduct rather than reporting behavior.

84. Answer: D — Examine leading indicators such as near-miss reports, and assess whether the culture discourages reporting.

A low recordable rate alongside serious incidents and falling near-miss reports suggests that problems are going unreported, so HR and safety leaders should look at leading indicators and at whether employees feel safe reporting. Lagging rates can be misleading when reporting is suppressed. Heavier discipline is likely to drive reporting further underground, and more benchmarking of the same lagging metric does not explain the incidents.

85. Answer: D — It estimates each factor's relationship with engagement while holding the other factors constant.

Simple correlations can mislead when drivers overlap, for example when better managers also give more career growth. Multiple regression estimates each factor's unique association with engagement while controlling for the others, which helps leaders decide where to invest. It does not by itself prove causation, and it typically needs a larger sample as more predictors are added.

86. Answer: D — Spending on people is evaluated as an investment by its expected long-term return, not only minimized.

Viewing people as assets means decisions about hiring, development and retention are judged by the value they create over time, so leaders weigh returns rather than cutting spend by default. Accounting standards do not let companies record employees as balance-sheet assets, the view does not forbid ever reducing labor costs, and it does not require above-market pay for every role.

87. Answer: D — The president has a conflict of interest and could shape the findings, undermining independence

Investigators must be independent of the people and functions they examine. A business unit leader whose results, reputation or own conduct may be at stake has a conflict of interest and could influence the scope, pace or conclusions, which weakens the credibility of the findings with the board and regulators. The concern is independence, not legal training, and no OSHA rule bars such reporting.

88. Answer: A — Link inclusive practices to engagement, innovation and wider talent access, using merit-based processes open to all.

Framing inclusion as a business strategy means tying practices such as fair selection, open access to development and inclusive leadership to measurable outcomes like engagement, retention and innovation, while keeping processes merit-based and available to everyone. Treating inclusion as only a reputational issue or as a separate values statement misses the board's request. Demographic quotas create serious legal risk and conflict with merit-based selection.

89. Answer: A — Co-develop a written protocol covering triage, privilege, investigator independence and escalation

A joint protocol lets the CHRO and general counsel decide in advance which matters HR handles, when counsel directs an investigation to protect privilege, when outside investigators are needed for independence, and when allegations against executives go to the board. Giving every case to one function or one outside firm ignores that complaints differ in risk, seniority and cost. Partnership on a defined process also makes outcomes consistent and defensible.

90. Answer: B — Free, prior, and informed consent

Free, prior and informed consent, set out in the UN Declaration on the Rights of Indigenous Peoples and reflected in standards such as IFC Performance Standard 7, calls for good-faith engagement that lets Indigenous communities give or withhold consent before projects affect their lands, free of coercion and with full information. A social license to operate is an informal measure of community acceptance, not a rights-based standard. Benefit agreements and stakeholder mapping are tools that may support engagement but are not the guiding principle.

91. Answer: A — Revise policies to cover synthetic media, update training and reporting, and discipline consistently.

Sexual content targeting a coworker can contribute to a hostile work environment under Title VII whatever tool created it, and conduct among coworkers outside work channels can still affect the workplace. Naming synthetic media explicitly in policy, training and reporting removes ambiguity and supports consistent discipline. A device ban is easily circumvented on personal devices, excluding personal chats would ignore conduct that spills into the workplace, and employers need not wait for agency guidance to prevent harassment.

92. Answer: B — As not clearly meaningful, since the 3-point gain is within the margin of error.

A 3-point difference is smaller than the 4-point margin of error, so the change cannot be distinguished from sampling variation and should not be reported as real improvement. The same margin means the true score could also be as low as 58%, below last year's result. There is no fixed favorable threshold that makes a change meaningful.

93. Answer: C — A facilitated meeting where the offender hears the harm caused and agrees on how to repair it

Restorative approaches focus on repairing harm and relationships: the offender understands the impact on others and takes part in making amends, usually through a facilitated process. Progressive discipline and zero-tolerance rules are punitive and focus on sanctions. Mandatory training is a corrective step that does not involve the affected people or repair the harm.

94. Answer: B — Have the new CEO and board chair meet the runner-up soon with a defined role, growth path and retention terms

Runner-ups often leave soon after a CEO decision, so speed and personal engagement from the new CEO and board matter: a clear, meaningful role, a development path and appropriate retention terms address both the emotional and practical reasons people leave. Money alone rarely retains a disappointed leader, and waiting gives competitors time to recruit. Planning for the role's backfill is prudent but should not replace an effort to keep the executive.

95. Answer: C — An effect size such as Cohen's d

Effect sizes such as Cohen's d express the magnitude of a difference, here the gap between means divided by the pooled standard deviation, so they do not grow just because the sample is larger. A p-value reflects both effect size and sample size, so a trivial difference can be highly significant in a large sample. The standard error and the confidence level describe precision and decision thresholds, not magnitude.

96. Answer: C — It shows leaders how much spend sustains operations versus how much builds future capability.

Treating the HR budget as a portfolio makes the balance between keeping the lights on and investing for the future visible, so executives can deliberately shift dollars from run toward grow and transform as strategy requires. The categories are not meant to receive equal shares, individual initiatives still need business cases, and the classification is a management view that does not change accounting treatment.

97. Answer: C — Review contract protections, seek roadmap commitments, and prepare exit options

Ownership change creates uncertainty about support, pricing and product direction. The CHRO should confirm contractual rights (such as support, data and termination terms), press the new owner for commitments, and prepare alternatives without acting prematurely. Replacing immediately may be unnecessary, waiting leaves the company exposed, and locking in a long renewal deepens dependence on an uncertain product.

98. Answer: C — Proceed only for a defined purpose, with aggregate results, notice and privacy review

Organizational network analysis can yield valuable insights, but it touches sensitive data, so it should be limited to a stated purpose, reported at group level, disclosed to employees and reviewed for privacy and legal compliance. Using individual scores in performance reviews turns a structural study into surveillance and erodes trust. Such analysis is not inherently unlawful, though requirements vary by jurisdiction.

99. Answer: B — 80:1; the board should compare it with peers and the company's workforce mix before drawing conclusions.

The ratio is $5,200,000 / $65,000 = 80, so CEO pay is 80 times the median employee's. Because the ratio depends heavily on industry, workforce location and job mix, it is most useful when compared with peers and tracked over time rather than read as a verdict on internal fairness. A ratio alone shows neither that the median employee is underpaid nor that CEO pay must be cut.

100. Answer: C — Link the lowest-scoring units to higher turnover and lower quota attainment, and estimate the cost.

A skeptical CEO is most persuaded when survey results are tied to outcomes the CEO already cares about, such as revenue, turnover, and their cost. Verbatim comments add color but are easy to dismiss as anecdotes. Benchmarks still leave the result framed as a survey score rather than as a business problem.

101. Answer: B — Focus on middle managers by rating how results are achieved and holding them accountable for team conduct.

Employees take their strongest cues from immediate managers, so the gap here is the tone in the middle, reinforced by targets and incentives. The CHRO should change what managers are measured and rewarded on, including how results are achieved, and hold them accountable for their teams' conduct. More executive messaging and frontline training do not address the pressure source, and a hotline helps detect problems but does not change the incentives driving them.

102. Answer: C — Define potential with observable indicators, require evidence for each rating and calibrate ratings across managers.

An undefined potential rating invites managers to rely on stereotypes, such as assumptions about ambition or adaptability by sex or age. Defining potential with observable indicators, requiring supporting evidence and calibrating across managers keeps the nine-box tool the CEO wants while reducing bias. Relying only on past performance does not measure readiness for larger roles, and forcing ratings to match workforce shares sets outcomes by group membership instead of fixing the process.

103. Answer: C — 1.2%

Total costs rise by 30% x 4% = 1.2%. If prices, and therefore revenue, also rise 1.2%, revenue and costs grow by the same proportion, so profit grows 1.2% and the margin percentage holds steady. Raising prices the full 4% overcorrects because labor is only part of costs, 2.8% wrongly applies the non-labor share, and 0.12% is a decimal error.

104. Answer: C — Commit to service levels, keep business partner coverage, and share results from a pilot

Leaders resist centralization mainly because they fear losing service and access. Firm service-level commitments, continued strategic business partner coverage and evidence from a pilot address those concerns directly. A CEO mandate may force compliance, but it leaves the underlying concern untouched; making the center optional undermines the scale on which the business case depends.

105. Answer: B — Affected employees, told by their managers before any media release goes out

Employees who are directly affected should hear the news from the company, ideally from their own managers, before they learn of it through the media; doing otherwise damages trust and the company's reputation as an employer. Customers and suppliers should be informed promptly but generally after employees. Briefing the media first means employees learn of their own job losses from news reports.

106. Answer: C — Analyze workforce mix, productivity and the service strategy to see how much of the gap is intended.

A labor cost ratio above benchmark is a signal to investigate, not a mandate to cut. A premium service model may justify higher staffing, while mix, overtime, scheduling or productivity problems may account for the rest, so the analysis should come before any reduction. Cutting or freezing pay before understanding the causes can damage the brand's strategy. Rechoosing the peer group could be part of the analysis, but doing it to make the gap look smaller avoids the question.

107. Answer: D — Allow narrow exceptions for revenue-critical and safety roles with executive approval.

A freeze with tightly defined, centrally approved exceptions captures most of the savings while protecting revenue, regulatory compliance and safety, so the freeze does not cost more than it saves. A rigid freeze can leave critical roles empty, decentralized exceptions erode control, and jumping to layoffs is a disproportionate first response.

108. Answer: C — Learn what barriers resistant managers face, then adjust the process and show how it helps them.

Effective change management starts by understanding the source of resistance, such as unclear value, workload or skill gaps, and then removing those barriers and showing what is in it for managers. Mandates and incentives may raise completion numbers without improving the quality of conversations. Reverting after six months abandons the strategy before the causes of low adoption are understood.

109. Answer: B — Monitoring the employment actions affecting reporters for a period after each report

The gap is that no one is watching what happens to reporters after they speak up, so subtle reprisals go unnoticed. Post-report monitoring, such as reviewing ratings, assignments, pay and discipline for reporters over a set period, catches retaliation that employees may not report. The definition already covers retaliation and channels already exist, so expanding them does not close this gap.

110. Answer: C — Firms that cut employees without restructuring how work is done rarely outperformed industry peers

Cascio's studies found that companies that simply reduced headcount, without changing assets, processes or how work was done, generally did not achieve better profitability or returns than their industry peers over time. Gains came from firms that restructured the business itself. Deeper cuts and across-the-board quotas were not linked to better results or morale.

111. Answer: D — Build shared goals for both sides and define decision rights for the trade-offs between them.

Matrix conflict often stems from goals that pull leaders in opposite directions. Shared or linked goals align incentives, and clear decision rights and escalation paths resolve the trade-offs that remain. Giving one side blanket authority sacrifices either short-term revenue or strategy, and case-by-case negotiation keeps the misaligned incentives in place.

112. Answer: D — Keep investing in accessible reporting channels, since tips uncover more fraud than audits do

Fraud studies consistently find tips are the leading detection method, uncovering far more cases than internal audit or management review, with employees the largest source and customers and vendors also contributing. Weakening the hotline would remove the most productive detection channel. Opening channels to outside parties and promoting them is a better use of resources than cutting them.

113. Answer: A — Describing the gap between what was expected and what was observed

In Crucial Accountability, describing the gap means stating plainly what was expected and what was observed, then asking a sincere question rather than leading with conclusions. The CHRO states the agreement, the facts and an open question. Making it motivating comes later if the person is unwilling, and the feedback sandwich is not part of the model.

114. Answer: B — Coach each division head on specific visible behaviors, using stakeholder feedback and linking progress to their objectives.

Employees take cues from what leaders do, not what they say, so the gap must be closed at the leadership level. Targeted coaching on specific behaviors, informed by feedback and reinforced through accountability, addresses the cause. More communication widens the say-do gap, replacing leaders is premature before coaching and accountability are tried, and training front-line staff does not fix the leaders' modeling problem.

115. Answer: C — Baseline and comparison-group metrics, with success criteria defined in advance

A credible scaling decision needs baseline data, a comparison group and success criteria defined up front across productivity, customer service and retention measures. A self-selected enthusiastic team biases results, satisfaction alone does not show business impact, and a pilot that is too short may capture only a novelty effect.

116. Answer: B — The evidence does not support using generational categories to make workforce management decisions.

The 2020 consensus report, Are Generational Categories Meaningful Distinctions for Workforce Management?, found that the research does not support the idea that generations differ in meaningful ways at work and that differences are better explained by age, life stage and period effects. It recommended against using generational labels for workforce decisions. The distractors all accept generational categories as a valid basis for decisions.

117. Answer: C — Substitution meets employee needs so a union seems unnecessary; suppression actively opposes organizing

Union substitution relies on competitive pay, fair treatment, and voice mechanisms so employees see little need for representation; union suppression uses aggressive opposition to organizing efforts, which can also create unfair labor practice risk. A company-dominated committee would itself violate Section 8(a)(2) of the NLRA, and neither approach is defined by election timing or replacing workers with contractors.

118. Answer: A — OSHA can cite a recognized hazard likely to cause serious harm when feasible abatement exists

With no specific federal workplace violence standard, OSHA uses the General Duty Clause, which requires employers to keep the workplace free of recognized hazards causing or likely to cause death or serious physical harm. A citation generally requires showing that the hazard was recognized, such as through prior incidents, and that feasible means of abatement existed. A fatality is not a prerequisite.

119. Answer: B — Present data on attrition risk and collaboration, and propose phased or role-based options that address the CEO's goal.

A CHRO influences best by engaging the CEO's underlying goal, quantifying the trust and attrition costs of breaking a promise, and offering alternatives that improve collaboration with less damage. Implementing without challenge forgoes HR's advisory role, while flatly refusing ignores a legitimate business concern. A survey informs the decision but does not substitute for executive judgment about strategy.

120. Answer: D — Being a real team, a compelling direction, and the right people

In Senior Leadership Teams, Wageman, Nunes, Burruss and Hackman name three essentials, a real team (bounded, interdependent, stable), a compelling direction and the right people, plus three enablers: solid structure, a supportive context and competent team coaching. Shared vision, team learning and personal mastery come from Senge's learning organization, the stages come from Tuckman, and trust, conflict and commitment are part of Lencioni's model.

121. Answer: C — Add transfer support, such as pre- and post-program discussions, to managers' goals and reviews.

Manager support is one of the strongest influences on whether training is applied, and making it part of managers' goals and evaluations creates accountability for it. Content summaries inform managers without changing their behavior, while refreshers and tests target the participant rather than the missing workplace support.

122. Answer: A — They bring a wider range of information and perspectives that is debated more thoroughly

The decision-quality benefit of cognitive diversity comes from information elaboration: members contribute different knowledge and viewpoints and scrutinize assumptions more carefully, which reduces groupthink. Diverse teams often experience more task conflict and slower consensus, not less, so the benefit depends on surfacing and debating differences rather than avoiding them.

123. Answer: A — Common report standards with regular calibration sessions and peer review of draft findings

Calibration and peer review test investigators' reasoning against a shared standard, which directly addresses inconsistent conclusions on similar facts. Certification builds individual skill but does not align judgment across a team. Local leader approval adds conflicts of interest, and lighter caseloads give more time without fixing inconsistent standards.

124. Answer: A — Which roles have the greatest effect on strategic results when performance or staffing levels change

Pivotal roles are those where an improvement in talent quality or availability produces the largest change in strategic value, so scarce recruiting dollars should flow there first. Requisition volume, salary level and time to fill are useful operational data, but a high-volume or hard-to-fill role is not necessarily the one whose staffing most affects the strategy.

125. Answer: C — Decline sponsorship from vendors in active bids and set a transparent, policy-based approach for any others.

Accepting significant value from vendors that are competing for a pending contract creates a real or apparent conflict of interest that can taint the selection. A clear policy, such as declining sponsorship from active bidders and applying transparent rules to others, protects the procurement process. Hiding sponsors' names reduces transparency and makes the arrangement look worse, not better.

126. Answer: A — By comparing the CEO's realizable pay with total shareholder return relative to peers over several years.

Pay-for-performance alignment is usually tested by comparing CEO pay, often realized or realizable pay, with total shareholder return (TSR) over a multiyear period, relative to a peer group. Proxy advisors use similar relative tests. The CEO pay ratio compares pay to the median employee, which addresses internal equity rather than performance alignment, and single-year comparisons miss long-term alignment.

127. Answer: A — Limit data use to serving the company, and require deletion, security and audit terms.

Employee data was collected for employment purposes, and letting a vendor reuse it for its own products creates privacy, confidentiality and legal exposure that the company cannot control. The CHRO should restrict use to delivering contracted services and secure deletion, security and audit rights. Removing names does not reliably anonymize rich HR records, and a discount does not offset the risk. Ending the relationship goes too far when protective terms can be negotiated.

128. Answer: D — COBRA tends to attract high-claim members, and the 102% premium cap limits cost recovery.

Because people with high expected medical costs are more likely to elect and keep expensive COBRA coverage, COBRA pools experience adverse selection. Premiums are capped at 102% of the applicable premium (150% only during a disability extension), so the plan absorbs the excess cost. Coverage cannot be ended because claims are high; only the events listed in the law end it early.

129. Answer: A — About 84%; above 80%, so the rule of thumb does not flag adverse impact, though the gap warrants further review.

Retention rates are 160 / 200 = 80% for employees 40 and over and 285 / 300 = 95% for those under 40, so the impact ratio is 80% / 95% = about 84%, which is above the 80% rule of thumb. The rule of thumb is only a screening guide, so with termination rates of 20% versus 5% the employer should still do statistical and legal review. Reading the older group's 80% retention rate as the ratio is the common mistake, and a ratio above 80% does not prove lawfulness.

130. Answer: C — Create several upward channels, such as skip-level meetings, and train leaders to respond to bad news without blame

Organizational silence persists when employees believe speaking up is futile or risky, so the fix combines multiple channels that bypass filtering layers with visible, non-punitive leader responses. Reissuing an open-door policy is the tempting choice, but it does nothing to change the perceived risk of raising problems. An annual survey is too slow to catch issues early, and manager certifications rely on the same filtering layers that failed.

131. Answer: B — Dialectical inquiry

Dialectical inquiry surfaces dissent by having a team develop a counterplan based on opposing assumptions, then debating the two plans to reach a stronger synthesis. Devil's advocacy is the tempting choice, but it involves critiquing a single plan rather than building a competing one. Nominal group technique and the Delphi technique structure idea generation and expert consensus rather than debate between opposing plans.

132. Answer: D — Invite ERG input on fairness criteria and pilot testing, while decision rights stay with governance.

ERGs offer valuable perspectives on how tools may affect different groups, so involving them in setting criteria and testing pilots improves fairness and builds trust. Giving them a veto blurs accountability, since the governance body must own the decision. Declining outright dismisses legitimate concerns, and relying on vendor certifications ignores the employer's own responsibility to verify fairness.

133. Answer: A — A claim of competitive disadvantage generally does not require disclosing financial records, but claiming inability to pay does.

Under NLRB v. Truitt Manufacturing, an employer that claims it cannot afford a union's demands must substantiate the claim with financial information on request. The Board has distinguished claims that the company will be at a competitive disadvantage, which generally do not trigger that duty. Executives must keep their messaging consistent, because statements suggesting the company cannot pay can turn a competitiveness argument into an inability-to-pay claim.

134. Answer: A — Sponsors use their influence to advocate for protégés and open doors to promotions

Mentors mainly advise and develop, while sponsors are senior leaders who spend their own credibility to advocate for a protégé, recommend them for high-visibility roles and speak for them in talent decisions. Research shows that underrepresented employees are often mentored but under-sponsored, which is why sponsorship targets advancement directly.

135. Answer: B — Lead with the key insight, explain its business impact and end with a clear recommendation

Executives decide fastest when the story moves from insight (what the data shows) to implication (why it matters to the business) to recommendation (what to do and what it will cost). Walking through every chart or leading with methods buries the message, and sending raw data shifts the analysis to the audience. Supporting detail and methods can go in an appendix for those who want them.

136. Answer: B — Whether a genuine good-faith impasse exists, given the legal risk if the NLRB disagrees and the relationship cost.

An employer may implement terms reasonably consistent with its final offer only after bargaining in good faith to a genuine impasse. If the NLRB later finds no impasse existed, the implementation is an unfair labor practice that can carry make-whole remedies and turn a strike into an unfair labor practice strike. Neither union notice, a better offer nor a fixed waiting period defines impasse, which depends on the totality of the bargaining.

137. Answer: C — Frame the data as task change rather than job loss, show the transition plan, and give ranges and assumptions.

Accurate framing matters: a change in 30% of tasks is not the loss of 30% of jobs, and pairing the data with ranges, assumptions and a plan helps the board grasp both the scale and the response. Restating it as job cuts misrepresents the analysis and creates the alarm the CHRO wants to avoid. Omitting the figure withholds material information, and dumping raw output on the board without a narrative leaves directors to misread it.

138. Answer: C — Criterion-related validation, showing that test scores correlate with measures of analysts' job performance.

Content validity fits tests that sample observable job tasks, such as a work sample, but not abstract traits like reasoning ability. With 900 incumbents and sound performance data, a criterion-related study can show statistically that scores predict job performance. Construct validation must also link the trait to job performance, not just show the test measures it, and face validity is not legal evidence of job relatedness.

139. Answer: B — Firms chose to join the trials, so they may differ from firms like this one.

Companies volunteered for these trials, so they were likely already suited to and enthusiastic about a shorter week, which limits how well the results generalize. Many outcomes were also self-reported. Productivity is clearly relevant to the decision, and publicity or trial size does not make findings unverifiable or undetectable.

140. Answer: C — Define the combined firm's strategy and service needs first, then design a model to fit, drawing on both models.

The HR operating model should follow from the combined business strategy, structure and service needs, such as how much consistency, scale efficiency and business-unit customization the new firm requires. Starting from design criteria lets the CHRO combine the strengths of both legacy models rather than defaulting to one. Picking the acquirer's model is tempting for speed but can import a poor fit, and running two models indefinitely adds cost and inconsistency.

141. Answer: B — Explain that management cannot assist with the petition and refer employees to the NLRB for procedural information

An employer may give only ministerial help, such as telling employees how to contact the NLRB, and may not initiate, draft, solicit or support a decertification petition. Employer assistance taints the petition and is an unfair labor practice. Paid meeting time and drafted language are forms of unlawful support, and promising future help is still unlawful assistance.

142. Answer: A — Check every 90-day window, since waves can be aggregated into a mass layoff that requires notice.

WARN aggregates employment losses at a single site over any 90-day period unless the employer shows they result from separate and distinct causes. Here, waves one and two (65) and waves two and three (70) each fall within 90 days, exceed 50 employees and exceed one-third of the 180-person site, so notice is required. Measuring each wave separately ignores the aggregation rule, and the same demand decline makes a separate-cause defense weak.

143. Answer: B — Quantified costs, benefits and risks, with ROI or NPV and the alternatives considered

A finance committee evaluates investments on financial return and risk, so it expects total costs, quantified benefits, financial measures such as ROI, NPV or payback, key risks and the options rejected. Demos, survey demand and implementation plans may support the case but do not show whether the investment creates value.

144. Answer: C — Treat it as likely retaliation, since a move that could deter complaints is actionable even with no pay change.

Under Burlington Northern v. White, an action is retaliatory if it might dissuade a reasonable worker from making a charge, and the Court held that reassignment to less desirable duties within the same job classification can qualify. A move from visible client work to a low-profile project two weeks after a complaint fits that standard. The CHRO should review the decision, reverse it absent a documented legitimate reason, and address the SVP's conduct.

145. Answer: B — Focus mainly on connecting people with expertise, with a smaller repository supporting that network.

Firms selling customized, expert solutions benefit most from a personalization strategy that links people to people, while codification suits firms that reuse standard solutions. Research on the two strategies suggests emphasizing one, with the other in a supporting role, rather than splitting effort evenly. A template-heavy repository would push the firm toward commoditized work that does not match its premium model.

146. Answer: A — Joint IBB training and visible commitment from leaders on both sides

Interest-based bargaining depends on both teams understanding the process and on leaders who will support it when difficult issues arise, so joint training and sponsorship are core prerequisites, often with a neutral facilitator. Arbitrating economics is a different dispute process. Decertification and excluding union representatives would signal distrust and undermine the collaboration IBB requires.

147. Answer: B — Ask the TPA for de-identified aggregate trends by condition and cost driver, not by small unit.

Benefits redesign can be driven by de-identified, aggregate data on cost drivers such as chronic conditions, pharmacy trends and site-of-care use, without exposing individual PHI. Breaking data out by small departments could identify individuals, and IDs do not de-identify records. Plan sponsors are not barred from all claims information; they can receive summary and de-identified data for plan design.

148. Answer: D — Scale and standardization versus responsiveness to language, time zones and local law

A single center maximizes scale, consistency and cost efficiency. Regional hubs give up some of that in exchange for coverage of local languages, working hours and country-specific legal requirements. The other pairs name secondary considerations rather than the central tension behind the choice.

149. Answer: C — Build a strike plan covering operations, lawful replacement staffing, security and communications.

Contingency planning for a possible strike is lawful and prudent, covering how operations will continue, how replacements may be used within NLRA limits, site security, and communications. Threatening to fire strikers interferes with protected activity, and offering employees bonuses for pledges bypasses the union and is unlawful direct dealing. Preparing a contingency plan is not, by itself, bad-faith bargaining.

150. Answer: B — A new city ordinance mandates paid sick leave at one of two similar plants on opposite sides of the city line.

In a natural experiment, an outside event or rule, not the researcher, creates comparable groups that do and do not receive a treatment; the ordinance affects one plant but not a similar neighboring plant. Randomly assigning call centers is a deliberate field experiment, which is stronger but is not a natural experiment. Letting managers choose introduces self-selection, and a company-wide before-and-after comparison has no comparison group.

151. Answer: A — Charismatic or value-based leadership, such as being visionary, inspirational and having integrity

The GLOBE study of 62 societies found that charismatic or value-based leadership, along with team-oriented leadership, is endorsed as contributing to outstanding leadership across virtually all cultures. Attributes linked to autonomous and self-protective leadership received mixed or negative ratings that varied by culture. A purely directive, high-control approach is not one of the universally endorsed profiles.

152. Answer: B — Trust between supervisors and stewards and how often issues are resolved informally

Labor climate research emphasizes the quality of the union-management relationship, including mutual trust and the ability to resolve problems informally at the front line, as a leading signal of cooperation or conflict. Strike history, past wage settlements, and arbitration results are lagging measures that report what has already happened.

153. Answer: C — Define the culture the combined strategy needs and draw on both firms to build it

Anchoring the decision in the combined company's strategy moves the debate from 'whose culture wins' to which behaviors the business needs, and draws on strengths from both sides. Imposing the acquirer's culture on a peer risks losing talent and value. Separation forfeits integration benefits, and survey scores say nothing about strategic fit.

154. Answer: C — Plan integration around the codetermined board, since the employee seats are required by law, and engage those members early.

German law requires companies of this size to give employee representatives half of the supervisory board seats, and those members are elected by employees rather than appointed by shareholders. A change in ownership does not remove them, and buying out their seats would only lead to new elections. The CHRO should build governance and integration plans around the board and build working relationships with the employee members early.

155. Answer: D — Inform and consult the German and French works councils before the decision is final or announced

In Germany and France, works councils have legal rights to be informed and consulted on restructurings before decisions are implemented, and announcing a final plan first can violate those rights, lead to legal challenges and delays, and damage relations. A U.S.-first announcement still presents the plan as final and will quickly become known in Europe. The global timeline should be built around the consultation process.

156. Answer: C — A product company redefines itself as a subscription services business and changes how it creates value.

First-order change is incremental, improving how things are done within the existing framework, while second-order change is transformational, altering fundamental assumptions, identity or business model. Shifting from products to subscription services changes how the organization defines itself and creates value. Fewer approvals, an extra shift or a revised form are adjustments within the current framework.

157. Answer: C — Pressuring the employer through outside parties it depends on

A corporate campaign applies pressure through the employer's stakeholders, such as customers, investors, lenders, regulators and the media, to raise the business and reputational cost of resisting the union. It works outside the traditional tools of strikes and picketing at the worksite. Charges and strike funds may be part of a broader effort but are not what defines a corporate campaign.

158. Answer: B — The leader has enough information and the team is likely to accept the decision

The model permits an autocratic decision when the leader has sufficient information to decide well and the team is likely to accept the decision, or when commitment does not matter. If members have needed expertise, consultation improves quality, and when commitment is critical and uncertain, group involvement is recommended. Shared goals with ample time favor participative styles.

159. Answer: B — Pilot it at several typical plants, tracking delivery fidelity and results.

Results from a single site with an unusually committed leader and extra resources may not generalize, so the CHRO should test the program in ordinary conditions and track whether it is delivered as designed. A full rollout assumes the champion's conditions will be repeated. A two-year wait at the same site still says nothing about other plants.

160. Answer: D — Require core training on complaint handling and retaliation, set escalation paths with ER partner support, and track case metrics.

The cases show specific capability gaps with legal risk, so required training on the highest-risk behaviors, clear escalation paths, expert support and outcome metrics build lasting capability at scale. Voluntary resources and an annual meeting are too light for systemic problems. Removing managers from all people issues is impractical and does not fix their basic obligations, such as recognizing and escalating complaints.

161. Answer: A — Caution that self-selection may explain the gap and test the effect with a comparison group

Because the course was optional, higher performers may have been more likely to enroll, so the correlation may not reflect what the course caused. A control or matched comparison group, or pre- and post-measures, isolates the effect before a costly mandate. Targeting low performers or promoting enrollment both assume a causal effect that has not been shown.

162. Answer: D — $23.33 million

Trend compounds: $20 million x 1.08 x 1.08 = $23.328 million, or about $23.33 million. Adding a simple 16% gives $23.20 million and understates cost because it ignores compounding. The $21.60 million figure covers only one year, and $25.19 million compounds for three years.

163. Answer: D — Reclassify prospectively and, with counsel, pay back wages for the lookback period under a clear communication plan.

Once the company knows of the violation, continuing silence about back wages invites a finding of willfulness and leaves liquidated damages exposure open. Pairing prospective reclassification with a counsel-structured back-pay decision and accurate messaging limits exposure and protects trust. A higher salary does not fix a failed duties test, and volunteering an admission of past error creates avoidable evidence.

164. Answer: B — Maintaining data quality, definitions and access rules for compensation data

A data steward is the business-side caretaker of a data domain, responsible for its accuracy, standard definitions and who may access it under governance policy. Building predictive models is the work of analysts or data scientists, who rely on the steward's well-governed data. Server administration and backups are IT custodian tasks, not stewardship.

165. Answer: A — Wins on problems her boss and peers care about, achieved in ways that model the desired behaviors

Watkins advises new leaders to secure early wins that matter to key stakeholders, especially the boss, and to achieve them in a way that reflects the behaviors they want to instill, so the wins build both credibility and momentum. Wins on issues no one else values do little for credibility. A big launch without results raises expectations, and reversing a predecessor's decisions can alienate the people who made them.

166. Answer: A — Contestability lets people correct errors and missing context, building trust and accountability in AI use.

AI systems can rely on wrong data or miss context, and the people affected are often best placed to spot it. A clear way to challenge decisions and get human review corrects individual errors, reveals systemic problems and shows that the organization stands behind its decisions. It complements bias testing rather than replacing it, and it does not shift accountability away from the employer.

167. Answer: B — A shared severity matrix that sets who investigates, escalation paths and timelines for each tier

A common severity matrix makes routing, investigator level, escalation and timelines predictable everywhere while still matching resources to risk. Local triage rules produce the inconsistency the protocol is meant to remove. Sending every case to legal or to one investigator ignores severity, creates bottlenecks and wastes senior resources on minor matters.

168. Answer: A — Plan PHI may not be used for employment-related decisions or analysis outside plan duties.

HIPAA permits a plan sponsor to receive plan PHI only for plan administration, and plan documents must prohibit its use for employment-related actions. Linking claims to performance ratings is an employment-related use and also raises ADA and GINA concerns. Funding the plan does not give the employer, in its role as employer, rights to the plan's PHI.

169. Answer: D — Build applied learning tied to their real decisions, such as hands-on sessions and reviews of live proposals.

Executives need decision-relevant fluency: enough hands-on understanding to ask good questions and judge AI proposals. Learning tied to their actual decisions builds that quickly. Deep technical certificates exceed what the role requires, delegating decisions to data scientists removes executive accountability, and a reading list is passive and easy to ignore.

170. Answer: D — Output fell faster than labor cost, as overtime, errors, and lost know-how reduced productivity.

Labor cost per unit equals labor cost divided by output. When cuts are made without redesigning work, survivors often work costly overtime, make more errors, and lose institutional knowledge, so output can fall more than labor cost does. That is why headcount reductions should be paired with process redesign. Severance is a one-time cost, and nothing in the scenario suggests automatic raises or overhead reallocation.

171. Answer: A — Members' common understanding of the task, their roles, and how they will work together

Shared mental models are overlapping knowledge structures held by team members about the task, equipment, roles and team interaction, which let members anticipate each other's needs and coordinate without explicit communication. A charter can help build them but is a document, not a shared cognition. Suppressing dissent describes groupthink.

172. Answer: C — A layoff lasting more than six months is an employment loss, so notice may be required

Under WARN, an employment loss includes a layoff exceeding six months, as well as a reduction in hours of more than 50% in each month of any six-month period. An eight-month furlough of 150 of 300 employees therefore can be a mass layoff requiring 60 days' notice. Calling the action a furlough or continuing benefits does not change the analysis.

173. Answer: C — Total training costs, the share of employees who take part in training and average training hours

ISO 30414 includes skills and capability metrics such as total development and training costs, the percentage of employees who participate in training and the average formal training hours per employee. Course ratings, competency assessments and technology metrics may be useful internally but are not the L&D measures the standard specifies.

174. Answer: A — When qualification rates differ by group, equalizing one metric generally pushes the other apart

Demographic parity equalizes selection rates regardless of qualification, while equal opportunity equalizes the rate at which qualified people are selected. If base rates of qualification differ between groups, an imperfect model that satisfies one will generally violate the other, so leaders must choose which definition of fairness fits the decision. More data can improve accuracy but does not remove this mathematical tension.

175. Answer: A — Explain that ranges are guides, so freezing them saves little while worsening competitiveness

Range movement by itself costs little; actual pay costs come from merit budgets, promotions and adjustments for employees below minimums. Freezing ranges that already lag the market would hurt hiring and retention while saving little, so the CFO's cost goal is better met through the merit budget or other actions. No federal law requires annual range updates.

176. Answer: B — The agencies differ in which issues they cover, how they measure them, and how they weight them.

Research on ESG rating divergence shows that agencies define different scopes of issues, use different indicators to measure the same issue and weight categories differently, so the same company can score very differently. Data lags can play a part but do not explain systematic differences. There is no rule requiring a single peer set, and ESG ratings are not built on credit ratings.

177. Answer: D — Expansion from existing customers exceeded churn and downgrades

NRR compares this year's revenue from a starting group of customers with the prior year's revenue from the same group, including upsells, churn and downgrades. At 115%, the existing base grew 15% even without new customers, which argues for investing in account managers who drive expansion. New-customer wins are excluded from NRR, and gross retention cannot exceed 100%.

178. Answer: B — Meet privately, share the exit data and its business cost, and ask how he sees it before proposing steps

A direct, private conversation grounded in evidence and business impact respects the CEO while making the issue hard to dismiss, and asking for his view first builds ownership of the solution. Raising it in front of his team would repeat the public criticism at issue. Going to the board first damages trust before the CEO has a chance to respond, and withholding the data avoids the truth the CEO has asked for.

179. Answer: C — $300,000 to $900,000

Total overtime hours are 40 x 5 x 100 = 20,000. Under the half-time method, the premium is $15 an hour, so 20,000 x $15 = $300,000; under the time-and-a-half method, the rate is $45 an hour, so 20,000 x $45 = $900,000. Using the $30 straight-time rate as the high end gives $600,000, and counting only 50 weeks halves both figures.

180. Answer: A — Job-related validation evidence, adverse impact analysis by group, legal review in each jurisdiction and ongoing audits.

The employer remains responsible for discrimination produced by tools it uses, so it needs evidence that scores predict job performance, subgroup impact data, jurisdiction-specific legal review (for example, AI rules in the EU and some US cities and states) and continuing audits. Indemnification shifts some cost but not legal responsibility, and manager satisfaction is not validity evidence. Ranking tools are not exempt.

181. Answer: D — To define which services HR offers, to whom, and at what service level, to manage demand

A service catalog defines HR's offerings, who is eligible for them and the service levels attached. That supports demand management, resourcing and accountability. Policy libraries and process documentation are different tools, and pricing may be added later but is not the catalog's core purpose.

182. Answer: A — Value chain linkages, where a cut in one activity raises costs in another

Porter's value chain shows that activities are linked: a support activity such as HR training affects the cost and quality of primary activities such as operations and service. Cutting training lowered one cost but raised service costs by three times the savings. HR leaders should judge such cuts by their total effect across the chain, not only within the HR budget.

183. Answer: D — Pause or limit the tool while probing the cause, job-relatedness and less discriminatory options

An impact ratio of 0.62 falls well below the 80% rule of thumb and signals possible adverse impact. Because the employer is liable for discriminatory effects of selection tools, the prudent step is to stop or limit use while determining the cause, whether the tool is job-related and consistent with business necessity, and whether less discriminatory alternatives exist. A disparity is not proof of illegality, but continuing unchanged ignores a serious warning sign, and adjusting scores by race is prohibited under Title VII.

184. Answer: D — Integrating a workforce with different skills, pay structures, and culture into the parent's operating model.

Backward integration brings an upstream business, with its own workforce, skills, pay practices, and culture, inside the firm, so integration and harmonization planning comes first. Retail and distribution skills are associated with forward integration toward customers, not backward integration. Procurement still manages other suppliers and inputs, so eliminating it outright is an overreach.

185. Answer: D — Base-year selection bias that exaggerates the apparent improvement

Comparing against an unusually bad year makes almost any later year look better, partly because extreme years tend to be followed by more typical ones (regression to the mean). A multi-year baseline or trend line gives the board a fairer view of real progress. Survivorship bias and Simpson's paradox involve different mechanisms, and nothing in the scenario suggests unreliable recall.

186. Answer: D — Assess each program's use, outcomes and employee trust, then design a combined system with input from both groups

Harmonization should start with evidence about what works in each system and with input from employees, which builds trust in the combined program and shows respect for both legacies. Imposing the acquirer's process ignores possible strengths of the other. Mandating arbitration may lower legal exposure but can damage trust and ignores whether it fits the culture. Running two systems indefinitely prevents consistency.

187. Answer: C — Local severance and consultation laws, loss of key talent, and gaps in market knowledge

Board-level people risks in an international consolidation include country-specific severance, notice and works council or consultation requirements, the loss of talent who will not relocate, and the loss of local customer and market knowledge. Lease and training items are operational. The U.S. WARN Act does not govern closures of offices outside the United States.

188. Answer: D — Set retention targets by role, weighted toward pivotal roles where performance differences most affect strategy

Segmentation focuses measurement and investment on pivotal roles, where improving the quality or availability of talent most changes strategic outcomes. These are not always the most senior, highest-paid or largest job families. A single uniform target hides differences in strategic impact, and grade- or size-based targets confuse cost or rank with value to the strategy.

189. Answer: B — Research what target talent values, decide what the company can truly deliver, and align the EVP and practices with both.

An effective EVP sits where what target talent values meets what the organization can authentically deliver, and practices must change where gaps exist. Changing messaging alone creates promises the company cannot keep, which raises early turnover. Ignoring the data or copying another employer fails to differentiate the company.

190. Answer: D — Test the course's effect with a pilot comparing trained and untrained stores before expanding it.

Because regional directors chose which managers attended, the stronger stores may have sent managers, so the turnover difference may reflect selection rather than the course. A controlled pilot or quasi-experiment, such as comparing matched stores or randomly assigning the next group, tests causation before a $4 million commitment. A larger sample makes the correlation more precise but not causal, and adding variables to the model reduces but does not remove the selection problem.

191. Answer: C — With counsel, brief the board on the findings, remediation cost and root-cause controls in a privileged session.

Directors need to understand a material pay equity finding, its cost and the controls that will prevent recurrence, and briefing them with counsel present helps preserve the privilege that protects the audit. Publishing the full report can waive privilege and create legal exposure. Delaying until a merit cycle keeps the board uninformed and ties remediation to performance budgets, and reporting only a gap figure leaves directors unable to oversee the funding and controls.

192. Answer: A — 1.2 HR staff per 100 employees

HR ratio = (HR staff / employees) x 100 = (18 / 1,500) x 100 = 0.012 x 100 = 1.2. The figures 0.12 and 12 come from misplacing the decimal, and 83 reverses the formula (1,500 / 18), which gives employees per HR staff member rather than HR staff per 100 employees.

193. Answer: B — Standard deviations between expected and actual selections

Following Hazelwood School District v. United States and Castaneda v. Partida, courts have often treated disparities greater than two or three standard deviations as unlikely to be due to chance. The 80% rule of thumb compares selection-rate ratios and is not expressed in units of two or three. A simple percentage-point gap ignores sample size, which is why standard deviation analysis is used.

194. Answer: A — Employees with ethical leaders are more willing to report problems to management

Research by Brown, Trevino and others finds that ethical leadership, which combines personal integrity with actively communicating and reinforcing ethical standards, is associated with employees' greater willingness to report problems to management. Ethical leaders create psychological safety and model that raising concerns is expected. A hotline complements but does not replace that effect.

195. Answer: C — Psychological safety

Project Aristotle identified five dynamics of effective teams: psychological safety, dependability, structure and clarity, meaning and impact. Google reported that psychological safety, the shared belief that members can take interpersonal risks without being embarrassed or punished, was by far the most important, underpinning the other four.

196. Answer: A — Craft identity, bargaining history and how integrated operations are

Under the Mallinckrodt framework, the NLRB weighs factors such as whether the group is a distinct and homogeneous craft, the history of bargaining in the existing unit, how far the craft has kept a separate identity, how integrated the production process is, and industry bargaining patterns. Higher pay alone is not decisive. A vote of the whole unit or the employer's preference does not decide the question.

197. Answer: A — Use its leverage to press the supplier to stop and remediate the abuses, and track the response.

The UN Guiding Principles expect companies to use and, if needed, increase their leverage to prevent or mitigate impacts linked to their business relationships. Ending the relationship is considered a last resort, after weighing the harm that exit itself could cause to workers. A signed code without follow-up does not show the impact was addressed.

198. Answer: C — Recognized credentials, executive-level experience, adherence to an ethics code and outcome reviews

A well-governed coach pool screens for professional credentials such as ICF certification, relevant executive experience, commitment to an ethics code and supervision, and it reviews coaches on outcomes and client feedback. Cost, convenience, referrals and public profile may matter, but they do not ensure coaching quality or ethical practice.

199. Answer: B — Managers recognize protected activity and route any adverse action after a complaint to HR review

Retaliation claims often arise when managers do not recognize protected activity or take actions, even subtle ones, soon after an employee complains. Training managers to spot protected activity and escalate before acting gives HR a chance to check the action is legitimate and well documented. Freezing out complainants and starting new documentation only after a complaint both look like retaliation.

200. Answer: D — Explain that the claims must go to the full board or its designated committee, and engage independent outside counsel.

Claims against the CEO are a governance matter for the full board or its designated independent committee, not a single director, and concealing them from the board exposes the company and directors to serious liability. Independent outside counsel avoids the conflict of an HR team that reports to the accused. Investigating internally first sounds prudent, but HR reports to the CEO and cannot credibly investigate him, and withholding the claims from the board in the meantime still leaves the chair's improper request in place.

201. Answer: D — Coordinating integration workstreams, tracking synergies, and resolving cross-functional issues

An IMO is the central governance body for integration: it sets the plan, coordinates interdependent workstreams, tracks synergy capture and escalates cross-functional issues. Valuation and price negotiation happen before signing, usually led by corporate development. Line leaders keep running the business, and letting functions set separate timelines is exactly the fragmentation an IMO exists to prevent.

202. Answer: D — Work with counsel to share a non-privileged summary of the outcome and the corrective actions being taken.

Counsel can help craft a communication that describes the general outcome and the actions being taken without disclosing privileged analysis or legal advice. Publishing the report, or distributing it widely to managers, risks waiving privilege and exposes confidential information about individuals. Total silence protects privilege but damages trust and can look like a cover-up.

203. Answer: D — An independent investigation led by outside counsel and overseen by a board committee without the CEO.

Allegations against the CEO require an investigation independent of the CEO, typically by outside counsel reporting to an independent board committee, which also lets counsel advise on any disclosure obligations. Handling it informally fails the duty to take prompt corrective action and creates governance and reputational risk. HR reporting to the subject is not independent, and the company is already on notice without written complaints.

204. Answer: D — The ADEA defense requires a reasonable factor other than age, not business necessity, but the employer must prove it.

Under Smith v. City of Jackson, the ADEA allows disparate impact claims, but the employer's defense is a reasonable factor other than age, which is easier to meet than Title VII business necessity and does not require proving there was no less discriminatory alternative. Meacham v. Knolls Atomic Power Laboratory held that the employer bears the burden of persuasion on that defense. That is why a documented rationale for each criterion still matters.

205. Answer: A — A business glossary with assigned data stewards who own and approve the standard definitions

Inconsistent definitions are a data quality and meaning problem, which is solved by a governed glossary and stewards accountable for each definition. Consistent definitions ensure models are trained on comparable data. Access controls, retention schedules and encryption are important governance and security elements, but none of them makes the meaning of a field consistent across departments.

206. Answer: C — Combine pulse surveys and forums with timely, visible reports on actions taken in response to input

The comments show the trust problem is about follow-through, so a continuous listening strategy has to close the loop by showing employees what changed because of their input. More frequent surveys, a new portal or sentiment analysis all collect more data, but without visible action they can deepen the belief that input goes nowhere, and passive monitoring of internal channels can also raise privacy concerns.

207. Answer: B — Leave beyond policy limits can be a reasonable accommodation, so decide extensions case by case with a clear return date.

Additional leave can be a reasonable accommodation when it is finite and likely to let the employee return, so a no-exceptions cap invites ADA claims. Indefinite leave is generally not required, which lets the employer plan for staffing with defined return dates. Matching the FMLA period does not satisfy the ADA, and an open-ended duty to extend leave whenever a doctor certifies inability to work overstates the law.

208. Answer: C — Disclose the change in the enrollment materials, since hiding it would mislead participants

ERISA and the ACA require accurate plan disclosures, including summaries of benefits and coverage that reflect the coming plan year at enrollment, and courts have held that misleading participants about plan changes can breach fiduciary duty. Beyond the legal risk, withholding the change undermines trust when employees discover it. Disclosing only on request or to some employees still leaves others making enrollment decisions without material facts.

209. Answer: B — Operational reporting, advanced reporting, strategic analytics, predictive analytics

Organizations typically begin with accurate operational reporting, move to advanced reporting with benchmarks and trends, then to strategic analytics that explain relationships and causes, and finally to predictive analytics that forecast outcomes. Each stage depends on the data quality and capability built in the stage before. Jumping to prediction before establishing reliable reporting is a common and costly mistake.

210. Answer: C — Early adopters, because peers respect them as opinion leaders

Rogers found that early adopters carry the most opinion leadership, so other employees watch and follow them, making them the best lever for spreading an innovation. Innovators are the tempting choice because they adopt first, but they are often seen as outliers and have less influence on mainstream peers. The early majority follows rather than leads, and laggards are the hardest and last to convert.

211. Answer: A — 30%

Workforce cost as a percentage of revenue = workforce cost / revenue = $36M / $120M = 30%. Dividing by revenue plus workforce cost ($156M) gives about 23%, and dividing by revenue minus workforce cost ($84M) gives about 43%. 70% is the share of revenue left after workforce cost, not the ratio itself.

212. Answer: D — Leaving the roles classified as exempt for another year after senior leaders reviewed the audit findings

The FLSA's two-year limitations period extends to three years for willful violations, and knowingly continuing a practice after an audit flags it is strong evidence of reckless disregard. It also undermines any good-faith defense to liquidated damages. A short independent validation is reasonable diligence, but a year of inaction after leaders saw the findings is the clearest path to willfulness.

213. Answer: A — A defined approval authority that reviews and records each exception's cost and rationale

Clear approval authority, with each exception reviewed, justified and tracked, keeps exceptions consistent and visible and lets leaders see their total cost. Letting each unit approve its own exceptions leads to inconsistency and cost creep, publishing the policy does not control deviations, and an arbitrary duration rule does not judge whether an exception is warranted.

214. Answer: C — It balances both focuses but creates dual reporting that can slow decisions and blur accountability.

A matrix lets an organization pursue two dimensions at once, such as product and customer, and share resources across them. The cost is dual reporting, which can cause conflict, slower decisions and unclear accountability. The other options reverse the matrix's known effects: matrices raise coordination costs, improve information sharing and complicate accountability.

215. Answer: D — In a large sample, a gap of 2.8 standard deviations is unlikely to be chance, and courts may weigh it despite the ratio.

The 80% figure is only a rule of thumb for practical size; statistical significance asks whether a gap is likely due to chance, and courts have often treated disparities of about two or three standard deviations as meaningful. With 6,000 applicants, even a modest gap can be significant. Significance does not measure size, and no fixed three-standard-deviation safe harbor exists.

216. Answer: A — Agree on speed goals paired with quality measures, and target process delays that don't add value.

The CHRO should support the CEO's need for speed while showing the data on quality, proposing paired targets (time to fill with first-year retention or quality of hire) and removing delays such as slow scheduling or approvals that do not improve decisions. Simply cutting assessment steps risks more costly turnover, refusing to change ignores a legitimate business concern, and adding recruiters alone may not fix process bottlenecks.

217. Answer: A — Set common, role-based screening principles and allow each country to apply only checks local law permits.

A global framework should set consistent principles (screening tied to role risk, proportionality, candidate notice and data protection) while allowing country-specific practices that comply with local law. Forcing the U.S. policy everywhere can violate privacy and labor laws, dropping checks everywhere ignores legitimate risk in regulated roles, and a fully decentralized approach loses consistency and oversight.

218. Answer: B — Valuing learning, effort and improvement over fixed labels of talent in evaluating and developing people.

Dweck's work found that organizations that treat ability as developable see more collaboration, innovation and risk-taking than those focused on fixed talent. Practices consistent with that culture value learning, the strategies people use and progress over time. Praising effort without regard to results is a common misreading Dweck has cautioned against, and the other choices reflect a fixed-mindset view of talent.

219. Answer: B — Target pay to critical roles while building flexibility and career value for all

When an employer cannot win on pay everywhere, it should segment: invest pay and retention dollars where losses hurt most and compete on the total value proposition, such as flexibility, meaningful work and growth, for everyone. Mandating full-time office work would likely speed departures. An across-the-board raise spreads limited funds without regard to criticality, and offshoring is a much larger business decision that also gives up internal capability.

220. Answer: C — 116%

Savings are 30 x $18,000 = $540,000. Net benefit is $540,000 - $250,000 = $290,000, and ROI = $290,000 / $250,000 = 116%. The 216% figure divides gross savings by cost without subtracting the cost, and 54% divides net benefit by savings instead of by cost.

221. Answer: A — The informal organization does not fit the new formal organization.

The congruence model holds that performance depends on fit among the work, people, formal organization and informal organization. Here the formal structure changed, but influence patterns, networks and norms still follow the old regional structure, a classic informal-versus-formal misfit. Nothing in the facts suggests a skills gap or a flawed strategy, and the formal redesign itself was completed as planned.

222. Answer: A — Injury rates track frequent minor incidents, not the integrity of barriers that prevent rare major events.

Personal safety metrics capture slips, trips and similar frequent events, while process safety depends on controls such as equipment integrity, maintenance and management of change that prevent rare but catastrophic releases. Investigations of disasters such as the 2005 BP Texas City explosion found strong personal safety records alongside serious process safety failures. Leaders need leading process safety indicators in addition to injury rates.

223. Answer: A — Coach teams to rewrite key results as measurable outcomes, using trained OKR champions to review drafts.

Key results should measure outcomes, such as a change in qualified leads, not activities, so coaching and quality review by trained champions corrects the drafting problem directly. Tying OKRs to bonuses encourages sandbagging and safe, task-based goals. Limiting the number of OKRs does not change their quality, and waiting lets the habit become entrenched.

224. Answer: A — Add brief project-end reviews by each engagement leader that feed into a year-end assessment.

Project-end reviews capture performance while it is fresh and from the leader who observed it, reducing recency bias and missing data. Aggregating them gives a fuller year-end picture. Billable hours measure utilization rather than quality, self-assessments alone lack independent input, and year-end feedback from engagement leaders still suffers from memory decay.

225. Answer: D — To lock in predictable labor costs and labor peace over the payback period

Aligning contract duration with a capital investment cycle gives the company predictable labor costs and a no-strike commitment while the investment pays back, reducing the risk that disruption or a costly settlement erodes returns. A longer contract does not stop grievances, remove the duty to bargain over new positions or permit unilateral reopening of terms.

226. Answer: B — Design a rewards philosophy based on the new strategy, with a planned transition

A merged company's rewards philosophy should reinforce the behaviors the combined strategy needs, and a thoughtful transition (communication, grandfathering or phased changes) limits disruption and attrition. Defaulting to the larger firm's approach or to a popularity vote ignores strategic fit. Running two systems indefinitely creates internal inequities and undermines integration.

227. Answer: A — Note that strong results may raise engagement rather than the reverse, and propose a phased rollout with tracked outcomes.

A one-time comparison cannot show direction: successful, growing firms may simply have more engaged employees. The CHRO keeps the investment case alive while building internal evidence through a phased rollout that tracks outcomes. Rejecting the program overstates the limitation, since correlational data still has value, and checking the company's quartile does not address causality.

228. Answer: C — Tell affected employees first, state facts and timing plainly, and explain redeployment and support.

Respectful change communication tells the people most affected first, gives them clear facts and a timeline, and explains the support available, including redeployment and retraining. Learning about one's job from a press release damages trust. Hiding the number of exits will be seen as spin, and a mass email leaves managers unprepared for the questions that follow.

229. Answer: A — Tie each assignment to a career plan, with a sponsor and return role identified in advance.

Repatriates leave mainly when their new skills are not used and no meaningful role is waiting. Linking assignments to career planning, sponsors and planned return roles addresses that cause. Retention bonuses and repayment clauses delay exits without fixing the reason for them, and shorter assignments do not solve the career-fit problem.

230. Answer: C — Raise the gap with the CFO and IR lead now, share the analysis, and help revise the statement in time.

A public statement that overstates workforce impact can mislead investors, alarm employees and create credibility and legal risk, so the CHRO should promptly bring the evidence to the leaders who own the statement and help correct it. Going to the board first skips the normal escalation path when time remains to fix the problem directly. Staying silent or preparing employees for an inaccurate number leaves the error in place.

231. Answer: A — Creating a holding environment and regulating distress

Heifetz describes the holding environment as the bounded space of trust, structure and norms in which people can work through difficult adaptive issues, and the leader regulates distress so that pressure stays within a productive range. Giving the work back and maintaining disciplined attention are related principles, but the scenario's focus on calibrating the level of tension matches regulating distress.

232. Answer: A — A network of volunteers from all levels who spot opportunities and drive strategic initiatives.

Kotter's dual operating system keeps the hierarchy for reliable day-to-day operations and adds a flexible, network-like structure staffed by a volunteer army from across the organization to move quickly on strategy. A dual reporting line describes a matrix structure. The network runs alongside the hierarchy; it does not replace it or rely only on senior leaders.

233. Answer: C — Strategic CSR

Porter and Kramer distinguished responsive CSR, which means acting as a good corporate citizen and mitigating harm from business activities, from strategic CSR, which reshapes the value chain and competitive context so social and business benefits reinforce each other. Responsive CSR is the most tempting distractor because it is legitimate, but it does not change how the company competes.

234. Answer: D — A right to export all learning records and content in standard formats at exit at no added cost

Lock-in arises when leaving is costly because records and content cannot be moved, so data portability terms that guarantee export in standard formats (such as SCORM for content and xAPI for learning records) protect the company's ability to switch. Price locks and uptime guarantees matter but do not ease exit, and automatic renewal makes leaving harder.

235. Answer: B — Outsourced work is excluded from headcount, inflating its figure

Revenue per employee divides revenue by employee headcount. A firm that outsources keeps the revenue but excludes the vendor's workers from its count, so its ratio looks higher without being more productive. A fairer comparison adjusts for outsourced labor, for example by using labor cost per revenue dollar including contracted services or full-time equivalents that include contractors.

236. Answer: A — Employees may not know about the benefit, or it may not fit their needs

Utilization far below benchmark usually signals weak communication, access barriers such as stigma or hard enrollment, or a mismatch between the benefit and what employees want. Concluding that the workforce simply has fewer needs ignores the gap with comparable groups. Low use may cut short-term cost, but it means the company is paying for value employees are not getting.

237. Answer: B — Acqui-hiring; key people may leave once retention payments vest or the culture changes.

In an acqui-hire, the value of the deal is the people, so the main risk is that they leave, often when retention agreements vest or when they clash with the acquirer's culture and processes. A lift-out is the hiring of a whole team away from a competitor without buying the company, and the other choices describe issues that do not define this practice.

238. Answer: A — Require group-level impact data or an independent audit as a condition of the contract

The employer stays responsible under Title VII and the ADEA for the selection procedures it uses, so it needs evidence of adverse impact before relying on a tool. Making impact data or an independent audit a contract condition protects the company and still allows the vendor to compete. A parallel run postpones the question and exposes candidates to an untested tool before any impact evidence exists, and the claim that vendors carry the liability is incorrect. Dropping to unstructured interviews would trade a fixable risk for a less valid method.

239. Answer: A — Objective, job-related, documented criteria applied consistently and checked for impact

Defensible RIF selections rest on objective, job-related criteria tied to the business reason, applied consistently with documentation, and checked for adverse impact before decisions are final. Unstructured manager choice invites bias claims. Selecting by pay can correlate with age, and even seniority-based selections still need documentation and review.

240. Answer: A — Add labor cost productivity, critical-role retention and span of control; drop rapid-hiring measures.

An HR scorecard should reflect the business strategy. A profitability focus calls for measures of workforce productivity relative to cost, retention of the talent most critical to margin, and organizational efficiency such as span of control, while growth-hiring measures lose relevance. HR department cost is one narrow input, and engagement measures alone do not show whether the workforce supports the new margin goals.

241. Answer: D — Identify the new skills the plan needs, reskill affected drivers and mechanics, and build goals into leaders' objectives.

Net-zero targets change the work itself, such as maintaining electric vehicles, running energy-efficient facilities and using new routing tools, so the CHRO should forecast the skills needed, reskill affected workers where possible, and hold leaders accountable through their goals. A specialist team cannot deliver a change that runs through operations. Outside hiring alone is slow and costly in a scarce market and leaves current workers behind.

242. Answer: D — Blind spots in workforce planning and compliance risks such as worker misclassification

Procurement often owns contingent spend because it is bought through suppliers and purchase orders, but when HR is excluded, leaders cannot see the full workforce, plan capability needs or manage co-employment and misclassification risk. Procurement is typically skilled at negotiating rates, so higher costs are not the main concern. Quality and onboarding speed are secondary operational issues.

243. Answer: D — Show specific business decisions the team improved and the savings they produced

Executives fund what clearly helps the business, so the strongest case links the team's work to concrete decisions, such as a retention fix that reduced turnover costs, and to the dollars saved. Counts of reports measure activity, not value. Peer trends and rebuilding costs are secondary points that do not show the team is worth its cost today.

244. Answer: D — It may be an employer-dominated labor organization, since it deals with management on working conditions

Under Electromation and related decisions, a group in which employees participate and that deals with the employer about conditions of employment is a labor organization, and management creating and controlling it violates Section 8(a)(2). Unlawful domination does not depend on a union campaign being under way. The committee also does not become a certified bargaining representative, which requires recognition or an election.

245. Answer: A — Link engagement to unit productivity and turnover in internal data, then value those changes

A credible business case connects engagement to the company's own outcome data, such as unit productivity, quality, absence and turnover, and then puts a dollar value on those changes using internal costs. External studies can support the logic, but applying their figures to this company assumes results transfer. Score changes alone are not financial value, and multiplying engaged headcount by salary has no causal basis.

246. Answer: C — Job-specific ranges need strong data governance and internal equity review to avoid inconsistency and bias

Market-based ranges for each job can improve competitiveness, but they depend on the quality and consistency of survey matching and can import market inequities and fragment internal comparisons. The organization therefore needs strong governance over data and job matching plus regular internal equity review. The Equal Pay Act does not require grades, market-based pay does not eliminate the need for pay equity analysis, and job-specific ranges can be explained to employees.

247. Answer: D — Data saturation, since added interviews were yielding no new insights

In qualitative research, sample size is usually justified by data saturation: interviewing continues until new interviews stop adding new themes. Statistical power applies to hypothesis tests on quantitative data, not to thematic interviews. Coder agreement supports the reliability of the coding but says nothing about whether enough interviews were done.

248. Answer: B — Propose to the union that the parties jointly request FMCS mediation, and prepare a clear statement of the company's priorities.

A neutral mediator can help reopen stalled talks, test positions privately and suggest trade-offs without imposing terms, and proposing it jointly signals good faith. Preparing priorities lets the company use the mediator well. Implementing terms without a genuine impasse is an unfair labor practice, and asking employees to pressure their committee on an offer risks direct dealing. Using mediation only to build an impasse record misses its purpose and can backfire if the company's conduct appears inflexible.

249. Answer: B — Recommend a privileged pay equity audit and fixes before publishing, and present both benefits and risks.

Addressing known gaps first, ideally through an audit conducted under attorney-client privilege, reduces legal exposure, and presenting both the talent benefits and the risks lets the board make an informed strategic decision. Publishing immediately exposes unremediated gaps. Postponing indefinitely ignores the trend toward disclosure and leaves gaps unfixed, and a midpoint-only approach sidesteps the underlying issue.

250. Answer: B — Help leaders assess how AI changes the skills, roles and workforce plans the firm needs.

When disruption changes how value is created, the CHRO's contribution is to translate the strategic response into workforce implications: which work is automated or augmented, which new roles and skills are needed, how to reskill or redeploy people and how to manage the change. A blanket freeze delays action, treating it as an IT matter ignores the people dimension, and generic training before the strategy is set may build the wrong skills.

251. Answer: D — Sharing accurate market data showing its alternatives are weaker than assumed

Negotiators may ethically influence the other side's view of its BATNA by providing truthful, relevant information, such as market conditions showing its alternatives are less attractive than it thinks. Artificial deadlines intended to block research and withholding payments owed are coercive tactics that damage trust and may breach contracts. An early concession does not change the counterpart's alternatives at all.

252. Answer: D — Set a minimum group size for reporting and limit access and use to the stated survey purpose

Combining survey answers with demographics can re-identify people in small groups even without names, so minimum reporting thresholds, restricted access and purpose limits protect the confidentiality promised to respondents. Removing names alone is not enough, and abandoning the analysis gives up useful insight that can be gained with the right safeguards.

253. Answer: A — Review local pay against local inflation and market data, and apply the expatriate policy's exchange rate and cost review.

Local employees live and compare pay in the local economy, so their pay should respond to local inflation and market practice, not to the dollar exchange rate. Expatriates on a balance-sheet approach are protected through the policy's periodic exchange rate and cost-of-living reviews, which are the right mechanism here. Restoring the dollar value of local pay ignores the local market and could be unaffordable, while doing nothing exposes both groups to rising prices.

254. Answer: C — Time to resolution, cost per dispute, recurrence rates and user satisfaction

A balanced ADR scorecard covers efficiency (time and cost per dispute), durability (whether disputes recur) and perceived fairness (user satisfaction). Counting awards won measures the employer's litigation success rather than whether disputes are being resolved well, and filing counts can rise when a program is trusted. Activity and enrollment counts describe program inputs, not outcomes.

255. Answer: B — The plan buys an office building from the sponsoring employer at appraised market value.

ERISA Section 406 bars a plan from selling, exchanging or leasing property with a party in interest, and the sponsoring employer is a party in interest. A fair price does not cure the violation unless an exemption applies. Buying unrelated public stock on an exchange, accepting a rollover, and receiving cash contributions are ordinary plan transactions.

256. Answer: A — Apply the labor agreement to the union unit, align nonunion policy to common principles, and bargain any changes.

Discipline for the union unit is governed by the labor agreement, and any change requires bargaining, so the combined company can align nonunion policy to shared principles while bargaining proposed changes with the union. Imposing the nonunion policy, even after expiration, would risk an unlawful unilateral change on a mandatory subject. Announcing just cause for nonunion staff by fiat ignores the strategic and contractual implications of that commitment.

257. Answer: B — Weigh market movement and the company's lag to market against affordability, and target funds to the high-turnover roles.

A sound merit budget balances external market movement, the company's current market position, what the business can afford and where talent risk is concentrated. A 0.94 compa-ratio means simply matching 3.5% will keep pay behind market, while setting the budget by margins alone ignores lag and turnover. Engineering turnover justifies targeted funding, but it does not show that other functions need nothing.

258. Answer: D — A company that merges with or acquires another generally takes on that company's existing liabilities

Successor liability follows general corporate law: when a company merges with or acquires another, it generally assumes the predecessor's liabilities, including FCPA violations. The FCPA does not create new liability for a target that was never subject to it, which is why the blanket statement is wrong. Knowledge is not required for successor liability, which is why pre-acquisition due diligence and post-closing remediation matter.

259. Answer: D — Have the committee run and document a prudent review of the fund's risks, costs and fit before deciding.

ERISA fiduciaries must select and monitor each investment prudently and solely in participants' interest, so the decision must rest on a documented review of volatility, valuation, fees, liquidity and participant needs, not on executive preference. Participant direction does not relieve fiduciaries of responsibility for imprudent menu choices. ERISA does not ban cryptocurrency outright, and a waiver cannot cure an imprudent selection.

260. Answer: C — Quiet zones, adjustable lighting and noise control so employees can manage sensory input

Many neurodivergent people experience sensory sensitivities, so neuroinclusive design gives employees choice and control over noise, light and visual distraction through quiet rooms, dimmable or indirect lighting and sound-absorbing materials. Bright colors, constant open sight lines and a single busy collaboration area increase sensory load. Assigned seats near a manager single employees out and do not address sensory needs.

261. Answer: D — Specific sponsor behaviors, such as visible participation, plus adoption in their own areas

Sponsor effectiveness is best judged by whether sponsors perform the behaviors that drive change, such as participating visibly, building coalitions and reinforcing the change, and by whether people in their areas actually adopt it. Milestones and budget track project delivery, which can be on time while adoption fails, and counts of messages or a single satisfaction item measure activity or popularity rather than impact.

262. Answer: C — Build roles and schedules around total store demand, including online orders, and credit staff for online sales.

In an omnichannel model, the store serves both walk-in and online demand, so roles should be cross-trained, schedules built from total workload, and metrics and incentives changed so employees are not penalized for time spent on online orders. A separate team at every store adds fixed cost and loses the flexibility of shared staffing. Moving fulfillment to warehouses reverses the company's strategy rather than supporting it.

263. Answer: A — Share workforce plans openly, involve employees in designing use cases, and fund reskilling with guardrails.

Fear of job loss is the main barrier here, so honest communication about how roles will change, involving employees in finding useful applications, reskilling and responsible-use guardrails address both desire and ability to adopt. Mandated usage targets drive compliance without real adoption, pausing does nothing to reduce fears, and a blanket promise that no jobs will be affected may be impossible to keep and would damage credibility.

264. Answer: D — Set goals for fair processes and equal access, such as structured interviews and open job posting.

Goals focused on fair process and access, such as structured selection, transparent posting and equal access to development, advance inclusion for everyone without making decisions based on protected characteristics. Title VII prohibits using protected traits in employment decisions, so numeric targets that drive individual decisions, especially when tied to pay, create risk. Hidden targets carry the same risk, and abandoning inclusion goals is not required.

265. Answer: A — Meet with the CFO to understand the company's financial priorities and pressures and where workforce issues affect them.

Building a peer alliance starts with understanding the other leader's goals and pressures and finding where people issues drive financial outcomes, which positions HR as a partner. Leading with investment requests before understanding finance's priorities reinforces the cost-center view. Volunteering budget cuts and asking the CEO to intervene do not build a genuine working relationship.

266. Answer: A — Digital service channels, multi-jurisdiction compliance expertise and virtual HR business partner coverage

A distributed workforce needs HR service that reaches people digitally, expertise covering the employment laws of every state and country where employees work, and business partners who support leaders virtually. Walk-in service no longer fits, one state's law cannot govern employees elsewhere, and hiring local HR staff in every location is not scalable for 2,000 employees.

267. Answer: B — Nondiscretionary incentive payments must be added to the regular rate, raising overtime costs for reps who work overtime.

Incentive payments promised for meeting announced goals are nondiscretionary and must be included in the regular rate for the weeks in which they were earned, which requires additional overtime pay when they are allocated back. Paying them quarterly changes only the timing of the true-up, not the inclusion. There is no 10% threshold, and incentive payments cannot be credited against overtime owed.

268. Answer: C — Meet privately to link the engagement drop to turnover costs and customer metrics, then propose a few focused actions.

Influencing a skeptical CEO works best when the CHRO speaks the language of business results privately and offers a practical, focused response. Going to the board first undermines the relationship and trust. Dropping the plan ignores evidence of real business risk, and outsourcing the message to consultants signals that the CHRO cannot make the case on the merits.

269. Answer: D — Job analysis shows its nursing jobs share substantially the same work behaviors

Transportability lets an employer rely on validation done elsewhere when a job analysis shows that the jobs involve substantially the same major work behaviors, the original study was sound, and fairness evidence is considered where available. This reflects professional testing standards, which matter more now that federal agencies are moving to rescind the Uniform Guidelines. Geography and patient mix do not establish job similarity. A publisher's certification and similar score levels do not show that the jobs are alike.

270. Answer: B — Identify the capabilities the company must own, such as platform, data and partner management, and source the rest.

A platform strategy changes which capabilities create value inside the company: orchestrating partners, running the platform, and using data become core, while much of the delivery work moves to the ecosystem. The CHRO should define the core capabilities to build or hire and plan transitions for roles that move outside. Keeping every service role in-house defeats the model's economics, and building most applications internally contradicts the decision to rely on partners.

271. Answer: D — Data sensitivity, operational criticality, and the regulatory exposure each creates

Third-party risk tiering focuses oversight where failure would cause the most harm: vendors handling sensitive personal data, vendors whose outage would stop critical processes, and vendors whose work carries regulatory requirements. Spend and tenure are relevant to relationship management, but a low-cost vendor holding Social Security numbers may still need the strongest oversight.

272. Answer: D — Address the individual complaint without retaliation and have counsel direct a privileged pay audit, with a plan to remediate the findings.

A counsel-directed audit can protect privileged analysis while the company finds and corrects unjustified gaps. The individual complaint must still be handled promptly and without retaliation. Fixing only one person's pay leaves systemic exposure under the Equal Pay Act and Title VII, which keeps growing. A non-privileged audit shared widely may create evidence before remediation is planned, and delaying the analysis lets the liability build.

273. Answer: D — Have counsel analyze the disparity and review the criteria and ratings before it is final

A large disparity tied to a subjective criterion such as 'future potential' is a warning sign for both disparate impact and disparate treatment claims. The first step is a privileged statistical review and a check that the criteria are job-related and applied consistently, before the list is final. Relying on the reasonable-factor defense without testing the criteria is premature, and adjusting the list to hit a quota substitutes one age-based decision for another.

274. Answer: C — Employees there tend to see openly questioning a senior leader as disrespectful or risky

In high power distance cultures, people accept larger status gaps and are less likely to challenge or publicly question senior leaders. Silence in a town hall therefore does not mean agreement, as the private concerns show. Leaders can draw out input through anonymous question tools, smaller local sessions or questions gathered in advance by local managers.

275. Answer: A — Whether a common framework can reward each plant's controllable gains while keeping pay consistent across sites.

A plant-by-plant gainsharing plan can raise productivity because the measures are within workers' control, but at the enterprise level the CHRO must avoid creating pay differences across similar plants that harm internal equity and mobility. A shared framework with plant-specific baselines addresses both, and the design must also account for including payouts in nonexempt workers' regular rate for overtime. Setting targets so high that payouts rarely occur defeats the plan's motivational purpose.

276. Answer: A — Union membership, sick-leave diagnoses, and fingerprints used to verify identity at entry

Article 9 special categories include racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data, biometric data processed to uniquely identify a person, health data, and data on sex life or sexual orientation. Union membership, health diagnoses and fingerprints used for identification all qualify. Criminal conviction data is tightly restricted, but it is governed separately by Article 10 rather than listed in Article 9, and salary, performance ratings and addresses are ordinary personal data.

277. Answer: C — It signals openness and lowers the perceived risk of speaking up to those in power

When senior leaders visibly seek and act on feedback, they model openness and show that candid input is welcome, which reduces the perceived risk of voicing concerns upward. Research also links leaders' feedback-seeking for negative feedback with more favorable views of their effectiveness. The benefit is not about rating employees or saving time, and formal channels remain useful alongside it.

278. Answer: A — Learning and growth

In Kaplan and Norton's balanced scorecard, the learning and growth perspective covers people, information systems, and organizational capabilities that drive the other three perspectives. Internal business process measures operational efficiency and quality. Customer and financial measures capture outcomes that human capital helps produce.

279. Answer: D — A group of related projects managed together to deliver strategic benefits

A program is a group of related projects and activities managed in a coordinated way to achieve benefits that would not come from managing them separately. A temporary effort producing a single deliverable is a project, and grouping unrelated initiatives that compete for funding describes a portfolio.

280. Answer: A — Show that the falling customer and staffing measures signal future revenue loss and reassess the cut.

In a balanced scorecard, customer and internal measures are leading indicators of future financial results, so short-term margin gains can hide long-term revenue loss. The CHRO should use the cause-and-effect logic to show the trade-off and prompt a reassessment. Treating financial results as decisive ignores that they are lagging measures, and dropping the customer measures would hide exactly the warning the scorecard is designed to give.

281. Answer: B — Offer shorter notice with consultation, retraining and effects bargaining, while keeping the decision to automate with management.

The union's concern about job loss is legitimate and parts of it are mandatory subjects, but bargaining to agreement before any automation would give the union a veto over the strategy. A counter that offers reasonable notice, consultation, retraining and effects bargaining meets the employees' interests while protecting management's decision rights. Accepting the clause understates the veto it creates, and refusing to discuss the proposal ignores the mandatory parts of it.

282. Answer: B — 70%

Readiness ratio = fully ready incumbents / total incumbents in strategic job families = 42 / 60 = 70%. Counting partially ready people as ready gives (42 + 12) / 60 = 90%, which overstates readiness. Dividing by only the fully and partially ready group gives 42 / 54, about 78%, and 30% is the share not fully ready (18 / 60).

283. Answer: D — Firms tend to avoid full acquisitions and favor joint ventures that draw on local partners' knowledge.

Research beginning with Kogut and Singh found that greater cultural distance makes acquisitions less attractive because integrating a culturally distant workforce is costly and uncertain. Firms often prefer joint ventures or other modes that let a local partner supply cultural and market knowledge. Acquiring and quickly imposing home practices raises integration risk rather than reducing it.

284. Answer: B — It lowers cost per hire and raises offer acceptance by drawing more qualified applicants.

A strong employer brand attracts more and better-fit applicants, which reduces reliance on paid sourcing and improves offer acceptance and retention, lowering cost per hire. It rarely eliminates agency use for specialized roles, cannot reliably sustain below-market pay, and its effects on cost and acceptance are measurable.

285. Answer: A — Integrated reporting

Integrated reporting explains in one concise report how an organization uses and affects multiple forms of capital, including financial, manufactured, intellectual, human, social and relationship, and natural capital, to create value over the short, medium and long term. A stand-alone sustainability report treats nonfinancial issues separately from financial results. Segment reporting breaks financial results down by business unit, and the balanced scorecard is an internal performance management tool.

286. Answer: C — Critical role segmentation, focusing investment on pivotal roles that drive outsized value

Critical (pivotal) role segmentation directs disproportionate workforce investment to the roles where differences in performance or availability have the greatest effect on strategic results. Job evaluation and broadbanding are pay structure tools, and succession planning for leadership positions is one possible use of segmentation, not the segmentation principle itself.

287. Answer: B — $1.2 million

Annual cost = 50 leavers x $60,000 x 0.40 = $1,200,000. Using full salary gives $3.0 million, using 60% instead of 40% gives $1.8 million, and $24,000 is the cost of a single leaver. Stating the assumption (40% of salary) openly lets executives test the estimate rather than dismiss it.

288. Answer: D — Adults who care for their own children and their aging parents at the same time.

The sandwich generation refers to adults, often in midlife, who are squeezed between raising or supporting children and caring for aging parents. This dual load affects their time, finances and stress, which makes them a key audience for flexible work and caregiving benefits. The term does not refer to birth-year cohorts or to organizational levels.

289. Answer: B — Centralizing gains consistency, scale and control, while decentralizing gains local fit and responsiveness.

A centralized HR model standardizes policies, processes and systems, which delivers consistency, economies of scale and governance. A decentralized model lets local teams adapt to labor laws, cultures and business needs. Many multinationals blend the two, setting global frameworks with local flexibility, and centralizing does not automatically lower compliance risk, since local legal knowledge still matters.

290. Answer: A — Encourage the CEO to inform the board chair promptly, with counsel, given the board's oversight duties

The CEO's ability to serve is a governance matter, as it affects succession, oversight and possibly securities disclosure, so the board needs to know. The right path is for the CEO to tell the chair, with counsel involved, sharing only the information that matters for the role. Medical confidentiality rules limit who sees medical details but do not require hiding the CEO's capacity issue from the board. Sharing the diagnosis widely goes further than needed.

291. Answer: B — Equip leaders to talk openly with staff, provide support, and keep employees informed

Employees are a key stakeholder group in a crisis, so HR should prepare managers to acknowledge feelings, share accurate updates and job information, and point to support such as the EAP. A blanket ban on discussing the recall among coworkers could interfere with NLRA Section 7 rights, rushing to discipline before the root cause is known is unfair, and HR should partner with communications rather than step aside.

292. Answer: B — Several of its locations already ban status-blind bullying, so one high standard eases compliance

Australia's Fair Work Act anti-bullying jurisdiction and Quebec's psychological harassment provisions reach mistreatment whether or not it is tied to a protected characteristic, which U.S. federal law does not. A single standard at the higher level simplifies global compliance and signals consistent values to every employee. Title VII still covers only harassment based on protected traits, and a company policy cannot import foreign remedies or displace local enforcement.

293. Answer: B — Visible executive sacrifice is needed for credibility, so leaders should share in the cuts in a meaningful way

Employees judge the fairness of a change by whether leaders share its burden; when only staff sacrifice, the change loses legitimacy no matter how sound the business case. Meaningful executive participation in the cuts restores credibility. More communication or financial detail does not fix a perceived inequity, and pointing to the board as the decision-maker reads as deflection.

294. Answer: D — Continuous change

Weick and Quinn describe continuous change as ongoing, evolving and cumulative. The leader's role is to recognize, make sense of and redirect adaptations already happening. In episodic change, which is intermittent and deliberate, the leader is a prime mover who unfreezes the system and drives the change, which is the tempting confusion.

295. Answer: C — Treat them as enterprise risks with owners, likelihood and impact ratings, and mitigation tied to risk appetite.

Enterprise risk management works by assessing all material risks on a common basis, with owners, likelihood and impact estimates, mitigation plans and limits set by the board's risk appetite, and talent, culture and conduct risks can be as material as financial ones. Keeping them in separate HR reports hides them from enterprise oversight. Treating them as purely legal matters or as unmeasurable footnotes understates their strategic significance.

296. Answer: C — Propose a neutral mediator and explore interest-based options on cost sharing while planning contingencies.

Mediation and interest-based problem solving can break a deadlock while protecting the long-term relationship, and contingency planning keeps the company prepared if talks fail. Taking a hard line risks a costly strike and lasting damage. Declaring impasse prematurely and implementing terms is risky under the NLRA, and bypassing the union to bargain directly with employees is an unfair labor practice.

297. Answer: B — Build one mental health strategy linking EAP outreach, manager training and better care access to shared goals

The data show problems at several points: low EAP use, managers who cannot recognize distress and refer people, and limited access to care. An integrated strategy that coordinates these pieces and tracks shared outcomes addresses the full picture. Switching EAP vendors fixes only one piece, resilience training places the burden on individuals, and asking managers to identify conditions and order evaluations invites ADA disability-related inquiry problems.

298. Answer: B — It ties spending to the outcomes each group commits to and builds accountability

Goal-based funding links resources to each group's plan and expected impact, which encourages strategic planning and lets the company see what its investment produces. Equal allocation is the model being replaced and ignores differences in size and ambition. Cost reduction is not the purpose, and the model increases, rather than removes, reporting and accountability.

299. Answer: B — Coalition building

Coalition building means enlisting the support of others to help persuade a target, here lining up peer executives before the decision meeting. Rational persuasion uses logic and evidence, and inspirational appeal appeals to values and ideals; the CHRO may use both in the meeting, but securing allies in advance is what defines this tactic. Ingratiation is flattery or praise used to win favor.

300. Answer: B — Work with local leaders to identify language, cultural and access barriers, then adapt channels and outreach.

Near-zero reporting from a large population usually signals barriers such as language, cultural norms around speaking up, distrust of anonymity or limited phone access, so the CHRO should diagnose these with local input and adapt channels and messaging. Assuming fewer issues is the tempting mistake. Translation alone may miss the real barriers, and reporting quotas would distort the data.

301. Answer: B — A governance review covering bias testing, data confidentiality, and human review of all high-risk routing decisions

Misrouting a harassment or safety complaint to a self-help portal or to the accused manager can create legal liability and break trust, so the decisive issues are bias, confidentiality and human oversight of high-risk cases. A pilot that measures only time savings skips those risks. Vendor indemnity does not remove the employer's own legal duties, and anonymous complaints still raise the same routing risks.

302. Answer: A — As intangible benefits listed with the ROI result, without assigning a dollar value

In the Phillips ROI methodology, benefits that cannot be credibly converted to money are reported as intangible benefits alongside the ROI figure. This keeps the ROI calculation conservative and believable while still showing the program's full effects. Forcing a weak dollar value onto these gains can undermine trust in the whole study, and leaving them out understates the program's impact.

303. Answer: A — Facilitate agreement on shared goals and risk limits, then shape a phased plan with checkpoints both accept.

A CHRO facilitating an executive split should move the debate from positions to shared interests, such as efficiency and brand protection, and then build a phased plan with checkpoints that addresses both. Taking one side abandons the facilitator role, and forcing a quick CEO decision leaves the losing executive unconvinced. A consultant can supply data, but it does not build the alignment the team needs to carry out the decision.

304. Answer: D — Treat the vote as a warning, fix the issues that drove support and protect employees who supported the union.

Nearly half the unit voted for representation, which signals real, unresolved concerns that a future campaign will build on. Addressing those issues and treating all employees fairly is the durable strategy. Deferring action wastes the bar period, and favoring perceived opponents is discriminatory and would deepen the divide. Lawful post-election improvements are not presumed retaliatory.

305. Answer: B — Work through the family board to agree on one shared message and timeline before announcing the decision to employees

In family businesses, visible disagreement among owners undermines any succession message, so the CHRO should first secure a unified family position and timeline through the governance body, then communicate the decision, rationale and transition plan to employees. Announcing immediately is tempting, but doing so while family members publicly dispute it invites contradictory messages. Waiting for every disagreement to be resolved could take indefinitely and lets rumors fill the gap.

306. Answer: D — A job analysis and validation evidence linking scores to job performance, plus adverse impact monitoring

The business necessity defense rests on showing that the procedure measures what the job requires, which in practice means a job analysis and validation evidence, consistent with professional standards, that scores relate to performance. Records of ongoing adverse impact monitoring and of alternatives considered strengthen the defense. Consistent application addresses disparate treatment, not disparate impact, so it does not prove the tool is job related.

307. Answer: C — Help the leader see that decisiveness is now overused at this level and coach on when to involve peers

Derailment research shows that strengths behind past success can become liabilities when overused at a higher level, where influence through peers matters more. Targeted feedback and coaching on when to dial the strength up or down addresses the root cause while keeping the leader's value. A generic workshop is not tailored to this specific pattern, and formal discipline treats a development issue as misconduct.

308. Answer: D — Monte Carlo simulation

Monte Carlo simulation repeatedly samples values for several uncertain inputs from their distributions and runs the model thousands of times to produce a probability distribution of outcomes. Sensitivity analysis changes one assumption at a time to see its effect, Markov analysis uses transition probabilities to project internal movement between jobs, and the Delphi technique gathers expert judgment through rounds of anonymous input.

309. Answer: B — Every leadership video is released with accurate captions and a transcript at the same time

Building accurate captions and transcripts into every release makes the content accessible from the start, so no employee has to ask or wait. Captioning on request puts the burden on individuals and delays access. Unreviewed automatic captions often contain errors on names and technical terms, and a length cutoff leaves many messages inaccessible.

310. Answer: B — Work over successive contracts to align expiration dates, with joint talks on shared issues.

Aligning expiration dates over successive contracts, along with voluntary coordinated talks on shared items like benefits, reduces leapfrogging and builds consistency. Bargaining-unit scope is a permissive subject, so the employer can't insist on combining units over union objection. Matching the best terms everywhere raises costs without addressing the dynamic, and sequencing tactics simply delay the problem.

311. Answer: D — The acquirer can inherit liability for the target's past bribery and is liable for any that continues.

Under successor liability, an acquiring company can assume the target's existing liabilities, including FCPA violations, and it becomes directly responsible for any corrupt payments that continue after closing. Thorough due diligence lets the acquirer price risk, require remediation and, where appropriate, disclose issues. DOJ policy encourages prompt post-acquisition integration and disclosure, but it does not grant blanket immunity.

312. Answer: B — An allegation against the COO, who oversees HR, from an employee whose lawyer has sent a demand letter

Outside investigators are most warranted when the accused is senior enough to create real or perceived conflicts for internal HR, when litigation is likely, or when special expertise is needed. An allegation against the executive who oversees HR, with counsel already involved, meets several of these criteria. The other matters are routine complaints that a trained internal team can investigate credibly and promptly.

313. Answer: D — The executive subculture

Schein's executive subculture centers on financial survival and accountability to boards and markets, and so tends to see people as costs to manage. The operator subculture, the frontline group in this conflict, values teamwork, trust and learning. The engineering subculture focuses on technical solutions and designing out human error rather than financial survival.

314. Answer: C — They create value, are rare, and are hard for rivals to imitate or substitute

The resource-based view holds that lasting advantage comes from resources that are valuable, rare, inimitable and well organized. Culture and integrated talent systems develop over time through history and complex social relationships, so competitors cannot easily copy them. Anything that can be bought quickly or copied easily gives only temporary parity, not sustained advantage.

315. Answer: A — Prioritize by role criticality, flight risk, distance below market and performance, and phase in remaining gaps

When funds are limited, the CHRO should target adjustments where they best protect the business: critical roles, employees at high risk of leaving, those farthest below market and strong performers, with a plan to close other gaps over time. An equal split of about $1,250 each is too small to change retention outcomes, and focusing only on distance below market ignores criticality and performance. Holding the money leaves turnover risk unaddressed.

316. Answer: A — To describe plausible futures that test whether the strategy holds up under different conditions

Scenarios are plausible, internally consistent stories about how the future might unfold. They are not predictions, and their value lies in testing whether a strategy is robust across conditions and in spotting signals to watch. Choosing the single most probable future or producing a precise forecast is forecasting, which is the very approach scenario planning is meant to complement.

317. Answer: B — Investigate and discipline under the global code, address staff at both sites, and assess the impact on U.S. staff.

Even if Title VII does not reach the offshore staff, the remarks may create a hostile environment for U.S. employees of that national origin and violate the company's own conduct standards in both countries. An enterprise response investigates, applies discipline consistently and communicates to both sites. Remarks about a group can still contribute to a hostile environment, and pushing the issue to local HR ignores who made the remarks.

318. Answer: D — Map jobs to one architecture and raise underpaid employees to the new range on a defined schedule.

Once employees do substantially equal work in the same establishment, an inherited structure does not automatically excuse a sex-based gap, and each new paycheck can create liability. Mapping roles to a common architecture and raising underpaid employees addresses the risk. The EPA prohibits lowering pay to close gaps, a freeze leaves the gap in place for years, and renaming jobs does not change whether the work is equal.

319. Answer: C — Treat the move as a likely bargaining subject, notify the union early, and bargain in good faith over the decision and effects.

Because the work stays the same and labor costs drive the decision, the move is likely a mandatory subject under Dubuque Packing, so the company must give the union notice and a chance to bargain over the decision and its effects. Moving without bargaining risks an order to restore the work, and blaming the union or acting to avoid it could be an unlawful runaway shop under Section 8(a)(3). Effects-only bargaining fits decisions that change the scope and direction of the business, not this one.

320. Answer: B — Join from the start to shape the organization design, talent moves and change plan

As a co-leader, the CHRO adds most value by shaping the organization design, capability needs, leadership roles and change approach from the start, when people decisions are being made. Joining after the design is set limits HR to implementation and misses capability and culture risks. Legal compliance across countries matters but is one part of HR's role, and taking over the transformation ignores the shared mandate from the CEO.

321. Answer: B — Track expirations, send timely reverification reminders, and plan coverage for gaps

Employers must reverify when temporary work authorization expires, and a tickler system with advance reminders helps employees renew in time while operations plan backfill for possible gaps. Reverifying early or demanding specific proof such as renewal receipts on the employer's own schedule can be unfair documentary practices under the INA's anti-discrimination provision. Changing work assignments based on document status is also discriminatory.

322. Answer: A — Build one authentic value proposition and tailor its messages and channels to what different groups value.

A strong employer brand rests on a single, credible employee value proposition that reflects the real employee experience, while messages and channels are tailored to what different segments care about. Separate promises for each generation risk inconsistency and rely on stereotypes, since preferences vary more within generations than between them. Focusing only on the youngest group neglects much of the talent market, and a single uniform message ignores real differences in what candidates value.

323. Answer: A — Whether its controls were suitably designed and operated effectively over a review period

A SOC 2 Type II report gives an independent auditor's opinion on whether a service organization's controls relevant to security, availability, processing integrity, confidentiality or privacy were suitably designed and operated effectively over a period, often 6 to 12 months. A Type I report covers design at a point in time only. A financial statement audit is a different engagement, and SOC 2 does not certify legal compliance.

324. Answer: B — Add anonymous and group-based channels, such as facilitated small-group sessions, and have leaders visibly act on input.

In high power distance cultures, employees are reluctant to challenge or bypass superiors in person, so channels that reduce personal exposure (anonymous, group-based, third-party) draw out more input, and visible follow-through shows that speaking up is safe. Training employees to use HQ channels does not remove the cultural cost of confronting authority directly. Routing concerns through supervisors places the filter with the very people employees hesitate to challenge.

325. Answer: B — Keep the 360 developmental for now, because tying it to pay leads raters to inflate or game scores.

Research and practice show that when 360 results drive pay, raters change their behavior, inflating friends' scores, colluding or retaliating, and the feedback loses its developmental value. If the CEO still wants a link, it should come gradually with safeguards and as one limited input, not 40% at once. Letting executives choose raters increases bias, and self-ratings are the least accurate source.

326. Answer: C — Build alternate sources such as domestic upskilling, campus partnerships, and hubs in other countries.

A contingency plan diversifies supply so the business can meet its engineering needs even if visa routes narrow, through domestic reskilling, campus pipelines, and talent hubs in countries with available engineers. Pausing hiring stalls the business. Relabeling roles as contract work does not remove work authorization requirements and adds misclassification risk, and retention bonuses cannot add the new capacity the plan requires.

327. Answer: A — When escalation has failed and staying would require taking part in conduct that is illegal or seriously unethical

Resignation is a last resort after internal escalation options have been exhausted and remaining would make the leader complicit in illegal or seriously unethical conduct. Being overruled on ordinary business judgment is part of executive work and is not a reason to resign. Resigning before using available channels abandons the chance to correct the problem.

328. Answer: B — Determine the job he would have held absent service and place him there or in an equivalent role.

Under USERRA's escalator principle, a returning servicemember is reemployed in the position he would have attained with reasonable certainty had he not served, with the employer making reasonable efforts to qualify him. Because peers in similar jobs moved into the redesigned roles, that role is the likely escalator position. A lower-level job or a competitive reapplication would deny him the status he would have reached.

329. Answer: B — Review with the sponsor why the indicators are flat, then decide from the evidence whether to continue, adjust or stop.

A midpoint review should diagnose why the indicators are flat, whether because of weak implementation, a flawed theory of change or wrong measures, before choosing to persist, pivot or stop. Continuing or stopping by default skips that analysis, and changing the measures to show progress undermines credibility.

330. Answer: D — Evaluating, which measures how directly cultures deliver negative feedback

Meyer's evaluating scale describes how directly or indirectly cultures give negative feedback, and it is distinct from the communicating scale. The United States is low-context in general communication but sits closer to the middle on evaluating, which is why Americans often wrap criticism in positives. Dutch and Israeli cultures give very direct negative feedback, while Thai and Japanese cultures give it very indirectly, usually in private.

331. Answer: D — 360-degree feedback from peers and direct reports showing how her style affects them and team results

Specific, credible feedback from the people she works with, linked to business consequences such as lost talent, creates the self-awareness and motivation senior leaders need to change. Generic research and company-wide exit data are easy to dismiss as not applying to her, and a style profile describes preferences without showing her impact.

332. Answer: A — About $11,458,000

Base payroll is 1,000 x $30 x 2,080 = $62,400,000. Added cost is $62.4M x 0.03 = $1,872,000 in year 1, $62.4M x (1.03^2 - 1) = $3,800,160 in year 2 and $62.4M x (1.03^3 - 1) = $5,786,165 in year 3, for a total of about $11,458,325. Adding 3%, 6% and 9% without compounding gives $11,232,000, and $5,786,000 counts only the final year.

333. Answer: A — Pair cost data with effectiveness and risk measures, and show where low spend hurts results.

Cost per employee measures efficiency, not effectiveness. Low spending can signal underinvestment that shows up as slow hiring and weak support. The CHRO should put cost alongside outcome and risk measures so leaders see the full trade-off. Asking to reach the peer median repeats the error of treating an external average as the goal, and changing peer groups manipulates the comparison.

334. Answer: C — Substitution offers pay, voice and fairness like a union's, at an ongoing cost; suppression relies on opposing unions.

Union substitution aims to remove the reasons employees seek a union by offering competitive pay and benefits, voice mechanisms, fair grievance processes and good supervision, which costs money on a continuing basis but builds engagement. Union suppression relies on resisting organizing, which risks unfair labor practice charges and harm to employee relations and reputation. Committees that bargain over pay would raise Section 8(a)(2) problems, so they are not part of lawful substitution.

335. Answer: B — The authorizing sponsor legitimizes and funds the change; reinforcing sponsors uphold it in their own units

In sponsorship models such as Conner's, the authorizing (initiating) sponsor has the power to sanction the change and commit resources. Reinforcing (sustaining) sponsors are leaders down the line who express the same commitment and hold their own people accountable. The authorizing sponsor stays engaged throughout, and change agents, not sponsors, typically design plans and communications.

336. Answer: C — To test what hiring, promotion and exit rates would make an aspiration achievable.

Flow modeling projects how representation will change based on hiring, promotion and attrition rates, so leaders can see which levers matter and set aspirations that are realistic within a given time frame. It is not a quota tool, which would create legal risk, nor an individual flight-risk model, and peer comparison is benchmarking rather than flow analysis.

337. Answer: C — Have an independent party validate the diagnosis and its options, and consider opening the implementation to competitive bids.

When a consultant's recommendation creates follow-on work for itself, the CHRO should test the diagnosis independently and use competitive sourcing for implementation, separating the two decisions. The firm's familiarity may be a real advantage, but it does not address whether the recommendation itself is sound, and a fee cut does nothing to resolve the conflict.

338. Answer: A — Present data on rotated leaders' readiness, retention and internal fills, plus lower-cost options

A credible business case ties the rotations to measurable pipeline results, such as promotion readiness, retention of participants and senior roles filled internally rather than externally, and shows willingness to manage cost with alternatives such as shorter or targeted assignments. Appeals to general belief or competitor practice do not answer the CFO's question. Ending the program without evidence gives up a proven development method.

339. Answer: A — Explain that the gap compares all men and women and reflects mainly the gender mix by level, unlike equal pay.

The UK gender pay gap compares average hourly pay of all men and all women in the organization, so it is driven largely by how many women hold senior, higher-paid roles. Equal pay is a separate legal concept about men and women doing equal work. Across-the-board raises would not fix a representation problem, and publication deadlines are statutory, so delaying or dismissing the figures is not an option.

340. Answer: D — Add validated team-level items to pulse surveys, report by team, and pair results with leader action plans

Psychological safety is largely a team-level climate, so validated items reported by team, repeated over time and linked to leader action, show where silence is likely and drive improvement. Tying scores to bonuses invites managers to pressure teams for good ratings. Hotline volume reflects many factors, and a single enterprise average hides the teams where risk is concentrated.

341. Answer: D — EUR 80 million

The higher tier allows fines of up to EUR 20 million or 4% of total worldwide annual turnover, whichever is higher. Here 4% x EUR 2,000 million = EUR 80 million, which exceeds EUR 20 million, so EUR 80 million is the maximum. EUR 40 million applies the lower tier's 2% rate, EUR 20 million wrongly treats the fixed amount as the cap, and EUR 200 million uses 10%.

342. Answer: C — Propose a small composite index of key measures and explain what drives its movement

A simple index of a few strategically chosen measures meets the board's need for a clear signal, and explaining its components keeps it from becoming a black box. Sending all 40 metrics swamps the board, and declining the request fails a legitimate governance need. Engagement alone misses risks such as critical-skill gaps or regretted turnover that the board should also see.

343. Answer: D — Employees elect representatives to works councils and, in larger companies, to seats on the supervisory board.

German codetermination (Mitbestimmung) gives employees a voice at two levels: works councils at the establishment level with information, consultation and co-decision rights on many workplace matters, and employee representatives on the supervisory boards of larger companies. Wage bargaining is handled by unions and employer associations largely by sector, not a single national council. Codetermination does not give employees share ownership or a general veto over strategy.

344. Answer: B — Hidden instructions in an uploaded document could manipulate the assistant into revealing confidential HR data.

Prompt injection is a risk unique to generative AI: text hidden in content the model processes, such as a resume, can override its instructions and cause it to leak data it can access, like employee records. Combining access to sensitive files with processing of outside documents creates exactly this exposure. Stolen credentials, laptop theft and phishing are real risks, but they apply to any HR system and are not specific to the assistant's design.

345. Answer: A — Prepare accurate workforce metrics linked to strategy, with candid explanations of gaps and the plans to close them.

Investors increasingly treat human capital as a driver of value, so the CHRO should present accurate, consistent metrics tied to strategy and be candid about weaknesses along with credible improvement plans. Highlighting only favorable metrics or attacking the investor's figures undermines credibility. Refusing to discuss the workforce is unrealistic for a public company, which already makes human capital disclosures in its SEC filings.

346. Answer: D — Hard issues may go unaddressed, delaying decisions or leaving assumptions untested

A team dominated by accommodating and avoiding tends to sidestep conflict and defer to others, so hard issues are not surfaced and decisions can be delayed or made without real debate, a pattern linked to groupthink. Win-lose standoffs reflect competing, quick splitting reflects compromising, and long consensus building reflects collaborating.

347. Answer: A — Explain that the narrow spending range and lag before results can hide an effect, and offer to evaluate programs on their target outcomes.

A weak correlation across 14 units is weak evidence: restricted range in spending shrinks correlations, recent programs have not had time to affect revenue, and revenue is a distant outcome. Evaluating programs against the skills and performance outcomes they target is the sound response. Swapping in profit simply hunts for a better number and has the same flaws.

348. Answer: A — Treat the vendor's reports as consumer reports needing FCRA disclosure and consent

A third party that assembles information about applicants for employment decisions is acting as a consumer reporting agency, even when the source material is public, so the FCRA's disclosure, authorization and adverse action requirements apply. In-house scans avoid the FCRA but expose recruiters to protected characteristics and other legal limits. Removing names does not change the reports' nature or purpose.

349. Answer: B — The model may reproduce past bias, steering retention spending away from historically overlooked groups.

A predictive model learns patterns in its training data. If historical promotions were biased, features linked to promotion carry that bias forward, so the model can recommend investing less in groups that were already disadvantaged, creating fairness and disparate impact concerns. Over-reliance and data privacy are real considerations, but neither is the main validity risk created by biased training data.

350. Answer: C — Second-order change

Second-order (transformational) change alters the organization's basic assumptions, strategy and way of seeing itself. First-order change improves performance within the existing model, such as making the print operation more efficient. Single-loop change is a learning concept that also describes correcting actions without questioning the governing assumptions.

351. Answer: C — Turnover, safety incident rates, pay equity, training investment and workforce composition

Investors assessing the social pillar look for metrics that signal how well a company manages human capital risk, such as turnover, health and safety rates, pay equity, investment in training and workforce composition. HR efficiency metrics such as time to fill are internal operational measures. Board tenure, audit fees and lobbying fall under governance, and volunteer hours and giving show philanthropy rather than workforce management.

352. Answer: A — Post a summary of the results publicly on its website

The law requires a bias audit by an independent auditor within one year before use, and the employer must make a summary of the results, including selection or scoring rates and impact ratios and the audit date, publicly available on its website. There is no EEOC filing or city approval step. Providing the results only on request does not meet the public posting requirement.

353. Answer: C — An ERISA 3(38) investment manager

A 3(38) investment manager accepts discretionary authority over plan investments and takes on fiduciary responsibility for those decisions. A 3(21) adviser only makes recommendations, so the committee still makes and is liable for the final choices. A 3(16) administrator handles administrative duties, which fits the first firm, and a directed trustee follows instructions rather than exercising investment discretion.

354. Answer: B — Adapt agile practices to the bank's strategy and risk rules, piloting in suitable units

Structures work when they fit the organization's strategy, work and constraints, so agile practices should be tailored to the bank's regulatory and risk requirements and tested where the work suits them. Wholesale copying ignores context. Regulated firms can restructure, and adding agile on top of every approval layer delivers the cost without the speed.

355. Answer: C — The part of the gap not accounted for by measured factors, which may reflect bias or omitted factors

The decomposition splits a gap into an explained portion, due to differences in measured characteristics such as level and tenure, and an unexplained portion, due to different returns to those characteristics. The unexplained portion may reflect discrimination, but it can also reflect factors the model leaves out, so it is a signal to investigate rather than proof of intent.

356. Answer: C — Instrumentality, the belief that achieving the performance will actually lead to the reward

Instrumentality is the perceived link between performance and the reward. When payouts depend on undisclosed after-the-fact decisions, managers who hit their targets cannot be confident they will be paid, so motivation falls. Expectancy is intact because the managers believe the targets are reachable, and nothing in the scenario suggests they value the bonus less. Self-efficacy relates to expectancy rather than to the performance-reward link.

357. Answer: D — Build HRBPs' skills in contracting, diagnosis and business acumen, and redefine the role and how it is measured.

Moving HRBPs from order-taking to consulting requires sustained capability building in contracting, diagnosis and business acumen, along with a redefined role, clear expectations and measures that reward consulting behavior. A one-day workshop is unlikely to change entrenched habits, and wholesale replacement loses business knowledge and relationships.

358. Answer: C — Decide quickly on the pilot and give the closure more analysis and deliberation

Reversible (two-way door) decisions can be made quickly by smaller groups because mistakes are cheap to undo, while irreversible (one-way door) decisions deserve careful analysis and broader deliberation. Applying heavy process to every decision slows the organization, and waiting for near-certainty on a reversible pilot gives up the learning the pilot is meant to produce.

359. Answer: A — Connect HR programs to business outcomes such as driver retention, safety incidents and on-time delivery, with their dollar value.

Executives judge value by business results, so the CHRO should link HR initiatives to outcomes the business already cares about and quantify their financial impact. Activity counts show effort rather than results, and efficiency benchmarks show that HR is lean but not that it adds value. Internal satisfaction scores measure customer perception of HR, not its effect on the business.

360. Answer: C — It shows where to invest in reskilling, redesign or redeployment instead of one policy for every role.

Segmenting by exposure and value lets leaders tailor actions: protecting and augmenting high-value roles, redesigning exposed ones, and planning transitions where work will decline. This targets limited resources where they matter most. The segmentation describes roles, not individual performance, so using it to rank employees is a misuse of the analysis.

361. Answer: A — Provide an executive coach and a senior mentor, and agree on development goals tied to the new role.

Rapid promotion can leave gaps in the skills and relationships needed at the next level, and early support through coaching, mentoring and clear goals is the main way to close them while keeping the talent. Demotion is premature and likely to cause her to leave, and telling the team to wait ignores real warning signs. A generic course with an annual check-in is too slow and not tailored to her specific gaps.

362. Answer: B — Reward follow-through on action plans and team outcomes instead, since tying pay to scores invites pressure on responses.

When pay depends on survey scores, managers have an incentive to lobby or pressure employees, and the scores stop reflecting true engagement. Rewarding follow-through and related outcomes keeps accountability without corrupting the measure. Confidentiality protects individual answers but does not stop managers from asking teams for favorable ratings, and both remaining options still tie pay to the scores.

363. Answer: D — Lead a cross-plant root cause analysis of equipment, procedures, staffing and supervision

When the same injuries recur across sites after training, the cause is likely systemic, such as equipment design, procedures, staffing levels or supervision, and a coordinated root cause analysis finds it. More training repeats an approach that has failed. Discipline can discourage injury reporting, and separate local reviews may miss the common cause.

364. Answer: B — Share of AI tools inventoried and risk-assessed, audit findings closed on time, and incidents resolved

Effectiveness metrics show whether controls cover the AI in use and whether problems are found and fixed: inventory and assessment coverage, timely remediation of audit findings, and incident detection and resolution. Spending and hours saved measure adoption and value, not governance. Meeting and policy counts measure activity rather than results.

365. Answer: A — Reskilling costs $800,000 less in total, or $10,000 less per employee

The separation option costs $1,600,000 + $400,000 = $2,000,000, so reskilling at $1,200,000 saves $800,000, or $800,000 / 80 = $10,000 per employee. Comparing reskilling only with severance gives $400,000, which ignores the backfill cost, and $2,000,000 is the full cost of the alternative rather than the difference. A full model would also weigh time to productivity, retention risk and the effect on morale and employer brand.

366. Answer: C — Drug tests are not medical exams, but prescription details disclosed must be kept as confidential medical data.

Under the ADA, a test for the illegal use of drugs is not a medical examination, so it can be given at any stage. Information about lawful prescriptions is medical information and should be reviewed by a medical review officer and kept confidential, not passed to managers. Requiring every applicant to list medications before an offer would be a prohibited disability-related inquiry.

367. Answer: C — $30,000

Taxable wages are 200 x $10,000 = $2,000,000, and the rate rises by 4.2% - 2.7% = 1.5%, so the increase is $2,000,000 x 1.5% = $30,000. The $84,000 figure is the full new tax at 4.2%, not the increase, and $54,000 is the old tax at 2.7%. The $3,000 figure comes from a misplaced decimal.

368. Answer: D — It organizes privacy risk management into functions to identify, govern, control, communicate and protect

The NIST Privacy Framework is a voluntary tool that helps organizations identify and manage privacy risk. Its core functions, Identify-P, Govern-P, Control-P, Communicate-P and Protect-P, organize the activities an organization uses to understand data processing, set governance, manage data, communicate with individuals and protect data. It is not mandatory and does not preempt state law.

369. Answer: B — Premiums are charged per participant and on unfunded vested benefits, so fewer participants and less underfunding cut costs.

PBGC charges single-employer plans a flat-rate premium for each participant and a variable-rate premium based on unfunded vested benefits. Lump-sum windows and annuity purchases remove participants, especially those with small benefits, from the premium base, and better funding lowers the variable premium. Premiums apply to retirees and former employees as well as active workers, so a freeze alone does not remove them.

370. Answer: C — Systematic monitoring of employees' system activity to score their productivity

The GDPR requires an impact assessment when processing is likely to result in a high risk to individuals, and systematic monitoring of employees, who are in a dependent position, is a standard example. Routine payroll, directories and leave records are ordinary, expected processing with limited risk. Payroll is the most tempting choice because bank data is sensitive, but it is a routine, necessary use that does not by itself signal high-risk processing.

371. Answer: C — They set when severance is owed, and loose definitions can force payouts after misconduct

Cause defines when the company can terminate without paying severance, and good reason defines changes, such as a material cut in duties or pay, that let the executive resign and still collect. A narrow cause definition or a broad good-reason definition can force large payouts even after misconduct or routine reorganizations. The terms apply beyond change-in-control events, and SEC rules do not require them.

372. Answer: A — Decision makers weigh a loss more heavily than a gain of the same amount

Kahneman and Tversky's prospect theory finds that losses loom larger than equivalent gains (loss aversion), so framing a proposal around losses avoided tends to motivate action more than framing it as gains. Trust in cost data is a matter of credibility, not prospect theory. Prospect theory does predict a preference for certain gains, but both framings involve the same $3 million estimate, so certainty does not explain the difference. Anchoring is a separate bias about initial reference points.

373. Answer: A — Give each union notice and a chance to bargain before implementing, and launch at nonunion sites with clear communication.

Attendance rules affect terms and conditions of employment and are generally mandatory subjects of bargaining, so unless a contract clearly covers the change, the employer must give the union notice and a chance to bargain before implementing. Nonunion sites can proceed on their own timeline. Launching everywhere at once risks unilateral-change charges. Waiting for every union's agreement is not required, and implementing only at union sites gets the sequencing backward.

374. Answer: C — Have senior leaders visibly ask for feedback on their own work and share what they will change.

Culture follows what leaders model, and employees will take the risk of giving feedback only when they see executives invite it and act on it. Training and tools help later, but they do not address the trust gap shown in the survey. Mandated conversation counts tend to produce compliance rather than candor.

375. Answer: D — Accelerated development of successors, phased retirement options, and knowledge transfer

A retirement cliff is best managed by speeding successor readiness, offering phased retirement or advisory roles to smooth exits, and capturing critical knowledge through mentoring and documentation. An early retirement window would speed departures from an already thin bench, and bonuses only delay the problem. A mandatory retirement age generally violates the ADEA, apart from narrow exceptions for certain high-level executives.

376. Answer: A — Accelerate development of high-potential leaders and build external pipelines for the largest gaps.

A thin executive bench calls for both building and buying: accelerated, experience-based development for internal high potentials and active relationships with external talent for roles where internal readiness is years away. Hiring successors now is costly and may not fit future needs. Waiting for vacancies leaves the company exposed, and choosing by seniority ignores readiness and potential.

377. Answer: B — The development goals, how progress will be measured, and what information will be shared with the sponsor

A three-way contract sets the goals, success measures, and confidentiality boundaries (typically that session content stays private while progress against agreed goals is shared) so expectations are clear for everyone. Sharing full session content destroys trust, while total secrecy prevents the sponsor from confirming the organization's investment is working.

378. Answer: B — $4,800,000

Reskilling costs 120 x $15,000 = $1,800,000. Severance and rehiring costs 120 x ($25,000 + $30,000) = $6,600,000, so reskilling saves $6,600,000 - $1,800,000 = $4,800,000. Comparing reskilling only to severance (120 x $25,000 = $3,000,000) gives $1,200,000, which ignores the cost of filling the new roles; $6,600,000 is the alternative's total cost, not the savings.

379. Answer: A — Route complaints about senior executives directly to a board committee that can commission outside investigations

Misconduct by top leaders often goes unaddressed because the people handling complaints report to the accused or to the CEO. A direct reporting path to an independent board committee with authority to hire outside investigators removes that conflict. Routing complaints through the CEO or keeping them inside HR leaves the same conflict in place, and broad confidentiality clauses can hide repeat patterns and face legal limits.

380. Answer: A — Diagnosis, data gathering and feedback, joint action planning, action, and evaluation

Action research is a cyclical, collaborative OD process: diagnose the problem, gather data and feed it back to the client system, plan actions jointly, take action and evaluate results, then repeat. Unfreeze, move, refreeze is Lewin's three-step model, ADKAR is Prosci's individual change model, and the 4-D cycle belongs to appreciative inquiry.

381. Answer: A — Present the assessment candidly, with development options, a realistic timeline, and alternatives

The board owns CEO succession and needs candid, evidence-based information to fulfill its duty, so the CHRO should present the gaps along with options such as accelerated development, an interim structure or an external search. Filtering the findings to please directors or routing them through the departing CEO compromises the CHRO's independence and the board's oversight. Recommending a search without reasons leaves the board unable to weigh the choice.

382. Answer: D — Quantify the expected legal, safety, turnover and reputational costs and compare them with the projected savings.

Executives decide among competing uses of money, so translating the objection into risk-adjusted costs that can be weighed against the savings speaks the committee's language and frames HR as a business partner. Values and survey comments matter, but on their own they are easy to dismiss in a cost discussion. Peer practices show what others do, not what the cuts would cost this company.

383. Answer: C — Test for bias and proxies for protected traits, restrict access, and define the permitted uses for the scores in policy.

Models can produce biased results through variables that act as proxies for protected traits, such as tenure correlating with age. Governance should test for bias, limit access and define uses before deployment. Accuracy on past data does not prove fairness, and removing protected fields alone does not remove proxies. Broad sharing with managers before governance creates misuse risk.

384. Answer: A — Provide reasonable training and time to requalify before deciding on any alternative placement.

USERRA requires employers to make reasonable efforts, such as training or refresher courses, to help a returning servicemember qualify for the escalator position, at no cost to the employee. Only if he cannot become qualified despite those efforts may the employer consider an alternative position. Safety rules still apply, so he should not fly until he is requalified.

385. Answer: D — Note that reporting to the CEO limits neutrality, and suggest the board chair hire a facilitator.

Succession is a board responsibility, and the CHRO reports to the CEO, so serving as mediator raises a clear conflict of interest. The CHRO adds value by naming that limit and recommending that the board chair or governance committee bring in a neutral outside facilitator. Keeping the conflict hidden from the full board undermines governance, and simply declining abandons a strategic issue.

386. Answer: B — The first is functional flexibility, and the second is numerical flexibility

In Atkinson's flexible firm, functional flexibility comes from a multi-skilled core workforce that can be redeployed across tasks, while numerical flexibility comes from a peripheral workforce of temporary, part-time and contract workers whose numbers can be adjusted to demand. Financial flexibility refers to pay systems that vary labor costs, not headcount.

387. Answer: A — 15

Expected selections = group share of the qualified pool x total selections = 0.30 x 50 = 15. The actual figure of 8 is 7 below expectation, which the analyst can then express in standard deviations (about 2.2 here). The figure of 60 applies the 30% to all 200 applicants rather than to the 50 hires.

388. Answer: C — Base them on the work actually performed, such as time spent and consequences, not on titles or habit.

Under the ADA, whether a function is essential depends on factors such as the reason the job exists, the time spent on the function, the consequences of not performing it and the experience of people in the role. Written descriptions and the employer's judgment are evidence, but they are not conclusive, so a review should document actual work. Listing every task as essential undermines credibility and invites challenges.

389. Answer: D — Grievance trends, ULP charges, contract dates and supervisor practice

A labor relations audit examines how the company manages its union relationships, including grievance and arbitration trends, unfair labor practice charges, contract compliance, upcoming expiration dates, bargaining preparedness and how supervisors apply the agreements. Payroll and I-9 reviews belong to other compliance audits. Probing union officers or internal union affairs is not an employer's role and could look like interference.

390. Answer: D — Explain that early results often fade, and propose keeping to the planned endpoint.

Stopping when interim results look good (peeking) inflates the chance of a false positive, and early gains, such as novelty effects, often fade before the outcome of interest, such as six-month retention, can be measured. Rolling out now while the pilot continues destroys the control comparison. An open-ended extension sets no decision point at all.

391. Answer: D — Tie people initiatives to specific EBITDA levers, assess leadership capability, and align management equity to exit value.

PE value creation plans are built around specific levers (growth, pricing, productivity, cost), and the CHRO adds value by showing how talent, organization design and leadership support each lever, by assessing whether the leadership team can deliver, and by aligning management equity to exit value. A deep first-year headcount cut may raise short-term EBITDA but can damage the capability needed for growth. Culture work matters but must link to the plan's levers to earn a place in it.

392. Answer: C — A multiyear total cost of ownership that includes integration, migration, administration and support.

A lower license fee can be offset by implementation, integration, content migration, administration and support costs, so a multiyear total cost of ownership is what lets the CFO compare options fairly. First-year license savings alone overstate the benefit. Satisfaction data and vendor ROI claims can support the case but do not answer the cost question the CFO raised.

393. Answer: A — Tell employees what data is used and why, limit it to that purpose, and use only what is needed.

Ethical people analytics rests on transparency (employees know what is collected and why), purpose limitation (data is used only for the stated purpose) and proportionality (only data needed for that purpose). Owning the systems does not answer whether a given use is fair. Removing names lowers some risk but does not justify unlimited new uses, and legal approval addresses compliance, not every ethical concern.

394. Answer: B — Set one global rule for the date a separation is recorded and apply it everywhere.

Turnover comparisons need a consistent definition, including when a separation is counted. Some countries require notice periods of several months, so recording exits at different points creates false spikes and lags. A single global definition, such as the employment end date, with the notice date tracked separately, keeps the data comparable while respecting local law. Excluding countries or reporting less often hides the problem rather than fixing it.

395. Answer: B — Setting a superordinate goal

Sherif's research showed that intergroup hostility falls when rival groups must cooperate to reach a goal that neither can achieve alone. A shared national-account target creates that interdependence. Structural separation reduces contact rather than building cooperation, forcing imposes a solution, and smoothing downplays differences without changing incentives.

396. Answer: D — Change leader goals and incentives to reward talent exports and set clear transfer rules leaders must follow.

Talent hoarding is driven by incentives, so the lasting fix is to change what leaders are measured and rewarded on (for example, counting talent developed and exported) and to set enterprise rules on transfer timing. A CEO reminder without changed incentives rarely changes behavior, secret applications damage trust and do not address the cause, and retention bonuses keep people stuck in roles that are not helping them grow.

397. Answer: A — Strict controls on safety and conduct policies, with more room to experiment in talent and work design

A risk appetite statement tells management how much risk of each type the board will accept in pursuit of its objectives. Low tolerance for safety and conduct failures calls for firm controls, monitoring and consequences, while moderate innovation appetite allows pilots in areas such as work design or talent programs. Applying identical controls everywhere ignores the differentiation the board intended, and risk appetite covers nonfinancial risks as well.

398. Answer: D — Manage closely by engaging the member early and often and involving them in key design decisions

A committee chair who can approve or block the plan has high power, and frequent requests for updates show high interest, so the grid places this person among the key players to manage closely. Keeping the member satisfied with milestone summaries fits high-power, low-interest stakeholders. Keeping informed fits low-power, high-interest stakeholders, and minimal monitoring fits those low on both.

399. Answer: A — Set a global minimum standard on respectful conduct, with local addenda that meet or exceed each country's legal requirements.

A global floor with local addenda gives consistent values across the enterprise and still meets country-specific duties, such as psychosocial risk management in Australia and Canadian harassment and violence prevention rules. Copying one country's statute everywhere imports legal terms and procedures that may not fit other jurisdictions. A U.S.-only standard risks noncompliance abroad, and fully local policies give up the enterprise consistency the CHRO wants.

400. Answer: C — WT strategy, minimizing weaknesses and avoiding threats

WT strategies are defensive: they reduce internal weaknesses while avoiding external threats, often through retrenchment, divestment or consolidation. The firm is not building on a strength or exploiting an opportunity; it is pulling back from an exposed position where its outdated systems meet low-cost competition.