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BBA	SEMESTER 3	CALICUT UNIVERSITY	COURSE CODE: BBA3CJ203

HUMAN RESOURCE MANAGEMENT

EXAM REVISION NOTES

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MODULE I

CONCEPTUAL FOUNDATIONS, OBJECTIVES, AND EVOLUTION OF HRM

Conceptual Foundations, Objectives, and Evolution of HRM: Human Resource Management (HRM) represents the strategic, integrated, and coherent approach to the employment, development, and well-being of the people working in organizations.

Multi-Tiered Objectives of Human Resource Management: Organizational analysts categorize the overarching objectives of HRM into four hierarchical dimensions:

- **Societal Objectives:** Ensuring ethical responsibility and legal compliance within the broader community.
- **Organizational Objectives:** Aligning human capital directly with corporate strategic goals.
- **Functional Objectives:** Maintaining the HR department's operational contributions at a level appropriate to the organization's scale and operational requirements.
- **Personal (Employee) Objectives:** Assisting employees in achieving their individual professional aspirations, financial security, and career goals.

Historical Evolution of Human Resource Management: The modern discipline of HRM emerged through several distinct historical epochs:

- **The Industrial Welfare Movement (Late 19th Century):** Driven by early social reformers and industrial philanthropists responding to harsh, exploitative factory conditions created by the Industrial Revolution.
- **Scientific Management Era (1910s–1920s):** Pioneered by Frederick Winslow Taylor, scientific management focused on time-and-motion studies, task specialization, differential piece-rate wage systems, and standardized physical work methods.
- **Human Relations Movement (1930s–1950s):** Catalyzed by Elton Mayo and his associates through the landmark Hawthorne Studies at Western Electric.
- **Behavioral Sciences Era (1950s–1970s):** Enriched by psychological theorists such as Abraham Maslow (Hierarchy of Needs), Frederick Herzberg (Two-Factor Hygiene-Motivator Theory), Douglas McGregor (Theory X and Theory Y), and David McClelland (Acquired Needs Theory).
- **Personnel Management to Strategic HRM (1980s–Present):** " Global competitive pressures and knowledge-based economies transformed HRM into a core strategic driver.

Strategic HRM (SHRM) & Modern Executive HR Roles: Strategic Human Resource Management (SHRM) represents the macroscopic integration of human resource functions with corporate strategic management.

Strategic Integration: The Concept of "Fit" in SHRM: Successful SHRM requires achieving two simultaneous dimensions of strategic integration:

Job Analysis, Job Description, and Job Specification: Job Analysis constitutes the foundational bedrock upon which all subsequent human resource management functions are constructed.

Methodologies for Conducting Job Analysis: HR analysts employ diverse qualitative and quantitative techniques to gather comprehensive job data:

- **Direct Observation:** The analyst directly watches employees performing their tasks over a representative work cycle.
- **Individual and Group Interviews:** Conducting structured interviews with job incumbents, team leads, and supervising managers.
- **Structured Questionnaires:** Distributing standardized survey instruments to employees.
- **Critical Incident Technique (CIT):** Formulated by John Flanagan, this technique requires supervisors to record specific behavioral incidents where the employee acted exceptionally well or poorly.
- **Work Diary / Log Records:** Incumbents maintain continuous chronological logs of daily activities and time spent on each task.

Formulation of Job Specifications (JS) and KSAO Matrices: The Job Specification translates job duties into human qualifications using the KSAO framework:

- **Knowledge (K):** , knowledge of corporate tax codes, GAAP accounting, or programming languages).
- **Skills (S):** , operating precision CNC machinery, financial modeling in Excel, or commercial vehicle driving).
- **Abilities (A):** , inductive reasoning, spatial visualization, multi-limb coordination, stamina).
- **Other Characteristics (O):** , emotional resilience under stress, valid driving license, honesty, willingness to travel).

Human Resource Planning (HRP) & Forecasting Methodologies: Human Resource Planning (HRP), historically termed manpower planning, is the systematic process by which an organization ensures that it possesses the right number and right kinds of capable people, in the right places, and at the right t × , who are capable of effectively executing tasks that assist the organization in achieving its overarching strategic objectives.

Quantitative and Qualitative Demand Forecasting Techniques: HR planners utilize diverse methodologies to project future talent demand:

- **Managerial Judgment:** Departmental managers estimate future staffing requirements based on practical operational experience and budget allocations.
- **The Delphi Technique:** An iterative consensus-building methodology where an independent coordinator solicits staffing forecasts from a panel of geographically dispersed experts through successive rounds of questionnaires.
- **Nominal Group Technique (NGT):** A structured face-to-face group decision process where participants generate ideas silently, present one idea round-robin, discuss ideas for clarification, and conduct independent secret voting to rank staffing priorities.
- **Trend Analysis:** Analyzing historical headcount trends over preceding years to project future staffing demand, assuming operational relationships remain stable.
- **Ratio-Trend Analysis:** Establishing mathematical ratios between business volume indicators and headcount.

MODULE II

TALENT RECRUITMENT & DIGITAL SOURCING STRATEGIES

Talent Recruitment & Digital Sourcing Strategies: Recruitment constitutes the initial operational phase of the talent acquisition lifecycle. It is defined as the process of discovering, identifying, and attracting prospective candidates with the requisite qualifications, skills, and cultural attributes to apply for actual or anticipated job openings within an enterprise.

Internal Sources of Recruitment: Mechanics and Trade-offs: Internal recruitment taps into the organization's existing workforce to fill vacant roles:

- **Promotions:** Advancing employees to higher-level positions involving greater responsibility, status, and remuneration.
- **Transfers:** Lateral redeployment of employees across departments or geographical locations without significant change in hierarchical rank or pay.

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- **Internal Job Postings (IJP):** Transparent corporate bulletin boards or intranet portals where vacancies are posted, allowing interested employees to bid for roles independently.
- **Retirees and Former Employees (Boomerang Employees):** Re-hiring vetted alumni who previously departed in good standing, capitalizing on their pre-existing institutional knowledge with zero onboarding learning curves.
- **Advantages of Internal Sourcing:** Extremely cost-effective (zero agency commissions or public advertising expenses); minimal onboarding and training lead time; reliable evaluation based on verified historical performance; and strong reinforcement of internal career mobility.

Digital Recruitment, E-Recruitment, and AI Architecture: The digitization of talent acquisition has fundamentally altered recruitment dynamics:

- **Applicant Tracking Systems (ATS):** , Taleo, Workday, Greenhouse) that automate requisition approvals, resume storage, compliance logging, and communication workflows.
- **AI Resume Parsing and Natural Language Processing (NLP):** Machine learning algorithms that screen thousands of resumes in seconds, extracting keywords, evaluating semantic proximity to job descriptions, and ranking applicants by qualification match scores.
- **Social Media and Specialized Talent Communities:** Leveraging LinkedIn Recruiter for professional networking, GitHub and Stack Overflow for software engineering talent, and Behance/Dribbble for creative design portfolios.
- **Programmatic Job Advertising:** Automated bidding systems that optimize job ad placement across Google, job boards, and social feeds based on real-time candidate demographic conversion analytics.

The Standard Selection Hurdle Architecture: Rigorous organizational selection follows a sequential series of screening stages:

- **Step 2: Selection Testing Battery:** Standardized, objective instruments administered to assess specific cognitive abilities, personality attributes, and physical competencies.
- **Step 3: Comprehensive Selection Interviews:** In-depth interactive evaluations conducted by functional panels and HR leaders to assess verbal competence, interpersonal communication, problem-solving reasoning, and cultural alignment.
- **Step 4: Background Investigation and Reference Audits:** Contacting academic registrars, previous employers, and professional references to authenticate credentials, evaluate past conduct, and prevent resume fraud.
- **Step 5: Physical and Medical Examination:** , vision tests for pilots/machinists, physical stamina for warehouse personnel) and establishing baseline health records for insurance coverage.
- **Step 6: Final Job Offer and Employment Contract:** Formal issuance of the written Letter of Appointment specifying compensation packages, joining dates, probationary periods, and non-disclosure obligations.

Employment Interviewing Typologies and Methodologies: The interview remains the most universally deployed selection instrument, though its reliability depends heavily on its design:

- **Unstructured (Non-Directive) Interviews:** Open-ended conversations lacking predefined questions or scoring rubrics.
- **Structured (Directive) Interviews:** Every applicant is asked an identical set of predetermined, job-related questions in the exact same sequence, scored against standardized behavioral anchor rubrics.
- **Behavioral Description Interviews (BDI):** Grounded in the premise that past behavior is the best predictor of future behavior.
- **Task:** The specific objective or goal to be accomplished.
- **Action:** The precise steps taken by the candidate.

Placement, Orientation, Induction, and Socialization: The successful execution of recruitment and selection culminates in the introduction of new talent into the enterprise.

Architectural Elements of Induction and Orientation: Although frequently used interchangeably, orientation and induction reflect progressive operational depths:

- **Orientation:** The initial, informational introduction of the new hire to the enterprise's physical environment, organizational chart, administrative policies, employee handbook, benefits enrollment, safety codes, and IT provisioning.
- **Induction:** A broader, structured process of welcoming the new employee into their functional team, clarifying operational expectations, introducing immediate colleagues, and establishing early performance benchmarks.
- **Core Content of Formal Induction Programs:** Enterprise Vision and Strategy: Mission statement, corporate history, core values, strategic objectives, and competitive market positioning.
- **Statutory and Administrative Policies:** Working hours, leave entitlements, payroll schedules, expense reimbursement procedures, anti-harassment (POSH) regulations, and data confidentiality guidelines.
- **Operational Health and Safety (OHS):** Emergency evacuation routes, fire suppression equipment locations, first-aid stations, and mandatory personal protective equipment (PPE) requirements.

Strategies for Mitigating New Hire Anxiety and Reality Shock: Progressive organizations implement systematic onboarding practices to accelerate time-to-productivity:

- **Realistic Job Previews (RJP):** Providing applicants during the recruitment stage with an honest, balanced perspective of both the rewarding aspects and stressful challenges of the job, setting accurate initial expectations.
- **The Buddy System:** Assigning a high-performing peer (not the immediate supervisor) to provide informal guidance on informal social customs, cafeteria norms, and unwritten workplace rules.
- **Structured 30-60-90 Day Milestones:** Formulating clear developmental goals: First 30 Days (Learn): System training, understanding workflows, shadowing senior colleagues.
- **First 60 Days (Collaborate):** Executing live assignments with supervisory oversight, active team participation.
- **First 90 Days (Execute):** Full autonomous job ownership, achieving baseline KPI targets.

Conceptual Distinctions: Training, Education, and Development: Human capital literature distinguishes three related developmental interventions:

- **Training:** A systematic, planned process aimed at imparting specific technical skills, operational knowledge, and manual proficiencies required to perform a current job successfully.
- **Education:** , pursuing an academic degree or management diploma).
- **Development:** A continuous, long-term learning journey designed to cultivate future-oriented capabilities, strategic judgment, emotional intelligence, and leadership competencies.

On-the-Job Training (OJT) Methodologies: On-the-Job Training takes place directly within the actual work environment using live equipment and operational systems:

- **Job Instruction Training (JIT):** A structured four-step procedure developed during World War II: Step 1: Preparation: Putting the trainee at ease, explaining the task importance, and assessing existing knowledge.
- **Step 2:** Presentation: Demonstrating and explaining each step of the operation clearly, highlighting safety key points.
- **Step 3:** Performance Try-out: Having the trainee execute the task, immediately correcting errors until mastery is shown.

- **Step 4:** Follow-up: Putting the trainee on their own, designating an expert for questions, and gradually tapering supervision.
- **Apprenticeship Training:** A rigorous, multi-year developmental model combining supervised on-the-job practical training under a master craftsman with formal classroom theoretical instruction.

MODULE III

PERFORMANCE APPRAISAL SYSTEMS & PERFORMANCE MANAGEMENT

Performance Appraisal Systems & Performance Management: Performance evaluation represents an indispensable operational mechanism within enterprise human resource architecture.

The Systematic Performance Appraisal Process: A rigorous, legally defensible performance appraisal system operates through six sequential stages:

- **Stage 1: Establishing Performance Standards:** Formulating clear, measurable, and objective performance criteria derived directly from job analysis and corporate objectives.
- **Stage 2: Communicating Standards to Employees:** Ensuring employees fully understand what is expected of them.
- **Stage 3: Measuring Actual Performance:** Gathering objective performance data through multiple sources, including production output records, sales revenue logs, customer satisfaction scores, peer reviews, and supervisory observations.
- **Stage 4: Comparing Actual Performance with Established Standards:** Evaluating actual employee accomplishments against predetermined benchmark standards to identify positive surpluses or performance deficiencies.
- **Stage 5: Conducting the Appraisal Feedback Interview:** A structured, collaborative dialogue where the supervisor and subordinate review performance results.

Modern Contemporary Performance Appraisal Methodologies: Contemporary appraisal methods emphasize objective results, behavioral standards, and multi-perspective feedback:

- **Step 2:** , customer communication, crisis handling).
- **Step 3:** Retranslating and validating the critical incidents with an independent panel of SMEs.
- **Step 4:** Scaling the surviving incidents numerically from 1 (ineffective) to 7 or 9 (superior).
- **Step 5:** Establishing the final anchored instrument.
- **Assessment Centers:** Multi-day developmental evaluations utilizing standardized business simulations, in-basket exercises, and psychological testing to assess executive competencies and future leadership potential.

Compensation Administration, Wage Theories, and Incentive Systems: Compensation administration is the strategic human resource discipline responsible for designing, implementing, and maintaining monetary and non-monetary reward systems that attract, motivate, and retain high-caliber talent.

Structural Anatomy of Total Rewards Framework: The Total Rewards paradigm categorizes employee remuneration into five comprehensive components:

- **Base Pay (Fixed Cash):** Guaranteed regular compensation paid as hourly wages or monthly salaries, determined by job evaluation, market surveys, and employee experience.
- **Dearness Allowance (DA) and Cost-of-Living Adjustments:** In India, DA is a cost-of-living adjustment paid to employees to protect real purchasing power against inflationary consumer price increases (indexed to the Consumer Price Index - CPI).
- **Allowances and Perquisites:** House Rent Allowance (HRA), City Compensatory Allowance (CCA), conveyance allowance, medical allowance, and children education allowances.
- **Short-Term Variable Pay (Incentives and Bonuses):** Performance-linked pay, annual profit-sharing bonuses, commissions, and project milestone awards.
- **Long-Term Incentives and Deferred Compensation:** Employee Stock Option Plans (ESOPs), Restricted Stock Units (RSUs), and deferred retention bonuses.

Wage Incentive Plans and Mathematical Formulations: Incentive systems link employee financial earnings directly to measurable output or time saved:

- **Taylor's Differential Piece-Rate System:** Establishes two distinct piece-rates.
- **Merrick Differential Piece-Rate System:** Moderates Taylor's punitive nature by introducing three progressive tiers: up to 83% of standard output (normal piece rate), 83% to 100% (110% of rate), and above 100% (120% of rate).
- **Gantt Task and Bonus Plan:** Combines guaranteed time wages with high bonuses for meeting standard output.
- **Profit Sharing:** Employees receive an agreed percentage of enterprise annual net profits distributed as cash bonuses or retirement contributions.
- **Gainsharing Plans (Scanlon and Rucker Plans):** Teams earn financial bonuses calculated from quantifiable reductions in operational manufacturing costs or labor expenses relative to historical baselines.

Core Objectives and Strategic Principles of Job Evaluation: Job evaluation programs pursue distinct operational objectives:

- **Establishing Internal Pay Equity:** Ensuring that jobs carrying higher operational responsibilities, greater complexity, and harsher working conditions are compensated with higher relative pay bands.
- **Eliminating Wage Inequities and Bias:** Removing arbitrary managerial favoritism, gender wage discrimination, and departmental wage distortions by establishing objective, verifiable compensation benchmarks.
- **Harmonizing Collective Bargaining:** Providing objective quantitative job rankings that serve as mutually accepted foundations for wage negotiations with trade unions.
- **Facilitating Career Progression Architecture:** Constructing transparent pay grades and hierarchical job ladders that clearly define career growth pathways for employees.

Wage Curve Construction, Pay Grades, and Pay Ranges: The conversion of job evaluation point totals into monetary compensation involves establishing the organizational wage structure:

- **The Wage Curve (Scattergram):** Plotting evaluated job point totals along the horizontal X-axis and current wage rates (or external market survey rates) along the vertical Y-axis.
- **Establishing Pay Grades:** , Grade 1: 100–150 points; Grade 2: 151–200 points) to avoid managing thousands of distinct wage rates.
- **Designing Pay Ranges:** Establishing a minimum, midpoint, and maximum wage rate for each pay grade (typically spanning 20% to 50% between minimum and maximum).
- **Red-Circle and Green-Circle Rates:** Adjusting wage anomalies identified by the wage curve: Red-Circle Rate: Pay that exceeds the maximum limit of the assigned pay range.
- **Green-Circle Rate:** Pay that falls below the minimum limit of the assigned pay range.

Conceptual Distinctions: Career, Career Planning, and Career Development: Organizational psychology clarifies distinct operational boundaries:

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- **Career:** The evolving sequence of work-related experiences, roles, activities, and psychological positions an individual occupies throughout their professional lifespan.
- **Career Planning:** The personally directed process through which an individual assesses their strengths, weaknesses, values, and interests; identifies career opportunities; and establishes developmental goals and realistic action plans to achieve those aspirations.
- **Career Development:** The formal, ongoing organizational mechanism established by the enterprise to provide training, developmental resources, mentoring, and job rotations that enable employees to realize their career potential while fulfilling the organization's future talent needs.

The Human Career Lifecycle and Career Plateaus: Individual careers typically progress through four longitudinal developmental stages:

- **Exploration Stage (Ages 15–25):** Self-discovery, educational experimentation, trying diverse entry-level roles, transitioning from dependent student to self-supporting professional.
- **Establishment Stage (Ages 25–40):** Striving for professional competence, organizational assimilation, securing promotions, establishing professional reputations, and achieving economic stability.
- **Content Plateau:** Experiencing profound boredom and lack of challenge because the job has been completely mastered.
- **Late-Career / Disengagement Stage (Age 55+):** Gradual withdrawal from operational responsibilities, transitioning into advisory or consulting roles, preparing for formal retirement.

MODULE IV

INDUSTRIAL RELATIONS, TRADE UNIONS, COLLECTIVE BARGAINING & GRIEVANCES

Industrial Relations, Trade Unions, Collective Bargaining & Grievances: Industrial Relations (IR) constitutes the dynamic, multifaceted web of relationships between employees (organized labor), employers (management), and the state (government and judicial bodies).

Theoretical Perspectives and Systems Frameworks of Industrial Relations: Scholars and practitioners analyze industrial relations through distinct ideological lenses:

- **The Unitary Perspective:** Conceives the organization as an integrated, harmonious family striving toward shared common goals.
- **The Marxist (Radical) Perspective:** Analyzes industrial relations as a manifestation of broader class conflict in capitalist society.

Collective Bargaining: Principles, Process, and Typologies: Collective Bargaining is the formal negotiation process between an employer (or employers' association) and representatives of organized employees to reach a binding collective agreement governing wages, working hours, benefits, and workplace rules.

- **Distributive Bargaining (Zero-Sum / Win-Lose):** , wage rates).
- **Integrative Bargaining (Variable-Sum / Win-Win):** , productivity improvements, quality circles, safety enhancements) where both parties gain mutual benefits.
- **Attitudinal Structuring:** The deliberate process of shaping emotional trust, respect, and cooperative attitudes between negotiating parties throughout bargaining sessions.
- **Intra-Organizational Bargaining:** , union leaders managing militant factions; management negotiators managing shareholder return demands).

Workplace Discipline, Misconduct & Domestic Inquiry Proceedings: Workplace discipline is the systematic condition in which organizational members conduct themselves in accordance with established rules, behavioral norms, and operational standards.

Douglas McGregor's "Red-Hot Stove Rule" of Discipline: Formulated by MIT management theorist Douglas McGregor, this rule provides four classical principles for administering disciplinary action objectively and without provoking lasting interpersonal hostility:

- **Immediate Consequence:** Disciplinary action must occur immediately after the infraction occurs.
- **Advance Warning:** Employees must know in advance precisely what behaviors are prohibited and what consequences follow violations.
- **Consistent Application:** Every single time the prohibited act is committed, identical disciplinary consequences must follow.
- **Impersonal Administration:** The disciplinary action must target the specific act of misconduct, never the individual's personality or character.

Principles of Natural Justice and Domestic Inquiry Procedure: Indian constitutional jurisprudence (Articles 14 and 311) and labor courts mandate strict adherence to the Principles of Natural Justice before any punitive disciplinary action can be imposed.

- **Step 1: Framing and Issuing the Charge-Sheet:** A formal written document detailing specific allegations, dates, t × , witnesses, and violated Standing Order clauses.
- **Step 2: Receiving the Written Explanation:** The employee is given a reasonable time window (typically 48 to 72 hours) to submit a formal written response.
- **Step 3: Appointing the Inquiry Officer (IO):** Management appoints an impartial, unbiased individual (often an external legal advocate or retired magistrate) to conduct the inquiry.
- **Step 4: Notice of Inquiry:** A formal written notice dispatched to the employee communicating the date, venue, time, and name of the Inquiry Officer, notifying them of their right to be accompanied by a co-worker as a defense assistant.
- **Step 6: Inquiry Findings Report:** The Inquiry Officer prepares a reasoned, factual report analyzing evidence and arriving at a clear conclusion: whether each individual charge is "Proved" or "Not Proved".

Statutory Framework for Health, Safety, and Welfare in India: The Factories Act, 1948 and the Occupational Safety, Health and Working Conditions Code, 2020 establish comprehensive statutory mandates:

- **Cleanliness (Section 11):** Accumulations of dirt and refuse must be cleared daily from floors and stairways.
- **Disposal of Wastes and Effluents (Section 12):** Mandatory arrangements for treating trade wastes and industrial effluents before environmental discharge.
- **Ventilation and Temperature (Section 13):** Maintaining continuous fresh air circulation and comfortable thermal temperatures to prevent injury to worker health.
- **Dust and Fume Control (Section 14):** Installing exhaust fans and scrubbers to remove toxic dust, fumes, and particulate matter at the point of origin.
- **Overcrowding (Section 16):** 2 cubic meters of space per worker in modern factories.

Employee Engagement and Modern Psychosocial Well-Being: Contemporary organizational leadership recognizes that physical safety must be complemented by psychological health and deep workplace engagement:

- **William Kahn's Model of Employee Engagement:** Defined as the harnessing of organizational members' selves to their work roles, where people employ and express themselves physically, cognitively, and emotionally during role performances.
- **The Gallup Q12 Assessment:** An empirically validated 12-item instrument measuring engagement, focusing on role clarity, tools, recognition, supervisory support, and opportunities for development.

- **Employee Assistance Programs (EAPs):** Enterprise-sponsored confidential counseling services assisting employees with personal stress, depression, marital challenges, substance abuse, and financial planning.

The Human Resource Audit: Principles, Scope, and Methodologies: A Human Resource Audit is a systematic, formal evaluation of an enterprise's human resource management policies, practices, procedures, and documentation.

- **Legal Compliance Audit:** Verifies complete adherence to statutory labor legislation (Minimum Wages, PF, ESI, Maternity Benefit, POSH, Factories Act), identifying compliance gaps to prevent financial penalties and legal liability.
- **Strategic HR Alignment Audit:** Assesses whether recruitment, compensation, and talent development programs support overarching business objectives.
- **Operational HR Function Audit:** Evaluates the efficiency of specific HR processes, including cost-per-hire, time-to-fill vacancies, training effectiveness, and turnover rates.
- **Workforce Satisfaction and Climate Audit:** Analyzes employee morale, turnover trends, absenteeism rates, and exit interview patterns to evaluate internal health.

Human Resource Accounting (HRA) Models: Human Resource Accounting involves measuring, quantifying, and reporting the financial investment in, and economic value of, human resources within corporate balance sheets:

- **Historical Cost Model (Brummet, Flamholtz, and Pyle):** Capitalizes actual historical expenditures incurred in recruiting, selecting, hiring, training, and developing employees, amortizing these investments over the expected service life of the workforce.
- **Replacement Cost Model (Eric Flamholtz):** Estimates the total financial expenditure required to replace existing human resources with individuals of equivalent competence and experience in the current market.
- **Formula:** $Vr = \sum t=rT (I(t) / (1 + k)t - r)$

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