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STUDY GUIDES

SHRM-SCP

Practice Questions

Set 10

400 Questions

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

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

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How to Use This Set

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

SHRM-SCP Practice Set 10

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

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

1. Retaliation charges against a 10,000-employee company doubled over two years, and most involve discipline or termination within months of an employee's complaint. The CEO asks the CHRO for a plan. What is the BEST approach?

A. Require legal approval before any discipline of any employee, whatever the circumstances of the case.

B. Move complainants out of their managers' teams after any complaint to prevent further conflict.

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

D. Settle the pending charges quickly, and send all managers a written reminder of the company's retaliation policy.

2. A multinational's chief compliance officer can fund intensive, live anti-corruption training for only about 15% of its 20,000 employees; the rest will receive a short online module. The company sells to state-owned enterprises in several high-risk countries. How should the CHRO advise allocating the intensive training?

A. Assign the intensive sessions by headcount so each country receives a share equal to the size of its local workforce.

B. Give the intensive sessions to the most senior leaders first, since they set the tone for the whole company.

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

D. Rotate the intensive sessions so that every employee receives them once over a span of roughly seven years.

3. A company with 14 ERGs creates an inclusion council of senior leaders and ERG chairs. What is the council's PRIMARY role in relation to the ERGs?

A. Handling discrimination complaints raised by ERG members in place of the HR and employee relations teams

B. Planning and running each ERG's events so that the groups' programs are consistent in quality and scale

C. Approving or rejecting individual employees' requests to join an ERG based on the group's identity focus

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

4. A company plans to eliminate 200 positions while it has about 150 open roles elsewhere. The CHRO is considering a redeployment pool that would let affected employees apply for open roles before they are posted externally. What is the strongest reason to adopt it?

A. It guarantees that no employee who is not redeployed can later bring an age discrimination claim.

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

C. It removes the need for an adverse impact analysis because employees who are redeployed are not counted.

D. It removes the need for OWBPA disclosures because affected employees receive a written offer of continued work elsewhere.

5. A CHRO is asking the board to fund a responsible-AI program for HR, including audits, oversight staff and training. Which framing BEST connects this spending to enterprise value?

A. Describe it as an ethical commitment whose value should not be measured in business terms at all.

B. Emphasize that leading competitors have announced similar programs and that the company must keep pace.

C. Present it as a compliance cost that every company has to absorb, regardless of its strategy.

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

6. Before launching an enterprise-wide reorganization, the CHRO commissions a change readiness assessment. What is the PRIMARY purpose of this assessment?

A. To identify resistant employees so they can be moved out of critical roles before the launch.

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

C. To measure whether the reorganization delivered its intended results after it is implemented.

D. To confirm that the financial business case for the reorganization is sound before approval.

7. A CHRO is designing one leadership competency model for a company operating in 30 countries. According to the GLOBE study, which leadership attributes are culturally contingent, meaning they are viewed positively in some cultures and negatively in others?

A. Autonomy and status consciousness

B. Integrity and trustworthiness

C. Vision and inspirational motivation

D. Decisiveness and team building

8. Under Timothy R. Clark's four stages of psychological safety, which stage must be present for employees to feel safe questioning the status quo and proposing major changes?

A. Learner safety

B. Contributor safety

C. Inclusion safety

D. Challenger safety

9. Half of a company's 40 senior leaders are expected to retire within five years, and only a few internal candidates are rated ready for senior roles. What should the CHRO's strategy emphasize?

A. Promote the most senior managers into each role as it opens, since they already know the business.

B. Ask retiring leaders to postpone retirement with financial incentives until internal candidates are fully ready for the role.

C. Rely on external executive search to replace each retiring leader as the departure date approaches.

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

10. A plant must lay off 60 of 500 employees. The contract gives laid-off employees plantwide bumping rights by seniority, and past layoffs caused weeks of chain bumping and lost output. What is the BEST approach for HR?

A. Lay off the least senior employees in each department and treat bumping requests as grievances to be settled afterward.

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

C. Carry out the layoff as the contract requires and plan to absorb the lost output, since bumping disruption cannot be reduced.

D. Suspend bumping for this layoff and pick the employees to be laid off by performance ratings to protect the plant's output.

11. A unionized company plans to deploy an AI tool that scores call-center agents' productivity, and the scores will feed into discipline decisions. The union objects and requests information on how the scores are calculated. What is the CHRO's BEST approach?

A. Use the tool for scoring but keep its method confidential as a trade secret

B. Implement the tool as planned, since technology choices are reserved to management

C. Ask each agent to sign an individual consent form so that the union's objection is resolved

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

12. To cut costs, a board is considering combining the chief human resources officer and chief compliance officer roles into one position. The company is in a regulated industry, and many compliance investigations involve HR decisions such as terminations and pay. What should the CHRO advise?

A. Combining the roles is sensible, because both functions write workplace policies and oversee employee conduct issues

B. Combining the roles is acceptable as long as the CHRO earns an additional compliance certification

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

D. The CCO should instead report to the CHRO so that the two functions stay closely coordinated

13. A CHRO is arguing that a major operating-model change needs a dedicated change management budget. Which finding from Prosci's long-running benchmarking research BEST supports the argument?

A. Most failed projects fail because of technical design flaws that change management cannot address.

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

C. Change management raises employee satisfaction but has little measurable link to project outcomes.

D. Projects with an active sponsor succeed at similar rates whether or not change management is applied.

14. Which description BEST captures the punctuated equilibrium model of organizational change?

A. Long stable periods are interrupted by short bursts of fundamental, revolutionary change.

B. Organizations change steadily through continuous small improvements without major disruptions.

C. Change happens when leaders unfreeze current behavior, introduce new behavior and refreeze it.

D. Organizations move through a fixed sequence of life-cycle stages from founding to decline.

15. In a reduction in force, 20 of 200 employees under 40 and 18 of 100 employees aged 40 and over were selected for layoff. Counsel asks HR to apply the 80% rule of thumb to retention rates, the favorable outcome. What is the result?

A. About 56%, so the rule of thumb flags adverse impact against older workers

B. About 82%, so the result sits just above the 80% threshold

C. About 8 points, which falls inside the 20-point margin the rule allows

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

16. A financial services firm requires employees to return to the office four days a week. The executive team asks the CHRO how to tell whether the mandate is hurting the business. What is the BEST approach?

A. Track the firm's overall turnover rate each quarter and compare it with the rate from before the mandate began.

B. Track regretted turnover, engagement and performance by segment, such as role and performance level.

C. Track badge-swipe compliance by department and report each month which teams are meeting the attendance rule.

D. Run a company-wide satisfaction survey on the new policy and report the overall favorable score to executives.

17. A chemical company is considering genetic monitoring of employees exposed to a toxic substance to detect biological effects early. Which condition should guide the program design?

- **A.** Monitoring is allowed if employees are told about it in advance, and the employer receives individual results to assign work.
- **B.** Monitoring is allowed if required by law, or voluntary with notice and consent, with aggregate results to the employer.
- **C.** Monitoring is prohibited, since GINA bars all employer collection of genetic information from employees.
- **D.** Monitoring is allowed only for employees who have a known family history of reactions to the substance.

18. Beer and Nohria describe two archetypes of organizational change. Which description matches Theory E?

- **A.** Incremental change that refines existing processes through repeated continuous improvement cycles
- **B.** Top-down change aimed at shareholder value, often through restructuring, downsizing, and incentives
- **C.** Participative change aimed at building culture and organizational capability through broad employee involvement
- **D.** Emergent change that begins in frontline experiments and spreads through informal peer networks

19. A unionized manufacturer plans to automate packaging lines over two years, which will eliminate or change about 250 bargaining-unit jobs. The collective bargaining agreement runs for three more years. What should the CHRO recommend FIRST?

- **A.** Offer voluntary buyouts directly to the affected employees before the union is informed about the automation plan.
- **B.** Wait until the agreement expires and then address automation as part of the next round of contract negotiations.
- **C.** Engage union leadership early to share the business case and open talks on effects such as reskilling and job placement.
- **D.** Finalize the automation plan internally and notify the union in writing once all of the installation dates have been confirmed.

20. A board member asks the CHRO what is at stake if the company violates Section 503 or VEVRAA. Which answer is MOST complete?

- **A.** Only a corrective plan, since contract penalties were removed when EO 11246 was revoked
- **B.** Back pay only, since debarment applies to fraud cases and never to equal opportunity or affirmative action violations
- **C.** Back pay and other relief for affected people, plus possible contract cancellation and debarment
- **D.** Fines only, because these laws do not provide relief for individuals who were affected

21. At a 6,000-employee company, 80% of employees are rated "exceeds expectations" even though business results are flat. Rater training has not helped. What systemic intervention should the CHRO recommend?

A. A forced distribution that limits "exceeds expectations" to 20% of each team, regardless of team size

B. Linking each manager's rating budget to the company's results so ratings rise and fall with performance

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

D. Removing the top rating category so managers cannot rate employees above "meets expectations" at all

22. Why have some European jurisdictions historically required multinational companies to limit the scope of their whistleblower hotlines or to discourage anonymous reports?

A. Labor courts held that hotlines replaced works councils, so their use had to be limited to reports of financial fraud.

B. European law prohibited employers from investigating any report that was not first filed with a regulator.

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

D. Anonymous reports were considered unfair to the company, which needed to know reporters to defend itself.

23. A union proposes aligning the company's four separate plant contracts so they all expire on the same date. What should the CHRO recommend?

A. Accept the common date, since it prevents the union from using one plant's settlement as a pattern.

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

C. Accept the common date, since aligned expirations always lower bargaining costs for the employer.

D. Refuse to discuss the proposal, since contract duration is not a mandatory subject of bargaining.

24. A logistics company's tuition assistance program reimburses any accredited degree, but uptake is low and few completers use their new skills in their roles. The company faces shortages in data analytics and automation maintenance. How should the CHRO redesign the program?

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

B. End tuition assistance and shift the budget to hiring external specialists in analytics and automation

C. Raise the annual reimbursement cap so that more employees can afford to pursue any accredited degree they choose

D. Limit reimbursement to MBA programs so the investment goes toward developing future senior leaders

25. A company plans to eliminate 600 roles to fund a major investment in AI tools, and the board worries about reputational damage with employees, customers and investors. What is the BEST approach for the CHRO?

A. Delay the announcement until the AI tools are fully deployed and showing measurable results

B. Frame the reductions as general cost control in all communications and avoid any mention of the AI investment plans

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

D. Spread the reductions across several quarters so no single announcement draws much attention

26. What is the main rationale for funding workplace accommodations from a centralized budget rather than from department budgets?

A. It allows HR to deny any requests that exceed a set dollar cost limit without first having to prove an undue hardship.

B. It lets the company deduct accommodation costs as a single expense on its federal tax return each year.

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

D. It eliminates the need for an interactive process because HR approves all requests from one budget.

27. A plant produced 1.2 million units with 400,000 labor hours this year, compared with 1.1 million units with 380,000 labor hours last year. By about how much did labor productivity (units per labor hour) change?

A. It rose about 9.1%

B. It rose about 3.6%

C. It rose about 3.8%

D. It rose about 5.3%

28. A hotel chain wants to make guest satisfaction scores a major part of front-desk employees' appraisals. What risk should the CHRO raise FIRST?

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

B. Customer ratings tend to be harsher than manager ratings, which lowers overall merit increases for staff.

C. Customer ratings are protected personal data that can't lawfully be used in pay, discipline or other employment decisions under federal law.

D. Customer ratings are too costly to collect at scale compared with traditional manager rating systems.

29. A CHRO already reports that a leadership program improved business results, including lower turnover in participants' teams (Kirkpatrick Level 4). The CFO asks for a Phillips Level 5 evaluation. What does Level 5 add?

A. Measuring whether the improved results persisted for at least a year after the program ended.

B. Comparing participants' results with external benchmarks from similar firms in the industry.

C. Converting isolated results to money and comparing net benefits with fully loaded costs.

D. Collecting senior executives' views on whether the program supports the business strategy.

30. A board asks the CHRO how long it should expect a deep culture change to take and how progress can be judged before the change is complete. Which answer reflects accepted practice?

A. About six months, so a before-and-after engagement survey is enough to confirm whether the culture has really changed.

B. Several years, so the board should wait for lagging results such as revenue growth before judging whether it worked.

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

D. About one year, so the change is complete once leaders have communicated the new values and trained all employees.

31. A CFO questions why the CHRO's regression-based pay analysis excludes starting salary as a control variable. Which principle explains the decision?

A. Starting pay is a protected characteristic, so including it in a pay model would be unlawful.

B. Starting pay cannot be measured precisely, so including it would make the model's results unreliable.

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

D. Starting pay explains too little variation in current pay to be worth adding as a control to the regression model.

32. Which description BEST defines synthetic validity?

A. Confirming validity by correlating test scores with later supervisor ratings of staff

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

C. Estimating a test's validity by pooling many studies through statistical meta-analysis

D. Showing that a test's content closely mirrors the actual tasks performed on the job

33. A CHRO learns that business units have bought their own recruiting, survey and scheduling tools on corporate cards, and several of the tools store candidate and employee data under unknown security terms. Unit leaders say central procurement takes too long. What is the CHRO's BEST response?

A. Move all HR technology decisions to IT so that HR is no longer accountable for them

B. Ban all purchases outside the core HRIS and cancel every unit-purchased tool at once

C. Let units keep buying tools if each leader signs a form accepting the risk involved

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

34. During a high-inflation period, a union demands an uncapped cost-of-living adjustment paid quarterly. What is the primary strategic risk the CHRO should raise with the executive team?

A. A COLA would freeze base pay for the life of the contract, which employees would later resent.

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

C. COLA clauses are illegal in collective bargaining agreements, so the proposal cannot be accepted.

D. A COLA would require the company to reopen the entire contract each time inflation changes.

35. A vendor's bias audit shows that its AI screening tool's selection rates by sex and race/ethnicity fall within the 80% rule of thumb. The CHRO wants to treat the audit as evidence that the tool is sound. Which important question does this kind of audit leave unanswered?

A. Whether selection rates for the groups studied differ enough to suggest adverse impact

B. Whether impact ratios for the groups studied fell above or below the 80% threshold

C. Whether the tool selected candidates at different rates by sex or race/ethnicity during the audited period

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

36. After two years of high inflation, a company's salary structure has not been updated. Market data show that pay for benchmark jobs has risen 9% over that period, and recruiters report many offers above range maximums. What is the BEST response from the CHRO?

A. Propose adjusting the structure based on market movement and model the cost impact

B. Raise the structure 9% plus the inflation rate, since both affect what employees can afford to spend

C. Keep the structure and approve exceptions to range maximums for each new offer

D. Give all employees a 9% increase so actual pay keeps pace with the market change

37. A retailer's frontline store employees score 25 points below corporate staff on engagement, and frontline turnover drives most hiring costs. The CHRO has a limited engagement budget for the year. What is the BEST allocation approach?

A. Invest in corporate engagement first, since corporate staff design the programs that will later reach the frontline.

B. Spread the budget across company-wide recognition events that reach every employee at the lowest cost per person.

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

D. Split the budget evenly between frontline and corporate staff so neither group feels the company is favoring the other.

38. A multinational plans to scale its mentoring program to 30 countries using a technology platform that matches mentors and mentees by algorithm. What does the platform MOST add, and what is its main limitation?

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

B. It makes cultural differences irrelevant, but it cannot match people across time zones

C. It guarantees strong relationships, but it cannot track participation across countries

D. It removes the need for program managers, but it cannot handle multiple languages

39. A CHRO is building a total talent strategy that includes gig and freelance platforms. When is on-demand talent MOST appropriate, while keeping classification risk low?

A. For roles where the company wants to avoid paying benefit costs for its full-time employees.

B. For any role at all, provided the worker signs an independent contractor agreement before starting the work.

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

D. For core, ongoing roles where the company needs to direct the details of the daily work closely.

40. A manufacturer is evaluating a phased retirement program that would let senior technicians work 60% schedules for up to two years before retiring. The goal is to retain expertise while successors are trained. Which design feature is MOST important for meeting that goal?

A. Making the program available to every employee over 55 to ensure equal treatment

B. Allowing participants to choose their own reduced schedules without any manager input

C. Setting the reduced-schedule pay rate above the participants' current hourly rate

D. Defined knowledge-transfer duties, with named successors and milestones

41. A U.S. company and a German company form a joint venture staffed with employees seconded from both parents, each still on its parent's HR policies. The two parents' HR heads disagree about how to set common leave and bonus policies, and the JV's new CHRO must harmonize them. What should the CHRO do FIRST?

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

B. Adopt the larger parent's policies, since its secondees make up most of the joint venture's staff

C. Draft a complete new policy set and submit it to both parents' boards for formal approval

D. Let all secondees keep their own parent's policies indefinitely to avoid disputes between parents

42. In a cascading sponsorship model, what distinguishes a reinforcing sponsor from an authorizing sponsor?

A. A reinforcing sponsor is an outside adviser who checks progress against the plan.

B. A reinforcing sponsor is the senior executive who approves the change and commits funding.

C. A reinforcing sponsor is a change agent who designs training and communications.

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

43. Which test BEST confirms that a proposed HR AI investment supports the company's competitive strategy?

A. Whether peer companies in the same industry have adopted similar tools during the past year.

B. Whether it cuts HR's own operating costs more than the other proposed HR investments do.

C. Whether it uses the newest AI technology offered by the leading vendors in the market.

D. Whether it builds workforce capabilities the strategy needs, with measurable business links.

44. A federal contractor no longer invites disability self-identification but wants to keep measuring disability inclusion. Which approach is BEST?

A. Use voluntary, anonymous surveys and accommodation metrics reported only in aggregate

B. Ask managers to estimate how many of their direct reports have disabilities each year, based on observation

C. Use the number of medical leave requests as a proxy for employees with disabilities

D. Require all employees to update their disability status in the HRIS every year

45. A people analytics leader is coaching analysts to use data storytelling when presenting to executives. What BEST distinguishes data storytelling from standard dashboard reporting?

A. It relies on predictive models rather than descriptive data to forecast the business outcomes

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

C. It presents every available metric so that executives can draw their own conclusions from them

D. It replaces quantitative evidence with employee anecdotes that make the findings more relatable

46. The CEO proposes that external executive coaches brief the succession committee on what their coaching clients discuss, so the committee can make better-informed promotion decisions. Which principle should the CHRO cite in opposing the proposal?

A. Coaches are paid by the company, so their reports would be biased in favor of their clients

B. Coaching notes count as protected health information, so sharing them would generally violate HIPAA

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

D. Succession decisions must rest on assessment centers alone, so coaching insight is irrelevant

47. The CHRO of a 12,000-employee financial services firm wants to add text analytics on open-ended survey comments, help desk tickets, and internal collaboration posts to the annual engagement survey. Employee resource group leaders have said the company seems to be "reading everything." Which approach BEST balances the insight goals with employee trust?

A. Let each business unit leader decide which data sources to analyze based on local employee sentiment.

B. Limit the program to survey comments and drop any plan to use passive data sources in the future.

C. Run the analytics quietly as a pilot so employees do not change their behavior before a baseline exists.

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

48. A survey finds that 60% of employees at a consulting firm use public generative AI tools, and some have pasted client documents into them. The CHRO is leading policy design with IT and legal. Which policy approach is BEST?

A. Allow any tool employees choose, relying on their judgment about which data are safe to share with it

B. Ban all generative AI use across the firm until regulators issue clear guidance on how it may be used

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

D. Allow public tools but require managers to review every AI output before it is used in any client deliverable or communication

49. A senior director reports to the CHRO that the CEO has repeatedly made sexual advances toward her, and she provides texts that support the claim. The CHRO reports to the CEO. What is the CHRO's BEST next step?

A. Ask the general counsel to manage the investigation, since legal can protect privilege and the CEO's own reputation.

B. Tell the CEO about the complaint so that he has a chance to respond before the matter goes to any outside party.

C. Have the HR team investigate under the normal process, so the case is handled the same way as any other complaint.

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

50. A CHRO is replacing decentralized promotion decisions by local managers with one centralized scoring policy. Counsel notes the effect on class action risk under Wal-Mart v. Dukes. Which statement is MOST accurate?

A. Decentralized discretion is now treated as a common company-wide policy that supports broad class certification

B. Uniform central policies can supply the common question that broad class certification requires

C. Dukes held that class actions are not allowed under Title VII for promotion decisions

D. Centralized policies make class actions impossible because each employee's outcome differs

51. A multinational is redesigning its gift and hospitality policy. Its sales and HR teams regularly deal with government officials in high-risk countries. Which policy element provides the STRONGEST control over bribery risk?

- **A.** A single annual dollar cap on gifts that applies the same way to all recipients, public or private
- **B.** A requirement to report gifts received by employees above a set value threshold
- **C.** Risk-based limits with preapproval required for anything given to government officials
- **D.** An annual certification in which employees attest that they followed the policy

52. A CHRO wants leaders' messages to help employees see how their daily work contributes to the company's strategic goals. What is this concept called?

- **A.** Goal congruence index
- **B.** Strategic alignment audit
- **C.** Span of control
- **D.** Line of sight

53. Eleven employees in a company's finance function allege a culture of discrimination involving several managers, including the CFO's direct reports. The internal ER team reports to a VP who partners closely with the CFO. What should the CHRO decide?

- **A.** Assign the internal ER team, since it knows the finance leaders and can complete the review more quickly.
- **B.** Ask the CFO to conduct a self-review of the function and report the results to the CHRO within 30 days.
- **C.** Retain an external investigator through counsel and scope the review to patterns as well as individual claims.
- **D.** Investigate each of the eleven complaints separately as unrelated individual cases to keep the scope of each one narrow.

54. A pharmaceutical company's succession planning covers only management roles. A talent review finds that several senior scientists hold critical, hard-to-replace expertise and none has an identified successor. What should the CHRO do?

- **A.** Plan to recruit externally whenever one of the senior scientists leaves the organization
- **B.** Promote the senior scientists into management roles so they fall within the scope of the existing succession plan
- **C.** Extend succession planning to critical technical roles and build successors through knowledge transfer
- **D.** Offer the senior scientists retention bonuses as a substitute for naming successors

55. A bank launches a digital innovation unit that will rely on rapid experimentation, unlike the bank's risk-averse core business. The unit's leader asks whether its selection criteria should differ from the bank's standard profile. What should the CHRO do?

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

B. Use the bank's standard criteria so that every new hire shares one culture and one profile across the whole bank.

C. Let the unit's leader set criteria based on the approaches that have worked at technology startups.

D. Hire mostly from startups and skip the bank's usual structured assessments to move more quickly.

56. Workers' compensation costs at a manufacturer have doubled in three years, and injured employees stay off work an average of 90 days. What is the BEST strategy for the CHRO?

A. Contest more claims at the outset to discourage employees from filing questionable claims.

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

C. Switch insurance carriers to get a lower premium rate on the existing claims and future policies.

D. Require injured employees to use up FMLA leave first so that their time away is kept short.

57. A board fills most C-suite openings through candidates referred by current directors and executives. Why does this approach tend to narrow the candidate pool?

A. Referred candidates are usually less qualified because directors tend to recommend friends rather than proven leaders.

B. Referrals breach fiduciary duties unless the board first publishes the opening in industry publications.

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

D. Referred executive candidates usually turn down offers more often than candidates found by search firms.

58. A company wants to move a product line from Plant A, represented by one union, to Plant B, represented by a different union, midway through both contracts. The Plant B union welcomes the added work. What should the CHRO do FIRST?

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

B. Combine the two units into one so the product line can be assigned freely, and then announce the transfer to both unions.

C. Move the work without notice, since a decision to relocate work during a contract term is always reserved to management.

D. Move the work once the Plant B union agrees, since the union gaining the jobs is the only one whose consent the company needs.

59. A transformation program had a $2 million budget. After $1.4 million (70%) was spent, the CHRO learns that finishing will cost another $600,000 and that the realistic remaining benefit is now $900,000. Which framing should the executive team use to decide whether to continue?

A. Compare the $1.4 million already spent with the $900,000 benefit still expected

B. Compare the $600,000 still needed with the $900,000 benefit still expected

C. Compare the full $2 million budget with the $900,000 benefit still expected

D. Continue because stopping now would waste the $1.4 million already spent

60. A manufacturer's strategy is to differentiate on quality and customization, which depends on frontline problem solving. Which labor relations approach best fits this strategy?

A. A cost-focused approach that seeks the lowest wage settlement

B. An arm's-length approach that limits talks to the contract

C. An aggressive approach that relies on subcontracting to cut costs

D. A cooperative partnership with joint problem solving and training

61. A strategic workforce plan projects 60 openings in critical engineering roles over two years. The CHRO wants a leading indicator that shows early whether the company can fill them. Which metric BEST fits?

A. Last year's cost-per-hire for engineering roles compared with peer firms

B. Last year's average time-to-fill for critical engineering positions

C. Last year's turnover rate in critical engineering roles across the company

D. Pipeline coverage: qualified candidates available per projected opening

62. A company's 401(k) plan matches 100% of employee deferrals up to 4% of pay. The CFO proposes changing to a 50% match on deferrals up to 8% of pay to encourage higher savings. Compared with the current formula, what is the effect of the proposed formula?

A. The maximum employer cost doubles to 8% of pay, while the deferral needed for the full match stays at 4%.

B. The maximum employer cost falls to 2% of pay, and employees must defer 8% to receive the full match.

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

D. The maximum employer cost stays at 4% of pay, and employees still need to defer only 4% to receive it.

63. A company's data science team wants to build a hiring model trained on 10 years of internal hiring and performance data. During that period, leadership roles were filled mostly by one demographic group. The CHRO must decide whether to build the model, buy a vendor tool, or do neither. What is the BEST response?

A. Approve the internal build but remove demographic fields, which will keep the model from producing biased results

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

C. Buy a vendor tool instead, since using a vendor's validated model shifts legal responsibility for any resulting bias away from the employer

D. Approve the internal build, since a model trained on the company's own data will best reflect its true success profile

64. A compensation committee asks why the proposed merit guidelines give top performers roughly twice the increase of solid performers rather than 1 point more. Which principle BEST explains the design?

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.

B. Larger increases for top performers are needed mainly to move them faster to range maximum, where pay growth then stops.

C. Doubling the top-tier increase keeps total merit spending lower overall, since few employees ever receive the highest performance rating.

D. Equal percentage spreads between tiers are required to defend merit decisions against disparate impact challenges.

65. A plant manager plans to cut 40 jobs on March 1 and 40 more on May 1 at a site with 220 full-time employees, reasoning that neither wave alone reaches the WARN mass layoff threshold. What should the CHRO advise?

A. Layoffs separated by 30 days or more are exempt from WARN aggregation rules

B. Each wave is assessed separately, so notice is required only if one wave alone reaches 50 employees

C. WARN applies only to plant closings, so a staged reduction never triggers notice

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

66. A CEO wants all employees in the office five days a week. Exit data and a pulse survey show that top performers in engineering and sales are the most likely to leave over the change. Which principle should guide the CHRO's advice?

A. Support the mandate and plan to replace departing top performers through external hiring

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

C. Oppose any return-to-office change, because flexibility is now an employee expectation

D. Defer to the CEO's decision, since work location is an executive prerogative rather than an HR or talent management issue

67. In annual talent reviews, executives consistently rate headquarters staff as high potential while equally strong employees in regional offices are overlooked. What is the CHRO's BEST change to the process?

A. Move the talent review meetings so they rotate among the regional offices, letting executives become familiar with local staff over time.

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

C. Give each region a fixed quota of high-potential slots equal to its share of the total company workforce.

D. Let regional managers rate their own staff's potential without executive review so that local insight counts.

68. A company sponsors a self-funded group health plan. Under HIPAA, which vendor relationship requires a business associate agreement?

A. A hospital that treats plan members and bills the plan for their care

B. An insurer that sells the company a separate, fully insured dental plan

C. A third-party administrator that processes the plan's medical claims

D. A payroll firm that processes only employees' pre-tax premium deductions

69. A compensation committee chair asks why the company's outreach plan includes proxy advisory firms ahead of the say-on-pay vote. What role do these firms play?

A. They count and certify shareholder votes on executive pay and report the official results to the SEC.

B. They are hired by companies to design executive pay programs that will satisfy the major institutional investors.

C. They set binding pay limits for executive compensation that companies must meet to remain listed on exchanges.

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

70. A retailer's audits keep finding excessive overtime at its suppliers' factories. An analysis shows the retailer often changes orders at the last minute and shortens lead times. What concept explains how the retailer's own conduct contributes to the problem?

A. Supplier audits are biased toward finding overtime because overtime records are easy to review.

B. Irresponsible purchasing practices push suppliers to use excess overtime and hidden subcontracting.

C. Last-minute changes affect only supplier profit margins, while working hours are not affected.

D. Suppliers in low-wage countries prefer long hours since workers there often ask for more overtime pay.

71. A manufacturer is considering certification to ISO 45001. What does the standard require of top management?

A. Obtain OSHA approval of the safety management system before seeking third-party certification.

B. Reduce recordable injury rates to below the published industry average within the first year of adoption.

C. Delegate full responsibility for the safety management system to a certified safety manager.

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

72. A chemical company wants a culture in which small errors and near misses are treated as early warnings of larger failures and are actively reported and studied. Which high-reliability organization principle described by Weick and Sutcliffe does this reflect?

A. Sensitivity to operations

B. Reluctance to simplify interpretations

C. Preoccupation with failure

D. Commitment to resilience

73. A CHRO is arguing to the executive team that selecting and developing managers should be an enterprise priority. Which Gallup research finding BEST supports that argument?

A. Managers account for at least 70% of the variance in team engagement

B. Pay competitiveness accounts for most of the variance in team engagement

C. Senior executives' visibility explains most of the variance in team engagement

D. Managers account for roughly 20% of the variance in team engagement

74. A company is laying off 600 employees, and the CHRO is planning how transition health coverage options will be presented. Which principle should guide the communication?

A. Present only COBRA, since describing Marketplace plans would count as giving insurance advice.

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

C. Present only Marketplace plans, since electing COBRA blocks premium tax credits for a year.

D. Urge COBRA first, since employees can drop it later and join a Marketplace plan at any time of year.

75. The CEO of a 9,000-employee company wants to eliminate annual performance ratings and move to ongoing coaching conversations. Ratings currently drive the merit matrix, promotion slates and the annual pay equity analysis. What should the CHRO advise FIRST?

A. Delay the change until a vendor survey confirms that most peer companies in the industry have already dropped ratings.

B. Drop ratings now as the CEO asks and let managers set merit increases freely within their own department budgets for this pay cycle.

C. Keep ratings for pay but stop sharing them with employees, so that coaching conversations can focus on development.

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

76. According to Amy Edmondson's research, how does psychological safety relate to team learning?

A. It means that underperformers are protected from consequences so they can keep developing skills.

B. It mainly comes from individual personality, so leaders should select confident team members.

C. It means that teams avoid conflict and lower standards so that members feel comfortable at work.

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

77. A board compensation committee wants to tie part of executive incentive pay to inclusion. Which type of metric is MOST defensible to use?

A. Participation rates in voluntary demographic self-identification campaigns companywide.

B. Process and experience measures, such as fair promotion processes and inclusion survey results.

C. The number of inclusion events and ERG meetings held in each executive's business unit.

D. Demographic hiring quotas requiring a fixed percentage of all new hires to come from specific groups.

78. Which statement BEST describes the scope of the ministerial exception recognized by the U.S. Supreme Court?

A. It applies only to ordained clergy who hold the formal title of minister within a recognized religious body.

B. It bars only religious discrimination claims and leaves claims of race, sex, and age bias in place.

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

D. It allows religious employers to prefer members of their own faith when hiring for any position.

79. During contract talks, a union launches a media campaign alleging that the company has ignored serious safety hazards at its plants. Which principle should guide the company's public relations response?

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

B. Respond by questioning the union's motives, since the safety claims are a bargaining tactic rather than genuine concerns.

C. Avoid any response to the claims, since public comment during talks could be treated as direct dealing with employees.

D. Discipline employees who supplied information to the media, since public criticism of the company breaches their loyalty duty.

80. A former director has threatened to sue over sexual harassment by a senior vice president, and media interest is likely. Counsel recommends settling. The CEO wants a strict confidentiality clause. What should the CHRO advise about the settlement terms?

A. Refuse to settle and litigate the claim in court to show employees the company does not pay to resolve harassment claims

B. Require full confidentiality covering the facts, the amount, and any discussion with government agencies

C. Settle with mutual nondisparagement terms and keep the executive in role to avoid implying the claim was true

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

81. According to Schein, which mechanisms do leaders MOST powerfully use to embed culture?

A. The organization's mission statement, values poster and annual report language

B. What they pay attention to, measure and reward, and how they react to crises

C. Stories about the founders, company legends and the official corporate history

D. Organizational structure, formal policies, office design and annual rituals

82. Forty employees in one job family have an average salary of $70,000. A market analysis shows that bringing them to market would require an increase averaging 8% of current salary. What is the estimated annual cost of moving this group to market?

A. $22,400

B. $2,240,000

C. $224,000

D. $5,600

83. An ethics officer reports to the board that hotline volume fell 30% this year and calls it evidence of a healthier culture. A director asks for a better measure of employees' willingness to report. Which survey item would best provide it?

A. I have not seen any misconduct at work during the past twelve months here.

B. I have read and certified that I understand the company's code of conduct.

C. I know the phone number and web address for the company's ethics hotline.

D. I can raise a concern about misconduct here without fear of retaliation.

84. A chemical company's OSHA recordable incident rate is well below its industry average, yet it has had two serious incidents this year, one of them nearly fatal. Near-miss reports have fallen by half over two years. What is the BEST response from the CHRO and the safety director?

A. Benchmark the company's recordable rate against a broader peer group to confirm how it compares with others.

B. Increase discipline for employees involved in incidents so that everyone takes safety rules more seriously.

C. Highlight the low recordable rate to the board as evidence that the safety program is working as intended.

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

85. An analytics team finds that engagement correlates with pay, manager quality, career growth, and workload. What does multiple regression add over looking at each correlation separately?

A. It ranks the factors by how many employees mentioned them in the survey's open-ended comments.

B. It proves that each factor causes engagement, since all of the variables are analyzed together at once.

C. It removes the need for a large sample, since the effects of all factors are combined into one.

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

86. A CHRO urges the executive team to treat its workforce as a strategic asset rather than primarily as a cost. Which implication follows MOST directly from this view?

A. Pay is set above market for every role so the company can attract and keep the most capable workers.

B. Labor costs are fixed costs that the company should avoid reducing even when revenue falls sharply.

C. Employees are recorded as assets on the balance sheet at the value of their skills and expected tenure.

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

87. A company is investigating allegations of falsified safety records at its largest business unit. Why should the investigators NOT report to the president of that business unit?

A. Business unit leaders are prohibited by OSHA from receiving reports about safety investigations

B. Reporting to the president would waive attorney-client privilege for all investigation materials

C. The president lacks the legal training needed to supervise an investigation of safety records

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

88. The CEO of a growing software firm asks the CHRO how inclusion fits the company's growth strategy, noting that the board wants every initiative tied to business results. Expansion plans depend on new markets and product innovation. What is the CHRO's BEST response?

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

B. Set demographic hiring quotas for each business unit so that the firm can report fast progress on representation to the board.

C. Present inclusion mainly as a reputational and compliance matter that legal and communications should manage outside the strategy.

D. Keep inclusion separate from the growth plan as a values commitment, since tying it to results could make it look transactional.

89. After several complaints about senior executives, the general counsel and the CHRO disagree about who should run workplace investigations. The board wants a consistent approach before the next fiscal year. What should the CHRO do?

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

B. Transfer all investigations to the legal department so that attorney-client privilege always applies

C. Outsource all investigations to an external law firm so that no internal conflicts can be alleged

D. Keep all investigations within HR so that employees view the process as fair and employee-focused

90. A mining company plans a project on land traditionally used by an Indigenous community. Under international standards, which principle should guide its engagement with that community before the project proceeds?

A. The social license to operate

B. Free, prior, and informed consent

C. Stakeholder mapping and analysis

D. A negotiated community benefit agreement

91. An employee reports that coworkers created and shared an AI-generated sexual image of her in a group chat that includes several colleagues. The company's harassment policy does not mention AI-generated content. After addressing the incident itself, what should the CHRO do to update policy?

A. Revise policies to cover synthetic media, update training and reporting, and discipline consistently.

B. Wait for a federal agency to issue guidance on deepfakes before making changes to the harassment policy.

C. Ban all generative AI tools on company devices so that employees can no longer create this kind of content.

D. Add a clause stating that conduct in personal group chats among coworkers falls outside company policy.

92. This year's survey shows 62% favorable on career growth, with a margin of error of plus or minus 4 points. Last year's result was 59% favorable. How should the CHRO describe the change to executives?

A. As a meaningful gain, since the margin means the true score could be as high as 66% favorable.

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

C. As a meaningful gain, since this year's 62% favorable result is higher than last year's 59%.

D. As not meaningful, since only results above 75% favorable count as real improvements.

93. A CHRO is revising the policy for handling lower-level interpersonal misconduct, such as disrespectful remarks between coworkers. Which policy feature MOST clearly reflects a restorative rather than punitive approach?

A. A progressive series of steps from verbal warning to written warning, suspension and termination

B. A required online course on respectful behavior assigned after each confirmed policy violation

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

D. A zero-tolerance rule that ends employment after any single confirmed incident of disrespect

94. The board has named an outside executive as the next CEO. The internal runner-up, a highly regarded division president, is being courted by competitors. What is the BEST plan for the CHRO?

A. Start succession planning for the runner-up's role at once, since a departure is very likely

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

C. Give the runner-up a few weeks of space before discussing next steps, to avoid seeming insensitive

D. Offer the runner-up a large cash retention bonus right away, with a two-year cliff vesting schedule attached to it

95. An HR analyst wants a statistic that shows executives how large the difference between a pilot group's mean and a control group's mean is, expressed in standard deviation units and independent of sample size. Which statistic fits this purpose?

A. The confidence level of the test

B. The p-value from a t-test

C. An effect size such as Cohen's d

D. The standard error of the mean

96. A CHRO restructures the HR budget presentation by classifying every expense as run (sustaining current operations), grow (improving existing programs) or transform (building new capabilities). What is the PRIMARY benefit of this portfolio approach?

A. It allows each of the three categories to be funded at an equal one-third share of total HR spending.

B. It moves all transformation costs into the capital budget so they can be depreciated.

C. It shows leaders how much spend sustains operations versus how much builds future capability.

D. It removes the need to estimate a return on investment for individual HR initiatives.

97. The company's learning platform vendor has been acquired by a private equity firm that announces it will consolidate several products, including the one the company uses. What is the CHRO's BEST risk response?

A. Wait for the vendor to announce its detailed product plans before taking any further action

B. Begin replacing the platform right away, since product consolidation will end its support

C. Review contract protections, seek roadmap commitments, and prepare exit options

D. Negotiate a long-term renewal now to lock in current pricing before the new owner raises it

98. The people analytics team proposes mining email and chat metadata to map collaboration patterns across the company and identify silos. What is the CHRO's BEST position?

A. Reject it, since any analysis of workplace communication data is unlawful

B. Proceed, and include message content so the analysis captures what is discussed

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

D. Proceed, and share each employee's individual network score with managers for performance reviews

99. A public company's CEO received total compensation of $5.2 million, and the median employee's annual total compensation was $65,000. What is the CEO pay ratio, and how should the board interpret it?

A. 8:1; the board should treat it as evidence that CEO pay is well aligned with that of the broad workforce.

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

C. 800:1; the board should treat it as a sign that CEO pay needs to be reduced to restore internal equity.

D. 80:1; the board should treat it as proof that the median employee is underpaid relative to the market.

100. Engagement scores in a company's sales division fell 15 points, but the CEO calls the survey "a complaint box" and wants to move on. The CHRO has two years of division data on turnover, quota attainment, and customer retention. What should the CHRO do to make the strongest case for action?

A. Benchmark the division's scores against published industry norms to show that it falls well below the median.

B. Recommend a follow-up pulse survey to confirm the drop is real before proposing any action.

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

D. Share selected verbatim comments from employees that convey how strongly the sales team feels.

101. Executives at a financial services firm regularly champion ethics in town halls, but a culture survey shows frontline employees hear mainly 'hit the numbers' from their direct managers. Misconduct reports are concentrated in units with aggressive targets. What is the CHRO's BEST strategy?

A. Expand the ethics hotline and promote it widely so frontline employees can report pressure from their managers directly.

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

C. Increase the frequency of executive ethics messages so that the tone at the top reaches frontline employees more directly.

D. Require all frontline employees to complete annual ethics training and certify that they understand the code of conduct.

102. In annual talent reviews at a global manufacturer, managers rate employees' "potential" with no definition, and an analysis shows women and employees over 50 are rated as high-potential far less often despite similar performance. The CEO wants to keep the nine-box grid for succession. What should the CHRO do?

A. Require that the share of women and employees over 50 rated high-potential exactly match their share of the workforce.

B. Remove the potential axis and base succession decisions only on performance ratings from the past two years.

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

D. Allow employees to rate their own potential so the review is not based solely on their managers' views.

103. Labor makes up 30% of a company's total operating costs. Wages rise 4%, and all other costs stay the same. Assuming volume is unchanged, by approximately what percentage must prices rise to keep the operating margin percentage unchanged?

A. 4.0%

B. 0.12%

C. 1.2%

D. 2.8%

104. A CHRO plans to move transactional HR work into a new shared services center. Division presidents object that they will lose the embedded HR generalists who know their people and respond quickly. What is the CHRO's BEST strategy for gaining their support?

A. Let each division choose whether to join the center, so that only willing divisions take part

B. Ask the CEO to direct the division presidents to support the change as an enterprise priority

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

D. Delay the launch until every division president agrees that the center design meets their needs

105. A company is preparing to announce a major layoff that will draw media attention. Which stakeholder group should generally hear about it before the public does?

A. Local media outlets, so that the company can shape the first public story

B. Affected employees, told by their managers before any media release goes out

C. Key customers, so that sales leaders can reassure them about future service levels

D. Major suppliers, so that they can adjust their own staffing and order plans

106. A hospitality group's labor cost is 38% of revenue, compared with an industry benchmark of 31%. The CEO wants to cut headcount by 15% to close the gap. The group positions itself as a premium, high-service brand. What is the BEST response from the CHRO?

A. Freeze base pay increases for two years so that labor cost falls toward the benchmark without needing any layoffs.

B. Carry out the 15% reduction, focusing on the lowest performers so that the remaining workforce is more productive.

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

D. Choose a different peer group for the benchmark that better reflects the group and shows it is closer to the norm.

107. After the company issues a profit warning, the CEO wants an immediate, total hiring freeze. What should the CHRO recommend regarding exceptions?

A. Let each business unit head decide on exceptions to keep operations moving smoothly.

B. Propose layoffs instead, since hiring freezes take too long to reduce labor costs.

C. Support a total freeze with no exceptions to show the market and investors strong cost discipline.

D. Allow narrow exceptions for revenue-critical and safety roles with executive approval.

108. A global company replaced annual reviews with quarterly check-ins six months ago. Completion rates are 40%, and many managers say the check-ins are extra work that adds no value. What should the CHRO do FIRST to improve adoption?

A. Return to annual reviews, since low completion shows the new process does not fit the company's culture.

B. Send a message from the CEO reminding all managers that quarterly check-ins are mandatory company policy.

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

D. Tie each manager's bonus to a 100% check-in completion rate starting with the next quarter's cycle.

109. A global company's anti-retaliation policy defines retaliation clearly and offers several reporting channels. Exit interviews show that some reporters faced subtle reprisals, such as poor shift assignments and lower ratings, months after their reports. Which policy element should the company add?

A. Requiring all employees to certify each year that they have read the reporting policy

B. Monitoring the employment actions affecting reporters for a period after each report

C. Broadening the policy's definition of retaliation to cover more types of adverse actions

D. Adding a third-party web portal to expand the number of reporting channels available

110. A CEO proposes a 15% across-the-board headcount cut to improve profitability. The CHRO cites Wayne Cascio's research on downsizing. Which finding is MOST relevant?

A. Firms that cut employees during downturns recovered faster than firms that cut during expansions

B. Firms that cut employees using across-the-board quotas saw higher morale than targeted reductions

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

D. Firms that cut employees more deeply than peers consistently earned higher returns within two years

111. In a global matrix organization, regional sales leaders are measured on quarterly revenue, while global product leaders are measured on adoption of a new platform that shrinks short-term sales. Conflicts are escalating. What is the BEST design response?

A. Let each leader keep separate goals and resolve conflicts through negotiation on a case-by-case basis.

B. Give global product leaders final authority, since the platform reflects the company's long-term strategy.

C. Give regional leaders final authority on all trade-offs, since revenue is the most important measure.

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

112. A CFO proposes cutting the ethics hotline budget and investing instead in more internal audits to detect fraud. Fraud studies show that tips are the most common way occupational fraud is detected. What should the CHRO conclude?

A. Shift funding to internal audits, since audits detect the largest and most costly frauds most of the time

B. Limit the hotline to employees, since outsiders seldom provide tips that uncover fraud

C. Replace the hotline with data analytics, since automated monitoring now finds most fraud

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

113. A CHRO addressing a missed commitment with a peer says, "We agreed that new hires would have system access on day one. Three of the last five started without it. Can you help me understand what happened?" Which Crucial Accountability technique is she using?

A. Describing the gap between what was expected and what was observed

B. Telling the rest of the story about the peer's likely motives

C. Linking the problem to natural consequences to make it motivating

D. Using a feedback sandwich to cushion the criticism with some praise

114. Eight months into a customer-centric transformation, division heads have announced the changes, but they still make decisions in the old siloed way. Employees say leaders "talk the change but don't live it." What should the CHRO do?

A. Roll out customer-centric behavior training for front-line supervisors so the change can move forward from the bottom up over time.

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

C. Recommend that the CEO replace the division heads who have not adopted the new decision-making approach by year end.

D. Launch a new internal communications campaign that restates the vision and goals of the transformation to all employees.

115. A company plans a four-day workweek pilot and will decide afterward whether to scale it. Which pilot design element is MOST important for a sound decision?

A. Measuring success mainly through participant satisfaction surveys at the end of the pilot

B. Keeping the pilot short so that results are available before the next budget cycle

C. Baseline and comparison-group metrics, with success criteria defined in advance

D. Running the pilot in the team that is most enthusiastic about the four-day workweek

116. What did the National Academies of Sciences, Engineering, and Medicine conclude in its 2020 report on generational categories in the workforce?

A. Generational differences are real but show up mainly in attitudes toward technology at work.

B. The evidence does not support using generational categories to make workforce management decisions.

C. Generational differences in work values are large and should guide how reward programs are designed.

D. Generational categories are valid but should be paired with personality testing for better accuracy.

117. A company's board asks the CHRO to explain different strategies for a nonunion workforce. What is the key difference between a union substitution approach and a union suppression approach?

A. Substitution applies after a union is certified; suppression applies before any election is held

B. Substitution replaces union workers with contractors; suppression limits union leaders' contract rights

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

D. Substitution recognizes a company-formed employee committee; suppression bans any employee committees

118. A home health agency has records of repeated assaults on staff by clients but has no violence prevention program. How can the OSHA General Duty Clause apply?

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

B. OSHA can act only after a fatality, since there is no specific workplace violence standard in place

C. The clause applies only to physical hazards from equipment, so violence by clients is not covered

D. OSHA can cite the agency only if a state law requires a written workplace violence prevention plan

119. Two years ago, a technology company told employees that hybrid work was permanent and many relocated as a result. The CEO now wants a five-day return-to-office mandate within 60 days, citing weaker collaboration. As CHRO, what is the BEST way to influence this decision?

A. Survey employees on their preferences and let the results determine whether the return-to-office mandate goes forward.

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

C. Implement the mandate as directed while giving employees who relocated a one-time stipend to offset commuting costs.

D. Tell the CEO that reversing a stated commitment is unethical and that HR cannot support any change to the hybrid policy.

120. Wageman, Hackman and colleagues identified three essential conditions for effective senior leadership teams. Which set lists them?

A. Forming, storming, and norming before the team reaches performing

B. Trust, healthy conflict, and commitment to collective team results

C. Shared vision, team learning, and personal mastery among members

D. Being a real team, a compelling direction, and the right people

121. A company invests heavily in a new coaching skills program for frontline supervisors, but follow-up shows that few participants' managers discuss the program or set expectations for using the skills. What is the BEST way for the CHRO to improve transfer?

A. Send managers a summary of the program content so they know what their supervisors learned.

B. Add refresher e-learning modules for participants six months after the program to reinforce it.

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

D. Require participants to pass a knowledge test at the end of the program before receiving credit.

122. A CEO asks the CHRO why the company should build executive teams with members who think differently rather than hiring leaders with similar backgrounds. What is the primary mechanism by which cognitively diverse teams make better strategic decisions?

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

B. They reduce the need for outside data because members already represent key stakeholders

C. They experience less conflict because members respect differences and avoid challenging ideas

D. They reach consensus faster because members defer to whoever holds the most expertise

123. A global HR team of 40 investigators in 15 countries produces findings of uneven quality, and similar facts lead to different conclusions. Which practice BEST improves quality and consistency?

A. Common report standards with regular calibration sessions and peer review of draft findings

B. Having local business leaders approve each report before the findings are communicated to the parties

C. Hiring more investigators so that caseloads fall and each case gets more working time

D. Requiring each investigator to earn an external certification within the next fiscal year

124. A global retailer's recruiting budget was cut, and the CHRO must decide how to prioritize spending across 60 job families. Several executives argue that the budget should go to the job families with the most open requisitions. What should the CHRO use as the PRIMARY basis for prioritizing?

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

B. Which job families have the longest average time to fill over the most recent fiscal year

C. Which job families have the largest number of open requisitions across all business units and regions

D. Which job families have the highest average salaries and therefore the highest cost per hire

125. Several HR technology and benefits vendors offer to sponsor the company's annual HR leadership summit, covering the venue and dinner. Two of them are bidding on a large contract to be decided next quarter. What is the BEST response from the CHRO?

A. Accept the sponsorships but exclude the two bidding vendors from presenting at the summit.

B. Accept the sponsorships but keep the sponsors' names private so attendees are not influenced.

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

D. Accept all sponsorships, since the event benefits the company and every vendor is offered the same chance to sponsor.

126. Shareholder advisors have flagged a possible disconnect between a CEO's pay and company performance. How does a compensation committee typically test pay-for-performance alignment?

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

B. By comparing the CEO's annual bonus payout with the company's budgeted revenue for the current year only.

C. By comparing the CEO's target pay with the median pay of all company employees for the most recent year.

D. By comparing the CEO's base salary with that of the previous CEO, adjusted for inflation since that time.

127. An HR technology vendor's renewal contract would give it a perpetual right to use the company's employee data to train AI models that it sells to other clients. What contracting position should the CHRO take?

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

B. Accept the term in exchange for a price discount, since vendors commonly request this right.

C. End the relationship, since no outside vendor should process any employee data.

D. Accept the term if the vendor agrees to remove employee names before any training.

128. The CFO of a self-insured company notes that COBRA enrollees cost the plan about twice as much per person as active employees. Which principle explains the pattern and its limits?

A. The plan may charge COBRA enrollees up to 200% of the premium to offset their higher claims.

B. The plan may end COBRA early when an enrollee's claims exceed the plan's stop-loss threshold.

C. The plan may drop COBRA enrollees whose claims are high once they reach six months of coverage.

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

129. In a reduction in force, 160 of 200 employees age 40 and over are retained, compared with 285 of 300 employees under 40. Treating retention as the selection rate, what is the impact ratio and the BEST interpretation under the 80% rule of thumb?

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

B. 80%; this equals the threshold, so adverse impact is indicated and the selections must be revised before notice.

C. About 15%; this is the gap in retention rates, so it is far below 80% and adverse impact is clearly indicated.

D. About 84%; above 80%, so the selections are shown to be lawful and no further analysis of the RIF is needed.

130. After a costly product failure, an investigation shows that frontline engineers had raised concerns months earlier, but the warnings were diluted at each management level before reaching the executive team. The CEO asks the CHRO to make sure leaders hear about problems early. What should the CHRO recommend?

A. Add questions about speaking up to the annual engagement survey and report the results to the board each year

B. Reissue the open-door policy in a CEO email that invites any employee to raise concerns with senior leaders directly

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

D. Require managers to certify each quarter that they have escalated every known risk to the next leadership level

131. Before approving a major market entry, a board asks the CHRO to recommend a decision technique in which a second team builds a competing plan on opposite assumptions and the two plans are debated to reach a synthesis. Which technique fits this description?

A. Devil's advocacy

B. Dialectical inquiry

C. Nominal group technique

D. Delphi technique

132. Leaders of several employee resource groups ask the executive team for a role in selecting the AI tools that will be used in hiring and promotion, citing fairness concerns. What is the BEST response from the CHRO?

A. Decline the request, since ERGs are voluntary groups and should not be involved in tool decisions.

B. Thank the ERGs and assure them that the vendor's independent fairness certifications already address their concerns.

C. Give ERG leaders a vote on final tool selection so the groups can veto any tool they find unfair.

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

133. During bargaining, executives want to argue that the union's wage demands would make the company uncompetitive, but they do not want to open the company's books. Which principle should the CHRO advise them on?

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

B. Any argument that relies on economics obliges the employer to give the union its full audited financial statements.

C. The employer can claim inability to pay without disclosure if it labels its financial records as confidential business information.

D. Financial disclosure is required only if the union files a charge, so the company can make either claim until that happens.

134. How does a sponsorship program differ from a traditional mentoring program in advancing underrepresented talent?

A. Sponsors use their influence to advocate for protégés and open doors to promotions

B. Sponsors are external coaches who are paid to work on specific behavioral goals

C. Sponsors provide confidential career advice but do not advocate for their protégés

D. Sponsors are peers at the same level who share job knowledge with one another

135. A CHRO has 20 minutes with the executive team to present attrition analytics and secure funding for a retention program. Which presentation approach is MOST likely to drive a decision?

A. Open with the research methods and data sources to establish the analysis's credibility

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

C. Walk through every chart in the full analysis, in order, so the team can draw its own conclusions

D. Share the raw data in advance and use the meeting to answer the team's questions

136. Talks for a successor contract have stalled for five months, and the employer's final offer has been rejected twice. The CEO wants to declare impasse and implement the offer. What should the CHRO weigh MOST carefully?

A. Whether 60 days have passed since the contract expired, the minimum period before any lawful impasse can occur.

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

C. Whether the offer gives employees more than the expired contract, since only an improved offer may be implemented.

D. Whether the union has given formal notice of impasse to the employer, as required before implementation.

137. A CHRO must present analysis showing that AI could change 30% of tasks across the workforce within three years. What is the BEST way to present this to the board without causing undue alarm?

A. Present the full model output in detail so that board members can draw their own conclusions from it.

B. Report the 30% figure as the share of jobs to be cut so the board can plan for the related cost savings.

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

D. Leave the figure out and share only the productivity gains that AI is expected to deliver for the company next year.

138. A firm with 900 analysts wants to use an abstract reasoning test to select new analysts and has good performance ratings for current staff. Which validation approach BEST supports the test?

A. Construct validation, showing only that the test measures reasoning as defined in the vendor's technical manual.

B. Face validation, showing that applicants and managers see the test as fair and relevant to the analyst role.

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

D. Content validation, showing through job analysis that the test items are a sample of the analysts' actual job tasks.

139. A board member cites public four-day-week trials in which most participating companies reported stable or higher productivity, and urges adoption. What is the CHRO's MOST important concern in evaluating this evidence?

A. The trials were too large to detect effects within any single company.

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

C. The trials were public, so their findings cannot be independently verified.

D. The trials measured productivity, which is unrelated to employee retention goals.

140. After a merger, one legacy HR function is highly centralized with a shared services center, while the other uses embedded HR business partners in each business unit. The combined CEO asks the CHRO to recommend one HR operating model. What should the CHRO do?

A. Adopt the acquirer's centralized model, since it is already proven and choosing it will speed up integration of the HR teams.

B. Keep both HR models in place for at least three years, so that neither workforce has to adjust to a new way of being served.

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

D. Adopt the embedded business partner model, since it is closer to the business and is preferred by most line managers today.

141. Several employees at a unionized warehouse ask the HR director for help removing the union. They want HR to draft a decertification petition and let them collect signatures during paid meetings. The contract expires in eight months. What should the CHRO advise?

A. Allow signature collection in paid meetings, since employees asked for it and it was not company-initiated

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

C. Tell employees that management will help collect signatures once the contract's open period begins

D. Have HR draft neutral petition language, since providing a blank form is not the same as encouraging employees to sign it

142. A company plans to cut 35 employees in month 1, 30 in month 3 and 40 in month 5 at a 180-employee site, citing the same decline in demand. Leaders believe WARN does not apply because each wave is under 50 people. What should the CHRO advise?

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

B. Agree that WARN does not apply, since each wave is measured separately against the 50-person test.

C. Give notice only if the total over the full five months reaches 100 or more employees at the site.

D. Give notice only for the final wave, since it is the largest and the last one of the plan.

143. A CHRO will present a $5 million, three-year HR technology transformation to the board's finance committee for approval. What will the committee MOST expect to see in the business case?

A. A detailed implementation timeline and training plan for HR staff members

B. Quantified costs, benefits and risks, with ROI or NPV and the alternatives considered

C. Vendor demonstrations and peer testimonials showing the platform's ease of use for managers

D. Employee survey results showing strong demand for a new HR technology system

144. Two weeks after a senior analyst filed a harassment complaint, her SVP moved her from a client-facing strategy team to an internal records project. Her title and pay are unchanged, and the SVP says the move gives her room to focus. How should the CHRO assess and respond?

A. Treat it as lawful, as long as the new assignment is within the same job classification as before.

B. Treat it as a performance matter, since the SVP has broad discretion over how assignments are made.

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

D. Treat it as lawful, since retaliation requires a loss of pay, title, or benefits as a direct result of the change.

145. A strategy consulting firm earns premium fees by designing highly customized solutions for unique client problems. Its new chief knowledge officer proposes a large document repository of reusable templates as the core of its knowledge strategy. What should the firm's leadership do?

A. Approve the repository as proposed, since reusable templates will let the firm serve clients faster.

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

C. Invest equally in a repository and an expert network so the firm is not dependent on either one.

D. Outsource knowledge management to a vendor so the firm's consultants can stay focused on clients.

146. A company and its longtime union agree to try interest-based bargaining (IBB) for the first time. Which condition is MOST important for the shift to succeed?

A. Joint IBB training and visible commitment from leaders on both sides

B. An agreement that economic issues will be settled by binding arbitration

C. Exclusion of the union's international representative from all sessions

D. A union decertification vote to confirm members' support for the process

147. The CEO of a 1,200-employee company with a self-funded health plan asks the CHRO which departments drive the highest claims costs so the benefits strategy can be redesigned. Two departments have fewer than 10 employees each. What is the BEST response?

A. Pull claims by department from the plan system, since the data will be used only for benefits.

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

C. Provide department-level claims for all units but replace employee names with internal ID numbers first.

D. Decline the request, since HIPAA bars plan sponsors from receiving any claims information.

148. A global company is deciding between one global HR shared services center and three regional hubs. What is the PRIMARY trade-off in this decision?

A. Lower technology costs versus the higher travel costs of managing several distant locations

B. Greater control of employee data versus the higher risk of a single point of failure

C. Faster implementation versus the greater difficulty of hiring HR staff in a single location

D. Scale and standardization versus responsiveness to language, time zones and local law

149. A manufacturer's union contract expires in 60 days, and negotiations have stalled. Executives want the company to be ready if a strike occurs. What should the CHRO do?

A. Tell employees that anyone who strikes will be fired and lose all benefits for the duration.

B. Hold off on contingency planning, since the union could treat it as bargaining in bad faith.

C. Build a strike plan covering operations, lawful replacement staffing, security and communications.

D. Offer bonuses directly to employees who pledge not to strike, without first going through the union.

150. Which situation BEST illustrates a natural experiment that an HR analytics team could use to estimate the effect of paid sick leave on turnover?

A. HR compares turnover in the year before and the year after offering paid sick leave at every location.

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

C. HR randomly assigns half of its call centers to receive an enhanced paid sick leave benefit for a full year.

D. Plant managers decide for themselves whether their own sites will adopt an enhanced paid sick leave benefit this year.

151. A global company wants one leadership profile that will be valued in all of its operating regions. According to the GLOBE study, which leadership style is MOST widely endorsed across cultures?

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

B. Self-protective leadership, such as being status-conscious and procedural and focused on saving face

C. Autonomous leadership, such as being independent and individualistic and relying on one's own judgment

D. Directive leadership, such as setting firm rules and procedures and keeping close control over results

152. A CHRO wants an early warning of whether the company's labor relations climate is moving toward cooperation or conflict, well before contract negotiations begin. Which indicator should she monitor most closely?

A. The number of strikes and work stoppages the company has experienced over the past ten years

B. Trust between supervisors and stewards and how often issues are resolved informally

C. The percentage wage increase agreed to in the most recent collective bargaining agreement

D. The company's overall win rate in arbitration cases decided during the last contract term

153. A company acquires a peer of similar size with a very different culture. Executives from each side argue that their own culture should prevail. What should the CHRO recommend?

A. Keep both cultures separate so that neither side feels it has lost out

B. Survey employees on both sides and adopt the culture with higher scores

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

D. Adopt the acquirer's culture across the company, since it paid for the deal and carries the risk

154. A US company is acquiring a German manufacturer with 3,000 employees, where employee representatives hold half of the supervisory board's seats. The CEO plans to replace the whole board with company executives at closing. What should the CHRO advise?

A. Treat the employee members as union officials and route all matters for the board through the company's works council.

B. Replace the employee members after closing, since a new owner of all the shares may appoint the whole supervisory board.

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

D. Offer the employee members severance to give up their seats, so that the new owner can fill the board with its own executives.

155. A U.S.-based company plans a global restructuring that will eliminate roles at sites in Germany and France, both of which have works councils. The CEO wants to make one global announcement of the final plan next week. What is the BEST advice from the CHRO on sequencing?

A. Make the global announcement and begin works council talks in each country right after it

B. Announce in the United States first and hold the European news until consultation is finished

C. Have local managers brief each works council in person on the same day as the global announcement goes out

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

156. Which example BEST illustrates second-order change rather than first-order change?

A. A product company adds a new shift at its main plant to meet a temporary increase in demand.

B. A product company shortens its approval process for capital requests from four required signatures to just two.

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

D. A product company updates its performance review form to add a section on customer service.

157. A union unable to win an election at a retailer's distribution centers begins contacting the company's major customers, shareholders, lenders and state regulators about its labor practices. What defines this strategy as a corporate campaign?

A. Picketing primary worksites to stop the company's daily operations

B. Filing unfair labor practice charges to delay an election

C. Pressuring the employer through outside parties it depends on

D. Offering members strike pay to sustain a long walkout

158. According to the Vroom-Yetton-Jago model, under which conditions is it appropriate for a leader to make a decision alone without consulting the team?

A. The decision is important and team members have relevant expertise

B. The leader has enough information and the team is likely to accept the decision

C. Team members share organizational goals and time is not a constraint

D. Team commitment is critical and members disagree with one another on the preferred option

159. A new scheduling program cut overtime 20% at a plant whose general manager championed it and staffed it heavily. Executives want to roll it out to all 35 plants. What should the CHRO do FIRST?

A. Delay any rollout until the first plant sustains results for two years.

B. Pilot it at several typical plants, tracking delivery fidelity and results.

C. Have the champion manager present the program to the leaders of every plant.

D. Roll it out to all plants, since the 20% result proves the program works.

160. A company doubled to 8,000 employees in two years, and half its managers are new to people leadership. Employee relations cases show managers ignoring complaints, retaliating informally and documenting poorly. What capability-building plan should the CHRO lead?

A. Post an online library of employee relations resources and templates that managers can use voluntarily when they face issues on their teams.

B. Hold an annual all-manager meeting on employee relations topics and let managers ask the legal team questions in the session.

C. Move all employee relations matters to HR so managers no longer handle complaints, documentation or performance conversations.

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

161. A learning analytics report shows that employees who completed an optional advanced analytics course earn 18% higher performance ratings than those who did not. The COO wants to make the course mandatory company-wide based on these results. What should the CHRO advise FIRST?

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

B. Suggest raising the course's visibility so that more employees across all units enroll in it voluntarily

C. Support the mandate, since an 18% gap is large enough to establish the course's impact

D. Recommend making the course mandatory only for low performers who need it most

162. A company's health benefits cost $20 million this year, and the cost trend is 8% a year. If plan design does not change, what is the projected cost in two years?

A. $25.19 million

B. $21.60 million

C. $23.20 million

D. $23.33 million

163. A privileged audit finds that 120 inside-sales representatives have been misclassified as exempt for several years. Some executives want to reclassify them quietly going forward; others want to also pay back wages. What should the CHRO recommend?

A. Keep the reps exempt but raise their salaries well above the threshold so the classification is defensible going forward.

B. Reclassify prospectively without explanation and decide on back pay only if employees raise claims later.

C. Reclassify prospectively and announce that the change reflects a past error the company is now correcting.

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

164. In an HR data governance program, which set of responsibilities BEST describes the role of a data steward for the compensation data domain?

A. Building predictive pay models and presenting results to the executive team

B. Maintaining data quality, definitions and access rules for compensation data

C. Administering servers, backups and network security for the compensation system

D. Approving the HR technology budget and selecting the compensation system vendor

165. A newly hired CHRO wants early wins in her first 90 days to build credibility with the CEO and executive team. According to Michael Watkins, which kind of early win is MOST valuable?

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

B. Wins in areas HR fully controls, so results come quickly regardless of what peers see as priorities

C. A large, highly visible program launch that signals ambition, even if its results arrive much later

D. Wins that reverse her predecessor's decisions, showing a clear break with the way things were done

166. An enterprise AI policy is being drafted to cover tools that influence hiring, promotion, pay and discipline. Why should the policy guarantee employees a route to challenge AI-influenced decisions?

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

B. Contestability removes the need for bias testing, since employees will report any unfair outcomes they see.

C. Contestability shifts responsibility for decision quality from the employer to the employees who are affected.

D. Contestability lets employees opt out of all AI processing, which every jurisdiction requires employers to allow.

167. A CHRO is designing one investigation protocol for eight business units. Allegations range from minor attendance disputes to misconduct by senior executives. Which design element BEST ensures consistent handling across units?

A. Routing every allegation to corporate legal so one office handles all cases from intake on

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

C. Assigning the same senior HR investigator to every case regardless of its type, severity or location

D. Allowing each unit to set its own triage rules based on local culture and case volume

168. The people analytics team at a company with a self-funded health plan wants to combine individual claims data with performance ratings to study whether health issues predict low performance. Which principle governs this request?

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

B. Plan PHI may be used for analytics if the team signs a confidentiality agreement with HR.

C. Plan PHI may be used for workforce studies because the employer funds the plan's claims.

D. Plan PHI may be combined with HR data if the results are presented only to executives and the board of directors.

169. A CHRO finds that most of the 14-member executive team cannot explain how generative AI works or evaluate proposals for its use, yet they approve AI investments each quarter. What development strategy should the CHRO pursue?

A. Assign each executive a data scientist to attend meetings and make AI decisions on the executive's behalf.

B. Share a reading list of AI books and articles and ask the executives to finish it over the next two quarters.

C. Enroll the executives in a university machine learning certificate to build deep technical expertise.

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

170. To cut costs, a company reduces headcount in a production unit by 15% without changing its processes or workload. Six months later, labor cost per unit produced has risen. What is the MOST likely explanation?

A. Remaining employees received automatic pay increases when their workloads were redistributed.

B. Labor cost per unit always rises after layoffs, because severance is charged to each unit.

C. The unit's fixed overhead was reassigned to labor accounts, which raised labor cost per unit on paper.

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

171. Researchers studying high-performing teams describe "shared mental models." What does this term refer to?

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

B. The tendency of cohesive teams to suppress dissent in order to preserve consensus

C. A leader's personal vision of success that the team is expected to adopt as its own

D. A team's written charter that lists its goals, member roles, and agreed rules for running its meetings

172. The CEO of a 300-employee plant prefers to furlough 150 workers for eight months rather than lay them off, believing furloughs avoid federal WARN. What should HR advise?

A. Furloughs avoid WARN as long as the affected employees keep their health benefits

B. Furloughs are temporary by nature, so WARN applies only if the jobs are later eliminated

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

D. WARN applies to furloughs only when they last longer than 12 consecutive months

173. A CHRO plans to report learning and development data in line with ISO 30414, the international standard for human capital reporting. Which set of L&D metrics does the standard include?

A. Net promoter scores for courses, instructor ratings and the share of courses delivered online or on mobile

B. The number of learning vendors, LMS uptime and the volume of new content added each year

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

D. Leadership competency ratings, 360-degree results and executive coaching hours per leader

174. A people analytics team finds that its promotion model cannot achieve equal selection rates across two groups (demographic parity) while also achieving equal true positive rates among qualified candidates (equal opportunity). What BEST explains this result?

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

B. The two metrics measure the same thing, so any gap between them means the model was coded incorrectly

C. Both metrics can always be satisfied together once the training data set is made sufficiently large

D. Equal opportunity applies only to hiring decisions, so it cannot be calculated for promotion decisions

175. To cut costs, the CFO proposes freezing salary ranges this year, believing this will hold down payroll. Market data show the structure is already behind the market. What is the BEST response?

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

B. Agree, as long as merit increases are also frozen for every employee for the year

C. Disagree, since federal pay law requires salary ranges to be updated each year to remain compliant

D. Agree, since freezing the ranges directly lowers payroll costs by the market movement

176. The board asks why the company's ESG rating is strong from one rating agency and weak from another. What is the MAIN reason ESG ratings for the same company often differ?

A. Agencies are required to rate each company only against peer firms in the same country and industry.

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

C. Ratings differ because agencies use the company's credit rating as the base for the ESG score.

D. One of the two agencies must be relying on outdated data that the company has since corrected.

177. A SaaS company reports net revenue retention (NRR) of 115% for the year. The CHRO is planning next year's account management headcount. What does this NRR indicate?

A. Gross revenue retention exceeded 100%, so no existing customers churned at all

B. Revenue grew faster than account management headcount over the full year

C. The company added more new customers during the year than it lost to churn

D. Expansion from existing customers exceeded churn and downgrades

178. Over the past year, four vice presidents have resigned, and each cited the CEO's habit of criticizing executives in front of their teams in exit interviews. The CEO has asked the CHRO why the company cannot keep senior talent. How should the CHRO approach the conversation?

A. Suggest the CEO complete a 360 assessment without mentioning the exit interview data at this stage

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

C. Raise the pattern at the next executive team meeting so that the full team can address it together

D. Take the issue to the board chair first so the CEO cannot simply dismiss the findings in a private meeting with HR

179. A misclassification audit covers 40 employees who each worked an average of 5 overtime hours a week at a $30 regular rate over 100 weeks. Counsel asks HR for the back-pay range under a half-time method (assuming salary already paid straight time for all hours) and a full time-and-a-half method. What is the range?

A. $300,000 to $600,000

B. $150,000 to $450,000

C. $300,000 to $900,000

D. $600,000 to $900,000

180. A 30,000-employee company plans to use a vendor's AI video-interview scoring tool for all hiring worldwide. The vendor calls the tool bias-free but has provided only aggregate accuracy data. What should the CHRO require before rollout?

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

B. A pilot in one region, followed by global rollout if hiring managers report satisfaction with the candidates selected.

C. Reliance on the vendor's bias-free claim, plus contract terms that make the vendor liable for any discrimination claims that arise.

D. Use of the tool only to rank candidates rather than reject them, since ranking tools are exempt from bias regulation.

181. What is the main strategic purpose of a defined HR service catalog?

A. To list HR policies in one place so that employees can find answers without contacting HR

B. To document each HR process step by step so that new HR staff can be trained consistently

C. To set the price that each business unit must pay HR for each transaction it requests

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

182. To save $400,000, a utility cut field technician training by half. The following year, repeat service calls and warranty claims rose by $1.2 million. Which concept BEST explains this result?

A. Value chain linkages, where a cut in one activity raises costs in another

B. Economies of scale, where a larger volume lowers the cost of each unit

C. Operating leverage, where a high fixed-cost base magnifies profit swings

D. Sunk cost, where past spending should not affect current business decisions

183. An annual bias audit of an AI screening tool used on 5,000 applicants a year shows an impact ratio of 0.62 for one racial group compared with the most-selected group. The tool has cut time to hire by 30%. What should the CHRO do?

A. Continue using the tool but add a statement to job postings disclosing its role in the screening process

B. Continue using the tool, since a single audit result does not by itself establish unlawful discrimination

C. Raise the affected group's scores until its impact ratio exceeds 0.80, and then resume normal use of the tool

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

184. A manufacturer's board approves acquiring its main component supplier, a backward vertical integration move. Which workforce implication should the CHRO expect to plan for FIRST?

A. Shifting the parent's talent strategy toward retail and distribution skills closer to the end customer.

B. Ending the parent's procurement function, since supplier contracts no longer need to be negotiated at all.

C. Reducing headcount in the parent's sales force, since the acquired supplier's existing customers will no longer need coverage.

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

185. In a board report, an HR leader measures progress in workplace safety incidents against a base year that had an unusual spike, rather than against a multi-year average. What reporting distortion does this create?

A. Simpson's paradox that reverses the direction of the overall trend

B. Recall bias that results from relying on older incident records

C. Survivorship bias that hides incidents from sites that later closed

D. Base-year selection bias that exaggerates the apparent improvement

186. Two merging companies have very different dispute processes: one uses a peer-review panel and voluntary mediation, the other requires binding arbitration for all claims. Employees at both companies are anxious about losing what they know. What should the CHRO do FIRST to harmonize the programs?

A. Require binding arbitration for all employees, since it gives the combined company the most legal certainty at the lowest cost

B. Adopt the acquiring company's program for everyone as of the closing date to signal one unified culture

C. Run both programs side by side indefinitely so no employee loses access to the process they are used to

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

187. A company plans to close three country offices and create a regional hub. Which set of people risks should the CHRO highlight to the board?

A. U.S. WARN Act notice timing as the main legal rule for all three closures

B. Hub office lease terms, regional travel budgets, relocation logistics, and the cost of new furnishings

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

D. Training needs for hub staff on the company's new expense reporting software

188. An SVP of HR is redesigning retention metrics for a 15,000-employee company. Which approach BEST reflects workforce segmentation principles?

A. Set retention targets by pay grade so the most senior and highest-paid roles receive the most attention

B. Set one enterprise retention target and apply it uniformly so every business unit and region is held to the same standard

C. Set retention targets by headcount, focusing on the largest job families because they drive the most cost

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

189. Exit interviews and candidate surveys show that people value growth and flexibility, while the company's employee value proposition emphasizes stability and benefits. How should the CHRO approach a redesign?

A. Rewrite the EVP messaging to stress growth and flexibility, since that is what candidates say they most want to hear from employers.

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

C. Adopt the EVP of the most admired employer in the industry, since its approach has already been proven to work.

D. Keep the current EVP, since stability and benefits remain the main reasons current employees have chosen to stay.

190. A retailer's people analytics team reports that stores whose managers attended a leadership course have 15% lower turnover, and it recommends expanding the course company-wide at a cost of $4 million. The managers were nominated for the course by regional directors. What is the BEST response from the CHRO?

A. Ask the team to repeat the analysis with a larger sample of stores so that the correlation is more reliable.

B. Approve the expansion, since a 15% difference in turnover is large enough to justify the investment by itself.

C. Ask the team to add more store variables to the model so that it explains a larger share of the turnover.

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

191. A privileged pay equity audit, conducted under the direction of outside counsel, finds a 3% unexplained pay gap for women in professional roles. The CHRO must decide how to fund remediation and what to tell the board. What is the BEST approach?

A. Adjust the affected salaries in the next merit cycle and report the results to the board once all adjustments are done.

B. Report only the overall gap figure to the board and leave funding and remediation decisions to management.

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

D. Publish the full audit report to employees to show transparency, then ask the board to fund the remediation.

192. A company has 18 HR staff supporting 1,500 employees. The CHRO wants to compare the HR staffing level with benchmarks reported per 100 employees. What is the company's HR-to-employee ratio?

A. 1.2 HR staff per 100 employees

B. 83 HR staff per 100 employees

C. 12 HR staff per 100 employees

D. 0.12 HR staff per 100 employees

193. In a systemic hiring case, the plaintiffs' expert shows that the number of women hired was well below the number expected from the qualified applicant pool. Courts have often treated a difference of more than about two to three units of this measure as statistically significant. What is the measure?

A. Percentage points between the two groups' selection rates

B. Standard deviations between expected and actual selections

C. Ratio points under the 80% rule of thumb for selection rates

D. Correlation coefficients between gender and the hiring outcome

194. A board asks the CHRO whether investing in ethical leadership development will affect misconduct reporting. What does research on ethical leadership generally show?

A. Employees with ethical leaders are more willing to report problems to management

B. Employees with ethical leaders report less, because misconduct largely disappears

C. Ethical leadership has no measurable effect once a hotline is fully established

D. Ethical leadership affects reporting only when hotline rewards are also offered

195. Google's Project Aristotle studied what makes teams effective. Which factor did it find mattered most?

A. Dependability

B. Structure and clarity

C. Psychological safety

D. Impact of the work

196. Electricians and machinists at a large refinery petition to leave the plantwide production and maintenance unit and form their own craft unit. What does the NLRB weigh in deciding whether to grant craft severance?

A. Craft identity, bargaining history and how integrated operations are

B. Whether the craft employees are paid more than the production workers

C. Whether the employer agrees that a separate unit would be more efficient

D. Whether a majority of the whole unit approves the craft employees leaving

197. An audit reveals forced overtime and withheld wages at a key supplier. Under the UN Guiding Principles on Business and Human Rights, what should the buying company generally do FIRST?

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

B. Ask the supplier to sign a revised code of conduct and close the matter once it has been signed.

C. Report the supplier to local authorities and leave the remedy to the host government's process.

D. End the relationship at once so the company is no longer associated with the supplier's practices.

198. A CHRO is building a preferred pool of external executive coaches. Which set of criteria BEST supports quality and governance?

A. Published books on leadership, a high public profile and experience coaching at peer companies

B. Personal referrals from senior executives, prior consulting work with the firm and local office proximity

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

D. Lowest hourly rates, availability on short notice and willingness to sign a standard contract

199. A company's retaliation charges have increased even though its underlying discrimination claims are rarely substantiated. Which manager training outcome would best reduce retaliation claims?

A. Managers can recite the company's EEO policy and list each protected class covered by federal law

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

C. Managers know how to document performance problems in detail after an employee files a complaint

D. Managers learn to stop speaking to complainants until the investigation is closed to avoid conflict

200. Three employees have made sexual harassment complaints against the CEO of a public company. The board chair asks the CHRO to settle all three claims confidentially through HR's budget and not to inform the rest of the board or the audit committee. What should the CHRO do?

A. Investigate the claims internally first and inform the full board only if HR's investigation substantiates the complaints.

B. Settle the claims as directed, since the chair speaks for the board and settlements avoid public litigation for the company.

C. Ask the CEO to respond to the allegations in writing before deciding whether the matter needs to go to the board.

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

201. A company has announced a $4 billion acquisition of a competitor. Which description BEST fits the purpose of an integration management office (IMO)?

A. Taking over daily operations from both companies' line leaders until integration ends

B. Handling all employee communication while each function sets its own separate integration timeline

C. Valuing the target and negotiating the final purchase price before the deal is signed

D. Coordinating integration workstreams, tracking synergies, and resolving cross-functional issues

202. Outside counsel conducted a privileged investigation into claims of systemic pay discrimination in one business unit. Employees know the inquiry happened and are asking what was found. The CHRO wants to rebuild trust without waiving privilege. What is the BEST approach?

A. Publish the full investigation report on the intranet so that employees can see every finding for themselves.

B. Decline to comment on the matter at all, because any statement about the results could waive privilege.

C. Give the full report to all people managers in the unit so they can answer employees' questions accurately.

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

203. A board director at a public company tells the CHRO that two employees have accused the CEO of sexual harassment. He suggests HR handle the matter quietly with a conversation and a confidential note to file, so the company avoids any disclosure. What should the CHRO recommend?

A. A delay until the employees file formal written complaints, so the company has a clear record to act on.

B. A private coaching conversation with the CEO and a memo to file, as the director proposed to the CHRO.

C. An internal investigation by HR, with findings reported directly to the CEO to keep the matter contained.

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

204. Counsel tells the executive team that an age-related disparate impact claim from a planned RIF would be easier to defend than a similar race claim under Title VII, yet still insists on a written rationale for each criterion. Which principle explains both points?

A. The ADEA shifts the burden to the plaintiff to prove the employer's stated factor was unreasonable.

B. The ADEA defense requires business necessity plus proof that no less discriminatory alternative was available to the employer.

C. The ADEA does not allow disparate impact claims, so the written rationale guards only against intent claims.

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

205. An enterprise is building AI models from people data, but finance, HR and operations each define "headcount" and "voluntary turnover" differently. Which data governance element MOST directly addresses this problem?

A. A business glossary with assigned data stewards who own and approve the standard definitions

B. Encryption of people data both when it is stored and when it moves between systems

C. Role-based access controls that limit who can view and edit sensitive employee records

D. A data retention schedule that sets how long each type of employee record must be kept before it is destroyed

206. A company is in the second year of a multiyear transformation. Its annual survey shows trust in leadership fell 15 points, and comments say employee input 'goes nowhere.' The CHRO is redesigning the employee listening strategy. Which design will do the MOST to rebuild trust?

A. Use an AI tool to analyze sentiment in internal channels and brief the executives every month

B. Run the annual survey twice a year and add more questions about the transformation's overall progress

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

D. Add an anonymous suggestion portal managed by HR and review all the submissions every quarter

207. A CFO wants to cut the cost of extended medical absences by adopting a firm 12-week maximum on all leave, after which employees are automatically separated. Which principle should the CHRO use to shape the policy?

A. Leave is not a reasonable accommodation under the ADA, so the cap creates legal risk only under state laws.

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

C. A uniform 12-week cap is lawful because it matches FMLA and treats every employee with a medical need equally.

D. Leave as an accommodation must be granted for as long as a treating doctor certifies that the employee is unable to work.

208. A company will cut its medical plan's coverage for the next plan year. An executive wants to wait to tell employees until after open enrollment ends so that participation does not drop. What should the CHRO advise?

A. Delay the announcement, but provide the details to any employee who asks about the plan

B. Disclose the change only to employees who enroll in the plan that is being reduced

C. Disclose the change in the enrollment materials, since hiding it would mislead participants

D. Delay the announcement, since plan changes need not be disclosed until the plan year starts

209. Which sequence BEST describes the typical progression of people analytics maturity?

A. Predictive analytics, strategic analytics, advanced reporting, operational reporting

B. Operational reporting, advanced reporting, strategic analytics, predictive analytics

C. Advanced reporting, operational reporting, predictive analytics, strategic analytics

D. Operational reporting, predictive analytics, advanced reporting, strategic analytics

210. A CHRO wants to spread a new agile way of working across a 20,000-person enterprise. Based on Rogers' diffusion of innovations, which group should she target first to accelerate adoption across the wider workforce?

A. The early majority, because they make up the largest adopter segment

B. Innovators, because they are the most eager to try new ideas

C. Early adopters, because peers respect them as opinion leaders

D. Laggards, because winning them over removes key resistance

211. A CHRO is preparing a board briefing on labor costs. The company's total workforce cost, including pay, benefits and contingent labor, is $36 million, and its annual revenue is $120 million. What is workforce cost as a percentage of revenue?

A. 30%

B. 70%

C. 43%

D. 23%

212. An internal audit identifies likely misclassification in several job families. Which response would MOST increase the company's back-pay exposure?

- **A.** Reclassifying the roles prospectively while counsel evaluates back pay owed for prior periods
- **B.** Commissioning a second independent review to confirm the audit's conclusions before management acts on any of them
- **C.** Documenting the audit method and the business rationale for each original classification decision
- **D.** Leaving the roles classified as exempt for another year after senior leaders reviewed the audit findings

213. Which governance element MOST helps a company control exceptions to its international assignment policy?

- **A.** A defined approval authority that reviews and records each exception's cost and rationale
- **B.** Letting business unit leaders approve exceptions freely within their own annual assignment budgets
- **C.** Publishing the full assignment policy on the intranet so assignees know its terms
- **D.** Allowing exceptions only for assignments planned to last longer than three years

214. A company's strategy requires strong focus on both its product lines and its major customer segments. What is the MAIN trade-off of adopting a matrix structure to carry out this strategy?

- **A.** It lowers coordination costs but reduces specialized expertise within each product line.
- **B.** It clarifies accountability but makes it harder to share resources across business units.
- **C.** It balances both focuses but creates dual reporting that can slow decisions and blur accountability.
- **D.** It speeds decision-making but limits information sharing between the product teams and the customer segment teams.

215. In a hiring review of 6,000 applicants, the selection rate for women is 88% of the rate for men, but the difference is 2.8 standard deviations. An executive argues that meeting the 80% rule of thumb ends the inquiry. Which principle should the CHRO explain?

- **A.** The 80% ratio is the controlling federal test, so a statistically significant gap matters only when the ratio also falls below 0.80.
- **B.** Disparities under three standard deviations are treated as chance, so the hiring data cannot support an adverse impact claim.
- **C.** Statistical significance measures how big a disparity is, so a gap of 2.8 standard deviations shows a large practical difference.
- **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.

216. The CEO of a fast-growing services firm complains that hiring is too slow and tells the CHRO to cut average time to fill by 30% this year. Recent data show that hires made in under 30 days have twice the first-year turnover of other hires. What is the BEST response from the CHRO?

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

B. Commit to the 30% cut by shortening interviews, since the CEO's goal reflects business priorities.

C. Assign more recruiters to the slowest requisitions so time to fill falls without process changes.

D. Explain that faster hiring will raise turnover, and recommend keeping the current hiring process.

217. A multinational's U.S. policy requires criminal background checks for all hires. Its counsel in several European and Asian countries warns that such checks are restricted or allowed only for certain roles under local law. What is the BEST way for the CHRO to design a global screening standard?

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

B. Let each country design its own screening program, with no global principles or central oversight.

C. Apply the U.S. criminal check policy to all countries to ensure consistent treatment of all candidates worldwide.

D. Drop criminal checks worldwide, including the U.S., so that every country follows the same standard.

218. Carol Dweck's research on growth mindset has been applied to organizational culture. Which talent practice is MOST consistent with a growth-mindset culture?

A. Praising effort alone in reviews, whether or not the employee's approach produced any improvement.

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

C. Concentrating development money on employees who showed the highest natural ability at the time they were hired.

D. Moving employees out of stretch roles quickly when early performance suggests a lack of natural talent.

219. Since remote work spread, out-of-region technology firms paying higher salaries have hired 15% of a regional insurer's software engineers in a year. The insurer cannot match those salaries across the board. What is the BEST strategic response for the CHRO?

A. Require all engineers to work on site full time to reduce their exposure to remote offers

B. Target pay to critical roles while building flexibility and career value for all

C. Raise all engineers' pay to the national market median regardless of the role's importance

D. Shift future engineering work to an offshore vendor to avoid the competition for talent

220. An employer branding campaign costs $250,000. Over the next year it lets the company fill 30 roles directly that would otherwise have gone through agencies charging an average fee of $18,000 per hire. What is the campaign's ROI?

A. 54%

B. 46%

C. 116%

D. 216%

221. A company redrew its structure from regional units to global product lines, updated job descriptions and reporting lines, and retrained managers. A year later, decisions still flow through the former regional leaders, and employees continue to follow regional norms. Under the Nadler-Tushman congruence model, which misfit BEST explains the failure?

A. The informal organization does not fit the new formal organization.

B. The formal organization does not fit the demands of the work.

C. The work does not fit the skills and abilities of the people assigned to do it.

D. The strategy does not fit the opportunities in the environment.

222. A refinery's injury and lost-time rates have been the best in its industry for five years. Why does this NOT ensure that the risk of a catastrophic process accident is under control?

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

B. Injury rates are self-reported by employees, so they are too unreliable to measure any kind of safety.

C. Process accidents are caused by natural disasters, which internal safety programs cannot influence.

D. Low injury rates usually indicate that a refinery has cut its operations staffing to unsafe levels to save costs.

223. Two quarters into an OKR program, most key results read like task lists, such as "launch three webinars" or "complete vendor review." What is the CHRO's BEST intervention?

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

B. Cap each team at one objective and three key results so the OKR drafting process is simpler for teams.

C. Accept activity-based key results for now, since teams will move to outcomes as the program matures.

D. Tie each team's OKR completion rate directly to its annual bonus pool so that teams take the program and their key results more seriously.

224. At a consulting firm, consultants work on four to six client projects a year under different engagement leaders, and annual reviews often miss what happened on early projects. Which redesign BEST addresses this problem?

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

B. Have the consultant's home-office manager complete the annual review alone based on billable-hours data.

C. Replace annual reviews with self-assessments completed by consultants at the end of each fiscal year.

D. Require engagement leaders to submit their feedback on all projects at the end of the fiscal year.

225. A company plans a $250 million investment in a new production line with a seven-year payback period. Why might it seek a longer collective bargaining agreement with the union at that plant?

A. To allow the company to reopen any contract term whenever it chooses

B. To avoid the duty to bargain over any new jobs created by the new production line

C. To prevent the union from filing grievances during the agreement's term

D. To lock in predictable labor costs and labor peace over the payback period

226. Two merging engineering firms have opposing pay philosophies: one rewards individual performance with large variable pay, and the other uses seniority-based pay steps. The combined company's strategy emphasizes rapid innovation and client growth. What should the CHRO do?

A. Keep both systems in place indefinitely to avoid disrupting either workforce

B. Design a rewards philosophy based on the new strategy, with a planned transition

C. Adopt the acquiring firm's philosophy because it has the larger and older workforce

D. Survey employees and adopt whichever philosophy the majority of them prefer

227. A CEO cites a consulting study showing that companies in the top quartile of engagement earned higher shareholder returns, and wants to approve a $5 million engagement program on that basis. The CHRO supports investing but knows the study compared firms at a single point in time. What should the CHRO do?

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

B. Endorse the study as presented, since the correlation is strong and comes from a reputable firm, and approve the full budget at once.

C. Recommend rejecting the program, since cross-sectional research offers no evidence at all about engagement's business value.

D. Run an internal survey to confirm the company's engagement is below the top quartile, and approve the full budget if it is.

228. A bank must announce that AI will automate 400 back-office roles over the next nine months. About half of the affected employees can be redeployed after retraining. How should the CHRO shape the message?

A. Issue a press release first so that employees and the public receive the same information together.

B. Emphasize redeployment numbers and avoid stating how many employees will ultimately leave the bank.

C. Tell affected employees first, state facts and timing plainly, and explain redeployment and support.

D. Announce the change in a company-wide email and let managers answer individual questions as they arise.

229. The board notes that the company loses most repatriated employees to competitors within two years of their return. What should the CHRO do?

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

B. Shorten assignments so employees spend less time away from the home organization.

C. Require repatriates to repay all relocation costs if they resign within two years of returning home.

D. Offer repatriates a retention bonus payable after two years back in the home country.

230. An investor relations draft for an earnings call states that AI will automate 2,000 roles next year. The CHRO's workforce analysis shows AI will change many tasks but supports only about 600 eliminations, mostly through attrition. The call is in three days. What should the CHRO do?

A. Prepare employee messaging that explains the 2,000 figure so staff hear it from HR before the call.

B. Let the statement stand, since IR owns investor messaging and the figure is only a forward-looking estimate.

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

D. Send the analysis straight to the board, bypassing the CFO, so the directors can block the statement.

231. A CHRO leading an adaptive culture change keeps tension high enough that leaders confront hard trade-offs, but not so high that people shut down, using clear structures, norms and pacing. In Heifetz's framework, this is BEST described as:

A. Creating a holding environment and regulating distress

B. Maintaining disciplined attention on the issue

C. Giving the work back to the people who have the problem

D. Distinguishing technical from adaptive challenges

232. In his later work, John Kotter proposed a "dual operating system" for organizations facing rapid change. What does this structure add to the traditional hierarchy?

A. A network of volunteers from all levels who spot opportunities and drive strategic initiatives.

B. A temporary transition team of senior leaders who run the change until it is complete.

C. A second reporting line, so employees answer to both a functional manager and a project manager.

D. A set of self-managing teams that permanently replaces the layers of middle management.

233. According to Porter and Kramer, which type of CSR transforms a company's value chain to benefit society while also strengthening its competitive strategy?

A. Responsive CSR
B. Compliance-based CSR
C. Strategic CSR
D. Philanthropic CSR

234. A CLO is negotiating a five-year contract for a new learning platform. Which contract term BEST protects the company against vendor lock-in?

A. A multiyear price lock that prevents the vendor from raising subscription fees during the full contract term
B. A service level agreement that guarantees a set percentage of system uptime each month
C. An automatic renewal clause that keeps service running if no one cancels by the deadline
D. A right to export all learning records and content in standard formats at exit at no added cost

235. An executive compares revenue per employee with a competitor and finds the competitor's figure is twice as high. The competitor outsources manufacturing and customer service, while the executive's company performs both in-house. Why is this comparison misleading?

A. The metric uses net income, which outsourcing fees reduce for the competitor
B. Outsourced work is excluded from headcount, inflating its figure
C. Outsourcing moves revenue to vendors, understating the competitor's revenue
D. Contractors count as employees, overstating the competitor's total headcount

236. A company added an expensive mental health benefit two years ago. Utilization is 3%, far below the vendor's benchmark of 12% for similar workforces. What does this gap MOST likely signal?

A. Employees may not know about the benefit, or it may not fit their needs
B. The benefit is working well, because low use keeps the plan's costs down
C. The workforce has fewer mental health needs than comparable organizations
D. The vendor's benchmark is overstated and should be removed from reporting

237. A company buys a small startup primarily to obtain its engineering team rather than its products. What is this practice called, and what is its MAIN HR risk?

A. Consolidation; the combined company must register a new federal employer number at close.
B. Acqui-hiring; key people may leave once retention payments vest or the culture changes.
C. Lift-out; the buyer can be sued for breaching the startup founders' noncompete agreements.
D. Asset purchase; the buyer takes on the seller's unfunded pension and benefit liabilities.

238. A company is choosing an AI interview-scoring vendor. The top-ranked vendor scored best on accuracy and price but will not share adverse impact results by race, sex or age, citing trade secrets. The CHRO must make a recommendation. What is the BEST decision?

A. Require group-level impact data or an independent audit as a condition of the contract
B. Sign with the vendor but run the tool in parallel with recruiters for the first six months
C. Drop AI scoring entirely and return to unstructured interviews conducted by recruiters
D. Sign with the vendor, since the employer is not liable for a vendor's proprietary model

239. A company is restructuring and will eliminate 600 positions across five divisions. Which selection approach is MOST defensible?

A. Objective, job-related, documented criteria applied consistently and checked for impact

B. Letting each division head choose names based on personal knowledge of each team member's value

C. Using last-in, first-out seniority only, so decisions need no further review or documentation

D. Selecting the highest-paid employees in each role to achieve the largest savings from the cuts

240. A venture-backed software firm with 3,000 employees is shifting from rapid growth to profitability, and the board now emphasizes operating margin. The HR scorecard still features headcount growth, time to fill and offer acceptance rate. How should the CHRO BEST revise the scorecard?

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

B. Keep the current measures but set tighter targets so recruiting runs leaner during the transition.

C. Add engagement and training hours, since morale usually suffers during a push for profitability.

D. Replace all measures with total HR department cost and HR cost per employee, since cost reduction is now the board's focus.

241. A logistics company publicly commits to net-zero emissions by 2040, which will require electrifying its fleet, redesigning warehouses and changing how routes are planned. The CEO asks the CHRO for a workforce strategy. What is the BEST approach?

A. Add a sustainability module to annual training for all staff, since awareness is the first step for any workforce change.

B. Recruit experienced electric-fleet technicians from other firms, since outside hiring is the fastest way to add the skills.

C. Hire a chief sustainability officer and a small team, since net-zero delivery is mainly a specialist function within the company.

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

242. At a large company, contingent labor spend is managed by procurement as a purchased service, and HR has little visibility into it. What is the main risk of this arrangement for the organization?

A. Higher contractor rates because procurement lacks experience negotiating with staffing vendors

B. Slower onboarding because procurement processes take longer than HR hiring processes

C. Lower contractor quality because procurement cannot conduct interviews of candidates

D. Blind spots in workforce planning and compliance risks such as worker misclassification

243. Facing companywide budget cuts, the CFO proposes eliminating the five-person people analytics team. The CHRO has one week to make the case to the executive committee. What is the STRONGEST argument?

A. Show the number of reports and dashboards the team produced over the past year

B. Explain that leading companies in the industry are expanding their analytics teams

C. Note that the team's specialized skills would be costly to rebuild in the future

D. Show specific business decisions the team improved and the savings they produced

244. A plant manager forms an employee action committee, chooses its members and sets its agenda, and the committee meets monthly with management to propose changes to break schedules and attendance bonuses. What is the main legal risk under the NLRA?

A. The committee violates the NLRA only if a union is already trying to organize employees at the plant

B. The committee automatically becomes the bargaining representative and the company must bargain with it

C. The committee members become supervisors under the NLRA and lose their protection for concerted activity

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

245. A CHRO wants to show the CFO the financial value of raising engagement scores. Which approach is MOST credible?

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

B. Multiply the number of engaged employees by their average salary to estimate added value

C. Report the rise in engagement scores from year to year as the main measure of financial value

D. Apply published research findings on engagement and profit directly to the company's revenue

246. A 2,500-employee company's leaders propose eliminating pay grades and instead giving every job its own range centered on that job's market rate. They believe this will keep pay more competitive. What should the total rewards leader raise as the MOST important consideration?

A. Job-specific ranges are prohibited by the Equal Pay Act because jobs must be grouped into grades

B. Job-specific ranges cannot be explained to employees, so they should not be used under pay transparency laws

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

D. Job-specific ranges remove the need to conduct pay equity analyses since every job is market based

247. An HR research team interviewing frontline managers about scheduling problems stopped after 22 interviews because the last several produced no new themes. The board's people committee asks the CHRO to justify the sample size. Which concept BEST supports the decision?

A. Representative sampling, since 22 interviews mirror the workforce's makeup

B. Inter-rater reliability, since the coders agreed on most of the themes

C. Statistical power, since 22 cases exceed the minimum for significance tests

D. Data saturation, since added interviews were yielding no new insights

248. Contract talks at a food processor have stalled for two months on wages and scheduling, and both sides have stopped moving. The CHRO wants to avoid a strike but does not believe a genuine impasse exists. What is the BEST next step?

A. Request mediation mainly to create a record that will support a later claim of impasse, without changing the company's positions.

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

C. Present the company's offer directly to employees and ask them to tell the union committee whether they would accept it.

D. Declare impasse and implement the company's last offer, then invite the union to request mediation if it wants to keep talking.

249. The CHRO recommends publishing pay ranges for all roles nationwide. Several board members fear that disclosure will expose pay gaps and invite lawsuits. A recent internal review found some unexplained gaps. What is the BEST way for the CHRO to frame the case?

A. Recommend postponing transparency indefinitely, since any disclosure while gaps exist will increase litigation risk.

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

C. Recommend publishing only the midpoint for each role, since this limits exposure while technically meeting the goal.

D. Recommend publishing the ranges right away, since being open about pay will lower the company's overall legal risk.

250. Generative AI tools threaten to commoditize the core analytical service that a consulting firm sells to clients. The CEO is forming a strategic response team. What should the CHRO's role be?

A. Freeze hiring until the AI market settles and its full impact on the firm's services becomes clear.

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

C. Leave the response to IT, since AI disruption is primarily a technology issue.

D. Launch broad AI awareness training before the new business strategy is set.

251. In a major supplier negotiation, an HR executive believes the counterpart overestimates how easily it could replace the company as a customer. Which action legitimately changes the counterpart's perception of its alternatives?

A. Withholding payment on open invoices until the counterpart becomes flexible

B. Making an early concession to build goodwill before raising the issue

C. Setting a short response deadline so the counterpart cannot research its other alternatives

D. Sharing accurate market data showing its alternatives are weaker than assumed

252. HR analytics wants to join engagement survey responses with HRIS demographic data. Some resulting groups would have only three or four people. Which data governance decision is BEST?

A. Proceed with the analysis, since survey data is owned by the employer and may be used freely

B. Remove employee names from the joined file, which fully protects individual identities

C. Abandon the demographic analysis because any joining of data violates survey confidentiality

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

253. A host country's currency loses 30% of its value against the U.S. dollar in two months, and local prices start rising. The company employs 900 local staff paid in local currency and 12 U.S. expatriates on a balance-sheet package with part of their pay delivered in local currency. What is the CHRO's BEST approach?

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

B. Raise local salaries by 30% to restore their dollar value, since local staff have lost nearly a third of their pay overnight.

C. Hold all pay steady until the currency stabilizes, since devaluations often reverse and pay changes are hard to undo later.

D. Convert all expatriate pay to U.S. dollars at the old rate, since the expatriates should be shielded from any currency loss.

254. The board's people committee asks the CHRO to report on whether the company's three-year-old ADR program is working. Which set of measures gives the MOST complete picture of program effectiveness?

A. Number of mediations held, mediator hourly rates and training hours delivered

B. Percentage of employees who signed agreements and number of opt-outs received

C. Time to resolution, cost per dispute, recurrence rates and user satisfaction

D. Total disputes filed, number of arbitration awards won and outside legal spend

255. Which transaction is generally prohibited under ERISA?

A. A new employee rolls an account balance from a former employer's plan into the plan.

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

C. The plan buys shares of a large, unrelated public company through a broker on a national stock exchange.

D. The sponsoring employer deposits its annual matching contribution to the plan in cash.

256. A merger combines a unionized manufacturer whose labor agreement requires just cause with a nonunion manufacturer that uses an at-will discipline policy. Leaders want a single discipline framework for the combined company. What is the BEST strategy?

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

B. Wait until the labor agreement expires, then apply the nonunion policy to everyone without further discussion.

C. Extend the union's just cause clause to the nonunion workforce through a company-wide announcement that it is now in effect.

D. Impose the nonunion discipline policy on both workforces right away, since the merger creates a new employer.

257. A CHRO must recommend next year's merit budget. Surveys show peer salaries rising 3.5%, the company's average compa-ratio is 0.94, operating margins are under pressure, and turnover in engineering is twice the company rate. What is the BEST basis for the recommendation?

A. Match the 3.5% survey figure, since following market movement is the standard way to keep pay competitive each year.

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

C. Fund a larger budget for engineering only, since the turnover data shows the other functions are not at retention risk.

D. Set the budget at whatever the margin forecast allows, since affordability must come first when operating results are weak.

258. A U.S. company is acquiring a foreign distributor that is itself subject to the FCPA. Pre-closing due diligence suggests the distributor paid bribes to customs officials two years ago. Why could the acquirer become liable for those payments?

A. An acquirer becomes liable only if it later receives the business that the bribes originally secured

B. The FCPA makes an acquirer criminally liable for any bribe that any target paid before the deal closed

C. Liability transfers only when the acquirer's executives knew of the bribes before signing the deal

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

259. The CEO of a 3,000-employee company tells the CHRO, who chairs the 401(k) investment committee, that the plan should add a cryptocurrency fund because younger employees want it. The CEO says participants who pick it accept the risk. What should the CHRO do?

A. Decline the fund because ERISA bars cryptocurrency and other digital asset investments in participant-directed plans.

B. Add the fund for participants who sign a waiver acknowledging volatility and possible losses.

C. Add the fund because participant choice shifts responsibility for the investment to participants.

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

260. Which design feature MOST directly supports neurodivergent employees in a new open-plan office?

A. Brightly colored walls and open sight lines throughout to make the space more energizing

B. Assigned seats near the manager's office so neurodivergent employees can get help quickly

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

D. A single large collaboration area to encourage frequent spontaneous team conversations

261. A CHRO is designing accountability for executive sponsors across a four-year operating model transformation. Past programs measured sponsors only on whether milestones were met. What should be measured to BEST hold sponsors accountable?

A. Employee satisfaction with each sponsor as measured by one question in the annual survey

B. The number of communications each sponsor sends to employees about the program during each quarter

C. Milestones and budget variance, since these show whether the sponsor's program is on track

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

262. A retailer is shifting to omnichannel sales, and stores now fill 30% of online orders through pickup and ship-from-store. Store staffing and incentives are still based only on in-store sales and foot traffic. What should the CHRO do in redesigning the store labor model?

A. Keep the current model and add hours during holidays, since online fulfillment peaks mainly in the holiday season.

B. Hire a separate fulfillment team at each store, so online orders do not take sales staff away from in-store customers.

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

D. Move online fulfillment to regional warehouses, since stores are designed for shopping rather than order processing.

263. The CEO wants every department using generative AI tools within six months. A pulse survey shows that 60% of employees fear the tools will eliminate their jobs, and usage of a pilot tool has stalled. What change plan should the CHRO recommend?

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

B. Publicly promise that no jobs will ever be affected by AI, so employees feel safe experimenting with the tools.

C. Set mandatory usage targets for every department and track individual employee usage weekly to speed adoption.

D. Pause the AI rollout until employee fears subside, then restart with the same tools and the original timeline.

264. A public company's board asks the CHRO to set inclusion goals for the next three years. Legal counsel warns that goals tied to specific demographic hiring numbers could expose the company to discrimination claims. What is the BEST approach?

A. Drop inclusion goals entirely, since any inclusion goal creates legal risk in the current enforcement climate.

B. Set demographic representation targets and tie a portion of managers' bonuses to reaching them each year.

C. Set demographic hiring targets for each unit but keep them confidential so they are not seen as formal quotas.

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

265. A newly hired CHRO wants to build a strong partnership with the CFO, who has viewed HR mainly as a cost center. What is the BEST first step?

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

B. Offer to reduce the HR budget by a set percentage to show HR's commitment to financial discipline.

C. Present a plan for HR initiatives that will require new investment, with projected financial returns on each of the initiatives.

D. Ask the CEO to clarify to the CFO that HR is a strategic function that deserves an equal voice.

266. A company becomes remote-first, with 2,000 employees spread across 35 U.S. states and four countries and no regional offices. Which HR service delivery adjustments does it MOST need?

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

B. A local HR generalist hired in every state and every country where at least one employee now lives and works

C. A single handbook based on headquarters state law and applied the same way to every employee

D. A larger headquarters HR team to handle walk-in questions, in-person onboarding and office events

267. A company is designing a new quarterly sales incentive for its nonexempt customer service reps, many of whom work overtime. Which cost factor should the compensation leader build into the program's budget?

A. Incentive payments may be credited against overtime owed in the same period, which lowers net program cost.

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

C. Incentive pay must be added to the regular rate only when it exceeds 10% of the employee's base pay.

D. Incentive pay is excluded from the regular rate when it is paid quarterly instead of with each regular weekly or biweekly paycheck.

268. The CEO of a 9,000-employee company dismisses the latest engagement survey results as "soft data" and wants to cut the follow-up action plan. Engagement in the customer service division dropped sharply, and that division's turnover rose the same year. What is the BEST way for the CHRO to influence the CEO?

A. Hire an outside consulting firm to present the survey findings to the CEO, since an outside voice may carry more weight.

B. Accept the CEO's view, cancel the action plan, and shift future surveys to a smaller set of operational measures.

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

D. Present the results to the board's compensation committee so directors can encourage the CEO to support the plan.

269. A hospital system wants to use a nurse selection test that another health system validated. Which condition is MOST important for transporting that outside validation study to its own nursing jobs?

A. The hospital system's own nurses score about the same on the test as the others

B. The test publisher certifies that the study meets professional testing standards

C. The other system is in the same state and serves a similar mix of patients

D. Job analysis shows its nursing jobs share substantially the same work behaviors

270. A manufacturer of industrial equipment is moving to a platform model in which partners build applications, provide installation and deliver much of the service that its own staff used to perform. The CEO asks the CHRO to redefine internal talent needs. What is the BEST approach?

A. Keep all current service roles in-house as a backup, so the company is protected if partners fail to deliver quality work.

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

C. Hire more application developers internally, since the platform will succeed only if the company builds most of the apps.

D. Transfer all field and service staff to partners, since the platform model works best when the company owns no delivery work.

271. What should be the PRIMARY basis for tiering HR vendors to set the level of oversight each receives?

A. How long each vendor has served the company and its history of meeting service levels

B. Each vendor's size, public market reputation, and number of clients in the same industry

C. The annual contract value of each vendor and the length of the current agreement term

D. Data sensitivity, operational criticality, and the regulatory exposure each creates

272. A senior engineer files an equal-pay complaint, and an initial look suggests a broader gender pay gap across the engineering function. The CEO is worried about a class action. What should the CHRO recommend?

A. Raise the complaining engineer's pay right away and close the matter, which keeps the broader issue from drawing further attention.

B. Run an internal audit led by HR analytics and share all results with employees, to show the company is open about its pay practices.

C. Wait until the complaint is fully resolved before analyzing the broader function, so that the analysis does not create new evidence for the claim.

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

273. In one division, managers ranked employees on 'future potential' to build a draft layoff list. Employees over 50 make up 35% of the division but 70% of the list. The division's senior vice president wants the list finalized this week. What should the CHRO do FIRST?

A. Remove older employees from the list until their share matches their share of the division

B. Finalize the list, since a reasonable factor other than age is a full defense under the ADEA

C. Finalize the list but add extra severance for older employees to reduce the risk of claims

D. Have counsel analyze the disparity and review the criteria and ratings before it is final

274. A CEO is frustrated that during global town halls almost no employees from offices in several high power distance cultures ask questions, though staff there raise many concerns privately with local HR. What is the MOST likely explanation?

A. Employees there tend to prefer written over spoken communication in every setting

B. Employees there tend to be satisfied with the strategy and see little need to ask any questions

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

D. Employees there tend to distrust local HR and have no other way to raise concerns

275. Leaders at two of a company's eight nonunion plants propose a gainsharing plan that would pay workers a share of savings from reduced scrap and labor hours. The CHRO is asked to evaluate it. Which consideration is MOST important at the enterprise level?

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

B. Whether the two plants can fund payouts from their own budgets without asking for any corporate approval or support.

C. Whether the plan's targets can be set high enough that payouts will occur only in exceptional years for the plants.

D. Whether plant workers prefer gainsharing over profit sharing, since employee preference should decide the plan type.

276. The HR team of a company's German subsidiary is classifying the employee data it holds under the GDPR. Which group consists ENTIRELY of special categories of personal data under Article 9?

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

B. Religious beliefs, performance ratings, and home addresses of dependents

C. Union membership, salary history, and fingerprints used to verify identity at entry

D. Religious beliefs, criminal conviction records from background checks, and sick-leave diagnoses

277. Research on leader feedback-seeking finds that senior leaders who regularly ask for feedback on their own performance tend to create more open communication climates. What is the MAIN reason for this effect?

A. It lets leaders collect data that can later be used to rate employees more accurately

B. It reduces the time leaders must spend giving feedback to their direct reports

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

D. It shows employees that formal feedback channels are no longer necessary

278. An executive team adopts the balanced scorecard. Which perspective typically includes measures such as employee capabilities, training, and retention of key talent?

A. Learning and growth

B. Internal business process

C. Customer

D. Financial

279. A CHRO explains to the executive team that the company's talent transformation will be managed as a program rather than a project. Which description fits a program?

A. An ongoing operational activity that maintains a function's current services

B. A temporary effort with a defined scope that produces a single deliverable

C. A collection of unrelated initiatives grouped to compete for shared funding

D. A group of related projects managed together to deliver strategic benefits

280. A retail chain cut store staffing by 15%. Over the next two quarters operating margin rose, but customer satisfaction and repeat-purchase rates fell each quarter. The CFO tells the executive team the margin gain proves the cut worked. What is the CHRO's BEST guidance to the executives?

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

B. Accept the margin gain as decisive, since financial results are the scorecard's ultimate outcome for shareholders.

C. Drop the customer measures from the scorecard until staffing stabilizes to avoid mixed signals.

D. Have store managers raise customer scores within current staffing through service training.

281. In bargaining at a distribution company, the union proposes that the employer give 180 days' notice and bargain to agreement before introducing any automation that affects bargaining unit jobs. The company's three-year plan relies on phased automation. What is the BEST counterproposal strategy for the CHRO?

A. Agree to the clause now and plan to move automation projects to a nonunion site if the union later withholds its agreement.

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

C. Accept the 180-day notice and bargaining-to-agreement terms, since effects bargaining would be required anyway for any automation project.

D. Refuse to discuss technology at all, because decisions about capital equipment are permissive subjects the company can exclude from talks.

282. A company's strategy map identifies 60 incumbents in strategic job families. Assessments show that 42 are fully ready, 12 are partially ready, and 6 are not ready. What is the human capital readiness ratio based on full readiness?

A. 90%

B. 70%

C. 78%

D. 30%

283. According to international business research, how does a large cultural distance between the home country and a target market typically influence entry decisions?

A. Firms tend to favor licensing to home-country partners that already share the parent's own business culture.

B. Firms tend to favor full acquisitions so they can replace local managers and install home practices quickly.

C. Cultural distance has little effect on entry mode once pay levels and benefits are aligned across countries.

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

284. At enterprise scale, how does a strong employer brand MOST directly affect recruiting outcomes?

A. It removes the need for agency fees, because qualified candidates will apply on their own.

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

C. It raises the number of applicants but has little measurable effect on cost or acceptance.

D. It lets the company offer pay below market, because candidates accept less from top brands.

285. A CEO wants a single annual report that shows how financial, human, social, and natural capital together create value for the company over time. Which reporting approach fits this goal?

A. Integrated reporting

B. Stand-alone sustainability reporting

C. Balanced scorecard reporting

D. Segment reporting

286. A CHRO argues that the company should invest unequally in its workforce, concentrating development, pay and succession resources on the roles where improvements in performance create the most value for the strategy. Which approach does this describe?

A. Succession planning, naming ready-now replacements for each senior leadership position

B. Job evaluation, ranking roles by internal worth to set fair and consistent pay grades

C. Critical role segmentation, focusing investment on pivotal roles that drive outsized value

D. Broadbanding, grouping many roles into a few wide salary bands to allow flexible pay and movement

287. HR estimates that replacing a regretted leaver costs 40% of annual salary. Last year, 50 regretted leavers each earned $60,000. What annual turnover cost should the CHRO put in the business case?

A. $3.0 million

B. $1.2 million

C. $1.8 million

D. $24,000

288. Which group of employees does the term 'sandwich generation' describe?

A. Middle managers who report to executives while supervising frontline employees.

B. Workers born between two large cohorts, such as between Baby Boomers and Millennials.

C. Adults who live with their parents while working to pay down their student loans.

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

289. A multinational with operations in 25 countries is choosing its HR operating model. Which statement BEST describes the core trade-off between centralizing and decentralizing HR?

A. Centralizing suits companies with diverse markets, while decentralizing suits companies with one market.

B. Centralizing gains consistency, scale and control, while decentralizing gains local fit and responsiveness.

C. Centralizing lowers compliance risk in every country, while decentralizing raises HR costs in every single country.

D. Centralizing gains local fit and responsiveness, while decentralizing gains consistency and scale.

290. A CEO tells the CHRO that he has been diagnosed with a serious illness that will require months of intensive treatment. He asks her to keep it from the board until he decides how to proceed. What is the BEST response?

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

B. Inform the full board directly, sharing the diagnosis and treatment details so directors can plan for succession

C. Begin a confidential search for an interim CEO without telling either the CEO or the board

D. Honor the request fully, since medical information must stay confidential under federal law

291. A product defect has injured several customers, and the recall is national news. Employees say they feel ashamed and worry about their jobs. What is the CHRO's MOST important role in the response?

A. Discipline the engineers responsible for the defect quickly to restore public trust

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

C. Tell employees not to discuss the recall at all, including with one another at work

D. Leave all employee messaging to corporate communications, since it owns the crisis response

292. A U.S.-based multinational has operations in Australia, Quebec and several EU countries. Its general counsel asks why the company should adopt a global anti-bullying standard that goes beyond what U.S. federal law requires. What is the strongest strategic rationale?

A. U.S. federal law now treats repeated workplace bullying as a form of harassment under Title VII whenever it is severe

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

C. A global standard lets the company apply Australian and Quebec remedies to bullying claims filed by U.S. employees

D. Adopting the strictest standard exempts the company from local regulator enforcement in each country where it operates

293. To protect margins, a company is freezing wages, cutting its 401(k) match, and eliminating 400 positions. The executive team plans to keep its annual bonuses and company-paid perks unchanged. The CEO asks the CHRO why employee reaction has been so hostile. What should the CHRO advise?

A. Employees lack financial context, so leaders should share more detail on margins, costs, and competitive market pressures

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

C. Hostility is a normal stage of resistance, so leaders should keep communicating the business rationale

D. Executive pay is set by the board, so leaders should explain that it falls outside management's control

294. In Weick and Quinn's distinction between episodic and continuous change, in which type do leaders act mainly as sensemakers who redirect and reframe change that is already under way, rather than as prime movers who create it?

A. Planned change

B. Second-order change

C. Episodic change

D. Continuous change

295. A company's chief risk officer asks the CHRO to add human capital risks to the enterprise risk management register. What is the BEST way to handle risks such as key-talent loss, toxic culture and executive misconduct?

A. Treat them as unquantifiable concerns noted in a register footnote, since they cannot be measured reliably.

B. Treat them as HR operational issues tracked in monthly HR reports, kept separate from the enterprise risk register.

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

D. Treat them as compliance matters handled by the legal department through policies and annual training.

296. Contract talks with the union representing 1,200 plant workers are deadlocked over health-care cost sharing. The COO wants to take a hard line and prepare for a strike. The CHRO believes the labor relationship will matter for many years. What should the CHRO recommend?

A. Go directly to employees with the company's offer to put pressure on the union leaders to accept the terms.

B. Declare an impasse and implement the final offer right away so workers see the company's terms put in effect.

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

D. Support the COO's hard line, since conceding now will weaken the company's position in all future negotiations.

297. A 9,000-employee company's mental health-related disability claims have risen 30% in two years, yet only 4% of employees use the EAP. Managers say they do not know how to respond when an employee seems to be struggling, and the medical plan's behavioral health network has long wait times. What is the BEST approach for the CHRO?

A. Replace the EAP vendor with a new provider that offers a mobile app and runs a stronger, company-wide marketing campaign to raise usage

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

C. Require all employees to complete annual resilience training so they can manage stress on their own

D. Train managers to identify employees with mental health conditions and refer them for fitness evaluations

298. A company currently gives each of its 10 ERGs the same annual budget. The CHRO proposes moving to goal-based funding, in which each group requests funds tied to an annual plan with measurable objectives. What is the MAIN advantage of this model?

A. It allows ERG leaders to spend funds freely without having to report back to the council

B. It ties spending to the outcomes each group commits to and builds accountability

C. It lowers total ERG spending because groups without plans receive no money at all

D. It ensures every group receives the same amount, which avoids any perception of favoritism

299. Before an executive committee meeting where she will propose a costly new leadership program, a CHRO meets privately with the CFO and two business unit presidents to secure their support so they will speak in favor of it. Which influence tactic is she using?

A. Rational persuasion
B. Coalition building
C. Inspirational appeal
D. Ingratiation

300. A global manufacturer's ethics hotline receives regular reports from North American and European sites but almost none from its plants in several Asian countries, which employ 30% of the workforce. What should the CHRO do?

A. Require plant managers to submit a quota of reports each quarter to show that the hotline is being used.
B. Work with local leaders to identify language, cultural and access barriers, then adapt channels and outreach.
C. Translate the existing hotline posters into local languages and take no other action at those plants.
D. Conclude that the plants have fewer compliance issues and shift hotline resources to the more active reporting regions.

301. A vendor pitches the CHRO an AI tool that would read employee complaints and route each one to employee relations, the manager, or a self-help portal. The CEO likes the projected cost savings. Complaints often involve harassment, discrimination and safety. What should the CHRO require before any adoption decision?

A. A rollout limited to anonymous hotline complaints, since those carry less confidentiality risk than named ones
B. A governance review covering bias testing, data confidentiality, and human review of all high-risk routing decisions
C. A short pilot in one division so managers can judge whether the automated routing saves employee relations staff time
D. A contract term making the vendor fully liable for any misrouted complaint that later leads to a legal claim

302. An ROI study of a new-manager program shows a 140% ROI based on reduced turnover. Managers also report stronger teamwork and higher engagement, but these gains cannot be converted to money in a way leaders would find credible. How should the HR director report them?

A. As intangible benefits listed with the ROI result, without assigning a dollar value
B. As a dollar estimate added to the ROI, using managers' own guesses of the value
C. Leave them out of the report, because benefits without a dollar value add nothing to an ROI study
D. In a separate report later, after an engagement survey can confirm the gains

303. At a consumer brands company, the COO wants to automate 30% of customer service work within a year, while the CMO warns that rushed AI could damage the brand. The CEO asks the CHRO to help the executive team reach a decision. What should the CHRO do?

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

B. Hire an outside consultant to study both positions and recommend which one the company should adopt.

C. Ask the CEO to choose between the two positions quickly so the conflict does not slow the whole executive team.

D. Side with the CMO, since brand damage is harder to reverse than a delay in meeting efficiency targets.

304. A union loses an election 52-48. The CHRO must build a 12-month plan so that a future petition does not succeed. Which principle should guide the plan?

A. Focus retention and recognition efforts on employees whom managers believe opposed the union.

B. Make no changes for a year, because any change after an election is presumed to be retaliatory.

C. Use the 12-month election bar as a quiet period and defer action on employee concerns until the bar has nearly expired.

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

305. The founder of a third-generation family manufacturer plans to retire, and the family board has chosen his niece as CEO. Two family shareholders who work in the business openly disagree with the choice, and rumors are spreading among the 600 employees. What should the CHRO do FIRST?

A. Hold off on any employee communication until every family disagreement about the succession has been fully resolved

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

C. Ask the founder to share the news informally with long-tenured employees, who can then reassure their own teams

D. Announce the succession decision to all employees right away to stop the rumors before they hurt morale and retention

306. An employer's AI assessment produces lower pass rates for one protected group, and counsel expects a disparate impact challenge. Which records would BEST support a defense that the tool is job related and consistent with business necessity?

A. The vendor's marketing materials and client list showing wide use of the tool across the industry

B. Signed statements from hiring managers that the tool yields better candidates than prior methods

C. Records showing the tool was applied the same way to every candidate, at every location, without any human involvement

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

307. Eight months after being promoted to division president, a leader known for fast, decisive calls is now overriding peers in cross-functional meetings, and two peers have complained to the CEO. A 360 review shows high ratings for results but low ratings for collaboration. What should the CHRO do?

A. Encourage the peers to push back harder in meetings, since the strong results show the style works

B. Enroll the leader in a group workshop on collaboration skills and recheck the 360 ratings next year

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

D. Advise the CEO to issue a formal warning, since the peer complaints show a conduct problem to discipline

308. A workforce planning team builds a model in which attrition, hiring lead time and demand growth are each entered as ranges, then runs the model 10,000 times with randomly drawn values to see the spread of possible staffing gaps. Which technique is the team using?

A. Sensitivity analysis

B. Delphi technique

C. Markov transition analysis

D. Monte Carlo simulation

309. An executive team records monthly video messages that reach 20,000 employees worldwide. The CHRO wants a standard that makes these communications accessible to employees who are deaf, hard of hearing or non-native speakers. Which policy BEST meets that goal?

A. Captions are added to a leadership video whenever an employee submits a request for them

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

C. Only videos longer than ten minutes include captions, and shorter ones include a written summary

D. Leadership videos use automatic captions that are published right away without any human review

310. A refinery bargains with three unions whose contracts expire in different years. Each negotiation pushes for gains the others then demand, and the CHRO wants to align core terms. What is the BEST strategic approach?

A. Negotiate the richest contract last so the earlier unions cannot use its terms as a benchmark.

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

C. Insist that all three unions bargain together in one unit, since the employer may set the scope of the unit.

D. Grant every union the best terms in any of the contracts so that leapfrogging demands are no longer needed.

311. A U.S. company plans to acquire a foreign distributor that relies heavily on government sales agents. Why is pre-acquisition anti-corruption due diligence especially important to the acquirer?

A. Due diligence is required by law before any cross-border acquisition is completed by a U.S. company.

B. The FCPA does not apply to a target's conduct before the deal closes, so due diligence protects only deal pricing.

C. A completed due diligence review grants the acquirer full immunity from any future FCPA enforcement.

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

312. The audit committee chair asks the CHRO to define when the company should hire an outside investigator instead of using internal HR. Which situation MOST clearly calls for an external investigator?

A. A complaint about a supervisor's scheduling favoritism in a unit with an experienced employee relations team

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

C. A first complaint of rude comments between two peers in a regional office with a trained HR partner

D. A late complaint about a single off-color joke at a holiday party, with several witnesses readily available

313. Edgar Schein described three management subcultures that often clash. During a cost-cutting transformation, which subculture is MOST likely to focus on financial survival and treat people as costs, creating conflict with frontline staff?

A. The middle-manager subculture

B. The engineering subculture

C. The operator subculture

D. The executive subculture

314. Under the resource-based view of the firm, why are a company's culture and talent management systems often considered sources of sustained competitive advantage?

A. They lower fixed costs more reliably than investments in physical assets do

B. They are easy to benchmark and copy, which speeds up learning across industries

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

D. They can be bought quickly in the labor market whenever the strategy changes

315. A company has $500,000 available for market adjustments, but 400 employees are paid below market and fully closing every gap would cost $1.8 million. The CEO asks the CHRO how to allocate the funds. What is the BEST approach?

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

B. Hold the funds until the budget can fully close all gaps at once, to avoid creating any perceptions of unfairness

C. Divide the $500,000 equally among all 400 employees so that everyone below the market receives some increase

D. Give the full amount to the employees who are furthest below market, regardless of their role or performance

316. An executive team is starting a scenario planning exercise for its ten-year workforce strategy. Which statement BEST describes the purpose of the scenarios it will build?

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

B. To identify the single most probable future so that the plan can be optimized around it

C. To rank possible futures by likelihood and assign the budget in proportion to each probability

D. To produce a precise forecast of headcount and total labor costs for each year of the ten-year planning period

317. Several U.S. managers at a software firm have made demeaning remarks about the nationality of the company's offshore engineering team in India. Some U.S. employees share that national origin, and offshore staff heard the remarks on calls. What is the CHRO's BEST enterprise response?

A. Handle it as a performance issue only, since offshore employees of a foreign affiliate are not covered by Title VII protections.

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

C. Leave the response to the offshore site's HR team, since the people being targeted work in India and local law applies there.

D. Send a reminder of the respect policy to all managers and avoid investigating, since the remarks were not aimed at any one person.

318. After a merger, two pay structures are being combined. Women in legacy roles from the acquired company are paid below peers from the acquiring company who do substantially equal work. What should the CHRO's harmonization plan do?

A. Move the legacy employees to new job titles so their pay can no longer be compared with peers' pay.

B. Freeze pay for the higher-paid group until the lower-paid group catches up through annual merit increases.

C. Keep the legacy pay rates, since differences inherited through an acquisition are a factor other than sex.

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

319. A manufacturer wants to move a product line from its unionized plant to a new nonunion plant in another state. The work would be the same, and the business case is driven mainly by lower labor costs. What should the CHRO advise?

A. Complete the move quietly before announcing it, so that the union cannot organize employees to oppose the change.

B. Bargain only over the effects, since the location of production is a core business decision reserved to management under First National Maintenance.

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

D. Tell employees the work is moving because of the union, so they understand the business reasons behind the decision.

320. The CEO asks the COO and CHRO to co-lead a transformation that consolidates 14 country operations into three regional hubs over two years. The COO proposes that HR join once the new operating design is final. What should the CHRO propose?

A. Take on communications and training once the COO finalizes the new operating design

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

C. Lead the transformation independently, since most of its risks and costs involve people

D. Focus HR's role on reducing the legal risk of any workforce reductions in each country

321. A manufacturer learns that 140 production employees hold employment authorization documents that expire within the same quarter. Which approach BEST protects continuity while staying compliant?

A. Reverify all 140 employees now, before their documents expire, to remove the risk

B. Track expirations, send timely reverification reminders, and plan coverage for gaps

C. Stop assigning overtime to the 140 employees until they present renewed documents

D. Require the 140 employees to show renewal receipts 90 days before their work permits expire

322. A national insurer's workforce spans five generations, and recruiting results vary widely by age group. The marketing team proposes separate employer brand campaigns with different promises for each generation. The CHRO is developing a long-term employer brand strategy. What is the BEST approach?

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

B. Use one standard message across all channels so every candidate receives exactly the same employer promise.

C. Create a distinct value proposition for each generation that matches the preferences in generational research.

D. Focus the brand on the youngest generation, since it will make up the largest share of the workforce in future.

323. An HR team is evaluating a cloud payroll vendor that provides a SOC 2 Type II report. What does that report tell HR about the vendor?

A. Whether its controls were suitably designed and operated effectively over a review period

B. Whether its controls were suitably designed as of a single specified point in time

C. Whether it complies with all data privacy laws in each of the countries where it operates

D. Whether its financial statements are free of material misstatement for the fiscal year

324. A U.S. manufacturer is opening its first plant in a country that scores very high on power distance. The CHRO plans to rely on the HQ open-door policy and quarterly town-hall Q&A sessions as the main ways employees raise concerns. Local leaders warn that few employees will speak up through those channels. What is the BEST approach for the CHRO?

A. Keep the open-door policy and town halls but train local employees on the company's speak-up values and expectations of them.

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

C. Wait to create formal voice channels until the first engagement survey shows which mechanisms local employees prefer.

D. Have local supervisors gather concerns informally from their teams and report the main themes upward to plant leadership.

325. A CEO wants 360-degree feedback results to determine 40% of executive bonuses next year. The 360 has been used only for development. What is the CHRO's BEST advice?

A. Proceed, but let each executive choose their raters to maintain their trust in the fairness of results.

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

C. Proceed as planned, because 360 data is more objective than the board's own assessment of executives.

D. Proceed, but use only the self-ratings from the 360 since executives know their own work best.

326. Half of a firm's planned engineering hires for the next two years depend on sponsored work visas, and recent policy changes have made approvals and costs uncertain. What is the CHRO's BEST contingency plan?

A. Pause all engineering hiring until the immigration policy situation becomes clear and approval rates stabilize.

B. Give current visa holders large retention bonuses and rely on them to cover all of the gaps.

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

D. Convert planned sponsored roles to contractor status to avoid the sponsorship requirements.

327. An HR executive has raised a serious ethical concern with the CEO, the general counsel and the board's audit committee, and the organization has decided to continue the conduct. When is resignation MOST appropriate for the HR leader to consider?

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

B. When a single executive disagrees with HR's view, regardless of whether other channels have been used

C. When the HR leader's recommendation on any significant strategic issue is overruled by the executive team

D. Before raising the concern with the board, to avoid being personally associated with the conduct if it later becomes public

328. An operations supervisor returns from two years of military service and applies for reemployment on time. During his absence, a restructuring redesigned his job into a broader operations manager role, and peers in similar roles were moved into the new roles. Leadership wants to place him in a lower-level coordinator job. What is the BEST response?

A. Place him in the coordinator job, since his former job no longer exists after the restructuring.

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

C. Place him in the new role only after he reapplies and competes against other internal candidates.

D. Offer him severance, since the restructuring eliminated his former job while he was deployed.

329. Halfway through an 18-month engagement program, the agreed leading indicators, such as manager one-on-one completion and pulse-survey scores, have not improved. What should the CHRO do?

A. Continue the program as planned, since engagement programs often take more than 18 months to show measurable results.

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

C. Stop the program now, since the agreed leading indicators have failed to improve within the expected time frame.

D. Replace the leading indicators with other measures that are more likely to show visible progress at the program's midpoint.

330. A U.S.-based CEO gives negative feedback to a global leadership team by first praising each leader's work and then gently noting problems. The Dutch and Israeli executives find this confusing, while the Thai and Japanese executives find even this approach too blunt in a group meeting. According to Erin Meyer's Culture Map, which scale BEST explains these reactions?

A. Communicating, which measures how explicit cultures are in all messages

B. Persuading, which measures whether cultures argue from principles or examples

C. Disagreeing, which measures how openly cultures confront differing opinions

D. Evaluating, which measures how directly cultures deliver negative feedback

331. An executive vice president is known for forcing her views in meetings and dismissing peers' input, and two high performers on her team have resigned. She believes her approach drives results. What evidence would be most effective in motivating her to change?

A. A summary of exit survey data from across the company showing reasons employees voluntarily leave

B. A personality assessment report describing her preferred style and the strengths of that preference

C. Published research on the general benefits of collaborative leadership in high-performing companies across many industries

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

332. A company with 1,000 unit employees pays an average of $30 per hour for 2,080 hours a year. It agrees to a 3% wage increase each year of a three-year contract, compounded. What is the total added wage cost over the contract term compared with keeping current rates?

A. About $11,458,000

B. About $5,786,000

C. About $5,616,000

D. About $11,232,000

333. A benchmark shows the company spends 40% less on HR per employee than its peers, and the CEO cites it as proof of efficiency. Meanwhile, time to fill critical roles is twice the peer rate and manager complaints about HR support are rising. What should the CHRO do?

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

B. Accept the benchmark as evidence that HR is efficient, and look for further areas of savings.

C. Request a budget increase to bring HR spending per employee up to the level of the peer median.

D. Switch to a benchmark vendor whose peer group has lower HR spending per employee.

334. A board member asks the CHRO how union substitution differs from union suppression as a way to remain nonunion. Which statement is accurate?

A. Substitution replaces union workers with contractors to cut costs; suppression keeps pay and benefits above union levels.

B. Substitution is unlawful under the NLRA because it interferes with organizing; suppression is lawful if no threats are used.

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

D. Substitution forms company-created committees that bargain over pay; suppression gives employees grievance procedures.

335. In a large-scale change cascade, what is the difference between the authorizing sponsor and reinforcing sponsors?

A. The authorizing sponsor approves the budget once; reinforcing sponsors replace them after the launch

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

C. The authorizing sponsor designs the detailed change plan; reinforcing sponsors handle all employee communications

D. The authorizing sponsor is an outside consultant; reinforcing sponsors are internal project managers

336. Before setting representation aspirations for its leadership, a company builds a stock-and-flow workforce model. What is the main purpose of this modeling?

A. To compare the company's representation with competitors' published figures.

B. To identify individual employees who are likely to leave in the coming year.

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

D. To set fixed quotas that each business unit must meet by a specific target date set by leadership.

337. A consulting firm's diagnosis of a company's HR operating model recommends a $12 million technology implementation that the same firm would deliver. The CHRO is concerned about objectivity. What should the CHRO do?

A. Accept the recommendation, since the firm's knowledge from the diagnosis will make its implementation more efficient.

B. Reject the recommendation, since a firm that profits from implementation cannot provide any objective diagnosis.

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

D. Ask the firm to cut its implementation fee substantially, since a lower fee will offset the conflict of interest in the proposal.

338. The CFO asks the CHRO to justify the cost of the company's two-year international rotations for high-potential leaders, which average three times the cost of a domestic role. What is the BEST way for the CHRO to make the case?

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

B. Point out that competitors run similar rotations and the company would fall behind without them

C. Explain that international experience is widely accepted as essential for leaders in a global company

D. Agree to end the rotations and replace them with online global leadership courses for all participants

339. A U.S. company's UK subsidiary must publish its gender pay gap, which shows a median gap of 18%. Several board members conclude that the company is paying women less than men for the same work and want immediate salary increases. What should the CHRO do?

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

B. Agree to raise women's salaries across the subsidiary by enough to close the published gap before filing.

C. Recommend delaying publication until an equal pay audit confirms whether the published gap reflects pay discrimination.

D. Advise the board that the UK gap figures are not comparable to U.S. data and can be safely disregarded.

340. After two safety incidents where employees saw risks but stayed silent, the CEO of a 20,000-employee energy company asks the CHRO to measure psychological safety across the enterprise. What strategy should the CHRO adopt?

A. Use the volume of employee hotline reports as the main indicator of psychological safety levels

B. Rank managers on their teams' psychological safety scores and tie a portion of each manager's annual bonus to them

C. Run a single company-wide survey this year and report the overall score to the board of directors

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

341. A multinational with EUR 2 billion in worldwide annual turnover for the prior year commits a GDPR infringement that falls under the higher tier of administrative fines. What is the MAXIMUM fine that can be imposed?

A. EUR 40 million

B. EUR 20 million

C. EUR 200 million

D. EUR 80 million

342. A board chair asks the CHRO for one number that tells the board whether the company's human capital is healthy. The CHRO tracks more than 40 workforce metrics. What is the BEST response?

A. Explain that human capital is too complex to summarize and decline the request for now

B. Report engagement alone, since it is widely seen as the best single predictor of outcomes

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

D. Provide the full set of 40 metrics so the board can judge overall health for itself

343. A U.S. CHRO is preparing to lead HR for a large German subsidiary. Which description BEST captures codetermination as practiced in Germany?

A. Employees may vote to veto any business decision, including strategy, through a company-wide employee referendum.

B. Employees and management jointly negotiate national wage rates for all industries through a single bargaining council.

C. Employees hold a majority of company shares and elect the management board directly at annual shareholder meetings.

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

344. HR deploys a generative AI assistant that can read employee files and also processes uploaded documents such as resumes. Which security risk is MOST specific to this design?

A. Phishing emails could trick HR staff into changing direct-deposit details for fraudulent accounts.

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

C. Stolen passwords could let outsiders log in to the assistant, as with any other cloud-based HR application in use.

D. Theft of HR laptops could expose employee files that staff have saved to their local hard drives.

345. An activist investor has taken a stake in a company and has publicly criticized its high turnover and weak internal promotion rates. The CEO asks the CHRO to prepare for questions at upcoming investor meetings. What should the CHRO prioritize?

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

B. Decline to discuss workforce metrics with investors, since human capital data is confidential company information.

C. Commission an outside study disputing the investor's figures so the company can avoid discussing internal turnover.

D. Prepare only the metrics that compare favorably with peers so that investor attention shifts to the company's strengths.

346. Thomas-Kilmann Conflict Mode Instrument results for a company's entire executive team show that nearly every member scores high on accommodating and avoiding and low on competing and collaborating. What is the main risk for this team?

A. Members are likely to push their own positions, creating frequent win-lose standoffs

B. The team will compromise too quickly and split differences on most strategic issues

C. Members will invest excessive time in consensus building and joint problem solving

D. Hard issues may go unaddressed, delaying decisions or leaving assumptions untested

347. A board member argues that the company can cut its training budget by 30% because training spend per employee and revenue growth correlate at only r = 0.08 across its 14 business units. Most units spend within a narrow band per employee, and the largest programs launched within the past six months. What is the CHRO's BEST response?

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

B. Recalculate the correlation using profit rather than revenue, since a stronger result would settle the board member's concern.

C. Argue that training is an expected employee benefit, so its budget should not be judged by any relationship to revenue growth.

D. Agree to the cut, since a correlation that low shows that training spending has no meaningful relationship to the business's financial results.

348. Talent acquisition wants to hire a vendor to scan applicants' social media and report 'red flags' before offers are made. What should HR advise?

A. Treat the vendor's reports as consumer reports needing FCRA disclosure and consent

B. Have recruiters run the scans instead, which removes every legal limit on their use

C. Proceed without any FCRA steps, since social media content is public information

D. Proceed if the vendor strips names from its reports, so that no consent is required

349. An HR analytics team builds a model to predict which employees are likely to quit, using ten years of data on who was promoted and who left. Past promotion decisions are known to have favored one demographic group. What is the GREATEST risk of using this model to target retention investments?

A. The model may become outdated within a few months, because turnover patterns change every quarter.

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

C. The model may be too accurate, causing managers to rely on its predictions instead of their own informed judgment.

D. The model may expose individual salaries, because it uses compensation data as one of its inputs.

350. A traditional newspaper decides it is no longer a print publisher but a digital subscription business, rethinking its core assumptions, strategy and identity. What type of change is this?

A. Single-loop change

B. Developmental change

C. Second-order change

D. First-order change

351. Institutional investors have asked a public company's CHRO for data on the social pillar of its ESG performance. Which set of workforce metrics best matches what investors typically request?

A. Cost per hire, time to fill, HR staff ratio, HRIS system uptime and benefits enrollment rates

B. Revenue per employee, executive pay ratio, board tenure, audit fees and lobbying costs

C. Turnover, safety incident rates, pay equity, training investment and workforce composition

D. Employee volunteer hours, charitable gifts, event attendance and intranet page views

352. Under NYC Local Law 144, what must an employer do with the results of the required independent bias audit before using an automated employment decision tool?

A. Post a summary of the results publicly on its website

B. File the full results with the EEOC for its review

C. Submit the results to the city for approval before use

D. Give the results only to candidates who ask for them

353. A 401(k) committee wants one firm to handle day-to-day plan administration and a second firm to take full discretion to choose, monitor and replace the fund lineup, so the committee only has to monitor that firm. Which type of fiduciary should the second firm be?

A. An ERISA 3(21) investment adviser

B. A directed trustee holding plan assets

C. An ERISA 3(38) investment manager

D. An ERISA 3(16) plan administrator

354. Executives at a regulated bank want to adopt a well-known tech company's tribe-and-squad agile model across the entire company. What is the BEST counsel from the CHRO?

A. Reject agile methods, since regulated firms cannot change their reporting lines

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

C. Copy the model in full, including its roles and titles, so the bank gains the same speed as the tech company

D. Roll out the model company-wide but keep every existing approval layer in place

355. In an Oaxaca-Blinder decomposition of a pay gap between two groups, what does the unexplained portion represent?

A. Random measurement error that can be safely ignored when the sample size is large enough

B. Definitive proof of intentional discrimination that the employer must correct right away

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

D. The part of the gap caused by group differences in job level, tenure, performance and other measured factors

356. An annual bonus plan for regional managers sets clear revenue targets, and managers believe they can reach them. However, after year-end the executive team decides how much of the bonus pool to release based on factors it does not disclose. Under expectancy theory, which element does this design MOST weaken?

A. Self-efficacy, the belief that managers have the ability to do the job in the first place

B. Expectancy, the belief that effort will lead to achieving the required level of performance

C. Instrumentality, the belief that achieving the performance will actually lead to the reward

D. Valence, the value that managers place on the reward that the bonus plan offers to them

357. Business leaders describe the company's HR business partners as order-takers who process requests without challenging them or linking them to business needs. What is the BEST long-term action for the CHRO?

A. Tell business leaders to route all requests through HR centers of excellence instead of going to their HRBPs.

B. Send all HRBPs to a one-day workshop on influencing skills and ask business leaders to give them more latitude.

C. Replace the current HRBPs with experienced external management consultants who already hold strong consulting skills.

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

358. An executive team is weighing two decisions: piloting a new flexible scheduling option in one region, which could easily be ended, and permanently closing a major facility. Which approach to decision speed is MOST appropriate?

A. Delay both until enough data exists to predict their outcomes with confidence

B. Decide quickly on the closure to limit uncertainty and take more time on the pilot

C. Decide quickly on the pilot and give the closure more analysis and deliberation

D. Give both decisions the same rigorous analysis, since consistency reduces bias

359. The CEO of a 4,000-employee logistics company asks the CHRO to prove the return on investment of the HR function before next year's budget is set. The HR team's current dashboard reports training hours delivered, requisitions filled and policies updated. What should the CHRO do?

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

B. Survey managers about their satisfaction with HR services and present the scores as evidence of the function's value.

C. Benchmark HR staffing ratios and HR cost per employee against industry peers to show that the function runs efficiently.

D. Expand the dashboard with more activity measures, such as interviews scheduled, to show the full volume of work HR completes each year.

360. A CHRO segments all roles by two factors: how exposed they are to AI automation and how much strategic value they create. Why does this segmentation help guide workforce investment?

A. It identifies which employees are low performers, so they can be prioritized for workforce reductions.

B. It ensures every role receives the same level of investment, so employees are treated equally.

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

D. It eliminates the need for workforce planning, because the segments themselves set future headcount.

361. A high-potential director was promoted to vice president after only 14 months in her prior role, her third promotion in four years. Her new team reports that she micromanages and avoids conflict with peers. What should the CHRO do to reduce her derailment risk?

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

B. Move her back to director level until she has gained more experience and can try the role again later.

C. Tell her team to give her more time to adjust before raising any further concerns with HR.

D. Send her to an external leadership course and review her progress at her next annual review.

362. The CEO wants 20% of each manager's annual bonus tied to their team's engagement score. The CHRO is concerned about how this will affect the survey. What is the BEST recommendation?

A. Tie the bonuses to year-over-year score gains, so that managers with low starting scores are not disadvantaged.

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

C. Tie the bonuses to scores and keep the survey confidential, since confidentiality prevents managers from influencing the results.

D. Tie the bonuses to scores but require a minimum response rate, so managers cannot benefit from low participation.

363. Similar hand injuries keep recurring at four of the company's plants despite two rounds of refresher safety training. The plant managers propose a third, longer training program. What should the CHRO recommend?

A. Discipline employees with repeat injuries to reinforce personal responsibility

B. Have each plant manager investigate local incidents on their own and report the findings back separately

C. Approve the longer training, since repetition is how safety habits become routine

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

364. The executive team asks the CHRO for metrics showing whether the company's HR AI governance program is actually working. Which set of metrics BEST indicates governance effectiveness?

A. Count of governance committee meetings held and AI policy documents published during the year

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

C. Number of AI tools purchased, total AI spending, and hours saved through automation across HR functions

D. Employee satisfaction with AI tools and the number of AI training courses offered by HR during the year

365. An AI deployment will eliminate the current tasks of 80 employees. Reskilling all 80 for new roles would cost $1.2 million. Alternatively, severance for the 80 would cost $1.6 million, and hiring externally to backfill the needed skills would cost another $400,000. Based only on these figures, how does reskilling compare?

A. Reskilling costs $800,000 less in total, or $10,000 less per employee

B. Reskilling costs $400,000 less in total, or $5,000 less per employee

C. Reskilling costs $2,000,000 less in total, or $25,000 less per employee

D. Reskilling costs $800,000 more in total, or $10,000 more per employee

366. A CHRO is redesigning a multistate employer's drug testing program. Counsel notes that applicants who test positive often disclose prescription medications to explain the result. Which principle should guide the redesign?

A. Applicants should list all prescription drugs before testing so the results can be interpreted more accurately.

B. Prescription disclosures may be shared with the hiring manager so the manager can judge the applicant's fitness.

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

D. A test for illegal drugs is a medical exam, so it may be given only after a conditional job offer has been made.

367. A company has 200 employees, all of whom earn more than the state's $10,000 unemployment taxable wage base. Its state unemployment tax rate will rise from 2.7% to 4.2% next year. What is the expected annual increase in state unemployment tax?

A. $54,000

B. $84,000

C. $30,000

D. $3,000

368. A CHRO and the chief privacy officer want a common framework to manage privacy risks in HR systems. How does the NIST Privacy Framework help organizations do this?

A. It sets mandatory federal privacy controls that private employers must certify they have adopted

B. It replaces state privacy laws with a single national standard for handling employee personal data

C. It ranks each HR system by its privacy risk level and assigns a required set of controls to each of the levels

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

369. Why have rising PBGC premiums pushed many single-employer defined benefit plan sponsors toward plan freezes, lump-sum windows and annuity purchases?

A. Premiums are refunded once a plan becomes fully funded, so sponsors buy annuities to qualify for the premium refund.

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

C. Premiums are charged only for active employees, so freezing the plan alone removes those workers from the premium base.

D. Premiums are charged as a share of total plan assets, so moving assets to an insurer ends the sponsor's premium obligation entirely.

370. Under the EU General Data Protection Regulation, which planned HR processing activity MOST clearly calls for a data protection impact assessment before it begins?

A. Processing employee bank account details to pay salaries through the existing payroll

B. Keeping an employee directory with names, titles and work phone numbers

C. Systematic monitoring of employees' system activity to score their productivity

D. Recording annual leave balances in the HRIS for each employee in the unit

371. The board's compensation committee is negotiating a new CFO's employment agreement. Why do these agreements define cause and good reason, and what is the main board-level risk?

A. They make the CFO an at-will employee who may be terminated at any time without any severance at all

B. They apply only to a change in control, so ordinary terminations are unaffected

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

D. They are required by SEC rules, and a missing definition voids the whole agreement

372. A CHRO can frame a retention program to executives either as "saving $3 million in turnover costs" or as "gaining $3 million in productivity." According to prospect theory, why is the first framing likely to be more persuasive?

A. Decision makers weigh a loss more heavily than a gain of the same amount

B. Decision makers prefer smaller, certain gains over larger, uncertain ones

C. Decision makers trust cost data more than estimates of productivity gains

D. Decision makers anchor on the first dollar figure that they are shown

373. A CHRO plans a new company-wide attendance policy for 20 sites, six of which are unionized. Leadership wants a single launch date. What sequencing should the CHRO recommend?

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

B. Hold the launch at every site until all six unions agree to the policy, so that the workforce has one policy on one date.

C. Launch at all 20 sites on the same date and invite the unions to file grievances afterward if they object to any of the terms.

D. Implement at union sites only, since those sites have formal processes for policy changes, and roll it out elsewhere later.

374. The executive team of a 7,000-employee insurer says it wants a strong feedback culture, but engagement surveys show employees doubt it is safe to give upward feedback. What is the MOST effective first lever for the CHRO to recommend?

A. Add a required number of feedback conversations per quarter to every manager's performance goals and ratings.

B. Deploy a new anonymous feedback app so employees can comment on leaders without any fear of being identified.

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

D. Launch a company-wide feedback training program for individual contributors on how to give constructive input.

375. An analysis shows that 40% of the company's vice presidents will be eligible to retire within four years, and succession benches are thin. Which combination of strategies BEST addresses this risk?

A. An early retirement window to spread out departures, with outside hiring to fill each gap

B. A mandatory retirement age so that departures can be scheduled well in advance

C. Retention bonuses that persuade retirement-eligible leaders to delay leaving for years

D. Accelerated development of successors, phased retirement options, and knowledge transfer

376. A succession review at a global consumer goods company shows that only two of eight C-suite roles have a ready-now internal successor, and three roles have no named successor at all. What is the BEST strategic action for the CHRO?

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

B. Hire external successors now for the three roles with no named successor so that each role has coverage.

C. Rely on retained executive search firms to fill C-suite roles as they become vacant in the coming years.

D. Name the most senior vice president in each function as the designated successor to close the gaps quickly.

377. The company is hiring an external executive coach for a newly promoted division president, with the CHRO as sponsor. What should the coach, the executive, and the sponsor agree on before coaching begins?

A. The full content of each session, so the sponsor can track the executive's progress throughout the work

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

C. A promise of complete confidentiality, so the sponsor will receive no information about the engagement

D. The coach's diagnosis of the executive's weaknesses, which will be kept in the executive's personnel file for future review

378. A manufacturer's automation plan will eliminate 120 current roles while creating 120 new technical roles. Reskilling the affected workers would cost $15,000 each. The alternative is paying severance of $25,000 per worker and spending $30,000 per hire to recruit replacements. How much does reskilling save compared with the severance-and-rehire option?

A. $6,600,000
B. $4,800,000
C. $1,800,000
D. $1,200,000

379. A board's governance committee wants to reduce the risk that misconduct by senior executives goes unaddressed. Which practice will best achieve this?

A. Route complaints about senior executives directly to a board committee that can commission outside investigations
B. Include a confidentiality clause in every settlement with executives' accusers to protect the company's reputation
C. Require HR to resolve all complaints about executives internally so that board meetings stay focused on strategy
D. Have the CEO review all complaints about direct reports and decide which ones should reach the full board

380. In organization development, which sequence BEST describes the action research model?

A. Diagnosis, data gathering and feedback, joint action planning, action, and evaluation
B. Unfreezing, moving, and refreezing the organization through planned leadership interventions
C. Discovery, dreaming, design, and destiny focused on the organization's existing strengths
D. Awareness, desire, knowledge, ability, and reinforcement at each level of the organization

381. The CEO will retire in 12 months, and several board members favor the COO as successor. An independent assessment shows the COO has strong operational skills but significant gaps in strategic thinking and investor relations. The board's nominating committee asks the CHRO for her view. What should she do?

A. Present the assessment candidly, with development options, a realistic timeline, and alternatives
B. Brief the CEO privately and let him decide whether the board should hear the assessment results
C. Share mainly the COO's strengths, since the board and the retiring CEO already favor the COO as successor
D. Recommend an external search without explaining to the board why the COO may not be ready yet

382. A CFO proposes ending tuition assistance and cutting the safety training budget in half to meet a cost target. The CHRO believes the cuts are unwise and will present a counterproposal to the executive committee. Which approach is MOST likely to persuade the committee?

A. Share employee survey comments praising both programs to show how much the workforce values them.

B. Emphasize that the cuts conflict with the company's stated values and would disappoint employees who use the programs.

C. Point out that peer companies offer similar programs and that cutting them would put the company behind its rivals.

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

383. The HR analytics team has built a model that predicts each employee's flight risk using HRIS and exit data. What safeguard should the CHRO require BEFORE the model is used?

A. Share each employee's score with their manager so managers can begin retention conversations with those at highest risk.

B. Validate that the model accurately predicts past departures, since high accuracy shows that it is fair to use.

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

D. Remove age and gender fields from the inputs, since excluding protected traits eliminates the risk of biased results.

384. An airline pilot returns from an 18-month deployment, and several of his required certifications and currency requirements lapsed while he was away. Operations wants to demote him to a ground instructor role. What is the BEST response?

A. Provide reasonable training and time to requalify before deciding on any alternative placement.

B. Return him to flying duty right away, since USERRA bars any requalification requirement.

C. Require him to requalify at his own expense before he may return to any position at all.

D. Demote him to the ground role, since he is not currently qualified to perform his former position.

385. The CEO and a board member are in open conflict over CEO succession planning, and the CEO asks the CHRO to mediate between them. What is the CHRO's MOST appropriate response?

A. Agree to mediate, because the CHRO is responsible for the succession process and knows both parties.

B. Decline to be involved and advise the CEO to resolve the matter directly with the board member.

C. Agree to mediate on the condition that both parties keep the discussions confidential from the full board.

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

386. Using Atkinson's flexible firm model, a CHRO contrasts two strategies: cross-training core employees to perform a wider range of tasks, and adjusting headcount through temporary and part-time workers. What is the difference between these strategies?

A. The first is numerical flexibility, and the second is functional flexibility

B. The first is functional flexibility, and the second is numerical flexibility

C. The first is financial flexibility, and the second is temporal flexibility

D. The first is functional flexibility, and the second is financial flexibility

387. Members of one group make up 30% of the 200 qualified applicants for a role. The company hired 50 people from the pool, 8 of them from that group. Before testing whether the shortfall is significant, the analyst computes the expected number of hires from the group. What is it?

A. 15

B. 16

C. 60

D. 8

388. Job descriptions at a 15,000-employee company have not been updated in a decade, and several recent ADA disputes turned on whether duties were essential. The CHRO is leading an enterprise review. Which principle should guide how essential functions are identified?

A. Keep the old descriptions, since revising them could appear to target employees with disabilities.

B. List every task each role performs as essential so that the company can rely fully on the description.

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

D. Adopt each manager's view as final, since the employer's judgment is conclusive on essential functions.

389. A new CHRO commissions a comprehensive audit of labor relations across a company's 14 unionized sites. Which scope best fits this audit?

A. Union officers' backgrounds, dues collections and internal elections

B. Payroll tax filings, benefit plan documents and Form I-9 records

C. Engagement survey scores and exit interview data gathered from all locations

D. Grievance trends, ULP charges, contract dates and supervisor practice

390. One month into a planned six-month pilot of a new onboarding program, early retention results look strongly positive. The CEO wants to end the pilot and roll the program out companywide. What is the CHRO's BEST response?

A. Agree to roll out now, since strong early results are usually the most reliable signal.

B. Roll out now, and keep the pilot running so the final report can be completed.

C. Extend the pilot indefinitely until the results are certain beyond any doubt.

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

391. A private equity firm has acquired a mid-sized manufacturer and wants EBITDA to grow 50% over four years before a planned exit. The CEO asks the CHRO to help shape the value creation plan. What is the CHRO's MOST valuable contribution?

A. Cut headcount by 15% in the first year, since labor savings are the fastest and most certain way to raise EBITDA before the planned exit.

B. Keep HR programs unchanged during the hold period, since stability reduces risk while the PE firm works on strategy.

C. Lead a broad culture change program, since a strong culture is the most lasting source of value for any acquired company.

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

392. The head of L&D at a 15,000-employee company wants to replace a 12-year-old LMS. The CFO has asked for a business case and says that the license price quoted by the preferred vendor is lower than the current license. What should the L&D leader include to make the business case credible?

A. A vendor-supplied ROI estimate showing the productivity gains that other clients have reported.

B. A comparison of first-year license fees showing the immediate savings from switching to the preferred vendor.

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

D. Learner satisfaction survey results showing that employees dislike the current system's interface.

393. An analytics team proposes using employees' email metadata and badge-swipe data to build a model that predicts who is likely to resign. As the senior HR leader overseeing the project, what is the BEST way to address ethical concerns?

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

B. Get approval from the legal team, which settles the ethical questions as well as the legal ones.

C. Remove names from the data first, after which it can be used for any business purpose that arises.

D. Go ahead without notice, since the company owns the systems that collect the data being used.

394. A global company's monthly turnover reports show unusual spikes and gaps between countries. HR finds that some countries record a resignation when notice is given, while others with long statutory notice periods record it months later on the last day worked. What should the CHRO do?

A. Exclude countries with long notice periods from the global turnover report.

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

C. Let each country keep its own recording rule, since local law sets each country's notice period.

D. Report turnover once a year only, so timing differences cancel each other out.

395. After a reorganization, two rival regional sales teams refuse to share leads. The CHRO proposes a joint target for a major national account that neither team can win alone. What conflict-reduction technique is this?

A. Smoothing over the differences

B. Setting a superordinate goal

C. Applying a forcing strategy

D. Using structural separation

396. At a large consumer goods company, internal mobility is low because business unit leaders routinely block employees' transfers to other units to protect their own results. Exit interviews show that strong performers are leaving for growth elsewhere. What is the BEST systemic remedy for the CHRO to pursue?

A. Let employees apply for internal roles without telling their managers, so leaders cannot block transfers.

B. Offer retention bonuses to high performers so they stay in their current units instead of leaving the company entirely.

C. Ask the CEO to remind business unit leaders that talent belongs to the enterprise, not to their units.

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

397. A company's board has approved a risk appetite statement that sets very low tolerance for safety and conduct failures and a moderate appetite for innovation risk. How should this shape HR policy decisions?

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

B. Room to experiment in safety and conduct policies, with strict controls on innovation-related programs

C. Equally strict controls on every HR policy, since the board's statement applies to all risks the same way

D. Policy choices left to each HR leader's judgment, since risk appetite statements apply to financial risks

398. A CHRO is planning a major compensation redesign. One board member chairs the compensation committee and has asked for frequent updates on the project. Under a power-interest stakeholder grid, how should the CHRO manage this board member?

A. Keep informed through regular written updates, since the member has no role in approving the plan

B. Keep satisfied with summary updates at major milestones, avoiding too much detail on the design

C. Monitor with minimal effort, giving updates only if the member raises specific concerns or questions

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

399. A U.S.-based company has subsidiaries in Australia and Canada, where laws require employers to manage psychosocial hazards and workplace harassment, including bullying. The CHRO wants one enterprise anti-bullying standard. What approach is BEST?

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

B. Use the U.S. policy as the global standard, since it is the parent company, and leave legal compliance to local managers.

C. Let each subsidiary write its own anti-bullying policy so that it fits local law, and skip a common enterprise standard.

D. Adopt the strictest country's legal standard word for word and apply it everywhere, including U.S. locations without bullying laws.

400. Using a TOWS matrix, a firm with outdated production systems that faces new low-cost entrants decides to exit a weak product line and consolidate operations. What type of strategy is this?

A. ST strategy, using internal strengths to counter threats

B. WO strategy, using opportunities to fix internal weaknesses

C. WT strategy, minimizing weaknesses and avoiding threats

D. SO strategy, using internal strengths to seize opportunities