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QUESTION NO: 1

To address potential skills gaps related to workforce retirements, HR should: **(Select TWO options.)**

A. create a retention strategy.

B. assess the risk to operations.

C. address anticipated skill loss.

D. adjust compensation methods.

E. establish a job-sharing program.

ANSWER: B C

Explanation:

assess the risk to operations. and **address anticipated skill loss.** are the appropriate actions because retirement-related workforce planning begins by determining where departures would create the greatest business-continuity exposure. HR should identify retirement eligibility trends, critical roles, scarce capabilities, dependencies, and institutional knowledge that could affect operational performance, customer service, compliance, or strategic execution. This risk assessment enables leaders to prioritize roles and capabilities for intervention rather than treating all expected retirements identically.

HR must then address anticipated skill loss through deliberate talent and knowledge-continuity practices. Relevant actions include succession planning, identifying and developing potential successors, mentoring, cross-training, job shadowing, documenting critical processes, and structured knowledge-transfer arrangements. Where appropriate, phased-retirement arrangements can provide time for transition and transfer of expertise. Together, operational-risk assessment and targeted mitigation convert retirement projections into an actionable workforce plan that protects organizational capability over both the near and longer term. This aligns with the SPHR emphasis on strategic workforce planning, succession, and organizational risk management. See HRCI's SPHR certification overview and the U.S. Department of Labor's training and workforce development resources.

QUESTION NO: 2

An organization receives the following job analysis results. Which of the following actions should the organization implement to improve job satisfaction? (Select TWO options.)

Dimension (Score 1–5, 5 being high)

Skill Variety: 3

Task Identity: 2

Task Significance: 4

Autonomy: 2

Feedback: 3

A. Offer a rotation program

B. Implement a mentoring program

C. Align to the mission and strategy

D. Expand the position ' s scope and depth

E. Increase individual latitude and discretion

ANSWER: D E

Explanation:

“Expand the position ' s scope and depth” and “Increase individual latitude and discretion” directly address the two lowest-scoring core job characteristics: task identity and autonomy. Under Hackman and Oldham’s Job Characteristics Model, task identity concerns the extent to which an employee completes a whole, identifiable piece of work rather than only a small fragment. Expanding the scope and depth of a position can enable an employee to own more of a process or deliverable from beginning to end, making the work more meaningful and visible. This strengthens experienced meaningfulness, an important psychological state associated with positive work outcomes.

Increasing individual latitude and discretion addresses autonomy, or the degree of freedom, independence, and judgment employees have in scheduling and performing their work. Greater discretion increases the employee’s sense of personal responsibility for results. When employees can make appropriate decisions about methods, priorities, and execution, they are more likely to experience ownership and satisfaction. Because both interventions are targeted to dimensions with notably low scores, they are the most direct job-design actions for improving satisfaction. The model and its Job Diagnostic Survey are described in Hackman and Oldham’s foundational research and summarized by the American Psychological Association’s PsycNet record.

QUESTION NO: 3

Your organization is comprised of various functional units, such as sales, marketing, IT, and manufacturing. When projects are created in this structure, the project team members often come from all functional areas of the organization and may work on several projects at a time. What type of organization structure are you likely operating within?

A. Blended

B. Projectized

C. Functional

D. Matrix

ANSWER: D

Explanation:

Matrix is correct because it combines functional departments with cross-functional project work. Employees retain their connection to a home function—such as sales, marketing, IT, or manufacturing—while being assigned to projects that require expertise from multiple areas. Consequently, an employee may contribute to more than one project while continuing to report through functional management and, depending on the matrix design, also coordinating with one or more project managers. This arrangement helps an organization deploy specialized knowledge across projects without permanently moving all employees out of their functional departments. In HR practice, a matrix structure requires especially clear role definitions, reporting relationships, decision rights, workload expectations, and performance-management processes because employees may receive work direction from both functional and project leaders. Matrix structures may be weak, balanced, or strong depending on the relative authority of project and functional managers, but all forms use personnel across functional boundaries to accomplish project objectives. This description directly matches the scenario’s cross-functional teams and simultaneous project assignments. The Project Management Institute describes matrix organizational structures and their shared functional/project reporting characteristics in its project-management resources. See PMI’s overview of organizational structures and PMI’s PMBOK Guide resources.

QUESTION NO: 4

(Corrected Question for Clarity and SPHR Alignment)

Which of the following are primary actions of an effective manager? **(Select TWO options.)**

A. Tie incentives to input instead of output.

B. Assign numerical ratings to each team member.

C. Align performance goals with team collaboration.

D. Identify creative rewards to recognize contributions.

E. Align frequency of feedback with organizational milestones.

ANSWER: C E

Explanation:

Align performance goals with team collaboration is a primary management action because managers translate organizational strategy into clear individual and team objectives. In interdependent work, employees need to understand not only their own deliverables but also how their work supports colleagues, customers, and broader business results. Managers establish that alignment by clarifying priorities, coordinating work across roles, and reinforcing shared accountability. This is consistent with the SPHR focus on leading organizational performance, employee engagement, and effective talent management.

Align frequency of feedback with organizational milestones is also a primary management action. Effective performance management is ongoing rather than limited to an annual review. Timely feedback connected to project phases, business cycles, goal checkpoints, or changing organizational needs enables employees to adjust performance while results can still be improved. It also gives managers a practical mechanism to recognize progress, remove barriers, communicate changing expectations, and sustain engagement. The appropriate cadence should be purposeful and responsive to the work, with significant milestones serving as useful opportunities for structured coaching and performance conversations.

These actions reflect a manager's core responsibility to create direction, maintain communication, and support performance in service of organizational objectives. See HRCI's SPHR certification overview and its exam-preparation resources.

QUESTION NO: 5

For which of the following positions does the compa-ratio reflect a lagging market rate?

Position	Pay Rate	Mid-Point	Benefits Rate
A	$17.00	$21.00	20%
B	$22.50	$22.00	25%
C	$8.00	$7.95	30%
D	$10.25	$12.25	35%

A. Position A

B. Position B

C. Position C

D. Position D

ANSWER: D

Explanation:

Position D is correct because its compa-ratio indicates that pay is below the relevant market-based reference point. A compa-ratio is calculated by dividing an incumbent's actual pay rate by the midpoint of the applicable salary range. When the salary range has been designed and maintained using current market-pricing data, the midpoint represents the organization's intended competitive market rate. Therefore, a ratio below 100% means the employee's pay falls below that midpoint; when the figure reflects the position's overall pay relationship to market, it signals a lagging market rate.

In total-rewards analysis, HR leaders use compa-ratios to identify where compensation may be misaligned with the organization's compensation philosophy and external labor-market data. This measure should be interpreted alongside factors such as the employee's proficiency, tenure in role, performance, range penetration, and the age and quality of market-survey data. Still, the fundamental interpretation remains that a below-midpoint compa-ratio reflects pay lagging the market-aligned midpoint. The U.S. Office of Personnel Management describes how pay systems use ranges and rate comparisons in compensation administration, and SHRM provides practical guidance on using compa-ratios in pay analysis. See OPM Pay Systems and SHRM: What Is a Compa-Ratio?.

QUESTION NO: 6

Business plans support organizational decisions when they are used as a:

A. Market-defining guideline

B. Guiding and supporting document

C. Narrative nonfinancial strategy

D. Snapshot of financial goals

ANSWER: B

Explanation:

Guiding and supporting document is correct because an effective business plan is used as an ongoing management tool, not merely as a one-time description of the organization or a financing document. It translates the organization's mission, strategic priorities, market assumptions, operational approach, financial expectations, and major risks into a coherent framework for making decisions. Leaders can use that framework to evaluate whether proposed initiatives, investments, staffing changes, and resource allocations support the organization's stated objectives.

For an SPHR professional, the business plan is particularly important because it provides the organizational context for workforce and HR strategy. HR leaders use its direction to anticipate capability needs, align talent acquisition and development efforts, support succession and workforce planning, and recommend people-related investments that advance business priorities. The plan also gives leaders a shared basis for monitoring progress and adjusting actions when conditions change. The U.S. Small Business Administration describes a business plan as a roadmap for structuring, operating, and growing an organization, including strategic and financial components. See SBA: Write Your Business Plan. HRCI's SPHR framework likewise emphasizes aligning HR strategy with organizational strategy and goals; see HRCI SPHR Certification.

QUESTION NO: 7

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 all that apply.

A. Critical incident review

B. Daily review

C. Essay review

D. Field review

ANSWER: A C D

Explanation:

Critical incident review, essay review, and field review are narrative-oriented appraisal approaches because they rely on documented descriptions of an employee's work behaviors, accomplishments, and performance issues rather than solely on numerical ratings. In a critical incident review, the manager maintains records of notably effective and ineffective job behaviors throughout the appraisal period. Those concrete observations provide descriptive evidence for the performance discussion and evaluation. An essay review requires the evaluator to prepare a written account of the employee's performance, often addressing job knowledge, strengths, development needs, and results. A field review also uses descriptive managerial input: a trained human resources representative or other reviewer gathers performance information from the manager and prepares or supports the appraisal narrative. These approaches can produce richer performance evidence when managers maintain objective, job-related documentation and connect observations to established performance standards. Federal performance-management guidance similarly emphasizes communicating standards and documenting performance information to support credible appraisal decisions. See the U.S. Office of Personnel Management performance management reference materials and the SHRM Performance Management Toolkit.

QUESTION NO: 8

A company that wants to reduce the cost of its unemployment insurance should do which of the following?

Each correct answer represents a complete solution. Choose all that apply.

A. Terminate employees who violate company policy

B. Establish an effective performance-management program

C. Aggressively fight unjustified claims for unemployment

D. Enhance national productivity and competitive ability

ANSWER: A B C

Explanation:

“Terminate employees who violate company policy,” “Establish an effective performance-management program,” and “Aggressively fight unjustified claims for unemployment” are appropriate practices for controlling unemployment-insurance costs. Unemployment insurance is financed largely through employer payroll taxes, and an employer’s experience rating—particularly the benefits charged to its account—can affect its tax rate. A sound performance-management program helps identify performance deficiencies early, communicate expectations, provide documented opportunities to improve, and create reliable records when separation becomes necessary. This documentation supports accurate responses to agency fact-finding and appeals.

When an employee is discharged for work-related misconduct, state law may disqualify the individual from receiving unemployment benefits; employers should consistently enforce policy, investigate violations, and retain records supporting the reason for discharge. Employers should also review claims promptly and contest claims that are unsupported or inconsistent with the separation facts. Accurate and timely participation is essential because agency determinations rely on the facts supplied by both the employer and claimant. These measures reduce avoidable benefit charges while preserving fair, compliant employment practices. The U.S. Department of Labor describes the federal-state unemployment-insurance framework at https://www.dol.gov/general/topic/unemployment-insurance; its employer guidance is available at https://oui.doleta.gov/unemploy/uitaxtopic.asp.

QUESTION NO: 9

What two elements does the formula in a defined benefit plan examine to determine the pension an employer may provide the employee?

A. Hourly rate and length of service

B. Salary and length of service

C. Salary and income contribution

D. Salary and overall performance

ANSWER: B

Explanation:

Salary and length of service is correct because a defined benefit pension promises a benefit that is calculated under a plan formula rather than being based solely on the balance in an individual employee account. The most common formula uses the employee’s compensation—often final average pay or career-average pay—and the employee’s credited years of service. For example, a plan may provide an annual retirement benefit equal to a specified percentage of final average salary multiplied by years of credited service. This approach links the eventual pension amount to both the employee’s pay level and the time the employee has participated in covered employment.

The Internal Revenue Service describes defined benefit plans as arrangements that promise a specified monthly benefit at retirement and notes that the benefit is generally determined by a formula incorporating such factors as earnings history and years of service. The U.S. Department of Labor similarly explains that defined benefit plans provide a predetermined benefit, frequently calculated using earnings and service. Although a particular plan document defines the exact compensation measure, service-credit rules, accrual rate, vesting provisions, and payment form, salary and length of service are the core

formula elements tested here. See the IRS defined benefit plan overview and the U.S. Department of Labor overview of retirement plan types.

QUESTION NO: 10

The Taft-Hartley Act, also known as the Labor Management Relations Act, addressed unions and engaged in certain types of secondary boycotts. What is a secondary boycott?

A. It is two or more boycotts by two or more union-backed organizations against one company.

B. It is an effort to convince others to stop doing business with a particular organization that is the subject of a primary boycott.

C. It is an effort to create more than one boycott on an organization, on two or more revenue streams.

D. It is additional boycotts against companies that do business with a company which the union is boycotting.

ANSWER: B

Explanation:

A secondary boycott is an effort to persuade, pressure, or induce a neutral third party to stop doing business with an employer involved in a primary labor dispute. Thus, “It is an effort to convince others to stop doing business with a particular organization that is the subject of a primary boycott” correctly identifies both essential elements: there is an underlying dispute with a primary employer, and union activity is directed toward others that have a business relationship with that employer. The concern addressed by the Labor Management Relations Act is the expansion of a dispute beyond the employer and union that are directly involved, drawing neutral employers, suppliers, customers, or other business partners into the conflict. Section 8(b)(4) of the National Labor Relations Act restricts unions from threatening, coercing, or restraining a person where an objective is to force that person to cease doing business with another person. The National Labor Relations Board also distinguishes lawful primary activity directed at the employer in dispute from prohibited secondary pressure directed at neutral parties. See NLRB: Secondary Strikes, Picketing, and Boycotts and 29 U.S.C. § 158.

QUESTION NO: 11

Federal legislation does not specifically prohibit disparate treatment of caregivers, but claims of disparate treatment for employees caring for elders, children, or disabled family members increased 450 percent between 1990 and 2005. On what basis are these claims filed?

Each correct answer represents a complete solution. Choose all that apply.

A. Americans with Disabilities Act

B. Family Medical Leave Act

C. Dvis-Bacon Act

D. Title VII

ANSWER: A B D

Explanation:

Caregiver-discrimination claims may be filed under the Americans with Disabilities Act, the Family Medical Leave Act, and Title VII because each statute can protect an employee in particular caregiving circumstances. The ADA prohibits employment discrimination based on an employee’s known association or relationship with an individual with a disability. Thus, an adverse action based on assumptions about an employee’s need to care for a disabled family member can support an associational-discrimination claim. The FMLA provides eligible employees job-protected leave for qualifying family-care reasons, including caring for a spouse, child, or parent with a serious health condition; interference with those rights or retaliation for using or seeking such leave is actionable. Title VII applies where caregiving decisions reflect unlawful sex-based stereotypes, such as assumptions that women with children will be less committed to work or that men should not

take time away to provide care. The EEOC emphasizes that caregivers are not themselves a protected class, but discrimination motivated by protected characteristics, disability association, or the exercise of statutory leave rights remains prohibited. See the EEOC's caregiver-responsibilities enforcement guidance and the U.S. Department of Labor's FMLA overview.

QUESTION NO: 12

During integration following an acquisition, which of the following are the most critical HR actions? (Select TWO options.)

A. Ensure the retention of key talent

B. Prioritize strategic growth initiatives

C. Identify key policies and procedures

D. Plan system and personnel data migration

E. Determine organizational design and structure

ANSWER: A E

Explanation:

Ensure the retention of key talent is a critical integration action because acquisitions can create uncertainty among high-performing employees, leaders, and employees with essential institutional knowledge or customer relationships. HR should rapidly identify pivotal roles, assess retention risk, communicate credibly about the combined organization, and use appropriate retention approaches to preserve operational continuity and the value expected from the transaction. This work helps the new enterprise maintain leadership capacity and execute integration priorities while change is underway.

Determine organizational design and structure is equally critical because integration requires a clear operating model for the combined business. HR partners with senior leaders to define accountabilities, reporting relationships, decision rights, leadership roles, workforce requirements, and the structure needed to support the acquisition's strategic objectives. Timely organization design creates role clarity and enables employees to understand how work will be coordinated after close. Together, talent retention and organization design address both the people needed to deliver value and the framework in which those people will operate. HRCI identifies organization design, workforce planning, and talent-related strategy as core senior-level HR capabilities in its SPHR body of knowledge. See the HRCI SPHR certification overview and the SHRM merger and acquisition management resources.

QUESTION NO: 13

Employees experience catastrophic damage to their homes after a hurricane causes massive flooding. In addition, a mandatory evacuation order closes the local office for three days.

Which of the following are the advantages to an employer providing relief payments to employees affected by a disaster? **(Select TWO options.)**

A. The employer can claim the payments as deductible business expenses.

B. Employee contributions can supplement the company ' s donation.

C. A third-party aggregator can disperse the funds quickly based on need.

D. Affected workers can receive cash payments quickly.

E. Paid time off (PTO) can be included through a leave-sharing program.

ANSWER: A D

Explanation:

The employer can claim the payments as deductible business expenses and affected workers can receive cash payments quickly are key advantages of employer-provided disaster relief. When payments meet the requirements for qualified disaster relief payments under Internal Revenue Code section 139, employees may generally exclude the assistance from gross income when it reimburses or pays reasonable and necessary personal, family, living, or funeral expenses caused by a qualified disaster. This allows the employer to deliver meaningful assistance without treating the payment as ordinary taxable wages. The employer may generally deduct qualifying relief payments as ordinary and necessary business expenses, making direct assistance a practical component of a broader business-continuity and employee-well-being response.

Speed is equally important in a hurricane scenario. Employees may need immediate resources for temporary lodging, food, transportation, essential repairs, and other urgent living expenses. Direct employer relief payments can be made much faster than many public-assistance or insurance processes, helping employees stabilize their circumstances and return to work when able. A well-designed program should apply objective eligibility criteria, document the disaster-related purpose of payments, and protect employee privacy. The IRS explains the tax treatment of qualified disaster relief payments in Qualified Disaster Relief Payments; the governing statutory provision is available through the Legal Information Institute's text of 26 U.S.C. § 139.

QUESTION NO: 14

Which of the following is the **first action** for HR to take when assessing the value of adding a formal relocation program to the overall talent acquisition strategy?

A. Consult with relocation service providers and benchmark current trends.

B. Work with finance to develop a relocation policy and budget.

C. Post positions outside the region to determine interest in relocation.

D. Perform an opportunity assessment to understand current reality and business alignment.

ANSWER: D

Explanation:

"Perform an opportunity assessment to understand current reality and business alignment" is the appropriate first action because a formal relocation program is a strategic talent-investment decision, not simply an administrative benefit or recruiting tactic. Before designing a policy, setting a budget, or engaging external providers, HR should determine whether relocation would address a genuine business and workforce need. This assessment should connect organizational strategy—such as expansion into new markets, succession requirements, site-specific skill shortages, or persistent difficulty filling critical roles—to the available internal and external talent supply. It should also establish the scale of the need, likely talent populations affected, expected business value, relevant costs and risks, and measures that can later be used to evaluate results. Beginning with this diagnosis helps ensure the proposed program is proportionate to the problem and aligned with enterprise priorities. This reflects the SPHR-level expectation that HR leaders assess organizational needs, use workforce information to support strategic decisions, and develop talent-acquisition approaches that advance business objectives. HRCI describes SPHR as a credential focused on strategic and policy-level HR responsibilities; its exam resources are available at HRCI SPHR Certification and HRCI Exam Content Outlines.

QUESTION NO: 15

Which of the following is an important requirement for the success of a corporate university program?

A. Use pilot groups to determine program effectiveness.

B. Analyze the cost per participant and confirm ROI results.

C. Align learning and development goals with business goals.

D. Determine the logistics of delivery, funding, and instruction.

ANSWER: C

Explanation:

Align learning and development goals with business goals is an essential requirement because a corporate university is a strategic organizational capability, not simply a centralized provider of training courses. Its curriculum, leadership-development experiences, knowledge-sharing systems, and learning pathways should be built around the competencies needed to execute the organization's strategy. For example, an organization pursuing digital transformation may require enterprise-wide capability building in data literacy, agile work practices, technology adoption, and change leadership. Clear business alignment helps HR prioritize investments, define meaningful learning outcomes, gain executive sponsorship, and demonstrate how development initiatives support organizational performance. It also connects the corporate university to workforce planning, succession management, and the development of future-critical skills. HRCI's SPHR framework emphasizes aligning talent and development practices with organizational strategy, objectives, and performance needs. Similarly, the Association for Talent Development identifies aligning learning with organizational priorities as a core element of talent-development strategy. Strategic alignment therefore provides the direction that enables all aspects of the corporate university program to create sustained business value. See the HRCI SPHR certification overview and ATD's Talent Development Capability Model.

QUESTION NO: 16

Your organization uses ADDIE for developing new seminars and training. During the design of the course, you need to follow four distinct steps to create a good training design. Which of the following is NOT one of the four steps of design?

A. Identify the outcome objectives.

B. Identify the distribution methods.

C. Identify learning methodologies.

D. Gain agreement and sign-off.

ANSWER: B

Explanation:

Identify the distribution methods. is correct because it is not one of the four specified activities in this training-design framework. The design work focuses on defining what learners must achieve through outcome objectives, selecting learning methodologies that support those objectives, establishing an appropriate time frame, and obtaining stakeholder agreement and sign-off. Together, these activities translate identified learning needs into an approved instructional blueprint before the training is developed and delivered.

Distribution decisions concern the channel or mechanism used to make training available, such as instructor-led delivery, a learning-management system, virtual delivery, or other deployment arrangements. Although those decisions can be important to an overall learning strategy, they are not identified as one of the four course-design steps described in the question. In ADDIE, design establishes the learning solution's structure and requirements; subsequent development and implementation activities operationalize and deliver that solution. This distinction helps HR leaders ensure that objectives, instructional approach, timing, and stakeholder approval are established before resources are committed to building and rolling out the seminar. HRCI identifies talent planning and acquisition, learning and development, and organizational effectiveness as relevant SPHR knowledge areas; see HRCI's SPHR certification overview and ATD's overview of the ADDIE model.

QUESTION NO: 17

Which of the following actions are appropriate components of an effective workplace harassment-prevention program?

Each correct answer represents a complete solution. Choose all that apply.

A. Establish multiple reporting channels

B. Conduct prompt and impartial investigations

C. Require employees to confront the alleged harasser before reporting

D. Provide regular harassment-prevention training

ANSWER: A B D

Explanation:

Establishing multiple reporting channels, conducting prompt and impartial investigations, and providing regular training are appropriate components of an effective harassment-prevention program. Multiple reporting channels help employees report concerns when the alleged harasser is a supervisor or when an employee is uncomfortable using the normal chain of command. Prompt, impartial investigations allow the organization to determine facts and take appropriate corrective action. Regular training helps employees and managers understand behavioral expectations, reporting processes, and their responsibilities.

Requiring employees to resolve concerns directly with the alleged harasser is not an appropriate universal requirement. Although informal resolution may be appropriate in limited circumstances, employees must be able to report harassment without confronting the individual involved. The EEOC emphasizes that employers should establish clear complaint procedures, investigate complaints promptly and thoroughly, and take corrective action when warranted. See the EEOC's Enforcement Guidance on Harassment.

QUESTION NO: 18

Which of the following collects data from employers throughout the United States in order to put this information on its website?

A. Bureau of Labor Statistics (BLS)

B. National Labor Relations Act (NLRA)

C. Office of Federal Contract Compliance Programs (OFCCP)

D. Equal Employment Opportunity Commission (EEOC)

ANSWER: A

Explanation:

Bureau of Labor Statistics (BLS) is correct because it is the federal government's principal agency for collecting, analyzing, and publishing labor-market information. BLS conducts recurring employer-based surveys across the United States and makes the resulting statistics publicly available on its website. For example, the Current Employment Statistics program gathers monthly employment, hours, and earnings data from a large sample of nonfarm establishments. Its Occupational Employment and Wage Statistics program collects employer-reported information on occupational employment and wages. These data support strategic workforce planning by helping HR leaders understand labor availability, occupational demand, wage levels, employment trends, and relevant conditions in particular industries or geographic labor markets.

The information is published in accessible tables, databases, reports, and other online tools, allowing organizations to benchmark internal workforce assumptions against reliable external labor-market data. BLS explains its role and the scope of its statistical programs at https://www.bls.gov/bls/infohome.htm. Details regarding the employer survey used for national employment, hours, and earnings measures are available through the Current Employment Statistics program.

QUESTION NO: 19

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

Each correct answer represents a complete solution. Choose all that apply.

A. Recognition

B. Cash compensation

C. Flexible hours

D. Opportunity to learn

ANSWER: A C D

Explanation:

Recognition, flexible hours, and opportunity to learn are non-monetary rewards because they provide value to employees without directly increasing cash pay. Recognition can reinforce desired contributions and help employees feel seen and appreciated for their work. Flexible hours provide valued work-life support by giving employees greater control over when they work, where operationally feasible. Opportunity to learn supports professional growth through such resources as training, stretch assignments, mentoring, and development experiences; employees may value these opportunities because they build skills and strengthen future career mobility.

These rewards fit a total-rewards approach, in which employers consider more than direct compensation when creating an engaging employee experience. Meaningful recognition, flexibility, and career development can support motivation, retention, and organizational capability when they are aligned with workforce needs and applied consistently. WorldatWork's total-rewards model specifically includes work-life effectiveness, performance and recognition, and talent development as reward elements alongside compensation. See WorldatWork's Total Rewards Model and the SHRM overview of total rewards.

QUESTION NO: 20

Which of the following is the way in which the goods or service will be produced?

A. Cost control

B. Production layout

C. Inventory management

D. Quality management

ANSWER: B

Explanation:

Production layout is correct because it defines how an organization arranges the people, equipment, work areas, materials, and workflow needed to create a product or deliver a service. The selected layout reflects the organization's fundamental operating approach: work may flow in a sequence for high-volume standardized output, be organized by process for varied work, remain in one location for a large or immovable output, or use cells to support related families of products or services. Thus, layout translates the organization's production or service-delivery design into the practical path through which inputs become customer-ready outputs.

For senior HR leaders, production layout is strategically relevant because it affects staffing patterns, job design, required skills, supervision, employee movement, training needs, safety considerations, and coordination across functions. A layout decision can therefore influence both operational capacity and workforce planning. Operations-management guidance describes facility layout as the physical organization of resources to support the transformation process and efficient workflow. See OpenStax Operations Management: Facility Layout and IBM: Operations Management.

QUESTION NO: 21

The most effective succession plans include: **(Select TWO options.)**

A. standardized career paths.

B. customized development options.

C. emergency replacements for critical positions.

D. cost-benefit analysis of managers' feedback time.

E. scorecard data for high-potential performance ratings.

ANSWER: B C

Explanation:

Customized development options are a core element of effective succession planning because succession is not simply a process for naming possible replacements. It is a deliberate strategy for building the capability and readiness of potential successors. Development should be tailored to the competency gaps, career goals, and anticipated demands of the specific future role. Targeted approaches may include stretch assignments, mentoring, executive coaching, cross-functional exposure, formal learning, and action-learning opportunities. This individualized preparation improves the likelihood that successors can perform successfully when advancement occurs.

Emergency replacements for critical positions are equally important because an effective succession plan protects organizational continuity during unplanned leadership or specialist vacancies. Identifying one or more individuals who can assume essential responsibilities immediately or on short notice reduces operational disruption, preserves decision-making capacity, and supports risk management. Emergency coverage planning is especially valuable for roles whose absence would materially affect business operations, compliance, customer service, or strategic execution. Together, customized development and ready-now emergency coverage address both the long-term leadership pipeline and immediate continuity needs expected of a strategically aligned succession system. HRCI identifies succession planning within the strategic responsibilities assessed for senior HR professionals; see HRCI's SPHR certification overview and SHRM's employee development resources.

QUESTION NO: 22

In the analysis stage of benefit plan benchmarking, the first step is to:

A. develop action plans to address key findings.

B. determine gaps between competitive practices.

C. communicate findings to the organization.

D. identify improvements and timetables.

ANSWER: B

Explanation:

"determine gaps between competitive practices" is correct because analysis converts collected benchmarking data into a meaningful comparison of the organization's current benefit offerings with those of its defined comparison market. HR first identifies material differences in benefit design, eligibility, employee cost sharing, employer costs, participation, and the overall value proposition. Those differences may show that a plan is aligned with the market, leads the market, or lags it. Establishing this gap analysis creates the evidence base needed to prioritize issues according to workforce needs, business strategy, affordability, and competitive talent objectives.

At the SPHR level, benefits benchmarking should support strategic total-rewards decisions rather than simply replicate competitors' plans. A disciplined comparison helps HR distinguish gaps that are strategically important from variations that are intentional or immaterial. Once the organization understands the nature, size, and likely impact of its competitive gaps, it can make informed recommendations and determine an appropriate response. This sequence supports the SPHR Total Rewards body of knowledge, which emphasizes aligning benefits strategy, market data, and organizational objectives. HRCI identifies Total Rewards as a core SPHR functional area; see the HRCI SPHR certification overview and HRCI's SPHR Exam Content Outline.

QUESTION NO: 23

The main reasons to use a coaching style of leadership are to help: **(Select TWO options.)**

A. the team drive results faster.

B. the team become self-reliant.

C. direct change in business operations.

D. increase profitability of a product line.

E. align priorities of the team to the organization.

ANSWER: B E

Explanation:

A coaching style of leadership is appropriately used to help the team become self-reliant and align priorities of the team to the organization. Coaching develops capability rather than simply providing solutions: the leader uses inquiry, constructive feedback, reflection, and developmental support to strengthen employees' judgment, confidence, accountability, and problem-solving. As team members build these skills, they are better able to make sound decisions and address routine challenges with progressively less dependence on the leader. This supports a sustainable, empowered team rather than reliance on constant direction.

Coaching also creates alignment by helping employees connect their individual responsibilities and team objectives to the organization's mission, strategic goals, and changing business needs. Through goal-focused conversations, leaders can clarify priorities, establish meaningful development objectives, and reinforce how day-to-day work contributes to broader outcomes. For senior HR leaders, this use of coaching is especially valuable because it supports leadership development, talent capability, engagement, and execution of organizational strategy over the long term. HRCI identifies leadership and strategy as core SPHR knowledge domains, while professional coaching guidance emphasizes learning, goal achievement, and individual capability development. See the HRCI SPHR certification overview and the CIPD coaching and mentoring factsheet.

QUESTION NO: 24

When developing an onboarding program, which components most positively impact employee retention? (Select TWO options.)

A. Offering self-directed training sessions

B. Providing employees multiple wellness programs

C. Enrolling employees in the 401(k) plan automatically

D. Connecting employees with the organization's mission

E. Assisting employees in developing long-term relationships

ANSWER: D E

Explanation:

Connecting employees with the organization's mission and assisting employees in developing long-term relationships are the onboarding components most directly associated with retention. Effective onboarding is not limited to administrative orientation; it helps new hires understand how their work contributes to organizational goals, values, and the broader purpose of the organization. This early connection builds role clarity, commitment, and a sense of belonging, all of which support an employee's decision to remain with the employer.

Relationship development is equally important because new employees need practical and social networks to become productive and integrated. Connections with managers, peers, mentors, and cross-functional colleagues provide access to information, feedback, support, and informal norms that are difficult to gain through formal training alone. Deliberately creating these connections reduces isolation during the critical early employment period and strengthens attachment to the workplace. The U.S. Office of Personnel Management describes onboarding as a strategic process that supports new employees' integration into the organization, including organizational culture and relationships. CIPD similarly identifies socialization, organizational understanding, and support as central features of effective induction and onboarding. See the U.S. OPM onboarding framework and the CIPD induction factsheet.

QUESTION NO: 25

When diagnosing how tasks get done during a merger or acquisition, it is important to evaluate which of the following? **(Select TWO options.)**

A. Previous needs assessments

B. Performance review processes

C. Management practices

D. Training opportunities

E. Working norms

ANSWER: C E

Explanation:

Management practices and **Working norms** are the key diagnostic areas because they reveal the informal operating system through which work is actually directed, decided, coordinated, and completed. During a merger or acquisition, formally documented roles and processes may appear compatible while day-to-day execution differs substantially. Management practices show how leaders delegate authority, set priorities, communicate expectations, make decisions, monitor work, and resolve escalated issues. Understanding these practices helps HR identify likely integration risks involving accountability, decision speed, leadership alignment, and employee clarity.

Working norms identify the shared behavioral expectations that influence collaboration across the combined organization. These norms include whether employees seek consensus or act independently, how directly they raise concerns, their tolerance for risk, how they share information, and whether hierarchy shapes access to decisions. Such expectations strongly affect workflow even when no policy explicitly states them. Evaluating both areas enables HR to diagnose cultural and operational friction points and design integration actions that support a coherent way of working. This aligns with SPHR-level strategic HR responsibilities involving organizational effectiveness, culture, and change leadership during business transitions. See HRCI's SPHR certification overview and SHRM's guidance on culture in mergers and acquisitions.

QUESTION NO: 26

Which of the following approaches would best address the underutilization of women and minority leaders within the workforce? (Select TWO options.)

A. Offer development programs for qualified employees

B. Solicit candidate referrals from current employees

C. Advertise promotion opportunities in multiple places

D. Adhere to seniority practices in establishing promotional criteria

E. Establish fixed percentages of women and minorities to be promoted

ANSWER: A C

Explanation:

Offering development programs for qualified employees helps address leadership underutilization by building a transparent, job-related pipeline for advancement. Organizations should identify high-potential employees using consistent criteria and provide equitable access to mentoring, sponsorship, leadership training, stretch assignments, and succession-development opportunities. These practices strengthen readiness for leadership roles while supporting fair consideration of talent that may previously have lacked access to informal networks or visible developmental assignments.

Advertising promotion opportunities in multiple places supports equal access to internal mobility. Broad, consistent communication of openings, qualifications, application procedures, and deadlines ensures that qualified employees across departments, locations, shifts, and demographic groups can learn about and compete for advancement opportunities. This approach also improves the transparency and consistency of the promotion process, which are central to effective equal-employment-opportunity and diversity practices. The EEOC identifies recruitment, hiring, promotion, and training as employment practices covered by federal equal employment opportunity laws. The Office of Personnel Management also

describes mentoring and developmental assignments as useful components of leadership development and succession planning. See the EEOC overview of employment discrimination protections and OPM leadership development guidance.

QUESTION NO: 27

Computer-based training, web-based training, and virtual learning are all examples of what?

A. Self-directed learning

B. Mobile learning

C. Asynchronous training

D. Electronic learning

ANSWER: D

Explanation:

Electronic learning is correct because it is the broad umbrella term for learning delivered or enabled through digital technology. Computer-based training uses software or other digital materials on a computer; web-based training is delivered through internet or intranet platforms; and virtual learning uses online environments, often including instructor-led virtual classrooms. Each method relies on electronic technology to provide, support, administer, or facilitate learning, so all fit within electronic learning (commonly called e-learning).

For HR professionals, this classification matters when selecting a learning-delivery strategy and evaluating training effectiveness. E-learning can be designed for synchronous participation, such as a live virtual class, or asynchronous participation, such as an employee completing a web module at a convenient time. It may also incorporate mobile access and self-directed elements. Those are delivery characteristics or instructional approaches that may be included within an e-learning program rather than the overarching category encompassing all the methods named in the question.

This terminology aligns with professional talent-development usage of e-learning as technology-based learning and with the SPHR's emphasis on selecting appropriate learning and development approaches. See the Association for Talent Development's overview of e-learning and HRCI's SPHR certification information.

QUESTION NO: 28

HR can best facilitate a successful change initiative by (Select TWO options):

A. Developing plans for organizational restructure

B. Ensuring clear and thorough communication

C. Establishing a sense of urgency

D. Mitigating resistance to change

E. Identifying a clear vision

ANSWER: B D

Explanation:

Ensuring clear and thorough communication and mitigating resistance to change are the two activities through which HR most directly facilitates successful organizational change. HR is well positioned to create a structured communication approach that explains the business rationale, expected impact, timing, available support, and opportunities for employee input. Consistent, two-way communication helps employees understand what is changing and gives leaders feedback that can be used to address implementation barriers.

HR also plays a central role in anticipating, diagnosing, and reducing resistance. This includes assessing stakeholder readiness, helping managers prepare for difficult conversations, identifying training or resource needs, involving affected

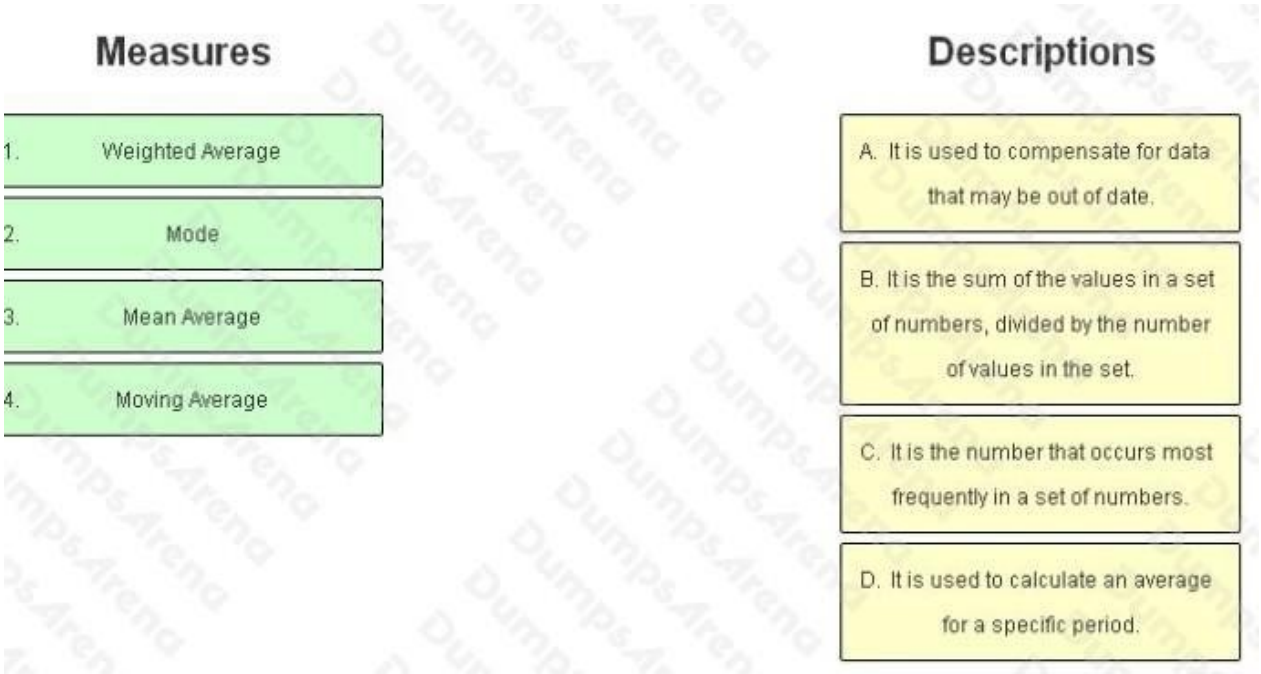
employees where feasible, and reinforcing desired new behaviors through performance management and recognition practices. These activities support employee adoption, which is essential because a change is not fully realized merely when a new structure or process is announced; it must be understood and used by the workforce. Change-management guidance likewise emphasizes communication, sponsorship, manager enablement, and managing resistance as core elements of adoption. See SHRM's organizational change management toolkit and Prosci's ADKAR change-management framework.

QUESTION NO: 29 - (DRAG DROP)

DRAG DROP

Match each measure of central tendency with its respective description.

Select and Place:



ANSWER:



Explanation:

These matches correctly connect each measure of central tendency to the way it summarizes or handles numerical data. A mean average is calculated by adding all observations and dividing that total by the number of observations. This produces one arithmetic value representing the dataset's overall average. The Encyclopaedia Britannica definition of mean describes this same calculation, making the placement of Mean Average with the sum-divided-by-number-of-values description appropriate.

Mode identifies the value that appears more often than any other value in a dataset. It is especially useful in HR data when the most common response, rating, or category is meaningful. The NIST Engineering Statistics Handbook includes mode among the standard measures used to describe a distribution, supporting its placement with the description concerning the most frequently occurring number.

A moving average calculates an average across a defined, rolling period. As new periods are added, older observations move out of the calculation, allowing the measure to smooth short-term variation and show a more stable trend over time. This is why Moving Average belongs with the description referring to an average for a specific period. Finally, a weighted average assigns differing importance to observations, such as giving more current information greater influence than older information. That structure appropriately compensates for data that may be out of date. Together, the completed placements accurately reflect standard quantitative-analysis terminology used in workforce reporting and HR decision-making.

QUESTION NO: 30

Which of the following refers to salaries that are below the minimum of the salary range?

A. Base pay

B. Salary survey

C. Green circle

D. Gross pay

ANSWER: C

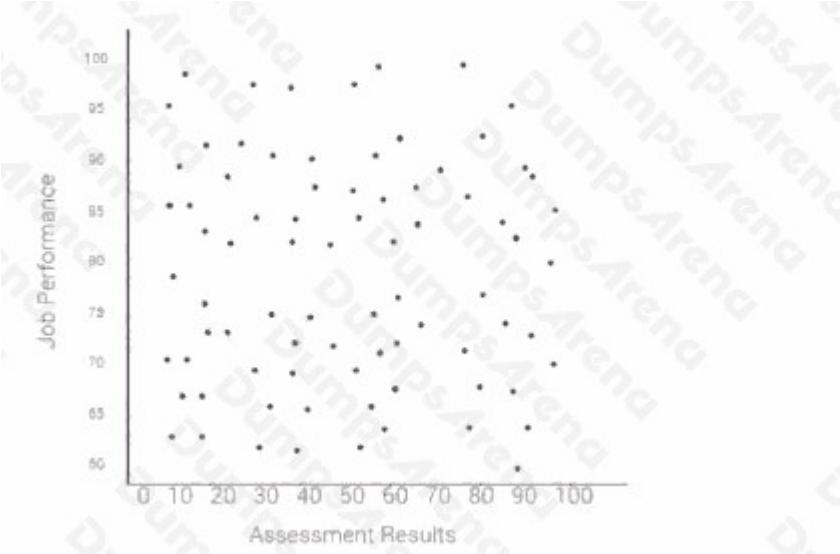
Explanation:

Green circle is the correct term for an employee's pay rate falling below the established minimum of the salary range for the employee's job or grade. Salary ranges are typically built with a minimum, midpoint, and maximum to support internally equitable and externally competitive pay decisions. When an employee is green-circled, the organization has identified that the employee's current base salary is below the range minimum, often following a range adjustment, promotion structure change, job reevaluation, or market-pay movement.

HR and compensation professionals track green-circle situations because range minimums represent the organization's intended lowest competitive pay level for a role. The status helps guide decisions about bringing pay into range through an adjustment, budgeting for future increases, or reviewing whether the employee's job classification and pay data remain appropriate. It is a compensation-positioning term, rather than a description of a pay component or a market-data collection method. The U.S. Office of Personnel Management provides general guidance on pay administration and pay-setting structures at OPM Pay Administration. Additional compensation terminology and discussion of green-circle rates is available from AIHR.

QUESTION NO: 31

Based on the results of a general abilities test below, which of the following decisions should the organization make " ?



A. Use the test for skills assessments.

B. Avoid using the test for all positions.

C. Use the test for performance reviews.

D. Avoid using the test for leadership positions

ANSWER: B

Explanation:

Avoid using the test for all positions. is the appropriate decision because a selection assessment must be supported by evidence that it is valid for its intended employment use. The results shown indicate that this general-abilities test does not provide sufficiently defensible evidence to support its use across the organization. An employer should not continue administering a test merely because it appears relevant on its face; it must be demonstrably job related and consistent with business necessity for the jobs and decisions at issue.

The Uniform Guidelines on Employee Selection Procedures require employers to maintain evidence of validity when a selection procedure has an adverse impact, and they recognize criterion-related validation as a key means of establishing the relationship between test performance and job performance. The EEOC likewise states that employment tests must be job related and consistent with business necessity under federal anti-discrimination law. With inadequate validation results, withdrawing the test from selection use protects the organization from making employment decisions using an unsupported measure and permits HR to identify or develop a properly validated alternative. See the EEOC guidance on employment selection procedures and the Uniform Guidelines on Employee Selection Procedures.

QUESTION NO: 32

“When the workplace is permeated with discriminatory intimidation, ridicule and insult that is sufficiently severe or pervasive to alter the conditions of the victim's employment and create an abusive working environment, Title VII is violated.” This is a statement made with regard to which of the following sexual-harassment court cases?

A. Harris v. Forklift Systems, Inc.

B. Faragher v. City of Boca Raton

C. Burlington Industries v. Ellerth

D. Oncale v. Sundowner Offshore Services

ANSWER: A

Explanation:

Harris v. Forklift Systems, Inc. is correct because it is the leading Supreme Court decision associated with the "severe or pervasive" standard for a hostile work environment under Title VII. In Harris, the Court explained that conduct may violate Title VII when it creates an environment that a reasonable person would find hostile or abusive and that the employee actually perceives as hostile or abusive. The Court emphasized that the law does not require an employee to demonstrate psychological injury before workplace harassment becomes actionable. Instead, the totality of the circumstances determines whether the discriminatory intimidation, ridicule, or insult has become sufficiently serious or frequent to alter the conditions of employment. Relevant circumstances include the frequency and severity of the conduct, whether it is physically threatening or humiliating, and whether it unreasonably interferes with work performance. The quoted language reflects the hostile-environment framework discussed in Harris and its application of Title VII's protection against discriminatory working conditions. See the case summary from Oyez: Harris v. Forklift Systems, Inc. and Title VII's statutory text at the EEOC.

QUESTION NO: 33

Which of the following reward strategies improve employee retention? (Select TWO options)

A. Linking rewards to performance

B. Designing fair reward allocation systems

C. Making rewards meaningful and unique

D. Ensuring clear communication of rewards to employees

E. Providing reward programs to enhance work-life balance

ANSWER: B E

Explanation:

Designing fair reward allocation systems improves retention because employees assess both the outcomes they receive and the fairness of the process used to distribute pay, incentives, recognition, and benefits. A system that is consistently administered, aligned with role value and contribution, and perceived as equitable builds trust in the employer. That trust supports engagement and reduces a common reason employees seek other opportunities: a belief that their contributions are not valued fairly.

Providing reward programs to enhance work-life balance also supports retention by addressing employees' broader needs and helping make continued employment sustainable. Benefits and programs such as flexible work arrangements, leave, caregiving support, wellness resources, and time-off practices can reduce work-life conflict and strengthen the employee value proposition. In a total rewards approach, compensation and benefits should be considered alongside work experience and well-being, because employees evaluate the overall employment relationship when deciding whether to stay. HRCI's SPHR functional areas include total rewards and workforce management considerations relevant to retaining talent. See HRCI SPHR Certification and the SHRM flexible work arrangements toolkit.

QUESTION NO: 34

Which of the following are most effective at reducing burnout? **(Select TWO options.)**

A. Promoting an Employee Assistance Program (EAP)

B. Providing regular training on stress management

C. Ensuring workloads are reasonable and manageable

D. Offering hybrid and remote work opportunities

E. Allowing staff some control over how work gets done

ANSWER: C E

Explanation:

Ensuring workloads are reasonable and manageable and allowing staff some control over how work gets done are the most effective choices because they address major work-design conditions associated with burnout at their source. Burnout develops from chronic, unmanaged workplace stress; sustained excessive demands can deplete employees' energy and capacity, while insufficient control over decisions and work methods can heighten strain and reduce engagement. Establishing realistic workloads means aligning assignments, deadlines, staffing, priorities, and available resources so that expectations are sustainable over time. This is a managerial and organizational responsibility, requiring HR leaders to use workforce planning, job design, manager accountability, and employee feedback to identify overload before it becomes chronic.

Giving employees meaningful discretion over how they organize and perform their work supports autonomy, an important job resource. Employees may be better able to sequence tasks, select effective methods, manage focus time, and adapt their work to changing demands. This discretion can strengthen ownership, resilience, and engagement while preserving performance standards and business outcomes. Together, manageable demands and appropriate autonomy create a healthier work environment rather than relying only on employees to cope with harmful conditions. The World Health Organization identifies burnout as resulting from chronic workplace stress that has not been successfully managed, and NIOSH identifies workload and lack of control as key job-stress factors. See the World Health Organization's burnout guidance and NIOSH's overview of work stress.

QUESTION NO: 35

An organization with a high capacity for self-analysis is likely to:

A. expand.

B. downsize.

C. be acquired.

D. experience turnover.

ANSWER: A

Explanation:

expand. is correct because organizational self-analysis is the disciplined ability to assess the organization's current performance, internal capabilities, culture, workforce, operating processes, and fit with its strategic environment. That capacity gives leaders reliable information for recognizing where the organization has strengths that can be scaled, where capability investments are needed, and which opportunities align with its resources and strategic direction. In practice, self-analysis may use workforce and business metrics, environmental scanning, employee feedback, performance data, and assessments of organizational effectiveness. The resulting insight supports deliberate, sustainable growth: leaders can prioritize talent, technology, structure, and market investments needed to execute an expansion strategy rather than making decisions based on assumptions or incomplete information. This reflects the SPHR Leadership and Strategy domain's focus on evaluating organizational effectiveness and using strategic analysis to support organizational objectives. HRCI identifies Leadership and Strategy as a core SPHR knowledge area, emphasizing the senior HR leader's role in aligning people and organizational capabilities with business strategy. See HRCI's SPHR certification overview and the CIPD guidance on strategic thinking.

QUESTION NO: 36

What are the best steps for HR to take when two employees are engaged in an intimate relationship? **(Select TWO options.)**

A. Refer to the organization policy.

B. Determine reporting relationships.

C. Counsel each employee on the situation.

D. Do nothing as they are both consenting adults.

E. Relocate one of the employees to another team.

ANSWER: A B

Explanation:

Refer to the organization policy and determine reporting relationships are the appropriate initial HR actions because they provide a consistent, risk-based framework for addressing a consensual workplace relationship. The applicable policy may address conflicts of interest, professional conduct, disclosure expectations, confidentiality, and procedures for managing actual or perceived favoritism. HR should apply that policy consistently and avoid unnecessary inquiry into employees' private lives.

Determining whether either employee has direct or indirect supervisory authority, influence over compensation or assignments, or involvement in promotion and performance decisions is essential. A reporting or decision-making relationship can create a power imbalance and an appearance or risk of preferential treatment, coercion, retaliation, or later harassment concerns. Identifying those relationships enables HR to assess whether safeguards are needed, such as removing one employee from decisions affecting the other while maintaining fair, nondiscriminatory treatment.

This approach supports an employer's responsibility to maintain a professional work environment and to respond appropriately when workplace circumstances could affect employment decisions or employee relations. EEOC guidance recognizes that harassment and related workplace concerns may involve supervisors and emphasizes employers' preventive responsibilities. See the EEOC enforcement guidance on supervisor harassment liability and HRCI's SPHR certification overview.

QUESTION NO: 37

What are the main priorities for HR during a divestiture to maximize the value of a deal? **(Select TWO options.)**

A. Improve engagement levels.

B. Provide leadership coaching.

C. Retain and transfer critical talent.

D. Facilitate feedback focus groups.

E. Manage employee uncertainty.

ANSWER: C E

Explanation:

Retain and transfer critical talent and manage employee uncertainty are the central HR priorities because workforce continuity is a key source of transaction value in a divestiture. The buyer is acquiring not only assets and operations, but also the knowledge, capabilities, customer relationships, and leadership capacity needed for the separated business to perform as expected. HR should identify pivotal roles and employees early, assess retention risk, establish appropriate retention and transition arrangements, and support accurate employee-transfer planning. These actions protect operational capability through close and the transition period.

Managing employee uncertainty is equally important because announcements of a sale or separation can rapidly affect trust, productivity, engagement, and voluntary turnover. A structured communication plan, clear manager messaging, timely answers about employment and benefits, and appropriate change-support resources help employees remain focused while decisions are finalized. This stabilizes the workforce, reduces disruption, and helps preserve the value assumptions underlying the deal. These priorities align with the SPHR emphasis on leading organizational change, managing workforce implications of strategic transactions, and mitigating people-related risk. See the HRCI SPHR exam preparation resources and the SHRM organizational change management toolkit.

QUESTION NO: 38

Which of the following are the best approaches to use when evaluating the effectiveness of a staffing plan? (Select TWO options.)

A. Calculate the success of job rotation programs

B. Analyze a vendor's literature against actual results

C. Generate recruiting metrics pre and post-implementation

D. Assess a new program in one unit against current practices

E. Measure the implementation timeframe of a new recruiting software

ANSWER: C D

Explanation:

Generate recruiting metrics pre and post-implementation is an effective evaluation approach because it establishes a data-based comparison of staffing outcomes before and after the plan is introduced. Relevant measures can include time to fill, cost per hire, applicant-flow conversion rates, offer acceptance rates, new-hire performance, quality of hire, and early turnover. Comparing consistent measures over defined periods helps HR determine whether the staffing plan produced meaningful improvement and supports evidence-based adjustments.

Assess a new program in one unit against current practices is also a sound approach because a limited pilot creates a practical comparison group. HR can introduce the staffing intervention in one business unit while another unit continues using established practices, then assess outcomes using the same job families, time periods, and performance measures where feasible. This method reduces implementation risk, identifies operational issues before enterprise-wide deployment, and provides stronger evidence about whether observed results are attributable to the new program. Both approaches reflect the use of workforce data, outcome measures, and pilot testing to evaluate talent-acquisition initiatives. The SHRM Talent Acquisition Toolkit and the EEOC hiring-practices guidance support structured, measurable, and consistently applied staffing processes.

QUESTION NO: 39

As a Senior HR Professional, you should be familiar with intrinsic rewards and extrinsic rewards that your company provides for its employees. Which of the following is an example of an extrinsic reward?

A. Satisfaction from challenging and exciting assignments

B. Cash compensation

C. Esteem from working with other talented people

D. On-site cafeteria

ANSWER: C

Explanation:

Esteem from working with other talented people is an extrinsic reward because its value arises from an employee's social and work environment rather than solely from the inherent enjoyment of performing a task. In this total-rewards classification, extrinsic rewards include the recognition, status, affiliation, and sense of esteem that employees receive through their relationship with the organization and colleagues. Working alongside highly capable peers can enhance an employee's professional standing, create social recognition, and reinforce the feeling that they belong to a respected group. These outcomes are conferred through external workplace conditions and interactions, which is the defining feature of an extrinsic reward.

Senior HR professionals should account for these social and recognition-based rewards when designing a total rewards strategy. A compelling employee value proposition is not limited to direct pay; it also considers how organizational culture, peer quality, recognition, and professional community affect attraction, engagement, and retention. This aligns with the SPHR emphasis on strategically integrating reward practices with organizational and workforce needs. See HRCI's SPHR certification overview and WorldatWork's resources on work rewards.

QUESTION NO: 40

An effective employer branding strategy is aligned with which of the following? **(Select TWO options.)**

A. Operational efficiencies

B. Marketing and customer promise

C. Organizational structure

D. Hiring and selection processes

E. Talent management programs

ANSWER: B E

Explanation:

An effective employer branding strategy is aligned with **Marketing and customer promise** and **Talent management programs**. Employer branding communicates the organization's employee value proposition: the authentic experience, values, opportunities, and rewards employees can expect. Aligning it with marketing and the customer promise helps ensure that employees' day-to-day behavior and experience support the organization's external identity. This alignment strengthens credibility because the values communicated to customers are reflected in how the organization attracts, engages, and supports its workforce.

Alignment with talent management programs is equally essential because the employer brand must be delivered throughout the employee lifecycle, not merely promoted during recruitment. Talent acquisition, onboarding, learning and development, performance management, succession planning, recognition, and retention practices operationalize the employee value proposition. When these programs consistently reinforce the stated brand, candidates and employees receive a coherent and credible experience. At the senior HR level, this integration supports strategic workforce outcomes by improving attraction of needed talent, engagement, retention, and organizational capability. HRCI identifies talent planning and acquisition as a core domain within SPHR certification, and employer-brand strategy is most effective when connected to broader business and talent priorities. See HRCI's SPHR certification overview and SHRM's employer-branding resources.

QUESTION NO: 41

Which of the following are considered threats in an organization's SWOT analysis? **(Select TWO options.)**

A. Decline in productivity

B. Increase in competition

C. Lack of investment capital

D. New regulatory requirements

E. Decrease in customer retention

ANSWER: B D

Explanation:

In SWOT analysis, threats are external conditions or trends that could hinder an organization's ability to achieve its objectives. "Increase in competition" is a threat because competitor entry or expansion can affect an organization's market share, demand, pricing flexibility, and ability to attract or retain talent and customers. The organization generally cannot control competitors' actions, making this an external strategic concern that leaders should monitor and address through planning.

"New regulatory requirements" is also a threat because laws, regulations, and agency rules arise outside the organization and can impose new compliance obligations, costs, reporting requirements, operational restrictions, or potential liability. HR leaders need to assess regulatory developments as part of environmental scanning so workforce policies, employment practices, budgets, and risk-management plans can be updated proactively.

These classifications reflect the core SWOT distinction: strengths and weaknesses concern internal organizational capabilities and conditions, while opportunities and threats arise in the external environment. Identifying competitive and

regulatory threats supports strategic planning by helping the organization anticipate risks and develop appropriate responses. HRCI includes strategic planning and analysis among the leadership and strategy capabilities assessed for senior HR professionals. See the HRCI SPHR exam preparation resources and the U.S. Small Business Administration guidance on competitive analysis.

QUESTION NO: 42

The proposed cultural change will put the organization at risk of losing which advantages from its current bureaucratic culture? **(Select TWO options.)**

A. Control

B. Autonomy

C. Teamwork

D. Consistency

E. Transparency

ANSWER: A D

Explanation:

Control and **Consistency** are core advantages associated with a bureaucratic organizational culture. Bureaucratic cultures rely on formalized rules, defined authority relationships, standardized procedures, and close coordination through hierarchy. These mechanisms enable leaders to monitor work, apply policies uniformly, manage risk, and maintain reliable compliance with operational or regulatory requirements. They also make outcomes more predictable because similar situations are handled through established processes rather than highly individualized judgment.

A proposed shift toward a more creative, growth-oriented, or flexible culture commonly reduces reliance on centralized authority and formal rules in order to support initiative and experimentation. That strategic change can therefore diminish the organization's direct oversight of decisions and introduce greater variation in how teams interpret priorities, perform work, and deliver results. HR leaders should recognize this as a culture-change tradeoff and identify which controls and standardization practices must be retained for quality, safety, governance, and legal compliance.

This reflects HRCI's Leadership and Strategy domain emphasis on aligning culture with organizational strategy while managing implementation risks. See the HRCI SPHR certification overview and the SPHR Exam Content Outline.

QUESTION NO: 43

Which of the following are the benefits of gainsharing programs?

Each correct answer represents a complete solution. Choose all that apply.

A. Aligns employees to organizational goals

B. Helps the organization to achieve improvement in key performance measures

C. Enhances the focus and awareness of employees

D. Employees are paid on the basis of group performance rather than individual performance.

ANSWER: A B C

Explanation:

Gainsharing is a group-based variable-pay approach that shares financial rewards with employees when their collective efforts produce measurable improvements in organizational performance. It is designed to connect employees' day-to-day decisions and problem-solving with goals that matter to the business, such as productivity, quality, cost reduction, customer

service, or operational efficiency. Therefore, “Aligns employees to organizational goals” is a core benefit: employees can see the connection between improvement efforts and both organizational results and shared rewards.

“Helps the organization to achieve improvement in key performance measures” is also correct because gainsharing plans are built around defined, measurable performance outcomes. When teams identify waste, streamline work, improve quality, or increase output, the organization benefits from the resulting gains. “Enhances the focus and awareness of employees” is likewise a benefit because transparent performance measures and shared incentives encourage employees to understand operational results, communicate across work groups, and participate in continuous improvement.

For gainsharing to deliver these benefits, organizations should establish understandable measures, a credible baseline, timely feedback, and a clear formula for distributing gains. This reinforces employee trust and sustains participation in improvement efforts. See SHRM’s overview of gainsharing and the U.S. Department of Labor’s wage information for related compensation context.

QUESTION NO: 44 - (SIMULATION)

SIMULATION

The doctrine of _____ negligence was used to mitigate the employer's responsibility if the worker's actions contributed in any way to the injury.

ANSWER: See the explanation for the answer

Explanation:

Answer: Contributory negligence

The doctrine of **contributory negligence** reduced or eliminated an employer’s liability when an injured worker’s own actions contributed in any way to the injury.

QUESTION NO: 45

An employee has resigned. During the exit interview, the employee tells HR that the reason for the resignation is that for the last 3 months the supervisor has been hostile, refused to provide instructions on work assignments, given the employee all the most unpleasant tasks in the department, and verbally reprimanded the employee in front of co-workers and customers. The employee may have a cause of legal action based on which of the following?

A. Fraudulent misrepresentation

B. The employer's duty of good faith and fair dealing

C. Constructive discharge

D. Promissory estoppel

ANSWER: C

Explanation:

Constructive discharge is the appropriate potential basis for legal action because it concerns an employee who resigns after working conditions become so intolerable that a reasonable person in the employee’s position would feel compelled to leave. The reported pattern is not an isolated workplace disagreement: over three months, the supervisor allegedly withheld necessary work instructions, disproportionately assigned undesirable work, acted with hostility, and publicly reprimanded the employee in front of colleagues and customers. Taken together, those facts may support a finding that the employer, through its supervisor, created or allowed objectively intolerable conditions leading to the resignation.

A constructive-discharge claim generally requires more than proof that the employee was unhappy or that the supervisor was difficult. The employee must show that the conditions were sufficiently severe or pervasive to effectively force resignation, and the underlying circumstances commonly must connect to a legally actionable employment practice, such as unlawful discrimination, harassment, or retaliation. The exit interview is therefore important: HR should promptly document

the allegations, preserve relevant records, investigate the supervisor's conduct, and determine whether protected-status, retaliation, policy, or other legal issues are implicated. The U.S. Supreme Court describes constructive discharge as arising when discriminatory working conditions become so intolerable that a reasonable person would resign. See EEOC enforcement guidance and Cornell Law School's constructive-discharge overview.

QUESTION NO: 46

Stress is often a significant issue in workplaces. Author Ravi Tangri asserts that stress costs organizations up to $300 billion per year. Which one of the following stresses is the largest contributor to organizational cost of waste?

A. Workplace accidents

B. Turnover

C. Absenteeism

D. Drug plan costs

ANSWER: A

Explanation:

Workplace accidents is correct. In Ravi Tangri's stress-cost framework, workplace stress is attributed to approximately 60% of workplace accidents—the largest percentage among the cost categories identified in this question. This makes accidents the largest stated contributor to organizational waste associated with stress. The organizational impact extends beyond the immediate injury: an accident can involve lost work time, medical and workers' compensation expenses, investigation time, disruption of operations, replacement staffing, supervisor time, equipment or property damage, and potentially higher insurance costs. Stress can increase accident risk when it impairs concentration, attention, judgment, reaction time, and safe work behaviors, particularly in jobs involving physical hazards, driving, machinery, or time pressure. Therefore, when applying the cited Tangri estimates, workplace accidents represent the highest proportional stress-related source of organizational cost. This conclusion also aligns with occupational-safety guidance recognizing that psychosocial conditions, including work stress, can affect safety performance and workplace injury risk. See the Stress Costs resource associated with Ravi Tangri's work and the Canadian Centre for Occupational Health and Safety's guidance on workplace stress.

QUESTION NO: 47

Which of the following fluctuations will result in a lower gross margin? (Select TWO options)

A. Increased gross profit

B. Increased cost of goods sold

C. Decreased operating expenses

D. Decreased revenue

E. Decreased liabilities

ANSWER: B D

Explanation:

"Increased cost of goods sold" and "Decreased revenue" result in a lower gross margin when the other component of the calculation is held constant. Gross margin measures the portion of sales revenue remaining after deducting the direct costs of producing goods or delivering services. It is commonly calculated as gross profit divided by net sales, where gross profit equals revenue less cost of goods sold. Therefore, an increase in cost of goods sold reduces gross profit while revenue remains unchanged, decreasing the percentage retained from each sales dollar. Similarly, a decrease in revenue, with cost of goods sold unchanged, reduces gross profit and lowers the gross-margin percentage. This relationship makes gross margin a useful strategic indicator for evaluating pricing, supplier costs, production efficiency, and the profitability of products or services. HR leaders applying business acumen can use this measure to understand financial pressures that may affect

workforce planning, compensation budgets, or productivity initiatives. The U.S. Securities and Exchange Commission describes gross profit as net sales less cost of products sold in its financial-reporting guidance, and the Corporate Finance Institute provides the standard gross-margin calculation: SEC financial statement example; Corporate Finance Institute: Gross Margin Ratio.

QUESTION NO: 48

Strategic recruitment activities include all of the following except which one?

A. Labor market analysis

B. The design of total rewards packages

C. Employee referral programs

D. Defining the employer brand

ANSWER: C

Explanation:

Employee referral programs is the exception because it is principally a tactical recruiting method used to generate candidates for current or near-term openings. Although an organization can establish referral-program parameters that support broader goals, such as improving quality of hire, expanding access to talent, or strengthening retention, the activity itself generally concerns the operational sourcing and processing of individual candidates. Strategic recruitment occurs at a higher planning level: it aligns talent-acquisition priorities with the organization's business strategy, anticipated workforce needs, external labor supply, and competitive position as an employer. At that level, HR evaluates labor-market information to understand the availability and characteristics of needed talent, develops a compelling employer brand to differentiate the organization, and designs an overall employment value proposition that can include competitive total rewards. These choices shape the long-term capability to attract the workforce required by organizational objectives. Referral programs can then be selected and implemented as one channel within the resulting recruiting strategy, rather than constituting the strategic activity itself. The U.S. Bureau of Labor Statistics provides labor-market data used for workforce and recruiting planning at https://www.bls.gov/. SHRM also addresses strategic talent acquisition and employer-brand considerations at https://www.shrm.org/topics-tools/topics/talent-acquisition.

QUESTION NO: 49

Which of the following actions are required of a covered employer when administering Family and Medical Leave Act (FMLA) leave?

Each correct answer represents a complete solution. Choose all that apply.

A. Provide an eligibility notice when the employer learns that leave may be FMLA qualifying.

B. Provide a designation notice after the employer has sufficient information to determine that leave qualifies.

C. Maintain group health-plan coverage under the same conditions as if the employee had continued to work.

D. Require the employee to use all available paid leave before determining whether the absence qualifies for FMLA leave.

ANSWER: A B C

Explanation:

Covered employers must provide an employee with an eligibility notice within five business days when the employer learns that an employee's leave may qualify for FMLA protection, absent extenuating circumstances. If the employee is eligible, the employer must also provide a notice of rights and responsibilities. These notices help the employee understand the applicable leave requirements, including certification obligations, benefit continuation, and substitution of paid leave.

Once the employer has enough information to determine whether leave qualifies as FMLA leave, it must provide a designation notice generally within five business days. The employer may require medical certification when appropriate and

must give the employee at least 15 calendar days to provide it, absent impracticability despite the employee's diligent good-faith efforts. An employer cannot delay designation simply because an employee prefers that qualifying leave not be counted as FMLA leave. See the U.S. Department of Labor's FMLA guidance and 29 C.F.R. Part 825, Subpart C.

QUESTION NO: 50

Which of the following scenarios are considered Fair Labor Standards Act (FLSA) violations? (Select TWO options.)

A. Automatic wage deductions from an exempt employee's salary for half-day absence

B. Paying two times the employee's regular wage for overtime hours worked

C. Not paying overtime to an office clerk who clocked out but continued to work through lunch

D. An employee is not paid for arriving 10 minutes early to be ready for shift change

E. Not paying a new manager for two days' absence due to a personal emergency

ANSWER: A C

Explanation:

"Automatic wage deductions from an exempt employee's salary for half-day absence" is an FLSA violation because the salary-basis requirement generally requires a properly classified exempt employee to receive the full predetermined salary for any week in which the employee performs work. An employer ordinarily may not reduce that salary for an absence of less than one full day. Improper deductions can jeopardize the employee's exempt status and create wage-and-hour liability. The U.S. Department of Labor explains the salary-basis rule and its limited permissible deductions in its Salary Basis Requirement fact sheet.

"Not paying overtime to an office clerk who clocked out but continued to work through lunch" is also an FLSA violation. Office clerks are commonly nonexempt, and employers must compensate nonexempt employees for all time they are suffered or permitted to work, including work performed outside scheduled hours or during an unpaid meal period. Once the employer knows or has reason to believe the work is being performed, it must count that time as hours worked and pay any resulting overtime at the required rate. See the Department of Labor's Hours Worked Under the FLSA fact sheet.

QUESTION NO: 51

A code of conduct is primarily used by companies that wish to do which of the following?

A. Work toward preventing disciplinary action through clearly communicated behavior standards

B. Provide equal opportunity for all employees

C. Discourage violations of company policy

D. Establish the framework for a discipline system

ANSWER: A

Explanation:

Work toward preventing disciplinary action through clearly communicated behavior standards is correct because a code of conduct communicates the organization's expectations for ethical, lawful, respectful, and policy-compliant workplace behavior before a problem occurs. It gives employees a practical reference point for understanding what conduct is expected, identifying situations that may require guidance, and recognizing how to raise concerns. When expectations are specific, accessible, and reinforced through training, managers can coach employees early and employees have a meaningful opportunity to align their actions with organizational standards. This preventive function supports consistent employee relations: the organization is not merely reacting to misconduct, but is setting behavioral boundaries and encouraging sound decisions in advance. The U.S. Department of Justice identifies a well-designed code of conduct as a foundational element of an effective compliance program and emphasizes that it should be understandable and accessible to employees. Similarly, the U.S. Sentencing Guidelines describe organizational standards and procedures as part of

exercising due diligence to prevent and detect criminal conduct. In HR practice, clear standards combined with communication, feedback, and appropriate coaching can reduce avoidable conduct problems and the need for formal discipline. See the U.S. Department of Justice's Evaluation of Corporate Compliance Programs and the U.S. Sentencing Guidelines, Chapter 8.

QUESTION NO: 52

Which of the following is the most effective way to help HR move into a strategic role within an organization?

A. Lead change management efforts

B. Create partnerships to meet business needs

C. Serve as a cross-functional talent coach

D. Select top-quality service providers

ANSWER: B

Explanation:

Create partnerships to meet business needs is the most effective approach because a strategic HR function must operate as a consultative business partner rather than solely as an administrative or functional specialist. By developing credible relationships with senior leaders and operational stakeholders, HR can understand the organization's strategy, market pressures, workforce risks, and performance objectives. HR can then translate those business needs into integrated people strategies—for example, workforce planning, leadership development, organizational design, succession planning, and talent initiatives tied to measurable organizational outcomes.

This partnership-based approach also gives HR the context and influence needed to contribute early to business decisions, identify human-capital implications, and recommend practical solutions that advance enterprise priorities. HRCI's SPHR functional area emphasizes the alignment of HR strategy with organizational strategy and the use of consultative relationships to influence stakeholders. The Society for Human Resource Management similarly describes strategic HR as aligning people practices with business goals and partnering with organizational leaders. See HRCI's SPHR certification overview and SHRM's Strategic HR resources.

QUESTION NO: 53

As a result of the filing, which of the following is one of the **first actions** the National Labor Relations Board (NLRB) will take?

A. Conduct an on-site investigation.

B. Gather evidence related to the complaint.

C. File criminal charges against the organization.

D. Impose alternative dispute resolution.

ANSWER: B

Explanation:

Gather evidence related to the complaint. is correct because, when an unfair labor practice charge is filed, the NLRB Regional Office promptly begins an investigation to determine whether there is sufficient evidence to support the allegations and whether the matter should proceed. The investigation commonly includes obtaining sworn statements or affidavits, reviewing relevant documents and workplace records, and interviewing the charging party, the responding party, and other witnesses with firsthand information. This initial fact-gathering enables the Regional Director to assess the merits of the charge under the National Labor Relations Act and decide whether to dismiss it, seek settlement, or issue a complaint. The NLRB describes its charge-processing process as an investigation by the appropriate regional office after a charge is filed; the agency may also encourage voluntary settlement while that process is underway. For HR leaders, preserving potentially

relevant records and cooperating appropriately with requests for information are important practical responses once an NLRB charge has been filed. See the NLRB's overview of charge investigations and its summary of the NLRA.

QUESTION NO: 54

Which of the following are considered threats in an organizationâ€™s SWOT analysis? **(Select TWO options.)**

A. Decline in productivity

B. Increase in competition

C. Lack of investment capital

D. New regulatory requirements

E. Decrease in customer retention

ANSWER: B

Explanation:

Increase in competition is a threat because it is an external condition that can adversely affect an organization's strategic position and business results. In SWOT analysis, threats arise outside the organization's direct control and may create risks to revenue, market share, pricing, talent access, or the ability to execute strategy. A competitor's entry into the market, expansion of an existing competitor, lower-priced substitute offerings, or competitors' stronger capabilities can all increase pressure on the organization. HR leaders should recognize competitive pressure when planning workforce strategy, because it may require the organization to strengthen critical capabilities, improve retention of key talent, adjust compensation positioning, or support organizational change. SWOT is commonly used as part of environmental scanning to identify external factors that require a strategic response. The HRCI SPHR framework includes leadership and strategy responsibilities such as analyzing the organization's environment and aligning human-resource strategy with organizational needs. See the HRCI SPHR certification overview and the U.S. Small Business Administration's guidance on competitive analysis for related strategic-analysis context.

QUESTION NO: 55

An organization is shifting from a bureaucratic culture to one emphasizing creativity, learning, and growth.

The anticipated behavioral outcome of this cultural shift is reflected in:

A. higher tolerance for failure.

B. risk-conscious project planning.

C. courteous and caring interactions.

D. support for risk-averse employees.

ANSWER: A

Explanation:

higher tolerance for failure. is correct because a culture centered on creativity, learning, and growth treats well-intentioned experimentation as essential to innovation. Employees need latitude to test new approaches, surface mistakes, evaluate results, and apply what they learn to future work. In this setting, failure is not automatically accepted without accountability; rather, the organization distinguishes productive, informed experimentation from careless conduct. The behavioral expectation is that people will be more willing to propose ideas, challenge established processes, take thoughtful risks, and share lessons from outcomes that do not succeed as planned. This represents a meaningful move away from a bureaucratic environment, where predictability, formal controls, and strict adherence to established procedures commonly dominate behavior. Leaders support the desired cultural change by modeling curiosity, asking what was learned, recognizing constructive attempts to improve work, and creating psychological safety for employees to raise concerns and offer novel solutions. These practices help turn stated values of learning and growth into observable day-to-day behavior. Research

summarized by Google's re:Work identifies psychological safety as important to team effectiveness, including the ability to take interpersonal risks and learn openly: Google re:Work. The U.S. Office of Personnel Management also describes an innovation culture as one that encourages experimentation and learning: OPM Employee Engagement.

QUESTION NO: 56

Which of the following practices help an organization protect confidential employee information maintained in an HR information system?

Each correct answer represents a complete solution. Choose all that apply.

A. Use role-based access controls

B. Conduct periodic access reviews

C. Share complete employee files with managers for convenience

D. Maintain a documented data-retention schedule

ANSWER: A B D

Explanation:

Role-based access controls, periodic access reviews, and documented data-retention schedules are appropriate practices for protecting confidential employee information. Role-based controls limit access to individuals whose job responsibilities require particular information. Periodic reviews help ensure that access is removed or adjusted when employees change jobs, leave the organization, or no longer have a business need for the data. A documented retention schedule supports secure disposal of records that are no longer required for business, legal, or regulatory purposes.

Sharing complete employee files with managers for convenience creates unnecessary privacy and confidentiality risk. Managers should receive only the information needed to perform legitimate supervisory responsibilities. The Federal Trade Commission recommends using access controls, limiting access to sensitive information, and securely disposing of data that is no longer needed. See the FTC's Protecting Personal Information: A Guide for Business.

QUESTION NO: 57

A union-represented employee reasonably believes that an investigatory interview could result in discipline and requests union representation. Which of the following statements are consistent with the employee's Weingarten rights?

Each correct answer represents a complete solution. Choose all that apply.

A. The employee may request union representation during a disciplinary investigatory interview

B. The employer may grant representation and continue the interview

C. The employer may discontinue the interview

D. The employer must continue the interview without representation after a valid request

ANSWER: A B C

Explanation:

An employee may request union representation during an investigatory interview that the employee reasonably believes may lead to discipline. After a valid request, the employer may grant representation and continue the interview, discontinue the interview, or offer the employee the choice of proceeding without representation or having no interview. These are the principal options available to an employer under the Weingarten doctrine.

The employer may not require the employee to continue an investigatory interview without representation after a valid request while also refusing to discontinue the interview. Weingarten rights apply in represented workplaces and are intended

to protect an employee's opportunity for union assistance in disciplinary investigations. The National Labor Relations Board explains these rights in its Weingarten Rights guidance.

QUESTION NO: 58

Which of the following are the primary factors that would contribute to a hiring manager's decision to extend an offer above the midpoint of a salary range? (Select TWO options.)

A. The candidate has the needed level of experience for the position

B. The candidate has a strong skill set including specialized certifications

C. The position is of average complexity and competition is high for talent

D. The position has some complexity and competition is moderate for talent

E. The candidate currently works in a similar position with a direct competitor

ANSWER: B E

Explanation:

The candidate has a strong skill set including specialized certifications is a primary basis for an offer above the midpoint because range placement should reflect the value and depth of qualifications the individual brings to the role. Specialized, job-relevant credentials and demonstrably strong capabilities can indicate proficiency beyond the position's normal requirements, a reduced learning curve, and a contribution level that supports premium pay while remaining consistent with the organization's compensation philosophy and internal equity practices.

The candidate currently works in a similar position with a direct competitor is also a significant factor when the candidate's experience is directly transferable and the employer must compete for scarce, market-tested talent. Such a candidate may possess immediately applicable industry knowledge, relationships, and skills, while also having a credible alternative with a competitor. Market competitiveness and the risk of losing a high-value candidate can therefore support placement above the midpoint, provided the decision is supported by current market data, documented qualifications, and established pay-governance practices. This approach reflects strategic total-rewards decision-making: employers balance candidate-specific value and external labor-market pressure with a consistent salary-range structure. HRCI identifies total rewards as a core strategic HR capability; see HRCI's SPHR certification overview. For market-pay context, see the U.S. Bureau of Labor Statistics' Occupational Employment and Wage Statistics.

QUESTION NO: 59

There are four factors that contribute to an engaged workforce. Which of the following is NOT one of the four factors that will contribute to an engaged workforce?

A. Look for key performance metrics when hiring new talent.

B. Identify the best fit for the employee.

C. Concentrate on individual employee strengths.

D. Clearly establish desired results.

ANSWER: A

Explanation:

"Look for key performance metrics when hiring new talent." is the factor that is not part of this four-part framework for creating an engaged workforce. Key performance metrics are useful measures for evaluating organizational, team, and individual results after goals and expectations have been established. They can support workforce planning and performance management, but they are not themselves a core engagement-building selection or job-design practice in this model.

The relevant talent-management emphasis is selecting people based on a strong fit between the individual and the work: their talent, knowledge, skills, and abilities should align with the role and its expected outcomes. This approach supports engagement because employees are more likely to contribute effectively and experience meaningful success when their natural strengths and capabilities fit the demands of the job. Engagement practices also depend on setting clear expectations and enabling people to use their strengths in productive roles. HRCI's SPHR credential evaluates strategic HR practices, including talent planning and organizational effectiveness; see HRCI's SPHR certification page. Additional research on the relationship between employees' strengths and engagement is available from Gallup's workplace strengths resources.

QUESTION NO: 60

A recruiting department strives to be more service-oriented with its business partners. Which of the following training areas best support that objective? **(Select TWO options.)**

A. Blended learning

B. Problem solving

C. Risk management

D. Defining vision

E. Building alliances

ANSWER: B E

Explanation:

Problem solving and **Building alliances** best support a recruiting department's goal of becoming more service-oriented to its business partners. Service orientation in a strategic recruiting function means understanding internal customers' talent needs, responding constructively to constraints, and helping leaders make effective hiring decisions rather than simply processing requisitions.

Training in **Problem solving** helps recruiters identify the underlying causes of hiring challenges, such as difficult-to-fill roles, inconsistent selection processes, changing workforce requirements, or competing business priorities. Recruiters can then assess alternatives and present practical recommendations that align talent-acquisition activity with organizational objectives. This consultative approach improves the quality and usefulness of the service provided to hiring managers.

Building alliances develops the relationship-management skills needed to establish trust, maintain productive communication, and create shared accountability with business leaders and hiring managers. Strong internal partnerships enable recruiters to obtain clearer requirements, manage expectations, gain timely feedback, and coordinate recruiting strategies with operational needs. Together, these capabilities position recruiting as a valued business partner and support the strategic talent-planning focus assessed in SPHR-level practice. HRCI describes SPHR as emphasizing strategic and policy-level HR responsibilities; see HRCI's SPHR certification overview and HRCI exam content outlines.

QUESTION NO: 61

The transfer of learning is effective when: (Select TWO options)

A. Trainees apply it to the job context in which they work

B. Acquired skills are maintained over time

C. Demand for the training increases significantly

D. Performance appraisal scores improve from period to period

E. Trainees provide feedback that they enjoyed the training

ANSWER: A B

Explanation:

Effective transfer of learning occurs when participants carry knowledge and skills from the learning setting into their work and use them in the situations for which the training was intended. Therefore, “Trainees apply it to the job context in which they work” reflects the central behavioral evidence of transfer: learned capability is being demonstrated in actual job performance rather than merely understood or practiced during a course. Transfer is also effective when “Acquired skills are maintained over time.” Sustained use shows that the learning has been retained and integrated into normal work practices, rather than fading shortly after the program ends. In a strategic HR context, these outcomes align with evaluation at the behavior level: HR assesses whether employees changed what they do on the job and whether that change endures. Conditions such as manager support, opportunity to perform the learned behaviors, feedback, and reinforcement help make this application and maintenance more likely. This focus distinguishes learning transfer from immediate participant reactions or simple indicators of interest in a program. The Kirkpatrick Model describes behavior evaluation as determining the extent to which participants apply learning on the job; see Kirkpatrick Partners’ overview of the Kirkpatrick Model. The U.S. Office of Personnel Management also identifies transfer of training as application of learned knowledge and skills to the job: OPM training and development reference materials.

QUESTION NO: 62

Electronic storage of records must include specific controls to ensure which of the following?

A. Online retrievability on demand

B. No unauthorized access

C. Ease of use

D. Collaboration with an HRIS system

ANSWER: B

Explanation:

Electronic record-storage controls must ensure **no unauthorized access**. HR records routinely contain highly sensitive information, including personal identifiers, compensation data, medical information, investigation materials, and employment-history records. Effective electronic controls protect the confidentiality and integrity of this information by limiting access to authorized individuals with a legitimate business need. Common safeguards include role-based permissions, unique user credentials, multifactor authentication, encryption, audit logs, secure retention procedures, and prompt removal of access when an employee changes roles or leaves the organization.

This requirement is central to sound HR risk management because organizations have legal and ethical duties to safeguard employee information. For example, the Americans with Disabilities Act requires that employee medical information be maintained confidentially and separately from general personnel files. The U.S. Department of Labor also advises employers to protect personally identifiable information in employment records through appropriate administrative, technical, and physical safeguards. Controls that prevent unauthorized access therefore support privacy compliance, preserve trust, and reduce the risk of improper disclosure, identity theft, and legal liability. See the EEOC guidance on confidential medical information and the U.S. Department of Labor’s privacy and personally identifiable information resources.

QUESTION NO: 63

Which of the following are the most critical factors that indicate an internal promotion policy is needed? **(Select TWO options.)**

A. Cost per hire

B. Benefit costs

C. Low unemployment

D. Fluctuating overtime

E. Job proficiency rates

ANSWER: C E

Explanation:

Low unemployment and **job proficiency rates** are the most critical indicators. Low unemployment reflects a tight external labor market, in which qualified applicants are scarcer and competition for talent is greater. In that environment, a formal internal promotion policy helps the organization fill openings more reliably by identifying internal talent, communicating advancement paths, and linking employee development to anticipated staffing needs. This supports continuity in key roles and reduces dependence on an increasingly constrained external candidate market.

Job proficiency rates provide essential evidence about whether the current workforce has developed the knowledge, skills, and demonstrated performance needed to move into roles with greater scope or responsibility. Tracking proficiency enables leaders to assess internal readiness objectively, identify developmental gaps, and establish promotion decisions based on consistently applied, job-related criteria. Together, labor-market conditions and internal capability data make a strong strategic case for a structured promotion policy as part of talent planning and succession management. HRCI identifies talent planning and acquisition as a core SPHR competency area; see HRCI's SPHR certification overview. Current unemployment data can also be evaluated through the U.S. Bureau of Labor Statistics Current Population Survey to inform labor-market planning.

QUESTION NO: 64

Mark is a contractor for the CleanSweep Chimney Company. When the CleanSweep Chimney Company has work that they can't manage they'll send Mark to the customer site to quote on the work based on their standardized fees and complete the work on their behalf. The company will pay Mark for his time. Mark, however, often tells the home owners what the CleanSweep Chimney Company will charge, but he can personally do the job for less than the CleanSweep Chimney Company. What is this an example of?

A. Bait and switch

B. Breach of duty of loyalty

C. Breach of duty of diligence

D. Breach of duty of obedience

ANSWER: B

Explanation:

Breach of duty of loyalty is correct. An individual acting as a company's contractor or agent owes a duty to act in the company's interests in matters within the scope of that relationship. Here, CleanSweep sends Mark to customers to quote standardized company pricing and perform work for the company. Mark uses that assigned customer contact and pricing opportunity to steer homeowners toward hiring him personally at a lower price. This creates a direct conflict between his personal financial interest and CleanSweep's interest in obtaining the job for which it dispatched him.

The duty of loyalty is a common-law agency principle requiring an agent to refrain from competing with the principal, usurping business opportunities belonging to the principal, or using the agency position for undisclosed personal gain. A contractor's classification does not eliminate this duty when the contractor is acting as the organization's agent in dealing with its customers. Mark's conduct is therefore a classic diversion of an employer or principal's business opportunity for personal benefit. The Cornell Legal Information Institute's definition of an agent describes an agent as someone authorized to act for another, while the Cornell Legal Information Institute's overview of fiduciary duty explains the obligation to act in another party's best interests in such a relationship.

QUESTION NO: 65

Data to be benchmarked must:

A. reflect a clear values statement.

B. be measurable and realistic.

C. include indicators of past performance.

D. identify feasible alternatives.

ANSWER: B

Explanation:

Data selected for benchmarking must be measurable and realistic because benchmarking depends on valid, usable comparisons. “Measurable” means the organization can define the metric consistently, collect it reliably, and express it in a form that permits comparison, such as turnover rate, time to fill, cost per hire, or revenue per employee. Clear metric definitions, consistent time periods, and reliable sources allow HR leaders to distinguish meaningful performance differences from differences caused by inconsistent measurement.

“Realistic” means the comparison reflects the organization’s actual operating environment and is relevant to the decision at hand. Useful external benchmarks account for meaningful contextual factors, including industry, organization size, geography, workforce composition, business model, and labor-market conditions. A benchmark that is measurable but disconnected from these conditions may be technically precise yet provide little decision value. When HR uses realistic and measurable data, leaders can interpret gaps appropriately, set attainable performance targets, prioritize improvement efforts, and support recommendations with credible evidence.

This approach aligns with HRCI’s emphasis on using data and analytics to inform strategic decisions, as described in the HRCI SPHR certification overview. It is also consistent with the U.S. Office of Personnel Management’s guidance that benchmarking requires comparable measures and meaningful standards for assessing performance: OPM Performance Management Cycle.

QUESTION NO: 66

Which of the following agreements is most likely to protect trade secrets when a key employee is recruited by a competitor?

A. Privacy

B. Non-solicitation

C. Non-disclosure

D. Proprietary

ANSWER: C

Explanation:

Non-disclosure is correct because a non-disclosure agreement directly establishes the employee’s duty to protect confidential business information, including qualifying trade secrets, both during employment and after separation. When a key employee joins a competitor, the central risk is that the employee may disclose, use, or retain protected information such as customer information, pricing, product-development plans, manufacturing processes, source code, or strategic plans. A carefully drafted non-disclosure agreement identifies the protected information, limits its use to authorized business purposes, requires appropriate safeguarding and return or destruction of materials, and provides a contractual basis for seeking relief if confidential information is misused.

This contractual protection supports trade-secret safeguards required under the federal Defend Trade Secrets Act. Trade-secret protection depends in part on the organization taking reasonable measures to keep the information secret; confidentiality agreements are a significant component of those measures. The agreement should be administered consistently and paired with practical controls, such as restricted access and exit procedures. The Defend Trade Secrets Act also contains a notice requirement for agreements governing confidential information with employees, contractors, and consultants. See 18 U.S.C. § 1839 and 18 U.S.C. § 1833.

QUESTION NO: 67

The concept _____ reviews processes to eliminate waste, relies on teamwork, and involves all members of the organization in meeting customer needs.

A. Time management

B. Balancing stakeholder

C. Information sharing

D. Total Quality Management

ANSWER: D

Explanation:

Total Quality Management is correct because it is an organization-wide management philosophy focused on continuously improving processes, quality, and customer satisfaction. TQM treats quality as the responsibility of every employee and function rather than as the responsibility of a separate quality-control department. Its use of cross-functional teamwork helps employees identify process problems, reduce non-value-added work and waste, and make systematic improvements to how products or services are delivered. The emphasis on meeting customer needs is central: customer requirements provide the standard against which quality and process performance are evaluated. In an HR and business-strategy context, TQM also requires leaders to create a culture of participation, provide relevant training, use data to guide improvement, and empower employees to contribute ideas about operational quality. These features align directly with the description of reviewing processes, eliminating waste, relying on teamwork, and involving all organizational members in customer-focused improvement. The American Society for Quality describes TQM as a management approach to long-term success through customer satisfaction that involves all members of an organization: ASQ: Total Quality Management. Additional guidance on the principles of quality management, including customer focus, engagement of people, and continual improvement, is available from ISO 9001 Quality Management.

QUESTION NO: 68

A corporation is a legal entity that has rights and obligations. The corporation has a responsibility to act in the best interests of its owners. What term describes the obligation of the corporation to act in the best interest of its shareholders?

A. Fiduciary responsibility

B. Ethical responsibility

C. Mission statement

D. Corporate charter

ANSWER: A

Explanation:

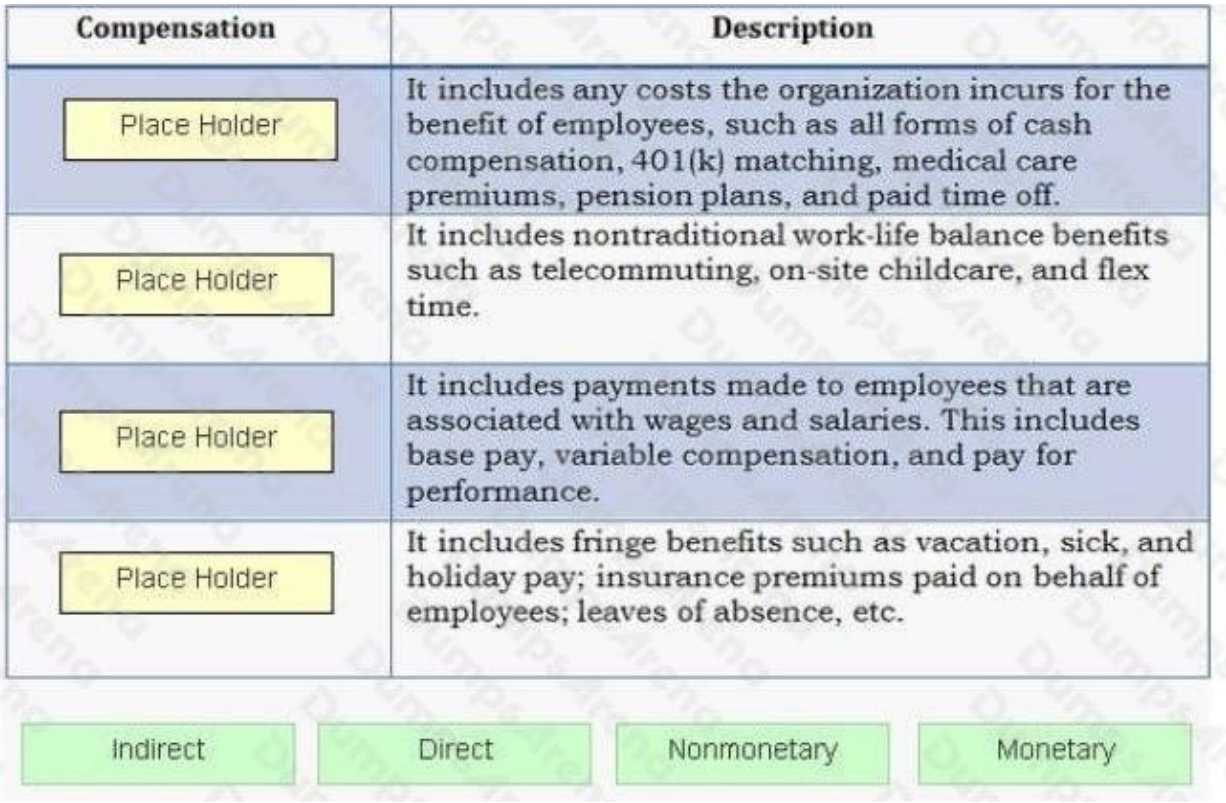
Fiduciary responsibility is the obligation to act in the best interests of another party when entrusted with authority, discretion, or control over that party's interests. In the corporate-governance context, this duty applies principally to directors and officers, who manage corporate affairs on behalf of the corporation and its shareholders. It requires decision-makers to use appropriate care, act loyally and in good faith, and place the corporation's and shareholders' interests ahead of personal interests when performing their governance responsibilities. For an HR leader, understanding fiduciary responsibility is important because strategic workforce decisions, executive compensation, succession planning, compliance practices, and organizational risk management may all be subject to board oversight and must support the organization's legitimate business interests. The concept also supports accountability: corporate leaders should make informed decisions through reasonable processes and manage conflicts of interest appropriately. The U.S. Securities and Exchange Commission describes directors' responsibilities to shareholders and the central role of corporate governance in protecting investor interests. The Legal Information Institute also summarizes fiduciary duty as a legal duty requiring one party to act for another's benefit within the scope of the relationship. See the SEC's guidance on corporate directors and Cornell Law School's fiduciary-duty overview.

QUESTION NO: 69 - (DRAG DROP)

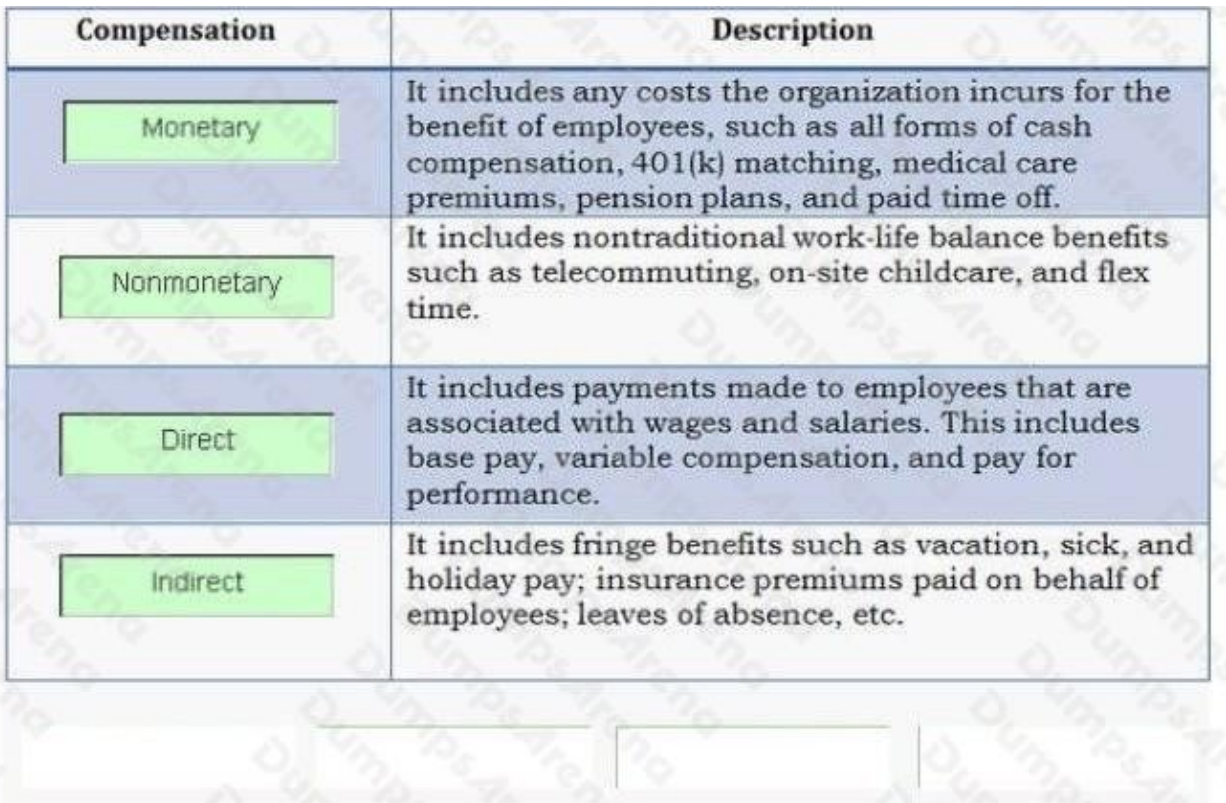
DRAG DROP

Drag and drop the compensations beside their corresponding descriptions.

Select and Place:



ANSWER:



Explanation:

The completed matching correctly applies the major total-rewards compensation classifications. **Monetary** compensation encompasses employer expenditures that have financial value for employees, including cash compensation and employer-paid items such as retirement-plan matching, health-care premiums, pension benefits, and paid time off. This reflects the broad financial component of the total rewards relationship between employer and employee. The U.S. Bureau of Labor Statistics similarly describes employer compensation costs as wages and salaries together with benefits, including paid leave, insurance, retirement, and legally required benefits. See the BLS Employer Costs for Employee Compensation release.

Nonmonetary compensation appropriately identifies work-life and work-design rewards, including telecommuting, on-site child care, and flexible scheduling. These arrangements can be meaningful parts of an employee value proposition because they support flexibility, autonomy, and the practical integration of work and personal responsibilities. The U.S. Department of Labor's flexible work schedule overview discusses common flexible-work arrangements.

Direct compensation correctly covers pay that is directly tied to work performed and paid through wages or salary, including base pay, variable pay, and performance-based pay. **Indirect** compensation correctly covers benefits and other employer-provided value not paid as regular wages or salary, such as vacation, sick and holiday pay, insurance contributions, and leaves of absence. Together, these classifications distinguish the form of the reward—financial or nonfinancial—from the delivery of the reward—pay directly received for work or employer-provided benefits. This is the appropriate total-rewards framework for the descriptions shown.

QUESTION NO: 70

What are the most critical factors that affect an organization's ability to compete? **(Select TWO options.)**

A. Ability to automate job tasks

B. Cost of media to market services

C. Bargaining power of buyers and suppliers

D. Proficiency with total quality management

E. Threat level of like products and new entrants

ANSWER: C E

Explanation:

Bargaining power of buyers and suppliers and **Threat level of like products and new entrants** are the critical factors because they represent the external competitive pressures that shape an organization's strategic position, profitability, and ability to sustain an advantage. Buyer power affects how readily customers can demand lower prices, better service, or greater value. Supplier power affects input costs, access to necessary resources, and operational flexibility. Together, these pressures directly influence margins and the organization's latitude in setting prices and making strategic investments.

The threat posed by substitute offerings and prospective entrants is equally central. Substitute products or services can shift customer demand away from the organization's offering, while new entrants can increase capacity, intensify price competition, and challenge established market share. These forces require leaders to evaluate workforce capabilities, innovation needs, organizational design, and talent investments in light of changing market conditions. This analysis is consistent with the Five Forces framework used to assess industry attractiveness and competitive intensity. For SPHR-level strategic practice, understanding these external forces supports alignment of people strategy with the organization's broader business strategy. See HRCI's SPHR certification information and Harvard Business School's overview of Porter's Five Forces.

QUESTION NO: 71

Which of the following activities is not a responsibility of the operations function of a business?

A. Scheduling production runs to coincide with customer demand

B. Ensuring that products or services meet quality standards

C. Determining what new products will be produced

D. Designing the product

ANSWER: C

Explanation:

“Determining what new products will be produced” is the activity that is not principally a responsibility of the operations function. Operations converts organizational inputs—such as materials, labor, technology, and facilities—into products or services that can be delivered reliably and efficiently. Its responsibilities commonly include production scheduling, capacity and workflow planning, quality management, and participation in product or service design so that offerings can be produced consistently and economically.

The decision about which new products the organization should introduce is primarily a marketing and strategic-management decision. Marketing gathers and interprets customer, competitor, and market information to identify unmet needs, estimate demand, and recommend offerings that customers are likely to buy. Operations has an essential cross-functional role after and during that decision: it evaluates feasibility, process requirements, cost, capacity, quality requirements, and the ability to scale production or service delivery. However, those operational contributions do not make operations the primary owner of determining the market-facing product portfolio.

This distinction is useful for SPHR-level business acumen because HR leaders must understand how functional responsibilities align to organizational strategy and how marketing, operations, finance, and HR collaborate in product and service decisions. See OpenStax, Introduction to Business—Operations Management and HRCI SPHR certification information.

QUESTION NO: 72

If employees no longer want the union to represent them, they may petition the NLRB for which of the following?

A. Statutory bar

B. Decertification

C. Deauthorization

D. Contract bar

ANSWER: B

Explanation:

Decertification is correct because it is the National Labor Relations Board process through which employees in an existing bargaining unit may seek to remove their union as their exclusive collective-bargaining representative. Employees, not the employer, file an RD (decertification) petition with the NLRB. To support processing of the petition, it generally must be accompanied by a showing of interest from at least 30% of the employees in the unit. If the petition is timely and otherwise valid, the NLRB investigates the matter, determines whether an election should proceed, and conducts a secret-ballot election. The union is decertified if it does not receive the required majority support in that election.

This process protects employees’ right under the National Labor Relations Act to select, retain, or reject representation, while preserving the Board’s neutral election procedures. Employers should remain neutral: they may communicate lawful facts and opinions, but they must not initiate, assist, solicit, or coerce employee support for a decertification effort. The NLRB describes the decertification process and filing requirements at NLRB Decertification Elections. Additional information on employees’ statutory representation rights is available at NLRB: Your Right to Form a Union.

QUESTION NO: 73

What is the target demographic of an organization with a total rewards package that includes at-market pay and a high professional development budget?

A. Highly skilled individuals

B. New college graduates

C. Executive leadership

D. Middle management

ANSWER: A

Explanation:

Highly skilled individuals are the target demographic because this rewards mix is designed to attract and retain talent whose capabilities are valuable, specialized, and often in competitive demand. At-market pay establishes a credible, externally competitive foundation: the organization is signaling that it will pay comparably to relevant labor-market alternatives. A substantial professional-development budget adds a strong growth component, supporting continuous skill building, career mobility, certification, and advancement opportunities. For skilled professionals, development is not merely a perk; it can increase their expertise, employability, and ability to contribute to more complex work. Together, competitive cash compensation and significant investment in learning communicate a value proposition centered on both immediate fairness and longer-term career growth. This is consistent with strategic total-rewards practice, in which employers align compensation, benefits, development, and career opportunities with the needs of the talent segments required to achieve organizational objectives. HRCI identifies total rewards as a core functional area involving the design and administration of compensation and benefits programs, while SHRM describes learning and development as a key mechanism for building workforce capabilities. See HRCI's SPHR certification overview and SHRM resources on managing and developing workforce capability.

QUESTION NO: 74

Task identity, task significance, and feedback are all examples of what?

A. Job enlargement

B. Job enrichment

C. Performance appraisal criteria

D. Key productivity indicators

E. Core job characteristics

ANSWER: E

Explanation:

Core job characteristics is correct. In the Job Characteristics Model developed by J. Richard Hackman and Greg Oldham, task identity, task significance, and feedback are three of the five core characteristics used to describe how a job is designed. Task identity concerns completing a whole, identifiable piece of work; task significance concerns the job's perceived impact on other people; and feedback concerns the degree to which the work itself provides clear information about performance results. The other two core characteristics are skill variety and autonomy.

These characteristics matter because they shape employees' psychological experience of work, including meaningfulness, responsibility, and knowledge of results. Designing work to strengthen these characteristics can support motivation, satisfaction, engagement, and performance. Job enrichment is a broader job-design approach that may use the core job characteristics—for example, by increasing autonomy, meaningful task ownership, and feedback—but it is not the technical category that task identity, task significance, and feedback name. For an overview of the model and its application to work design, see ILO Encyclopaedia: Job Characteristics Model and OpenStax: Motivating Employees Through Job Design.

QUESTION NO: 75

One reason for an organization to include social responsibility as part of its talent strategy is to:

A. enhance employee engagement and retention.

B. adopt principles and standards for external recruiting.

C. improve employee referral programs.

D. recruit applicants with more experience.

ANSWER: A

Explanation:

“enhance employee engagement and retention.” is correct because incorporating social responsibility into talent strategy helps an organization create a compelling employee value proposition grounded in purpose, values, and ethical conduct. Corporate social responsibility can include meaningful commitments to community investment, environmental sustainability, responsible business practices, and equitable treatment of people. When these commitments are authentic and consistently reflected in organizational decisions, employees are more likely to feel pride in their employer and connection to its mission. That connection supports engagement—the willingness to invest discretionary effort in work—and strengthens employees’ intention to remain with the organization.

At the strategic HR level, social responsibility also contributes to the organization’s employment brand. A credible reputation for responsible practices can reinforce the alignment between the organization’s values and those of current employees, particularly where employees seek purpose alongside compensation, development, and career opportunity. Including social responsibility in the talent strategy therefore supports a broader retention approach by making the employment relationship more meaningful and reinforcing commitment over time. The Society for Human Resource Management discusses how corporate social responsibility can support employee engagement, and HRCI identifies engagement and retention as core components of strategic talent management. See SHRM’s discussion of CSR and employee engagement and the HRCI SPHR certification overview.

QUESTION NO: 76

Which of the following are the key components of gainsharing?

Each correct answer represents a complete solution. Choose all that apply.

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

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

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

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

ANSWER: A B D

Explanation:

Gainsharing is a group-based variable-pay approach that links employees’ rewards to measurable improvements in organizational performance, such as productivity, quality, cost reduction, or operational efficiency. It is built on employee involvement: employees and management work together for reviewing organizational performance, identifying improvement opportunities, and contributing ideas that can improve results. This shared problem-solving process distinguishes gainsharing from an incentive based solely on an individual employee’s output.

The organization and the employees share the financial gains because the plan establishes a formula for distributing a portion of verified savings or performance gains to the workforce. The payment is contingent on actual improvement against an established baseline, supporting a clear connection between collective results and compensation. Accordingly, if the goals for improvements are met, employees and managers share the success through the plan’s defined gain-sharing payout structure. Effective gainsharing plans also require transparent measures, reliable performance data, and ongoing communication so participants understand how gains are calculated and how their efforts influence results.

For additional background on group incentive compensation and performance-based rewards, see the U.S. Department of Labor’s profit-sharing information and the Society for Human Resource Management’s gainsharing overview.

QUESTION NO: 77

In the _____ supervisors meet with their staff for updates and coordination of activities.

A. Department staff meetings

B. Brown-bag lunches

C. Town hall meetings

D. Managers meetings

ANSWER: A

Explanation:

Department staff meetings is correct because these meetings are a routine communication and coordination mechanism within a defined work unit. A supervisor convenes the employees who report to them to share operational updates, clarify current priorities, align work assignments, identify interdependencies, and address issues affecting the department's day-to-day activities. Regular staff meetings also give employees a structured opportunity to raise questions, report progress, and understand how their work connects with team objectives.

From an employee-relations perspective, consistently scheduled department staff meetings support clear two-way communication between supervisors and staff. They help ensure that organizational information is cascaded accurately, expectations are understood, and employees can coordinate tasks and resources effectively. The meeting's defining feature is the direct relationship between a supervisor and that supervisor's own staff, with a practical focus on the work of the department. Guidance on effective internal communication emphasizes that managers play an essential role in communicating priorities and enabling employee feedback; see the SHRM organizational communication toolkit and the CDC/NIOSH discussion of workplace communication and organizational factors.

QUESTION NO: 78

Which of the following are characteristics of a point-factor job-evaluation system?

Each correct answer represents a complete solution. Choose all that apply.

A. Compensable factors are identified and defined.

B. Compensable factors are assigned relative weights.

C. Points are assigned to factor degrees and totaled for each job.

D. Jobs are ranked solely according to external market pay rates.

ANSWER: A B C

Explanation:

A point-factor job-evaluation system is an analytical method used to evaluate the relative internal value of jobs. The organization identifies compensable factors that are important to its work, such as knowledge, problem solving, responsibility, working conditions, or supervisory responsibility. Each factor is defined and assigned a weight that reflects its relative importance to the organization.

Jobs are evaluated by assigning points for the degree to which each compensable factor is present. The points are then totaled to produce an overall job-evaluation score that can be used to establish job hierarchy, job grades, or salary structures. External market pricing is a separate compensation activity used to assess market competitiveness; it is not a defining feature of point-factor job evaluation. See the U.S. Office of Personnel Management's classification and qualifications resources and WorldatWork's compensation resources.

QUESTION NO: 79

In the evaluation phase, the _____ evaluation method focuses on how well the training resulted in learning new skills and competencies.

A. Results

B. Behavior

C. Learning

D. Reaction

ANSWER: C

Explanation:

Learning is correct. In Kirkpatrick's widely used training-evaluation framework, the learning level assesses the extent to which participants acquired the intended knowledge, skills, attitudes, confidence, or commitment through the training program. Because the question asks whether training resulted in learning new skills and competencies, the assessment should focus directly on demonstrated acquisition of those capabilities. HR professionals can evaluate learning with measures such as pre- and post-training tests, skills demonstrations, simulations, practical exercises, certification assessments, or observed competency checks. This evaluation provides evidence that participants can perform or understand what the program was designed to teach before the organization seeks to determine whether they apply it consistently in their jobs or whether broader organizational outcomes have improved. A well-designed learning evaluation aligns its assessment criteria to the training's stated learning objectives, uses valid measures of the targeted competencies, and compares results against an appropriate baseline or required performance standard. Kirkpatrick describes Level 2, Learning, as the degree to which participants acquire knowledge, skills, attitude, confidence, and commitment based on participation in training. See Kirkpatrick Partners' overview of the Kirkpatrick Model and the Association for Talent Development's guidance on using the Kirkpatrick model.

QUESTION NO: 80

Which of the following measures do high-performing organizations use to determine the success of talent investment? (Select TWO options.)

A. Financial performance

B. Benefits utilization

C. Employee engagement

D. Compa-ratio

E. Number of referrals

ANSWER: A C

Explanation:

Financial performance and employee engagement are appropriate measures because they connect talent investments to both organizational results and the workforce conditions that enable those results. Financial performance provides outcome-level evidence of whether investments in recruiting, development, retention, and rewards support business value. Depending on the organization and initiative, HR leaders may examine revenue growth, profitability, productivity, operating costs, or a defined return-on-investment calculation. These measures help senior HR leaders evaluate talent strategy in terms executives can use for resource-allocation decisions.

Employee engagement is also a meaningful success measure because it indicates employees' commitment, discretionary effort, and willingness to contribute to organizational goals. Engagement data, typically gathered through appropriately designed surveys and analyzed alongside retention, performance, and business data, helps determine whether talent practices are creating a motivated and capable workforce. Together, financial performance and employee engagement provide a balanced view: one assesses enterprise outcomes, while the other assesses a critical workforce driver of sustainable performance. This aligns with the SPHR focus on using metrics and business information to evaluate strategic HR initiatives. See the HRCI SPHR certification overview and the SHRM employee engagement toolkit.

QUESTION NO: 81

Which of the following practices have a positive correlation with employee engagement? (Select TWO options.)

A. New employee socialization

B. Delegating management style

C. Matrixed organizational structure

D. Career development opportunities

E. Strategic external marketing campaigns

ANSWER: A D

Explanation:

New employee socialization and **Career development opportunities** have a positive relationship with employee engagement because both strengthen an employee's connection to the organization and investment in its future. Effective socialization, particularly during onboarding, helps employees understand organizational values, workplace norms, role expectations, and available support. This early clarity and sense of belonging promote confidence, inclusion, and commitment—important foundations for engagement. Gallup emphasizes that onboarding should create meaningful connections and clarify how an employee contributes to the organization's purpose.

Career development opportunities support engagement by showing employees that the organization is willing to invest in their skills, advancement, and long-term employability. Employees who can see attainable development paths, receive learning opportunities, and discuss future goals with managers are more likely to find their work meaningful and remain committed. From an SPHR perspective, these practices are strategic talent-management and employee-relations tools: socialization integrates employees into the culture, while development sustains motivation and capability over time. Together, they support retention, performance, and an engaged workforce. See Gallup's guidance on effective onboarding and building a high-development culture.

QUESTION NO: 82

You are the Senior HR Professional for your organization. You've just written the following statement in your company's code of conduct: the use of business resources for personal gain compromises the integrity of our company. What does this statement accomplish in the code of conduct?

A. Ethical/value statement

B. Honesty statement

C. Conduct statement

D. Gift statement

ANSWER: A

Explanation:

Ethical/value statement is correct because the language establishes an organizational principle rather than prescribing a specific procedural rule. By stating that personal use of business resources for gain compromises company integrity, the code connects employee decision-making to a core value: integrity. It communicates the ethical standard that should guide employees when they encounter actual or potential conflicts between personal interests and organizational assets. Codes of conduct commonly use values-based statements to articulate the organization's expectations for ethical behavior, promote consistent judgment, and reinforce accountability for protecting company resources. This type of statement also supports corporate governance by making clear that organizational property, information, time, and other resources must not be leveraged to advance an individual's private interests. A well-designed code combines such values-based direction with more detailed policies and reporting mechanisms, enabling employees to recognize concerns and seek guidance before acting. The U.S. Sentencing Guidelines describe effective ethics and compliance programs as including standards and procedures designed to prevent and detect criminal conduct, while the Society for Human Resource Management

recognizes codes of conduct as tools for communicating expected ethical workplace behavior. See U.S. Sentencing Guidelines, Chapter 8 and SHRM's Code of Conduct Policy.

QUESTION NO: 83 - (HOTSPOT)

HOTSPOT

Check the possible communication delivery methods in the top-down communication and bottom-up communication.

Hot Area:



ANSWER:



Explanation:

Effective employee communication includes planned opportunities for information to move from organizational leadership to employees and for employees to share ideas, questions, and feedback upward. The checked top-down methods—Intranet,

Posters, and Flyers—are appropriate tools for distributing consistent organizational messages broadly. An intranet gives management a central location for policies, news, procedures, and updates that employees can access when needed. Posters and flyers are visible, practical ways to reinforce key messages, announce programs, and make important information available in common work areas. These channels help leadership communicate information in a standardized and repeatable way.

The checked bottom-up methods—Brown-bag lunches, Email, and Webcasts—support employee participation and access to leadership. Brown-bag lunches can create an informal setting where employees raise concerns, ask questions, and contribute suggestions. Email provides a direct, documented channel through which employees can communicate with managers or human resources. Webcasts can support upward communication when they include interactive features such as submitted questions, live discussion, polling, or follow-up feedback. Together, these methods make employee input easier to collect from people who may be separated by schedules, locations, or organizational levels.

A sound communication strategy uses both directions because communication is not complete merely when management sends a message. Leaders need reliable ways to distribute information, and they also need mechanisms that allow employees to clarify meaning, identify issues, and offer perspectives based on their work experiences. This two-way approach promotes understanding, engagement, and informed organizational decisions. The SHRM organizational communication toolkit and the OSHA worker participation guidance both emphasize the value of clear communication and meaningful employee involvement.

QUESTION NO: 84

What are the most important benefits of incorporating succession management into an organization's culture? (Select TWO options)

A. Develops bench strength

B. Decreases involuntary turnover

C. Reduces external recruiter expenses

D. Reduces time to fill critical positions

E. Infuses new talent with fresh perspectives

ANSWER: A D

Explanation:

Develops bench strength is a central benefit of succession management because it deliberately identifies, assesses, develops, and prepares internal employees for mission-critical roles. Embedding this process in the organization's culture makes leadership development an ongoing business practice rather than a reactive response to a vacancy. A stronger internal bench supports continuity of operations and preserves organizational knowledge when leaders or other key contributors leave, retire, or move into different roles.

Reduces time to fill critical positions is also a key benefit because potential successors have already been identified and developed against the competencies and experiences required for pivotal positions. When an opening occurs, the organization can make a timely internal placement rather than beginning a lengthy search with an unknown external candidate pool. This readiness supports workforce planning and helps the organization execute strategy with less disruption. These outcomes align with the SPHR emphasis on strategic talent planning, leadership readiness, and aligning people practices with organizational needs. HRCI identifies talent planning and acquisition as a core area of strategic HR capability in its SPHR credential information: HRCI SPHR Certification. Additional succession-planning guidance is available from the SHRM succession planning toolkit.

QUESTION NO: 85

An organization is developing a business-continuity plan for a major disruption that could prevent employees from working at the primary site. Which of the following HR actions should be included in the plan?

Each correct answer represents a complete solution. Choose all that apply.

A. Identify critical roles and backup staffing

B. Maintain current employee emergency contact information

C. Establish employee communication protocols

D. Wait until the disruption occurs to determine staffing priorities

ANSWER: A B C

Explanation:

Identifying critical roles and backup staffing, maintaining current employee emergency contact information, and establishing employee communication protocols are appropriate HR components of a business-continuity plan. Critical-role and backup-staffing analysis helps the organization sustain essential operations when key employees are unavailable. Current emergency contact information enables the organization to account for and communicate with employees. Established communication protocols provide consistent methods for delivering instructions, status updates, and available support during a disruption.

Waiting until an emergency occurs to determine staffing priorities is not an effective continuity practice. Business continuity depends on advance preparation, defined responsibilities, accessible contact information, and tested procedures. The Federal Emergency Management Agency describes continuity planning as the effort to ensure that essential functions can continue during a wide range of disruptions. See FEMA's continuity guidance.

QUESTION NO: 86

Which of the following focuses on preventive care and controlling health costs?

A. Exclusive Provider Organization

B. Health Maintenance Organization

C. Physician Hospital Organization

D. Preferred Provider Organization

ANSWER: B

Explanation:

Health Maintenance Organization is correct because this managed-care plan model is designed around coordinated, preventive health services and cost management. Members generally select a primary care physician who coordinates routine treatment, preventive screenings, referrals, and access to specialists. By emphasizing wellness visits, immunizations, early detection, and care coordination, an HMO seeks to address health needs before they become more serious and costly. HMOs also typically contract with a defined network of providers and use payment and utilization-management arrangements intended to promote efficient delivery of medically necessary care. This structure gives the plan a practical ability to manage utilization and negotiate provider costs while encouraging members to obtain regular preventive care. The U.S. Department of Labor explains that managed care plans, including HMOs, use provider networks and may require a primary care provider or referrals for specialist services. The Centers for Medicare & Medicaid Services similarly describes HMOs as plans that generally require members to use network providers and coordinate care through the plan's rules. These features make an HMO the benefit-plan arrangement most closely associated with preventive care and controlling health-care costs. See U.S. Department of Labor: Health Plans & Benefits and Medicare.gov: Health Maintenance Organizations.

QUESTION NO: 87

Which of the following are established by Fair Labor Standards Act (FLSA) of 1938?

Each correct answer represents a complete solution. Choose all that apply.

A. Criteria for exempt and nonexempt employees

B. Health insurance requirement

C. Laws for protecting American children against labor exploitation

D. Minimum wage requirement

ANSWER: A C D

Explanation:

The Fair Labor Standards Act establishes a federal minimum wage requirement for covered, nonexempt employees. The statute also creates overtime-pay protections and recordkeeping obligations, forming a core federal framework for wage-and-hour compliance. The U.S. Department of Labor identifies minimum wage as one of the law's principal protections. Employers may need to comply with a state or local wage standard when it provides greater protection, but the federal requirement originates in the FLSA.

The FLSA also establishes federal child-labor protections designed to prevent the employment of children in conditions or occupations that could jeopardize their health, well-being, or educational opportunities. These provisions restrict hazardous work for minors and set age- and hour-related limits for covered employment.

Finally, the law establishes the exempt and nonexempt framework relevant to minimum-wage and overtime protections. Certain employees may qualify for exemptions under the statute and implementing regulations when their job duties and, where applicable, salary basis and salary level meet the required standards. HR professionals must evaluate actual job responsibilities rather than job titles alone when administering these classifications. The Department of Labor summarizes these requirements in its FLSA overview and exemption fact sheet.

QUESTION NO: 88

The best examples of using analytics to make informed decisions for workforce planning are: **(Select TWO options.)**

A. Prioritizing resources to develop low-performing employees.

B. Using behavioral data to identify employees most likely to resign.

C. Calculating the percentage of employees reaching retirement age in five years.

D. Identifying new future workforce trends while maintaining current HR practices.

E. Using historical data to predict next year's employee attrition rate.

ANSWER: B C

Explanation:

Using behavioral data to identify employees most likely to resign and calculating the percentage of employees reaching retirement age in five years are both forward-looking applications of workforce analytics that directly inform strategic workforce planning. Attrition-risk analysis uses relevant workforce indicators to identify roles, teams, or employee populations with elevated likelihood of voluntary turnover. HR can use those insights to assess likely talent gaps, prioritize retention actions, and develop targeted contingency plans before critical capability is lost.

Retirement-projection analysis similarly converts workforce-demographic data into an estimate of future labor-supply risk. Knowing how much of the workforce will become retirement-eligible within a defined planning horizon helps leaders forecast vacancies, identify succession needs, preserve institutional knowledge, and determine whether development, redeployment, or external hiring will be needed. These analyses support proactive decisions about the organization's future workforce capacity and capability rather than simply reporting current headcount or past outcomes. This aligns with the SPHR emphasis on using workforce data and analytics to support organizational strategy. See HRCI's SPHR certification overview and the U.S. Office of Personnel Management's workforce and succession planning resources.

QUESTION NO: 89

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 helps them re-orientate to the job market?

A. Utility function

B. Outplacement

C. Duty of diligence

D. Exit interview

ANSWER: B

Explanation:

Outplacement is correct. Outplacement is an employer-sponsored service provided to employees who are leaving an organization, commonly because of a reduction in force, restructuring, closure, or other organizational change. Its central purpose is to assist affected employees in making a successful transition to new employment and in re-entering the job market with practical support. Services can include career counseling, skills and interest assessment, résumé and cover-letter development, interview preparation, job-search strategy, networking guidance, job leads, and access to career-transition resources. Employers may deliver these services through HR staff, an employee assistance program, or a specialized external outplacement provider.

From an SPHR perspective, offering outplacement reflects a thoughtful offboarding and workforce-transition practice. It can help departing employees navigate a difficult employment change with greater clarity and confidence while supporting the organization's commitment to respectful treatment. Well-designed transition assistance may also preserve employee goodwill, reinforce the employer brand, and promote a more orderly organizational exit process. The Society for Human Resource Management describes outplacement as services that help separated employees find new employment, and the U.S. Department of Labor provides job-search and career resources relevant to individuals making such transitions. See SHRM: Outplacement Services and U.S. Department of Labor CareerOneStop.

QUESTION NO: 90

An employee accepts a counteroffer after submitting a notice of resignation. Which of the following are the possible disadvantages to the organization? **(Select THREE options.)**

A. It may create internal pay inequity.

B. Budgets are too low to allow funding.

C. Poor performers should not be rewarded.

D. It will impact the organization ' s multicultural diversity.

E. Most employees accepting counteroffers leave shortly after.

F. Other employees may decide to leave in order to get a raise.

G. It limits internal development opportunities for other employees.

ANSWER: A E F

Explanation:

It may create internal pay inequity, most employees accepting counteroffers leave shortly after, and other employees may decide to leave in order to get a raise are the key organizational risks associated with counteroffers. A counteroffer can require an exception to established compensation ranges, merit-increase practices, or job-value relationships. If colleagues learn that an employee received a substantial increase only after threatening to resign, the resulting perception of inconsistent pay practices can damage trust in compensation decisions and employee relations.

Counteroffers also may retain an employee only temporarily when the underlying reasons for resignation, such as career goals, manager relationships, workload, or organizational culture, have not been resolved. This can leave the organization facing a delayed vacancy while it has postponed succession planning, recruiting, or knowledge-transfer activities. Finally, a

visible pattern of rewarding resignation notices can create an undesirable incentive: employees may view an external offer or resignation threat as a negotiating tactic. That precedent can undermine the credibility of normal performance- and market-based pay processes and contribute to turnover risk. These considerations align with strategic retention and equitable-reward practices addressed in the HRCI SPHR certification program and with guidance on the limitations of counteroffers from Harvard Business Review.

QUESTION NO: 91

When planning the expansion of a department, HR should begin with:

A. analyzing competitor market trends.

B. evaluating the skills of the employees.

C. benchmarking against industry standards.

D. determining training needs of current employees.

ANSWER: B

Explanation:

Evaluating the skills of the employees is the appropriate starting point because effective departmental expansion depends on a clear picture of the organization's current talent supply. HR should identify the knowledge, skills, abilities, experience, credentials, performance capability, and potential of current employees before deciding how to staff the expanded function. This internal assessment establishes whether the needed work can be supported through promotion, redeployment, succession plans, cross-training, targeted development, or a combination of these approaches.

At the strategic level, this is a core workforce-planning activity: compare the capabilities available today with the capabilities the expanded department will require. The resulting skills inventory and gap analysis give HR credible information for later decisions about workforce size, job design, development investments, and external recruiting. Beginning with existing capability also supports sound talent management by making internal mobility and development visible rather than treating hiring as the default response to growth. HRCI's SPHR content framework includes strategic talent planning and workforce planning within the leadership-and-strategy domain. The U.S. Office of Personnel Management similarly describes workforce planning as analyzing the current workforce and identifying gaps relative to future needs. See HRCI's SPHR credential overview and OPM's Strategic Workforce Planning guide.

QUESTION NO: 92

The key strategy for delivering a new safety training program should be to:

A. show examples of injuries that might occur.

B. educate employees in safe workplace design.

C. use OSHA-sponsored seminars and materials.

D. apply the learning to the workplace.

ANSWER: D

Explanation:

"Apply the learning to the workplace" is the key strategy because safety training is effective only when employees can translate knowledge and practiced skills into safer day-to-day work behaviors. A well-designed program connects instruction directly to the specific hazards, equipment, tasks, work environment, and procedures employees encounter. It should give participants opportunities to practice required actions, such as using protective equipment, following a lockout procedure, responding to an incident, or recognizing an unsafe condition, in conditions that resemble their actual jobs.

Workplace application also supports transfer of training: supervisors can reinforce the newly learned practices through observation, coaching, access to appropriate resources, and follow-up. This makes safety training part of the organization's

operating system rather than a one-time educational event. OSHA's training guidance emphasizes that training should be understandable, relevant to employees' work, and evaluated for whether it produces the intended performance and safety outcomes. OSHA's recommended safety and health program practices likewise stress hazard identification, worker participation, and implementation of controls in the work environment. See OSHA's Training Requirements guidance and OSHA Recommended Practices for Safety and Health Programs.

QUESTION NO: 93

The most effective corporate social responsibility (CSR) program is one that:

A. Is tied to the organization's strategic plan

B. Creates increased visibility for the organization

C. Operates independent of the organization's bottom line

D. Requires involvement of the organization's line management

ANSWER: A

Explanation:

The most effective corporate social responsibility (CSR) program is one that **is tied to the organization's strategic plan**. Strategic alignment makes CSR an integrated business commitment rather than a disconnected charitable or public-relations activity. When CSR priorities are linked to the organization's purpose, values, risk profile, stakeholders, and long-term objectives, leaders can assign meaningful accountability, allocate appropriate resources, establish measurable goals, and evaluate both social and organizational outcomes. For HR leaders, this alignment also supports consistent people practices—such as employee engagement, ethical culture, community partnerships, diversity and inclusion, and environmental responsibility—that reinforce the organization's broader mission. A strategically integrated program is more likely to be sustainable through leadership or budget changes because it contributes to enduring organizational value while addressing material societal and stakeholder needs. The International Organization for Standardization emphasizes that social responsibility should be integrated throughout an organization and reflected in its decisions and activities. Similarly, the UN Global Compact frames responsible business practices as part of corporate strategy and operations, not as a stand-alone initiative. See ISO 26000 social responsibility guidance and the UN Global Compact principles.