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STUDY GUIDES

SHRM-SCP

Diagnostic Assessment

Week 1 Diagnostic

Answer Key & Explanations

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

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

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How to Use This Set

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

SHRM-SCP Week 1 Diagnostic — Answer Key

Quick key first, then a full explanation for every question

1. D	2. D	3. C	4. A	5. B	6. A	7. D	8. C	9. D	10. C
11. D	12. B	13. A	14. A	15. D	16. B	17. C	18. A	19. B	20. B
21. D	22. C	23. C	24. C	25. C	26. B	27. D	28. A	29. B	30. C
31. B	32. A	33. D	34. A	35. B	36. A	37. A	38. D	39. B	40. C

Your Weakness Map

Count your correct answers in each area. Below 60% means focus first; 60–79% means review; 80% or more means maintain. With 5 to 8 questions per area, treat these as a guide to where to focus, not a precise score. The interactive version on summitstudyguides.com scores this for you.

BASK area	Question numbers	Your score	Study first
Leadership	4, 5, 6, 7, 10, 29, 31, 32	_____ / 8	Ch. 4; 8.1; 7
Interpersonal	3, 9, 24, 30, 35, 40	_____ / 6	Ch. 5; 7.1
Business	2, 8, 18, 25, 28, 34, 38	_____ / 7	Ch. 6; 8.2-8.3; 12
People	1, 13, 17, 19, 36, 37, 39	_____ / 7	Ch. 9; 13.1
Organization	11, 14, 16, 20, 22, 27, 33	_____ / 7	Ch. 10; 13.2-13.4; 15
Workplace	12, 15, 21, 23, 26	_____ / 5	Ch. 11; 14

Answers and Explanations

1. Answer: D — Use reaction and learning measures for the workshop and reserve ROI studies for larger investments

A full ROI study for an $8,000 one-time workshop would likely cost more than the program and add little insight, so evaluation effort should be scaled to the investment. Lighter Level 1 and Level 2 measures still provide accountability. Skipping evaluation entirely removes useful quality data, and outsourcing the study only shifts the excessive cost.

2. Answer: D — Payroll rises directly only to bring employees below the new minimums up to them

Ranges are guidelines, so moving them does not by itself change anyone's pay; the direct cost is bringing employees who fall below the new minimums up to those minimums. Over time, the new ranges can still push pay up through lower compa-ratios and merit matrices, so the long-run effect should be modeled too. Saying ranges never affect pay goes too far, because the below-minimum adjustments are a real and immediate cost.

3. Answer: C — The employee may elect to bring those claims in court despite the agreement

The Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act makes predispute arbitration agreements and joint-action waivers unenforceable at the election of the person alleging the conduct. The agreement is not void outright; an employee can still choose to arbitrate after the dispute arises. The election covers both the arbitration agreement and any joint-action waiver for these claims and does not depend on an EEOC filing.

4. Answer: A — Asking for payment in cash or to an offshore account in another name

Requests for cash or payment to an unrelated or offshore account are classic indicators that funds may be passed to officials or concealed, along with unusually high commissions and refusals to certify compliance. A written contract, market-rate fees and client references are signs of a legitimate business relationship.

5. Answer: B — Members imagine the plan has already failed and explain why, which makes raising doubts legitimate and expected.

In a pre-mortem, the team assumes the decision has failed in the future and works backward to explain what went wrong. This prospective hindsight surfaces risks that confident planners overlook and gives dissenters a safe, structured way to speak. Ranking benefits, outside forecasts and anonymous voting may have value, but none of them asks the group to generate reasons for failure, which is what the pre-mortem adds.

6. Answer: A — Meet privately, describe specific incidents and their effect on the team, and offer support such as a 360 or coach.

Hard feedback to a CEO should be private, specific and tied to business impact: concrete examples, the effect on candor and decision quality, and a constructive path forward such as a 360 assessment or coaching. Raising it publicly is likely to provoke defensiveness, and going straight to the board bypasses the CEO and damages trust when direct feedback has not been tried. Arranging a coach without explaining why avoids the conversation the CEO needs.

7. Answer: D — Meet each president to learn their concerns and link the redesign to their division's goals

Building a sponsor coalition starts with understanding each sponsor's interests and objections individually, then showing how the change serves their goals; that is how a neutral or skeptical leader becomes an active sponsor. A CEO mandate may produce compliance but not active sponsorship, a group presentation lets the skeptic voice doubts publicly before concerns are addressed, and piloting may be useful later but skips engaging the leaders whose sponsorship is needed.

8. Answer: C — Find root causes of the safety record and set goals with leader accountability.

The rating reflects a real performance problem, so the durable fix is to improve safety: analyze root causes, strengthen the safety management system, set measurable targets and tie leaders' goals and incentives to results, then report progress transparently. Better messaging or disputing the methodology does not change performance, and generic training without root-cause analysis may not address the actual hazards.

9. Answer: D — Acknowledge the miss plainly, explain its causes and lay out the plan and what it means for staff

Employees already have the numbers, so spinning them damages the CEO's credibility at the moment it will be most needed for the cost program. A candid message that names the shortfall, explains why and describes the path forward builds trust and prepares people for what comes next. Keeping an upbeat tone may feel protective, but it sets up a credibility gap when the cuts arrive.

10. Answer: C — 70% challenging experiences, 20% developmental relationships, 10% formal coursework

Based on Center for Creative Leadership research by McCall, Lombardo and Eichinger, the 70-20-10 model holds that leaders learn mostly from challenging on-the-job experiences, then from relationships such as coaching and feedback, and least from formal training. The proportions are a guideline rather than a precise formula, and reversing them overstates the role of the classroom.

11. Answer: D — Require signed accuracy attestations and consistently enforce a rule that falsification ends employment

McKennon held that after-acquired evidence does not bar liability but generally ends back pay at the date of discovery and bars reinstatement, and only if the employer proves it would have fired the employee for that misconduct alone. Signed attestations and a documented, consistently enforced falsification rule are what make that proof credible. Selective checks or checks started only after a complaint look retaliatory and undermine the defense.

12. Answer: B — It transfers part of the cost of bias claims, but often excludes wage-hour claims and needs insurer consent to settle.

EPLI typically covers defense and settlement costs for claims such as discrimination, harassment, retaliation and wrongful termination, subject to retentions and limits. Policies commonly exclude FLSA wage-hour, WARN, ERISA and NLRA claims, and they usually require the insurer's consent before settling, so settling alone can void coverage. It finances risk; it does not replace prevention or change who the employee sues.

13. Answer: A — A court may impose a daily penalty if the documents are not provided within 30 days of the request.

ERISA Section 502(c)(1) lets a court, in its discretion, impose a daily penalty on a plan administrator who fails to provide requested plan documents within 30 days of a written request. A former employee with a vested balance is still a plan participant entitled to the documents. The penalty is assessed by a court in a participant's lawsuit, not by the DOL.

14. Answer: A — Internal data skills, integration effort, speed to insight, and multiyear total cost of ownership

A build-versus-buy decision turns on whether the organization has the skills to build and maintain the solution, how hard it is to integrate the data, how quickly each option produces usable insight, and total cost over several years. Comparing the license fee with first-build hours is a partial cost view that ignores maintenance and time to value. Dashboard libraries and team preference are secondary to capability and cost.

15. Answer: D — Stop the practice, since USERRA bars refusing to hire applicants because of service obligations.

USERRA prohibits discrimination in initial employment, as well as in retention, promotion and benefits, based on membership in or obligation to perform service in the uniformed services. Applying the practice consistently does not make it lawful, and asking about service plans creates evidence of discrimination. A better strategy is to plan coverage for deployments while actively recruiting veterans and reservists.

16. Answer: B — Advise against monitoring, since surveilling protected concerted activity is unlawful, and address the concerns in open forums.

Discussing pay, safety and treatment among coworkers is protected concerted activity, and employer surveillance, or creating the impression of it, interferes with Section 7 rights under the NLRA. Passive observation under a pseudonym is still surveillance, and soliciting screenshots does the same thing indirectly. The strategic move is to learn from and address the underlying concerns through legitimate listening channels.

17. Answer: C — Compete on mission, unique problems and growth, while targeting pay to the most critical roles.

When an employer cannot win on pay, it should build a value proposition around what it does offer, such as mission, meaningful problems and development, and focus premium pay where it matters most. Matching top pay across the board is often unaffordable and creates internal equity problems. Relying only on vendors may make sense for some work, but it gives up building a capability the strategy requires.

18. Answer: A — The links from inputs and activities to outputs, outcomes and impact

A logic model, closely related to a theory of change, lays out the causal chain from resources (inputs) and activities through outputs, outcomes and ultimate impact, making the initiative's assumptions testable. A schedule of tasks and dependencies is a project plan, and a cost-to-benefit comparison is a business case or ROI analysis.

19. Answer: B — To limit implied-contract claims, allow adjustment for unusual events, and support recovery of erroneously paid awards.

Clear plan terms define who participates and when awards are earned, reserved discretion lets the committee address unforeseen events, and clawback provisions support recovery of erroneously awarded pay, which exchange listing rules require of listed companies. Together they reduce disputes over implied promises. Guaranteeing payouts defeats the purpose of an incentive, and the performance-based exception to Section 162(m) was repealed in 2017.

20. Answer: B — Its governance structure, AI inventory, risk tiers, audit results and owners

Directors need evidence of oversight: who is accountable, what AI is in use, how risk is classified, what testing has found and how issues are fixed. Vendor assurances are not independent evidence and do not shift liability. Auditing only after a complaint is reactive and leaves problems undetected until harm occurs.

21. Answer: D — Quantify the safety liabilities and fix-up costs and reflect them in price, terms and integration plans.

An experience modification rate of 1.6 means workers' compensation premiums about 60% above the industry average, and open citations carry abatement costs and repeat-violation exposure. These should be quantified and built into valuation, deal protections and a post-close safety plan. A high rate is a cost and culture issue, not proof the deal must die, and liabilities and the safety culture transfer with the business.

22. Answer: C — The Norris-LaGuardia Act of 1932

The Norris-LaGuardia Act of 1932 restricted federal court injunctions in labor disputes and made yellow-dog contracts, in which workers promised not to join a union, unenforceable in federal courts. The Wagner Act came three years later and created the NLRB and employer unfair labor practices. Taft-Hartley and Landrum-Griffin added union unfair labor practices and internal union regulation.

23. Answer: C — ADEA group claims proceed as opt-in collective actions, so only those who file written consents become plaintiffs.

The ADEA borrows the FLSA's enforcement procedure, so group claims are opt-in collective actions rather than Rule 23 class actions; affected individuals become parties only by filing written consent. Exposure therefore depends on how many people opt in after court-approved notice, which can be well beyond the named plaintiffs. Group claims are allowed, and Rule 23's opt-out model does not apply to ADEA claims.

24. Answer: C — Idealized influence

Idealized influence is the leader acting as an ethical role model whose conduct earns followers' admiration, respect and trust. Inspirational motivation is communicating a compelling vision, intellectual stimulation is challenging followers to think in new ways, and individualized consideration is attending to each follower's needs and growth.

25. Answer: C — Disclose turnover using one consistent definition, with context on its drivers and trends

Investors need figures that are comparable over time and against other companies, so the company should apply one documented definition across regions and explain the context, such as voluntary versus involuntary exits and planned restructuring. Using a mix of regional definitions makes the total unreliable, and showing only the best region is misleading. Declining to disclose can damage investor trust more than a high number would.

26. Answer: B — It is likely an ERISA welfare plan needing a plan document, SPD and claims process

A severance arrangement that requires an ongoing administrative scheme, such as case-by-case eligibility decisions, is generally an ERISA welfare benefit plan. It needs a written plan document, a summary plan description and a claims and appeals procedure, among other duties. Paying from general assets does not avoid ERISA, because unfunded welfare plans are still covered, and severance plans are welfare plans rather than pension plans.

27. Answer: D — Companies increasingly describe human capital measures such as turnover, training and workforce composition

Investor interest in human capital has pushed public companies toward broader disclosure of workforce measures such as turnover, training, engagement, health and safety, and workforce composition, a trend reinforced by the SEC's 2020 amendment requiring a principles-based description of human capital resources. Investors increasingly treat these measures as material to long-term value. Headcount and executive pay alone fall short of what many investors now expect.

28. Answer: A — Staging buys the right, but not the obligation, to expand once the pilot resolves key uncertainties.

A real options view treats the pilot as the price of an option: the company learns whether the platform works before committing the rest, and it can expand, change course or stop. That flexibility has value when outcomes are uncertain. Staging does not guarantee a higher NPV; it limits downside and adds the value of learning, and it still needs a business case with defined go/no-go criteria.

29. Answer: B — Promote the practices only after confirming they are documented and applied consistently, and commit to sustaining them

Privacy can be a real differentiator in the employee value proposition, but an EVP claim works only if it is true and lasting; a promise that is not kept damages trust and the employer brand and can create legal risk. Verifying the practices and committing to them makes the claim credible. Promoting first and adjusting later invites a gap between the brand and employees' experience, while avoiding the topic gives up a genuine advantage.

30. Answer: C — Stages 7 to 9, the lose-lose phase in which parties seek mutual destruction

Glasl matched interventions to escalation: moderation and process support in the early win-win stages, mediation and arbitration as the conflict moves through the win-lose stages, and power intervention in the lose-lose stages, when parties are willing to harm themselves to hurt the other side. Coalitions, loss of face and threats in stages 4 to 6 call for consultation, mediation or arbitration, not yet an imposed solution. Unilateral action at stage 3 is still within the win-win phase.

31. Answer: B — To keep the assignee's home-country purchasing power so the person is no better or worse off

The balance-sheet approach keeps the expatriate whole relative to the home country: it uses home-country pay as the base and adds allowances and equalization for differences in housing, goods and services and taxes. Paying the same as local peers describes host-based pay or localization. Using the highest global rate or the cheapest currency is not how the approach works.

32. Answer: A — Pick a few visible problems tied to long-term goals and solve them in ways that model new behaviors

Watkins advises new leaders to focus on a small number of promising areas where quick progress builds credibility, and to choose wins that advance long-term goals and demonstrate the behaviors the leader wants to see. Many scattered initiatives dilute focus and resources, and waiting for a complete diagnosis forfeits the momentum early wins are meant to create. Quick cost cuts can win short-term praise but may not support the strategy or the desired culture.

33. Answer: D — Define goals and success metrics, assess fit by role, and propose a time-limited pilot

A disciplined evaluation sets clear goals, examines how the model would work for different roles such as customer-facing and field jobs, and tests it in a time-limited pilot with defined metrics before any wider decision. Published trials involve self-selected firms and may not generalize, employee preference alone ignores business impact, and rejecting it without analysis is premature.

34. Answer: A — 20%

Contingent share = contingent workers / total workforce = 300 / (1,200 + 300) = 300 / 1,500 = 20%. The 25% figure divides contractors by employees only (300 / 1,200), which leaves the contractors out of the base. The 80% figure is the employee share.

35. Answer: B — $480,000

Severance budget = employees x weeks x weekly pay = 40 x 8 x $1,500 = 320 weeks x $1,500 = $480,000. The $60,000 figure leaves out the weeks, $12,000 is a single employee's severance, and $4,800,000 misplaces a decimal.

36. Answer: A — Ratings should carry less weight in promotion and succession decisions until better predictors are added.

A rating can describe past performance yet still fail to predict future performance. Promotion and succession are forward-looking decisions, so heavy reliance on a weak predictor should be reduced while better indicators, such as structured potential assessments, are added. The study does not show ratings are useless for rewarding past work, and tenure is not a better predictor.

37. Answer: A — It matches employees' inferred skills to projects and roles across units, speeding redeployment.

An internal talent marketplace uses AI to infer skills and match people to open roles, projects and gigs across organizational boundaries. That makes talent more visible and mobile, which supports agility when demand for skills shifts. It does not remove the need for external hiring or for managers, and its matching can carry its own bias, so it still needs oversight.

38. Answer: D — Show risk-adjusted returns tied to strategy, using the same criteria applied to IT.

Capital allocation decisions are made on comparable financial and strategic terms, so the CHRO should present NPV or payback, risks, strategic fit and the cost of delay on the same basis as IT, and accept the outcome if IT's case is stronger. Principle-based or fairness arguments do not help the CEO compare the investments, and an equal split may underfund both.

39. Answer: B — Rank VP roles by risk, speed up high-potential growth with stretch roles, and fill remaining gaps externally.

A thin bench is best fixed by focusing on the roles whose vacancy would hurt the business most, then accelerating the readiness of identified high potentials through stretch assignments and rotations, with targeted external hiring where internal development cannot close the gap in time. Asking VPs to name successors fills boxes on a chart without building readiness. A broad course is not targeted at critical roles, and searching outside for every role abandons internal development.

40. Answer: C — Link team-level manager quality to internal turnover and output data, then propose a measured pilot

A skeptical CFO needs a business case built on the company's own data: showing how manager quality relates to turnover costs and productivity, then testing the program in a pilot with clear metrics, makes the return visible. Peer benchmarks show what others spend, not what the investment returns here. Tying bonuses to engagement before building manager capability rewards outcomes managers may not yet know how to produce and invites score gaming.