

25 Free PHR® Practice Questions

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exams actually test you

✓ Created by an SPHR-certified professional with 10+ years of HR experience

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Before You Begin

These 25 questions reflect the style and difficulty of the PHR® certification exam. They emphasize practical application: given a workplace scenario, what should HR do? This is how the real exam tests you, and it is why memorizing definitions is not enough.

All questions are written by an SPHR-certified HR professional with over a decade of hands-on experience. This is not generic content from a test prep factory. It is material designed by someone who has passed these exams and works in the field.

How to Use This PDF

1. Answer each question before checking the answer key.
2. Read the explanations carefully, even for questions you answered correctly.
3. Note which topics give you trouble. Those are your priority study areas.

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Practice Questions

Answer all questions before checking the answer key on the following pages.

Question 1

Leadership wants to grow market share by expanding into new customer segments. HR is asked to align workforce initiatives with this goal. Which HR objective MOST directly supports this growth strategy?

- A) Implementing retention programs to reduce voluntary turnover
- B) Building employee capabilities to serve new market demands
- C) Expanding diversity through targeted recruiting efforts
- D) Reducing administrative costs through process automation

Question 2

A corporation is divesting a business unit to focus on core operations. What should be HR's PRIMARY contribution during this transition?

- A) Freezing hiring across the entire organization
- B) Managing employee communications and transition support
- C) Negotiating sale terms with prospective buyers
- D) Conducting asset valuation and financial due diligence

Question 3

What significant risk do organizations face when pursuing a cost leadership competitive strategy?

- A) Limited target market scope
- B) Reduced pricing flexibility
- C) Competitors can replicate the low-cost approach
- D) Insufficient profit margins

Question 4

HR collects job analysis data and creates visual representations showing the hierarchy and relative importance of different qualifications in predicting job success. Which analytical method is being used?

- A) Decision tree analysis
- B) Linear regression modeling
- C) Factor analysis
- D) T-test comparison

Question 5

A biotech company needs to recruit a research scientist with rare specialized expertise in gene therapy development. Which sourcing approach is MOST likely to identify qualified candidates?

- A) Major online job aggregators
- B) Current employee referral incentive program
- C) Executive search firm specializing in life sciences
- D) General temporary staffing agencies

Question 6

Which statement BEST reflects strategic use of personality assessments in selection?

- A) They should serve as the primary determinant of candidate suitability
- B) They create excessive legal risk due to potential adverse impact
- C) They provide valuable insights when integrated with other assessment methods
- D) They are appropriate only for non-management positions

Question 7

An organization faces high turnover and lacks skilled employees in critical positions. Which solution BEST addresses this problem?

- A)** Outsource recruiting to a specialized firm
- B)** Hire talent from competitors
- C)** Launch a comprehensive learning and development program to enhance employee skills
- D)** Reduce the workforce to cut costs

Question 8

Your organization has shifted toward digital transformation and innovation. What should learning and development prioritize?

- A)** Leadership development programs
- B)** Technical skills training
- C)** Diversity and inclusion initiatives
- D)** Employee engagement surveys

Question 9

A company wants to evaluate customer service training effectiveness in improving customer satisfaction. Which Kirkpatrick level is MOST suitable?

- A)** Level 1: Reaction
- B)** Level 2: Learning
- C)** Level 3: Behavior
- D)** Level 4: Results

Question 10

How can corporate learning and development programs assist in fighting corruption on global assignments?

- A)** Specialized anti-corruption training for employees
- B)** Mandating general ethics training
- C)** Organizing team-building workshops
- D)** Implementing strict travel expense policies

Question 11

When surveying employees to refine Total Rewards strategy, which area ensures alignment with business results?

- A)** Employee tenure and job titles
- B)** Preferred office location
- C)** Individual performance and goal-setting preferences
- D)** Personal hobbies and interests

Question 12

A progressive company known for ethical practices discusses compensation philosophy. What is likely a key element?

- A)** Offering highest industry salaries
- B)** Emphasizing performance bonuses primarily
- C)** Prioritizing transparency and fairness in pay
- D)** Providing minimal benefits for profitability

Question 13

A manufacturing company has unmotivated employees causing low productivity. Which pay structure BEST addresses this?

- A)** Commission pay
- B)** Hourly wage
- C)** Piece-rate pay
- D)** Profit sharing

Question 14

Employees express concerns about pay fairness. What should HR primarily consider?

- A) Implementing one-size-fits-all structure
- B) Conducting market research on industry trends
- C) Increasing all base salaries
- D) Eliminating performance bonuses

Question 15

Benefits gap analysis reveals underutilization. What should HR advise leadership?

- A) Reduce benefits budget
- B) Communicate benefits more effectively
- C) Eliminate underutilized benefits
- D) Increase salaries instead

Question 16

Following DEI assessments, HR confirms disparities exist across multiple programs. Employees have raised concerns about perceived inequities. What intervention should HR prioritize?

- A) Conducting additional audits to further evaluate initiative effectiveness
- B) Organizing focus groups to gather more detailed feedback
- C) Redesigning recruitment practices to prioritize equity
- D) Training managers on recognizing and addressing unconscious biases

Question 17

During recruitment, a manager expresses concern about a candidate's perceived childbearing potential and requests older candidates who will show greater commitment. The manager dismisses discrimination concerns by noting she is also female. What bias is demonstrated?

- A) Interpersonal micro-aggression
- B) Age-based discrimination
- C) Stereotype-driven assumptions
- D) Same-gender prejudice

Question 18

What approach makes mentoring most effective for advancing diversity and inclusion outcomes?

- A) Matching mentees exclusively with mentors sharing similar backgrounds
- B) Implementing uniform mentoring approaches to prevent stereotyping
- C) Creating diverse pairings with individualized developmental guidance
- D) Restricting mentoring to employees identified as high-potential

Question 19

How can talent acquisition processes most effectively advance organizational inclusion goals?

- A) Including peer representatives in candidate interview panels
- B) Implementing anonymized application screening to minimize bias
- C) Limiting outreach to currently underrepresented candidate pools
- D) Weighting technical qualifications most heavily in selection decisions

Question 20

Employees discover significant pay variations among those holding similar positions. Managers refer them to HR. What should HR's initial response be?

- A) Disciplining employees for sharing compensation information against policy
- B) Initiating a compensation audit examining potential discriminatory patterns
- C) Explaining that salaries reflect education and experience differences beyond job descriptions
- D) Consulting legal counsel before taking any action

Question 21

What is a KEY talent planning consideration when downsizing due to economic challenges?

- A) Providing extensive training for all remaining employees
- B) Reassessing workforce skills and competencies for evolving organizational needs
- C) Increasing compensation to retain the entire current workforce
- D) Expanding employee benefits offerings

Question 22

Company A is acquiring Company B with different compensation philosophies. What is a CRITICAL workforce integration consideration?

- A) Retaining all employees from both organizations for stability
- B) Implementing rapid downsizing to reduce redundancy costs
- C) Aligning compensation and benefits across the combined workforce
- D) Delaying employee communications until transaction completion

Question 23

Two merging organizations have significantly different corporate cultures. What strategy can BEST mitigate potential culture clashes?

- A) Maintaining separate facilities for each company's workforce
- B) Implementing uniform dress codes for consistency
- C) Developing cross-cultural training and team integration programs
- D) Limiting interaction between employees from both organizations

Question 24

An HR director is overseeing onboarding for a new technology leader. What is the MOST important first-day focus?

- A) Immediately assigning strategic projects and deliverables
- B) Providing comprehensive orientation including introductions and culture immersion
- C) Conducting detailed review of financial performance
- D) Granting immediate access to all enterprise systems

Question 25

A growing organization needs clearly defined job roles across expanding functions. Which method is MOST appropriate for gathering job analysis information?

- A) Conducting employee satisfaction surveys
- B) Observing employees during informal interactions
- C) Interviewing incumbents and supervisors about job requirements
- D) Reviewing competitor business strategies

Answer Key

Question 1: B

Capability development directly enables market expansion by ensuring employees have skills needed to serve new customers effectively. This creates the workforce capacity required for growth. Retention and diversity are valuable but less directly tied to expansion capability. Cost reduction focuses on efficiency rather than growth.

Question 2: B

HR's primary value in divestitures is managing the people side: communication, transition support, and maintaining morale and productivity during uncertainty. Hiring freezes may not serve continuing operations. Financial negotiations and asset valuation belong to legal, finance, and business development teams.

Question 3: C

Cost leadership strategies are vulnerable to imitation. Competitors who find ways to match or undercut prices erode the competitive advantage. This is a fundamental risk of competing primarily on cost. Narrow scope relates to focus strategies. Cost leaders typically maintain pricing power and healthy margins through volume.

Question 4: A

Decision tree analysis creates visual hierarchical structures displaying how variables relate to outcomes, showing which qualifications most strongly predict success at each decision point. Linear regression predicts continuous variables. Factor analysis identifies latent dimensions. T-tests compare group means.

Question 5: C

Executive search firms maintain networks of specialized professionals and actively recruit passive candidates with rare qualifications. Job boards reach active seekers who may lack specialization. Referrals are limited by employee networks. Temp agencies focus on general staffing.

Question 6: C

Personality assessments offer insights into behavioral tendencies and cultural fit but are most effective combined with interviews, skills tests, and references. Sole reliance is inappropriate. Properly validated assessments can be used legally. All levels can benefit from appropriate assessments.

Question 7: C

A comprehensive L&D program addresses both issues: it retains employees through development opportunities and builds skills for critical positions internally. Outsourcing and poaching from competitors do not address retention. Workforce reduction worsens turnover.

Question 8: B

Digital transformation requires technical skills and technological adaptation. Leadership programs, DEI initiatives, and surveys do not directly address the immediate need for digital capability building.

Question 9: D

Customer satisfaction is an organizational outcome, making Level 4 Results the appropriate measure. Reaction measures training satisfaction. Learning measures knowledge acquisition. Behavior measures on-the-job application.

Question 10: A

Specialized anti-corruption training equips employees to identify, prevent, and report corrupt practices. General ethics training lacks focus. Team-building workshops do not address corruption. Travel policies cover only one aspect.

Question 11: C

Understanding how employees prefer recognition based on performance and goals allows HR to tailor rewards that motivate achievement of business objectives. Tenure relates to HR management. Location is not core Total Rewards. Hobbies are not business-tied.

Question 12: C

Ethical companies prioritize pay transparency and fairness. Offering highest industry salaries is not the default approach. Performance primacy is not indicated. Minimal benefits contradicts ethical treatment.

Question 13: C

Piece-rate pay directly links compensation to output, providing strong motivation to work efficiently. Commission is for sales roles. Hourly wages do not tie to output. Profit sharing lacks immediate individual linkage.

Question 14: B

Market research identifies where adjustments are needed for fairness and market alignment. One-size-fits-all does not address fairness. Universal increases may not be practical. Eliminating bonuses demotivates employees.

Question 15: B

Underutilization often stems from lack of awareness. Better communication helps employees understand and use benefits. Cutting or eliminating benefits hurts satisfaction. Salary increases do not address the issue.

Question 16: D

Since investigation already confirmed disparities, the next step is action rather than further assessment. Manager training addresses decision-making behaviors that perpetuate inequity across hiring, performance evaluation, promotions, and resource allocation.

Question 17: C

The manager assumes a candidate's commitment based on stereotypes about age and gender. Stereotype bias involves generalizations about individuals based on demographic characteristics, regardless of whether the person holding the bias shares that characteristic.

Question 18: C

Diverse mentor-mentee pairings promote cross-cultural learning and expand networks. Tailored guidance acknowledges individual needs and circumstances. Homogeneous pairings and standardized approaches fail to leverage diversity's developmental potential.

Question 19: B

Blind recruitment removes personally identifiable information from applications, reducing unconscious bias in initial screening. This ensures candidates are evaluated on qualifications rather than characteristics that trigger stereotypes.

Question 20: B

Conducting a pay audit identifies whether disparities reflect discriminatory patterns. The NLRA protects employee pay discussions, so disciplinary action would violate federal law. Investigation should precede external legal consultation.

Question 21: B

Downsizing requires evaluating which skills remain essential and ensuring retained workforce capabilities align with future business direction. Blanket training, universal compensation increases, and benefits expansion may not be viable or strategically appropriate during economic downturns.

Question 22: C

Total rewards alignment ensures equity, reduces integration friction, and supports retention of key talent. Universal retention may be impractical. Rapid cuts risk losing valuable talent. Delayed communication increases uncertainty and voluntary turnover.

Question 23: C

Cross-cultural training helps employees understand different work styles and values, facilitating cultural integration. Separation and limited interaction perpetuate division. Dress codes address superficial rather than substantive cultural differences.

Question 24: B

First-day focus should be welcoming and orienting the new leader to build connections and understanding of organizational culture. Immediate task assignment comes after orientation. Financial details are not typically first-day priorities. System access should follow proper protocols.

Question 25: C

Interviews with job holders and supervisors provide direct, detailed information about duties, responsibilities, requirements, and performance standards. Satisfaction surveys measure attitudes. Informal observation is not systematic. Competitor analysis is unrelated to internal job analysis.

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