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SHRM-SCP

Diagnostic Assessment

Week 1 Diagnostic

40 Questions • 65 Minutes

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

40 questions • 65 minutes • Score each of the six BASK areas with the Weakness Map in the 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. A division head asks the CLO to run a full ROI study on a one-time, half-day workshop on presentation skills for 25 analysts, costing $8,000. The company's evaluation policy tiers effort by program cost and strategic importance. What is the BEST response?

- **A.** Skip evaluation entirely, since a single short workshop does not need any formal measurement
- **B.** Commission an outside evaluator so the ROI study does not take time away from the internal L&D team's work
- **C.** Conduct the full ROI study, since every program should show its financial return to the business
- **D.** Use reaction and learning measures for the workshop and reserve ROI studies for larger investments

2. A compensation committee is asked to approve moving all salary range midpoints up 4% to match the market. A director worries this will raise payroll by 4%. Which statement BEST describes the direct payroll effect?

- **A.** Payroll rises 2% because employees typically receive half of any range adjustment
- **B.** Payroll is unchanged because range changes never affect any employee's actual pay
- **C.** Payroll rises 4% because every employee's pay must move with the range midpoint
- **D.** Payroll rises directly only to bring employees below the new minimums up to them

3. A multinational is redesigning its U.S. arbitration program. How must the program address claims of sexual harassment and sexual assault under the federal law enacted in 2022?

- **A.** Those claims must be excluded even if the employee later chooses arbitration
- **B.** Only the class waiver is void; individual arbitration of those claims still applies
- **C.** The employee may elect to bring those claims in court despite the agreement
- **D.** The carve-out applies only to claims first filed as charges with the EEOC

4. A company is vetting a third-party immigration agent in a high-risk country. Which behavior is the MOST serious red flag for bribery?

- **A.** Asking for payment in cash or to an offshore account in another name
- **B.** Asking for a written contract that clearly defines the scope of its services
- **C.** Asking for a fee that is in line with prevailing local market rates
- **D.** Asking for references from other multinational clients

5. Before approving a major workforce restructuring, an executive team holds a pre-mortem. How does this technique counter overconfidence?

- **A.** An outside facilitator reviews past restructurings and estimates the probability that the current plan succeeds.
- **B.** Members imagine the plan has already failed and explain why, which makes raising doubts legitimate and expected.
- **C.** Members vote anonymously on whether to proceed, so senior leaders cannot pressure others to support the plan.
- **D.** Members rank the plan's likely benefits before discussion so that early optimism does not anchor the group.

6. In executive team meetings, the CEO often interrupts and dismisses ideas, and several executives have privately told the CHRO they no longer raise concerns. The CEO is otherwise effective and values results. How should the CHRO deliver this feedback?

- **A.** Meet privately, describe specific incidents and their effect on the team, and offer support such as a 360 or coach.
- **B.** Report the concerns to the board chair and ask the board to address the CEO's behavior as part of the annual review.
- **C.** Raise the pattern during the next executive meeting so the CEO can see the behavior and hear the team's reaction firsthand.
- **D.** Arrange an external coach for the CEO without explaining why, so the issue can be addressed without causing friction.

7. A CHRO is launching a global performance-management redesign that needs active sponsorship from the presidents of four divisions. Two presidents are supportive, one is neutral, and one openly doubts its value. What should the CHRO do FIRST?

- **A.** Launch in the two supportive divisions and use the results to persuade the other two
- **B.** Ask the CEO to mandate that all four division presidents sponsor the redesign right away
- **C.** Present the business case to all four presidents together at the next executive team meeting
- **D.** Meet each president to learn their concerns and link the redesign to their division's goals

8. A manufacturer's ESG rating dropped sharply after two serious workplace injuries and a rise in its recordable incident rate. What is the CHRO's BEST strategic response?

- **A.** Challenge the rating agency's methodology publicly in order to restore the company's score.
- **B.** Hire a firm to improve the narrative in the company's ESG disclosures.
- **C.** Find root causes of the safety record and set goals with leader accountability.
- **D.** Add a safety training module for all employees in the next quarter.

9. A CEO drafts an all-staff memo calling a quarter in which revenue missed plan by 12% "another strong step forward." Employees can see the results in the public earnings release, and a cost-reduction program is likely next quarter. What should the CHRO advise?

- **A.** Keep the upbeat tone to protect morale, then share the cost program once all of its details are final
- **B.** Replace the memo with a short note from the CFO so the CEO is not tied to the weak results
- **C.** Send the memo as written but add a link to the earnings release for those who want details
- **D.** Acknowledge the miss plainly, explain its causes and lay out the plan and what it means for staff

10. A CHRO redesigns the company's leadership development strategy around the 70-20-10 model. Which mix of learning sources does the model describe?

- **A.** 70% formal coursework, 20% on-the-job experiences, 10% coaching and mentoring
- **B.** 70% self-directed e-learning, 20% classroom training, 10% assignments on the job
- **C.** 70% challenging experiences, 20% developmental relationships, 10% formal coursework
- **D.** 70% developmental relationships, 20% challenging experiences, 10% formal coursework

11. Under McKennon v. Nashville Banner, after-acquired evidence of misconduct can limit damages in a discrimination case. How should an employer structure its hiring process so such evidence is credible if needed?

- **A.** Collect detailed background reports only on applicants whom recruiters consider higher risk to hire
- **B.** Delay background checks until an employee files a complaint, so that any findings arrive at the right time
- **C.** Rely on the evidence to defeat the discrimination claim entirely, as long as it was found before trial
- **D.** Require signed accuracy attestations and consistently enforce a rule that falsification ends employment

12. A CFO asks the CHRO how employment practices liability insurance fits the company's risk strategy. Which statement BEST reflects how EPLI works?

- **A.** It covers all employment claims, including wage-hour and benefits claims, so the company can reduce its compliance budget.
- **B.** It transfers part of the cost of bias claims, but often excludes wage-hour claims and needs insurer consent to settle.
- **C.** It lets the company settle any claim on its own terms, since the insurer must reimburse any settlement within the policy limit.
- **D.** It shifts liability for covered claims to the insurer, so employees must sue the insurer rather than the company for damages.

13. A former employee who still has a vested 401(k) balance sends the plan administrator a written request for the plan document and the latest summary plan description. Under ERISA, what happens if the administrator does not respond?

- **A.** A court may impose a daily penalty if the documents are not provided within 30 days of the request.
- **B.** No penalty applies, since administrators owe documents only to participants who are still employed.
- **C.** The DOL may impose a daily penalty if the documents are not provided within 60 days of the request.
- **D.** A court may impose a daily penalty if the documents are not provided within 90 days of the request.

14. A CHRO must decide whether to build people analytics on the company's existing corporate data warehouse or license a specialized people analytics platform. Which set of criteria should MOST drive the decision?

- **A.** Internal data skills, integration effort, speed to insight, and multiyear total cost of ownership
- **B.** Which option offers the largest library of prebuilt dashboards and the most appealing visual design
- **C.** The platform's annual license fee compared with the internal hours estimated for the first build
- **D.** Which option the HRIS team prefers, since that team will support the solution day to day

15. The talent acquisition team plans to avoid hiring Reserve members into client-facing roles because they might be deployed during key projects. What is the BEST response from the CHRO?

- **A.** Allow the practice if every candidate is asked about service plans in each interview.
- **B.** Allow the practice only if it is applied consistently to every client-facing role across the firm.
- **C.** Allow the practice, since USERRA protects current employees but not applicants for jobs.
- **D.** Stop the practice, since USERRA bars refusing to hire applicants because of service obligations.

16. Nonunion employees at a manufacturer have formed a private online group where they criticize management and discuss pay and safety. Several executives want HR to have a supervisor join the group under a pseudonym to monitor it. What should the CHRO advise?

- **A.** Approve the monitoring if the supervisor only reads posts and does not comment, since passive observation does not affect employees.
- **B.** Advise against monitoring, since surveilling protected concerted activity is unlawful, and address the concerns in open forums.
- **C.** Ask employees who are known to be members to share screenshots with HR, so leaders can respond to concerns without joining the group.
- **D.** Allow monitoring only for posts that mention specific managers by name, so leaders can protect themselves from defamatory statements.

17. A midsize health system needs AI engineers but cannot match the base pay offered by large tech firms. Its strengths include a strong mission, access to unique clinical data and stable employment. What is the CHRO's BEST strategy?

- **A.** Lower the job requirements so that more candidates qualify, even if they lack the needed skills.
- **B.** Avoid hiring AI engineers and rely only on vendors, since the system can never compete for them.
- **C.** Compete on mission, unique problems and growth, while targeting pay to the most critical roles.
- **D.** Match top tech-firm pay for every AI hire, funding the cost by freezing pay for other staff groups.

18. A CHRO asks her team to build a logic model for a new enterprise leadership-pipeline initiative before seeking funding. What does a logic model show?

A. The links from inputs and activities to outputs, outcomes and impact

B. The sequence of tasks, dependencies and deadlines for the initiative's launch

C. The probability and severity of each risk the initiative could encounter

D. The comparison of costs to monetized benefits over the initiative's lifetime

19. A company's legal counsel is reviewing a new annual incentive plan document. Why should it reserve committee discretion, define eligibility and include clawback terms?

A. To qualify the plan for a tax deduction above $1 million for executives under Internal Revenue Code Section 162(m).

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

C. To allow the committee to change payout formulas for individual employees after results are known each plan year.

D. To guarantee target payouts to eligible employees, which improves the plan's value as a retention tool in tight markets.

20. A board member asks the CHRO how the company ensures that the AI it uses in hiring is fair and lawful. What should the CHRO present at the next board meeting?

A. A commitment to audit the tools whenever a candidate files a discrimination claim

B. Its governance structure, AI inventory, risk tiers, audit results and owners

C. Vendor statements and certifications asserting that each tool is free of bias

D. A live demonstration of the tools' features and the time-to-hire savings achieved

21. During acquisition due diligence, HR learns that the target company has an experience modification rate of 1.6 and several open OSHA citations. What should the CHRO advise the deal team?

A. Drop the deal, since a rate above 1.0 shows the target's operations can never be made safe.

B. Disregard the findings, since the target's safety record stays with the seller's insurer once the deal closes.

C. Proceed as planned and address safety after closing, once the two HR teams have been combined.

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

22. Which federal statute sharply limited the power of federal courts to issue injunctions in labor disputes and made yellow-dog contracts unenforceable?

A. The Landrum-Griffin Act (LMRDA) of 1959

B. The Taft-Hartley Act of 1947

C. The Norris-LaGuardia Act of 1932

D. The Wagner Act of 1935

23. After a large layoff, plaintiffs file an age discrimination suit on behalf of 'all employees 40 and older who were terminated.' Which principle should shape the CHRO's estimate of exposure?

A. ADEA group claims cannot proceed together, so each terminated worker must file and litigate a separate lawsuit.

B. ADEA group claims proceed as Rule 23 class actions, so every terminated worker 40 or older is bound unless they opt out.

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

D. ADEA group claims proceed as opt-in collective actions, so the employer's exposure is capped at the named plaintiffs.

24. Employees describe their CEO as someone they admire and trust because she holds herself to high ethical standards, puts the company's interests ahead of her own and acts as a role model. Which component of transformational leadership does this describe?

A. Inspirational motivation

B. Individualized consideration

C. Idealized influence

D. Intellectual stimulation

25. An institutional investor asks a public company to report workforce turnover in its sustainability report. Turnover is currently defined differently in each region, and leaders worry the overall number looks high. What is the BEST approach?

A. Use each region's existing definition to keep the figures consistent with the company's prior internal reports

B. Report only the region with the lowest turnover rate as representative of the company

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

D. Decline to disclose turnover until all regions reach the industry benchmark rate

26. A company formalizes a severance policy under which HR decides case by case whether each departing employee qualifies and how much each receives. What is the main compliance implication?

A. It falls under ERISA only if the severance benefits are funded through a trust

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

C. It is a payroll practice exempt from ERISA because benefits come from general assets

D. It is an ERISA pension plan that must meet vesting, funding and accrual rules

27. A public company's board asks the CHRO how investor reporting on the workforce has been changing. Which trend should the CHRO describe?

A. Companies increasingly limit workforce reporting to executive pay because that is all investors review

B. Companies increasingly omit workforce information because investors view it as immaterial to value

C. Companies increasingly report only total headcount because other workforce measures are treated as confidential data

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

28. A CHRO proposes funding an AI workforce planning platform in stages: a $400,000 pilot in one division, with further rollout funded only if defined results are met. The CFO asks why this is better than committing the full $4 million now. What is the BEST strategic rationale?

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

B. Staging guarantees a higher net present value for the program, because smaller investments always carry less risk.

C. Staging avoids the need for a business case, since pilot spending falls below approval thresholds.

D. Staging moves costs into later fiscal years, which improves reported profit whatever the outcome.

29. The CHRO of a mid-size software company competing for scarce engineers notices that candidates often ask about workplace monitoring. She is considering featuring the company's privacy practices (no keystroke tracking, minimal data collection, clear employee data rights) in its employer branding. What is the BEST course of action?

A. Mention privacy only in final-round interviews, so the commitments never appear in any written recruiting materials

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

C. Promote the practices widely right away, since privacy messaging stands out even if some of the details change later

D. Leave privacy out of all branding, since public commitments could limit employee monitoring the business may need in the future

30. Under Glasl's nine-stage conflict escalation model, at which stages does a third-party power intervention, in which an authority imposes a solution, become necessary?

A. Stage 3 onward, once parties stop talking and act unilaterally

B. Stages 1 to 3, the win-win phase in which parties still debate positions

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

D. Stages 4 to 6, the win-lose phase in which coalitions, loss of face and threats appear

31. A company sends a manager from Chicago on a three-year assignment to Tokyo and uses the balance-sheet approach to set pay. What is the PRIMARY purpose of this approach?

A. To set pay at the highest market rate among all countries where the company has operations

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

C. To pay the assignee the same as local peers in Tokyo so that pay is equal within the host office

D. To reduce assignment costs by paying the assignee in the currency with the lowest cost of living

32. A newly hired chief operating officer asks the CHRO how to approach early wins during the first 90 days. According to Michael Watkins's transition framework, which approach to early wins is MOST effective?

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

B. Hold off on any visible action until a full diagnosis is done so that no early move is premature

C. Launch many quick improvements across every unit at once to show energy and build momentum early

D. Focus on cost cuts that pay off right away, since quick savings earn the most credibility with the board

33. A board member read about four-day workweek trials and asks the CHRO to evaluate one for the company's 3,000 employees, who include customer support, field service and office staff. What is the BEST approach?

A. Recommend adoption, since published trials report gains in productivity and retention

B. Advise against it, since customer coverage would suffer in most of the company's roles

C. Survey employees on interest and adopt the schedule if a clear majority is in favor

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

34. A company's workforce includes 1,200 employees and 300 independent contractors and agency workers. What share of the total workforce is contingent?

A. 20%

B. 80%

C. 30%

D. 25%

35. A company is eliminating 40 positions. Affected employees will receive an average of 8 weeks of severance, and their average weekly pay is $1,500. What is the estimated severance budget?

A. $60,000

B. $480,000

C. $4,800,000

D. $12,000

36. A validation study at a large company shows that performance ratings have almost no relationship with the same employees' performance two years later. What is the MOST important implication for talent decisions?

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

B. Ratings should be given more weight, since a single study is insufficient to justify any change in practice.

C. Ratings should be dropped from all pay decisions, since they do not measure current performance accurately.

D. Ratings should be replaced with tenure as the main factor in promotion decisions, since it is more stable.

37. The CEO of a 30,000-employee company wants to redeploy people faster as AI changes demand for skills across business units. Which strategic benefit is MOST associated with an AI-driven internal talent marketplace?

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

B. It replaces managers' role in development planning, removing human bias from all career and promotion decisions.

C. It cuts pay costs by assigning employees to gig projects in place of formal promotions.

D. It eliminates the need for external hiring by filling every open role with internal talent.

38. HR and IT have each submitted major capital requests, and the company can fund only one this year. The CEO asks the CHRO to defend the priority of HR's project. What is the BEST approach?

A. Propose that HR and IT split the available capital equally between their projects.

B. Point to HR's lower funding in past years to show that it is now HR's turn.

C. Argue that investments in people matter more than technology as a matter of principle.

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

39. At a 20,000-employee manufacturer, a succession review shows that 60% of vice president roles have no ready-now successor. The CEO asks the CHRO for a multi-year plan to fix the gap. What is the BEST approach?

A. Ask each VP to name a successor by the end of the quarter so that every role shows a backup in the review.

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

C. Run external executive searches so that every VP role without a ready successor has a named outside candidate.

D. Launch a leadership course open to all managers so the overall pool of future leaders grows across the firm.

40. The CHRO of a 20,000-employee company sees engagement scores that vary widely between teams in the same function, and exit interviews cite poor managers as the top reason for leaving. The CFO doubts that an enterprise people-manager capability program would pay off and will fund it only with evidence. What is the CHRO's BEST next step?

A. Tie manager bonuses to engagement scores first so that accountability improves without any new spend

B. Launch required training for every manager at once so the company signals a firm commitment

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

D. Benchmark peer firms' spending on leadership development and request a budget to match it