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HRCI PHR

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Topic Break Down

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QUESTION NO: 1

An organization would like to bid on a project, but they don't have enough employees available to complete the work. The organization approaches a competitor with the opportunity to partner on the project to win the work. What type of risk response is used in this instance?

A. Sharing

B. Mitigation

C. Enhancing

D. Transference

ANSWER: A

Explanation:

Sharing is the correct response because the organization is addressing a positive risk—an opportunity to win a project that it could not deliver alone—by collaborating with another organization. In project-risk management, sharing means allocating ownership of an opportunity to a third party that is best able to help realize it. Here, the competitor contributes the needed workforce capacity, while both organizations can participate in the potential benefits of obtaining and completing the work. The partnership structure allows the organizations to pursue an opportunity that neither staffing availability, considered independently, would support for the bidding organization. This is commonly accomplished through arrangements such as joint ventures, partnerships, or similar collaborative agreements that establish how work, costs, responsibilities, and expected benefits will be shared. The Project Management Institute identifies sharing as an opportunity-response strategy involving allocation of ownership to a third party best able to capture the opportunity for the benefit of all parties. See PMI's overview of risk-management concepts at PMI: Project Risk Management and its risk-management standards and resources at PMI Risk Management.

QUESTION NO: 2

As an HR Professional, you must be familiar with collective bargaining agreements and the process that rights are given, contracts, and union and management cooperation. With this in mind, what is a rights arbitration?

A. It is a lawsuit between the collective management and the collective union.

B. It is a formal hearing between the management and the union, to resolve grievances during the construction of a contract.

C. It is a formal hearing between management and the union to resolve grievances during the administration of a contract.

D. It is a not a lawsuit, but a resolution of laws and their impact on existing contracts.

ANSWER: C

Explanation:

"It is a formal hearing between management and the union to resolve grievances during the administration of a contract." correctly describes rights arbitration, which is also commonly called grievance arbitration. It concerns a dispute arising under an existing collective bargaining agreement (CBA), such as whether management properly applied a contract provision, followed required procedures, or imposed discipline consistent with the agreement. The union generally represents covered employees in the proceeding; therefore, the dispute is between the union and management rather than management and individual union members.

The arbitrator's role is to interpret and apply the rights and obligations the parties already established in their CBA. The process commonly follows the negotiated grievance procedure, culminating in a neutral arbitrator's hearing and decision when the parties cannot resolve the grievance themselves. This makes rights arbitration an important contract-administration mechanism: it provides a final, binding method for resolving disputes while the agreement remains in effect. The Federal Mediation and Conciliation Service describes arbitration as a process used to resolve labor-management disputes, including grievance matters under collective bargaining agreements. See the FMCS arbitration overview and the National Labor Relations Board's collective-bargaining rights guidance.

QUESTION NO: 3

Which of the following are non-monetary rewards that a company can provide to its employees?

A. Recognition

B. Opportunity to learn

C. Flexible hours

D. Cash compensation

ANSWER: A B C

Explanation:

Recognition, opportunity to learn, and flexible hours are all non-monetary rewards because they provide value to employees without directly increasing their cash pay. Recognition meets employees' needs for appreciation, achievement, and visibility; it can include sincere praise, formal awards, or acknowledgment of meaningful contributions. A well-designed recognition practice reinforces desired performance and organizational values while helping employees feel that their work matters.

Opportunity to learn is also a valuable nonfinancial reward. Training, mentoring, stretch assignments, professional-development resources, and career-growth opportunities build employees' skills and employability. These opportunities can increase engagement because employees see a future with the organization and believe the employer is investing in their development.

Flexible hours are a non-monetary work-life benefit. Flexibility can give employees greater control over when they perform work, enabling them to better manage personal responsibilities while meeting business requirements. Flexible work arrangements are commonly treated as part of an organization's total rewards and employee-value proposition. Employers should establish consistent eligibility, scheduling, and performance expectations when administering these rewards. The U.S. Office of Personnel Management describes flexible schedules as arrangements that vary employees' workday start and stop times, and its recognition guidance explains the role of acknowledging contributions: OPM Alternative Work Schedules Handbook and OPM Recognition and Rewards.

QUESTION NO: 4

OSHA may inspect a workplace at any time. The purpose of these inspections is to maintain safety for all workers. OSHA has established five priorities for workplace inspections. Which one of the following statements is the correct order of most important OSHA priorities to least important OSHA priorities?

A. Imminent danger, planned inspections in high-hazard industries, employee complaints, catastrophes and fatal accidents, follow-up inspections

B. Imminent danger, catastrophes and fatal accidents, planned inspections in high-hazard industries, employee complaints, and follow-up inspections

C. Imminent danger, catastrophes and fatal accidents, planned inspections in high-hazard industries, follow-up inspections, and employee complaints

D. Imminent danger, catastrophes and fatal accidents, employee complaints and referrals, planned inspections in high-hazard industries, follow-up inspections

ANSWER: D

Explanation:

The correct priority sequence is **"Imminent danger, catastrophes and fatal accidents, employee complaints and referrals, planned inspections in high-hazard industries, follow-up inspections."** OSHA uses this hierarchy to direct limited enforcement resources first to situations in which a hazard could reasonably be expected to cause death or serious physical harm immediately. Next, OSHA responds to work-related fatalities and catastrophes, because these events require prompt investigation and may indicate continuing hazards affecting other workers. Complaints and referrals are then prioritized, particularly where employees, their representatives, or other credible sources report potentially unsafe or

unhealthful conditions. Programmed inspections—described here as planned inspections in high-hazard industries—are conducted according to OSHA's targeting systems and enforcement programs to address industries, establishments, or hazards with elevated risk. Follow-up inspections occur after a prior inspection to verify that cited violations have been corrected or that abatement requirements have been met. This ordering is established in OSHA's Field Operations Manual and reflects OSHA's risk-based approach to protecting workers from the most urgent threats first. See OSHA's Field Operations Manual, Chapter 2: Enforcement Operations and its Inspections overview.

QUESTION NO: 5

Which of the following are the key components of gainsharing? Each correct answer represents a complete solution. Choose three.

A. The organization and the employees share the financial gains.

B. If goals for improvements are met, employees and managers share the success.

C. Managers and employees provide their part of salary for charity.

D. Employees and management work together for reviewing organizational performance.

ANSWER: A B D

Explanation:

Gainsharing is a group-based incentive approach that links employee rewards to measurable improvements in organizational or work-unit performance. "The organization and the employees share the financial gains" is central because the plan distributes a defined portion of savings or gains generated through improved results. "If goals for improvements are met, employees and managers share the success" correctly reflects the contingent nature of gainsharing: awards are earned when the group achieves predetermined performance improvements, such as lower costs, higher productivity, improved quality, or reduced waste. "Employees and management work together for reviewing organizational performance" is also a key component because gainsharing depends on employee participation, transparency, and joint review of results. Employees need meaningful opportunities to identify operational improvements, while management provides performance information and administers the agreed measurement and payout process. Together, shared gains, measurable improvement goals, and collaborative performance review distinguish gainsharing from an individual incentive or a discretionary bonus. The HRCI PHR functional area includes total rewards practices, including incentive compensation, as reflected in the HRCI PHR certification information. Additional guidance on group incentive and gainsharing plan design is available from SHRM's employee bonus-program resources.

QUESTION NO: 6

Which of the following are characteristics of an effective employee handbook? Each correct answer represents a complete solution. Choose three.

A. A clear statement of workplace policies and expectations

B. Multiple avenues for reporting harassment concerns

C. A reservation of the employer's right to revise policies

D. A guarantee that all policies will remain unchanged throughout employment

ANSWER: A B C

Explanation:

An effective employee handbook communicates the organization's employment practices, workplace expectations, and important policies in a clear and accessible manner. It should state that employment is at will when that relationship applies and when permitted by applicable law. An at-will statement helps clarify that the handbook is not intended to create a contract of employment.

The handbook should also include a clear anti-harassment policy with multiple reporting avenues. Multiple reporting channels are important because an employee may need to report conduct involving the employee's direct supervisor. Finally, the handbook should reserve the organization's right to revise policies as business needs and legal requirements change. HR should periodically review handbook language for legal compliance and consistency with actual practice. The EEOC provides harassment guidance at Harassment.

QUESTION NO: 7

Diane is the HR Professional for her organization and she's examining the ranges for the compensation levels of her company. Which one of the following statements best describes what a range for compensation is?

A. A range specifies the lowest/minimum and the highest/maximum compensation rates for which positions with each grade are federally mandated that employees be paid.

B. A range specifies the lowest/minimum and the highest/maximum compensation rates for which positions with each grade are generally paid.

C. A range specifies the lowest/minimum and the highest/maximum compensation rates for the worth of responsibilities.

D. A range specifies the lowest/minimum and the highest/maximum value for which employees are generally paid through incentives.

ANSWER: B

Explanation:

A range specifies the lowest/minimum and the highest/maximum compensation rates for which positions with each grade are generally paid. A compensation, or salary, range establishes the pay boundaries associated with a job grade: the minimum is the intended entry point for employees who meet the role's basic requirements, while the maximum reflects the upper end of base-pay opportunity for fully proficient, highly experienced employees in that grade. HR uses ranges to support internally consistent pay decisions across jobs of comparable value while retaining flexibility to account for such factors as relevant experience, sustained performance, skills, geographic labor-market conditions, and the organization's compensation philosophy. The word "generally" is important because a range is an employer-designed pay-management structure, not a federally mandated rate for every role. Employers commonly use market data and job evaluation when developing grades and their associated ranges, then periodically review them as markets and organizational needs change. The U.S. Office of Personnel Management's pay-system materials illustrate the use of defined minimum and maximum rates within structured pay systems: OPM General Schedule. For broader federal guidance on compensation practices and pay equity considerations, see the EEOC's wages and compensation guidance.

QUESTION NO: 8

As an HR Professional, you should be familiar with OSHA rules, standards, and regulations. Should an organization violate an OSHA standard, there are often penalties that the employer must pay. What is the maximum fine an employer may face for a deliberate and intentional violation of an OSHA standard?

A. $100,000

B. $10,000

C. $50,000

D. $70,000

ANSWER: D

Explanation:

$70,000 is the historical statutory maximum for a willful OSHA violation, which is the violation category described by a deliberate and intentional failure to comply with an applicable safety or health requirement. In the traditional OSHA penalty framework commonly tested in HR certification materials, a willful violation carried a penalty range with a maximum of

$70,000. HR professionals should recognize that willful violations involve more than an inadvertent error: the employer either knowingly failed to comply or acted with plain indifference to employee safety and health requirements.

OSHA's civil monetary penalties are subject to annual federal inflation adjustments, so the enforceable dollar maximum can be higher in a given current year. For examination questions using the long-established statutory figures and no specified penalty-adjustment year, $70,000 is the intended maximum for a deliberate and intentional, or willful, violation. OSHA explains its enforcement and penalty framework at https://www.osha.gov/enforcement, and its current annually adjusted penalty amounts are published at https://www.osha.gov/penalties.

QUESTION NO: 9

Which of the following are qualifying events that can result in a qualified beneficiary losing group health plan coverage and becoming eligible to elect COBRA continuation coverage? Each correct answer represents a complete solution. Choose three.

A. Termination of employment other than for gross misconduct

B. Reduction in hours of employment

C. Divorce or legal separation

D. An employee's annual performance appraisal

ANSWER: A B C

Explanation:

Termination of a covered employee's employment, other than for gross misconduct, is a COBRA qualifying event. Reduction of the covered employee's hours of employment is also a qualifying event because it can cause loss of eligibility for the employer's group health plan. Divorce or legal separation of the covered employee from a covered spouse is a qualifying event for the spouse and dependent children who lose coverage as a result.

COBRA continuation coverage generally applies to group health plans sponsored by employers with 20 or more employees in the prior calendar year. The qualifying event must result in a loss of coverage, and the affected individual must be a qualified beneficiary. HR should administer notices, election periods, and premium-payment rules carefully. The Department of Labor explains COBRA qualifying events and continuation-coverage rules in its COBRA Continuation Coverage guidance.

QUESTION NO: 10

Which of the following factors are key to a successful enterprise resource planning system implementation? (Select TWO options.)

A. Choose the right HR system.

B. Provide proper training to the users.

C. Have commitment from senior management.

D. Announce the new system during a staff meeting.

E. Create an incentive program for utilizing the new system.

ANSWER: B C

Explanation:

Providing proper training to users and having commitment from senior management are the two essential implementation factors. ERP technology changes work processes, information flows, and the way employees complete routine transactions. Training equips users to perform their responsibilities accurately in the new system, understand new workflows, and use the system consistently after launch. It also supports adoption by reducing uncertainty and helping employees recognize how the technology applies to their jobs.

Senior-management commitment provides the sponsorship needed to establish priorities, commit sufficient budget and staffing, resolve cross-functional issues, and reinforce accountability for adoption. Because an ERP implementation affects multiple functions and often requires substantial process change, executive support is critical to coordinating decisions and maintaining organizational momentum throughout planning, deployment, and stabilization. Together, active sponsorship and practical user preparation create the organizational conditions that allow the technology and redesigned processes to be used effectively. HRCI identifies HR technology and the implementation of HR information systems as part of the PHR body of knowledge; see the HRCI PHR exam blueprint. Implementation guidance likewise emphasizes executive sponsorship and change-management training as adoption foundations; see Prosci's ADKAR change-management framework.

QUESTION NO: 11

You are an HR Professional for your organization and you're preparing your team for a series of interviews. You want the team to be familiar with the validity types you'll use and encourage in the series of interviews. During the interview process, the candidate will need to complete a psychological test to determine his ability to perform in the job role based on collected and desired traits. This is an example of what type of validity?

A. Construct-related validity

B. Criterion-related validity

C. Content validity

D. Predictive validity

ANSWER: A

Explanation:

Construct-related validity is correct because the psychological test is intended to measure underlying, job-relevant traits or characteristics that cannot be observed directly, such as cognitive ability, conscientiousness, emotional stability, integrity, or interpersonal orientation. In selection, a construct is the theoretical attribute that the assessment purports to measure. Evidence for construct-related validity shows that test scores actually represent that intended attribute and that the attribute has a meaningful relationship to successful performance in the role. HR should ensure that the traits being assessed are supported by a job analysis and are demonstrably relevant to the position's essential duties. Proper validation also requires technical evidence that the assessment measures the stated construct consistently and appropriately for the intended employment decision. This approach supports both sound talent-selection decisions and compliance with professional validation standards. The EEOC's Uniform Guidelines recognize construct validity as a permissible validation strategy when it is based on an analysis of the construct and evidence of its relationship to job performance. See the EEOC guidance on the Uniform Guidelines on Employee Selection Procedures and the SIOP Principles for validation and use of personnel selection procedures.

QUESTION NO: 12

The most important consideration when gathering demographic data as part of an employee survey is to avoid questions:

A. That allow for multiple responses

B. Related to race, sex, or age

C. That employees feel may identify them

D. About years of service with the organization

ANSWER: C

Explanation:

"That employees feel may identify them" is correct because the usefulness of an employee survey depends on respondents believing their answers will remain confidential. Demographic questions can support meaningful analysis by showing whether experiences differ across groups or organizational segments, but they must be designed so that individuals cannot

reasonably be singled out—particularly in small departments, locations, or demographic groups. When a combination of requested details could reveal a respondent's identity, employees may withhold participation or moderate their answers, reducing both response quality and the reliability of survey findings. HR should collect only demographic information needed for a defined business purpose, combine or suppress results for very small groups, clearly communicate how data will be handled, and report results in aggregate. These safeguards help maintain trust while still allowing the organization to identify broad patterns and improve workplace practices. Confidential handling of employee information is a core expectation of sound HR data-collection practice and supports candid employee feedback. The EEOC's discussion of privacy and confidentiality considerations for employment-related information is available at EEOC Fact Sheet on Disability Discrimination. HRCI certification resources are available at HRCI PHR Certification.

QUESTION NO: 13

As a HR Professional you must understand the laws and regulations, which affect employee compensation. Which of the following was the first to address sanitary working conditions?

A. Walsh-Healey Public Contracts Act

B. Portal-to-Portal Act

C. Davis-Bacon Act

D. Fair Labor Standards Act

ANSWER: A

Explanation:

The Walsh-Healey Public Contracts Act was the first federal labor law among those listed to expressly address sanitary working conditions. Enacted in 1936, it applies to certain contracts for the manufacture or furnishing of materials, supplies, articles, and equipment to the U.S. government. In addition to setting labor standards such as minimum wages and limits on child labor, the Act required covered contractors to maintain safe and sanitary working conditions. This is significant in the historical development of U.S. employment law because it connected federal contracting requirements with workplace health and safety protections before more comprehensive occupational safety legislation was enacted. For HR professionals, the Act illustrates that an organization doing business with the federal government may have compliance duties beyond general wage-and-hour obligations, including obligations related to the physical conditions of work. The U.S. Department of Labor's Wage and Hour Division identifies the Walsh-Healey Act as establishing standards for working conditions in covered federal supply contracts. See the Department of Labor's Walsh-Healey Public Contracts Act guidance and the statutory text at 41 U.S.C., Chapter 65.

QUESTION NO: 14

Which of the following are examples of reasonable accommodations that may be considered for a qualified individual with a disability under the Americans with Disabilities Act? Each correct answer represents a complete solution. Choose three.

A. Job restructuring of marginal duties

B. Modified work schedules

C. Acquisition or modification of equipment

D. Elimination of an essential job function

ANSWER: A B C

Explanation:

Job restructuring, modified work schedules, and acquisition or modification of equipment are all examples of accommodations that may be reasonable under the Americans with Disabilities Act (ADA). Job restructuring can include reallocating marginal job functions that an employee cannot perform because of a disability, while maintaining the essential functions of the position. A modified work schedule may allow an employee to adjust start times, break periods, or

scheduling arrangements when doing so enables the employee to perform the job effectively. Modifying equipment or devices can include providing assistive technology or adapting existing tools so that an employee can perform essential job duties.

An employer is not required to eliminate an essential function of a job, lower production or performance standards that are applied uniformly, or provide an accommodation that would create an undue hardship. HR should engage in an individualized, interactive process to understand the employee's limitations, identify effective accommodation options, and assess whether a proposed option would impose significant difficulty or expense. The EEOC discusses accommodation examples and the interactive process in its Enforcement Guidance on Reasonable Accommodation and Undue Hardship.

QUESTION NO: 15

Which of the following is a term used to describe efforts made by a downsizing company to help former employees through the transition to new jobs and help them re-orientate to the job market?

A. Duty of diligence

B. Exit interview

C. Utility function

D. Outplacement

ANSWER: D

Explanation:

Outplacement is the employer-sponsored assistance provided to employees who are leaving an organization, commonly as a result of a downsizing, restructuring, or reduction in force. Its purpose is to help affected individuals make an effective transition to new employment and reconnect with the external labor market. Outplacement services may be delivered internally or through a specialized external provider and often include career counseling, skills and interest assessment, résumé development, interview preparation, job-search strategy, networking guidance, and access to job leads or career resources.

For HR professionals, offering outplacement reflects a responsible approach to workforce reductions. It can help departing employees navigate a difficult career transition while supporting the organization’s commitment to respectful treatment. Thoughtful transition support may also help preserve employee morale among remaining staff and protect the employer’s reputation in the labor market. The U.S. Department of Labor’s CareerOneStop provides comparable job-search and career-transition resources, illustrating the types of support commonly included in outplacement programs: CareerOneStop. Guidance on managing layoffs and worker transitions is also available through the U.S. Department of Labor’s Employment and Training Administration: Employment and Training Administration layoffs resources.

QUESTION NO: 16 - (SIMULATION)

(Enter the answer as a numeric value.)

An employee’s base pay is $20 per hour. They worked 48 hours in one week and received a spot bonus of $200. Their gross pay for the week is _____.

ANSWER: See the explanation for the answer

Explanation:

Answer: 1240

Calculate weekly gross pay:

Regular pay: 40 hours × $20 = $800
Overtime pay: 8 hours × ($20 × 1.5) = $240
Spot bonus: $200

Total: $800 + $240 + $200 = **$1,240**.

QUESTION NO: 17

Which of the following promotes an effective coaching relationship? (Select TWO options.)

A. Preparing for the session and eliminating interruptions

B. Addressing performance issues in a team environment

C. Listening carefully to the employee's challenges

D. Ensuring accuracy of training materials

E. Engaging in social activities outside of work

ANSWER: A C

Explanation:

Preparing for the session and eliminating interruptions promotes an effective coaching relationship because it demonstrates respect for the employee's time and creates the psychological space needed for a focused, confidential discussion. Preparation enables the coach to clarify the purpose of the conversation, review relevant facts, and use the available time productively. Minimizing distractions also signals that the employee and the subject being discussed are important.

Listening carefully to the employee's challenges is equally essential because coaching is a collaborative, employee-centered development process. Active listening helps the coach understand the employee's perspective, ask meaningful follow-up questions, and support the employee in identifying practical goals and solutions. Attentive listening builds trust and encourages candid communication, which are necessary for a productive coaching relationship and sustained performance development. These practices align with professional coaching principles emphasizing presence, active listening, and a supportive environment. See the International Coaching Federation Core Competencies and the CIPD coaching and mentoring factsheet.

QUESTION NO: 18

Which of the following are best practices to maintain human resource information system (HRIS) security? (Select TWO options.)

A. Badge access

B. Decrypted data

C. Unrestricted access

D. Password complexity

E. Multi-factor authentication

ANSWER: D E

Explanation:

Password complexity and **Multi-factor authentication** are foundational controls for protecting an HRIS, which commonly holds highly sensitive employee data such as Social Security numbers, compensation, benefits elections, performance information, and bank-account details. Password-complexity requirements help reduce the likelihood that an account can be accessed through easily guessed or commonly reused credentials. An effective password policy should be part of a broader identity and access-management process that establishes secure credential creation and handling.

Multi-factor authentication adds verification from a separate factor, such as an authenticator application, hardware security key, or biometric check, in addition to the password. This substantially improves protection when a password is disclosed, reused, or obtained through phishing because the password alone is not sufficient to access the system. Together, these

practices support the HR responsibility to safeguard confidential workforce information, limit the risk of unauthorized disclosure, and maintain appropriate administrative controls over HR technology. HRCI includes data privacy and security within the PHR body of knowledge; see the HRCI PHR exam preparation resources. NIST also describes multifactor authentication as an important identity-proofing and authentication control in SP 800-63B.

QUESTION NO: 19

When training new supervisors, which attribute of performance management best establishes working relationships with their employees?

A. Providing multirater feedback

B. Conducting departmental training

C. Coordinating production meetings

D. Clarifying work expectations

ANSWER: D

Explanation:

Clarifying work expectations best establishes an effective working relationship because it creates a shared understanding of what employees are responsible for, what successful performance looks like, how work will be evaluated, and how individual responsibilities support team and organizational objectives. For a new supervisor, these conversations provide an early foundation for consistency, accountability, and trust. Employees can more confidently prioritize their work and seek appropriate support when performance standards, deadlines, behavioral expectations, and decision-making boundaries are understood. Clear expectations also make performance management an ongoing communication process rather than a corrective event that occurs only after a problem arises. This practice supports regular coaching and meaningful feedback because the supervisor and employee have agreed reference points for discussing progress. HRCI includes performance management and employee development among the functional knowledge areas assessed for PHR candidates, including practices that support employee performance and organizational effectiveness. The U.S. Office of Personnel Management likewise identifies communicating expectations as a core responsibility in managing performance. See the HRCI PHR certification overview and the OPM performance-management cycle.

QUESTION NO: 20

What are the most important factors when developing a diversity, equity, and inclusion (DEI) strategy? (Select TWO options.)

A. Gain top management support

B. Review employee survey data

C. Benchmark other organizations

D. Align with business objectives

E. Create a timeline for training and evaluation

ANSWER: A D

Explanation:

Gain top management support and **Align with business objectives** are the foundational considerations for a sustainable DEI strategy. Senior leaders establish organizational priorities, dedicate budget and personnel, communicate expectations, and model inclusive behavior. Their visible, continuing sponsorship gives DEI work the authority needed to move beyond isolated activities and become embedded in management practices, talent decisions, and organizational culture.

Alignment with business objectives makes the strategy relevant to the organization’s mission and operating needs. HR should connect DEI goals and measures to business priorities such as workforce capability, innovation, customer or community understanding, retention, risk management, and organizational performance. This linkage helps leaders make

informed resource decisions, assign accountability, and evaluate progress through meaningful measures over time. Together, executive sponsorship and strategic alignment position DEI as an integrated business and people-management responsibility rather than a stand-alone program. This reflects the PHR's emphasis on aligning HR initiatives with organizational strategy and securing stakeholder support for implementation. See HRCI's PHR certification overview and the SHRM inclusion, equity, and diversity resources.

QUESTION NO: 21

The goal setting process for performance management involves:

A. Identifying assignments that incur minimal cost.

B. Clarifying the necessary abilities required to meet the essential job functions.

C. Aligning objectives with the organization's mission.

D. Requesting feedback on current performance.

ANSWER: C

Explanation:

Aligning objectives with the organization's mission is correct because performance-management goals should create a clear line of sight between an employee's expected results and the priorities the organization is trying to achieve. Effective goal setting translates broad strategic direction—such as the mission, business strategy, and departmental priorities—into specific individual objectives. This alignment helps employees understand why their work matters, supports consistent decision-making about priorities, and gives managers meaningful standards against which to evaluate performance. Goals should also be clearly communicated and mutually understood, with measures, expected outcomes, and time frames appropriate to the role. In practice, an organization may cascade high-level strategic objectives to departments, teams, and then individual employees, while ensuring each employee's goals remain relevant to the essential responsibilities of the position. This process strengthens accountability and makes performance reviews more objective because achievement can be assessed according to agreed-upon, business-relevant results. HRCI's PHR functional areas include performance management and organizational strategy, reflecting the importance of connecting people practices and individual performance to organizational direction. See the HRCI PHR certification overview and the U.S. Office of Personnel Management performance-management cycle.

QUESTION NO: 22

Which of the following are benefits of using structured interviews in the employee-selection process? Each correct answer represents a complete solution. Choose three.

A. Using the same job-related questions for candidates

B. Applying consistent rating criteria

C. Improving comparability of candidate responses

D. Allowing each interviewer to use entirely different selection standards

ANSWER: A B C

Explanation:

Using the same job-related questions for candidates, applying consistent rating criteria, and improving the comparability of candidate responses are important benefits of structured interviews. In a structured interview, interviewers ask predetermined questions that are tied to the job analysis and evaluate responses using defined scoring guides. This approach reduces the degree to which each candidate is assessed through a different process.

Structured interviews can improve consistency, support more reliable selection decisions, and create documentation showing that candidates were evaluated against the same job-related standards. Interviewers should be trained to ask

questions as designed, avoid impermissible inquiries, take job-related notes, and apply the scoring criteria consistently. The EEOC's Employment Tests and Selection Procedures guidance emphasizes the importance of using job-related selection procedures, while the Office of Personnel Management describes structured interviewing practices in its Structured Interviews resource.

QUESTION NO: 23

Yolanda is an HR Professional for her organization that has 250 employees. Yolanda is working with Thomas, a manager in the company. Thomas reports that Carrie, one of his staff members, will be leaving the organization for a leave absence due to a pregnancy issue. Thomas wants to know if he can terminate Carrie's employment because she won't be able to complete her work due to the pregnancy issue. What's the best answer for this scenario?

A. Yolanda should tell Thomas that Carrie must return to work within 28 days or the organization can assume that Carrie has resigned.

B. Yolanda should tell Thomas that Carrie's employment can be terminated as pregnancy issues are not allowable time away from the organization.

C. Yolanda should tell Thomas that Carrie's employment can be terminated as the organization does not meet the Pregnancy Discrimination Act with 500 minimum employees.

D. Yolanda should tell Thomas that Carrie must be treated the same way as any other temporarily disabled employee.

ANSWER: D

Explanation:

Yolanda should tell Thomas that Carrie must be treated the same way as any other temporarily disabled employee. The Pregnancy Discrimination Act (PDA), an amendment to Title VII, applies to employers with 15 or more employees, so this 250-employee organization is covered. Under the PDA, discrimination because of pregnancy, childbirth, or related medical conditions is unlawful sex discrimination. An employer must treat an employee affected by pregnancy or a related condition the same as other employees who are similar in their ability or inability to work. Thus, HR should apply the organization's established practices for comparable temporary medical limitations, including leave, modified duties, or other benefits available to similarly situated employees, rather than making an adverse employment decision based on pregnancy itself.

The current federal framework also includes the Pregnant Workers Fairness Act, which generally requires covered employers to provide reasonable accommodations for known limitations related to pregnancy, childbirth, or related medical conditions unless doing so creates an undue hardship. HR should therefore engage in the appropriate accommodation and leave review, document the process, and ensure that any employment action is based on consistently applied, lawful criteria rather than Carrie's pregnancy-related absence. See the EEOC's Title VII guidance and its Pregnant Workers Fairness Act overview.

QUESTION NO: 24

Which of the following are appropriate elements of an effective workplace-safety program? Each correct answer represents a complete solution. Choose three.

A. Management commitment to safety and health

B. Employee participation in identifying hazards

C. Regular identification and correction of workplace hazards

D. Disciplining employees for reporting safety concerns

ANSWER: A B C

Explanation:

An effective workplace-safety program requires active management commitment and meaningful employee participation. Management commitment establishes accountability, provides resources, and demonstrates that safety is an organizational priority. Employee participation is important because employees often have direct knowledge of hazards, equipment problems, and practical improvements to work processes.

Regular hazard identification and correction are also essential. Organizations should inspect work areas, investigate incidents, evaluate changing work conditions, and address recognized hazards promptly. Providing safety training that employees can understand is another core program element, but it is not a substitute for correcting unsafe conditions. OSHA describes recommended practices that include management leadership, worker participation, hazard identification and assessment, hazard prevention and control, education and training, and program evaluation at Safety Management.

QUESTION NO: 25

HR Professionals must recognize types of unlawful discrimination to be in compliance with US law. One type of discrimination is disparate treatment. Which one of the following is the best definition of disparate treatment?

A. When an employer treats all applicants the same regardless of their race, color, sex, religion, national origin, age, disability, or military or veteran status.

B. When an employer creates a quid pro quo status based on an employee's rebuttal of unwelcome sexual advances.

C. When an employer treats a candidate differently based on the person's race, color, sex, religion, national origin, age, disability, or military or veteran status

D. When an employee treats other employees differently based on their past work efforts.

ANSWER: C

Explanation:

“When an employer treats a candidate differently based on the person's race, color, sex, religion, national origin, age, disability, or military or veteran status” is the best definition of disparate treatment. Disparate treatment is intentional unequal treatment of an individual because of a protected characteristic. In an employment setting, it can arise at any stage of the employment relationship, including recruiting, hiring, assignment, compensation, promotion, discipline, discharge, and access to employment benefits. The key concept is that the employer makes a decision affecting a particular person differently because of that person’s protected status; proof of discriminatory intent is therefore central to this theory.

Federal protections include Title VII’s coverage of race, color, religion, sex, and national origin; the Age Discrimination in Employment Act’s protection for individuals age forty and older; and the Americans with Disabilities Act’s protection against disability discrimination. Other federal statutes also protect covered service members and veterans in employment. HR professionals should recognize that an apparently individual employment decision may constitute disparate treatment when evidence shows that a protected trait motivated the decision. The U.S. Equal Employment Opportunity Commission discusses the principal federal employment discrimination laws at https://www.eeoc.gov/statutes/title-vii-civil-rights-act-1964 and https://www.eeoc.gov/statutes/title-i-americans-disabilities-act-1990.

QUESTION NO: 26

Which of the following are established by Fair Labor Standards Act (FLSA) of 1938? Each correct answer represents a complete solution. Choose three.

A. Criteria for exempt and nonexempt employees

B. Minimum wage requirement

C. Laws for protecting American children against labor exploitation

D. Health insurance requirement

ANSWER: A B C

Explanation:

The Fair Labor Standards Act establishes the federal framework for employee minimum-wage and overtime protections, as well as child-labor standards. Accordingly, *Minimum wage requirement* is correct because the FLSA sets a federal minimum wage floor for covered nonexempt employees. The law also supplies the basis for distinguishing exempt from nonexempt status under its minimum-wage and overtime provisions. Therefore, *Criteria for exempt and nonexempt employees* is correct: exemption analysis involves the employee's job duties and, for many white-collar exemptions, salary-basis and salary-level requirements established through FLSA regulations.

Laws for protecting American children against labor exploitation is also correct. The FLSA's child-labor provisions protect minors by restricting employment in hazardous occupations and limiting the hours and types of work that may be performed by children of specified ages. These safeguards are intended to protect young workers' health, well-being, and educational opportunities. HR professionals must apply these federal requirements when classifying jobs, setting pay practices, administering overtime, and employing minors. The U.S. Department of Labor summarizes the FLSA's wage, overtime, recordkeeping, and youth-employment protections at https://www.dol.gov/agencies/whd/flsa. Additional Department of Labor guidance on exemption criteria is available at https://www.dol.gov/agencies/whd/fact-sheets/17a-overtime.

QUESTION NO: 27

The management and union are proceeding to an arbitration hearing that will be conducted by an arbitration panel. Which one of the following best describes the makeup of the arbitration panel?

A. There are three arbitrators all of whom are randomly selected to serve from a pool of pre-approved management and union arbitrators.

B. There are three arbitrators all of whom must be approved to participate by the management and the union.

C. There are three arbitrators, one selected by the management, one selected by the union, and a neutral arbitrator whom both management and union approve of.

D. There are three arbitrators, all of whom are selected by the party not bringing the grievance.

ANSWER: C

Explanation:

There are three arbitrators, one selected by the management, one selected by the union, and a neutral arbitrator whom both management and union approve of. This describes the traditional tripartite labor-arbitration panel. Each side names a panel member who understands that party's workplace, contractual, and industrial-relations perspective. The jointly acceptable neutral arbitrator serves as the chair and provides the independence essential to a fair, credible decision-making process. The neutral is ordinarily selected through mutual agreement, often from a roster supplied by an arbitration service; if the parties cannot agree, their collective bargaining agreement or the applicable arbitration rules may establish a selection procedure. This structure balances party participation with neutral adjudication while preserving the arbitrator's authority to interpret and apply the collective bargaining agreement to the grievance. The Federal Mediation and Conciliation Service describes arbitration as a process in which a neutral arbitrator resolves disputes and provides arbitrator-selection services: FMCS Arbitration Services. The American Arbitration Association also explains procedures for appointing neutrals in labor arbitration: AAA Labor Arbitration.

QUESTION NO: 28

Your organization has a retirement benefits plan that is covered by ERISA . Under ERISA, which of the following is your organization required to do for the plan participants?

A. Provide each participant with plan information, specifically about the features and funding of the plan through a summary plan description at a cost of no more than $7 per participant, per year.

B. Provide each participant with plan information, specifically about the features and funding of the plan through a summary plan description at no cost.

C. Provide each participant with monthly plan information, specifically about the features and funding of the plan through a summary plan description at no more than $7 per participant, per month.

D. Provide each participant with monthly plan information, specifically about the features and funding of the plan through a summary plan description at no cost.

ANSWER: B

Explanation:

Provide each participant with plan information, specifically about the features and funding of the plan through a summary plan description at no cost. ERISA requires the administrator of a covered employee benefit plan to furnish a Summary Plan Description (SPD) to participants automatically. The SPD is the principal disclosure document designed to communicate, in understandable terms, the plan's material provisions, including eligibility and participation rules, benefit information, claims procedures, participants' rights and responsibilities, and information about the plan's funding or financing. For a retirement plan, this disclosure helps participants understand the benefit arrangement and how the plan operates.

The SPD must be supplied within ERISA's required distribution time frames, generally within 90 days after an individual becomes a participant, with additional rules for newly established plans and updated disclosures when material modifications occur. The administrator's obligation is to provide the required SPD rather than to condition its routine delivery on a participant payment. This participant-disclosure duty supports ERISA's core goal of ensuring that workers receive clear, usable information about their benefit plans. The U.S. Department of Labor's overview of required reporting and disclosure materials is available at https://www.dol.gov/general/topic/health-plans/planinformation. ERISA's SPD content and furnishing requirements are codified at 29 U.S.C. § 1022.

QUESTION NO: 29

Which of the following actions should an organization take when establishing a succession-planning process? Each correct answer represents a complete solution. Choose three.

A. Identify positions that are critical to organizational continuity

B. Define the competencies needed for critical future roles

C. Create development plans for potential successors

D. Guarantee promotion to every employee identified as a successor

ANSWER: A B C

Explanation:

Succession planning is a systematic process for ensuring that the organization has potential successors for positions that are critical to business continuity and future strategy. Identifying critical positions is an essential first step because not every position presents the same level of operational, leadership, or technical risk if it becomes vacant. The organization should define the competencies and experiences required for success in those positions so that candidates are evaluated against future job requirements.

Developing potential successors through targeted development plans is also appropriate. These plans may include mentoring, coaching, job rotations, formal education, and stretch assignments. Succession planning should be ongoing and aligned with business strategy, rather than limited to replacing a single incumbent after a vacancy occurs. The U.S. Office of Personnel Management provides succession-planning resources at Workforce Succession Planning.

QUESTION NO: 30

Which of the following are narrative methods of appraisal that require managers to describe the employee's performance? Each correct answer represents a complete solution. Choose three.

A. Daily review

B. Field review

C. Essay review

D. Critical incident review

ANSWER: B C D

Explanation:

Narrative appraisal methods use written descriptions of an employee's behavior, accomplishments, strengths, and performance concerns rather than relying exclusively on numerical scales or checklist ratings. "Essay review" is a narrative method because the manager prepares a written account of the employee's job performance, typically addressing areas such as work quality, results, developmental needs, and potential. "Critical incident review" is also narrative because the evaluator documents significant examples of especially effective or ineffective job-related behavior as they occur; those documented incidents support a descriptive assessment at appraisal time. In a "Field review," a human resources representative or other trained reviewer commonly meets with or interviews the employee's manager and records the manager's observations in a written appraisal. The manager's descriptive input is therefore central to the evaluation. These methods can capture context and concrete behavioral examples that are useful in coaching and development discussions. They should be applied consistently and based on job-related evidence to support fair, defensible performance-management decisions. The U.S. Office of Personnel Management describes critical-element and performance-appraisal practices at OPM's Performance Management Cycle. Additional practical guidance on documenting performance is available from SHRM's Managing Employee Performance toolkit.