

## Differences between PM and HRM

Personnel are those who are employed in the workplace. Personnel management is an administrative function which exists in an organization to ensure right personnel at right organizational activity. It is a traditional approach of managing employees which focuses on adherence to policies and rules of organization. Personnel management is concerned with planning, job analysis, recruitment and performance appraisal along with training and compensation management. Personnel management also focuses on managing labor relationship by handling employee grievances.

### 2) Human Resource Management

Human resource management is a modern approach of managing people at workplace which focuses on acquisition, development, utilization and maintenance of human resource. It combines physical energies and their strengths with human competencies. In simple words, human resource management can be referred as the policy which ensures right quality and quantity of human resource in the organization. Like personnel management, human resource management is also concerned with planning, job analysis, recruitment and selection, hiring and socialization, training, performance appraisal, rewarding, and compensation management.

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### How Personnel Management is different from Human Resource Management?

At this point, you might be thinking, what actually is different between personnel management and human resource management. Not only you but many critics have also argued regarding this topic. In fact, some of them have commented that Human Resource Management is just a new title given to Personnel Management in endeavor to rebrand personnel department and achieve more acknowledgement for their role. On the other hand, remaining critics, after thorough inspection, have noted major differences between personnel management and human resource management.

Although both the management seem to be involved in same organizational activities, the difference is in the way those activities are approached and operated.

For more detailed information regarding differences between personnel management and human resource management, please check the table below.

Basis of Difference	Personnel Management	Human Resource Management
Meaning	It is traditional approach of managing people at workplace	It is modern approach of managing people at workplace and is concern



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Basis of Difference	Personnel Management	Human Resource Management
	and is concern of personnel department.	of managers of all level (from top to bottom).
Nature	It is a routine function.	It is a strategic function.
Focus	Efficient management is given priority.	Human values and individual needs are given priority.
Function	Personnel administration, labor relation and employee welfare are major functions of personnel management.	Acquisition, development, utilization and maintenance of human resource are major functions of human resource management.
Objective	It manages people in accordance with organization's goal.	It determines human resource needs and formulate policies by matching individual's needs with organization's needs.
Perspective	It regards people as basic input to make desired output.	It regards people as strategic and valuable resource to make desired output.
Job design	Jobs are designed on the basis of division of labor.	Jobs are designed on the basis of teamwork.
Interest	Organization's interest is valued the most.	Interest of organization and interest of employee is harmonized.
Orientation	It is discipline, direction and control oriented.	It is development oriented. It provides space for employee involvement, performance and growth.
Communication	Communication is limited, or even restricted.	Communication is open.
Emphasis	It emphasizes on adherence of rules and regulations and their implementation.	It emphasizes on combination of human energies and competencies.
Benefits	<ul style="list-style-type: none"> <li>▪ Disciplined employees</li> <li>▪ Increased production</li> </ul>	<ul style="list-style-type: none"> <li>▪ Committed human resource</li> <li>▪ Readiness to change</li> <li>▪ Increased production</li> <li>▪ Increased profit</li> <li>▪ Quality of worklife</li> </ul>



Basis of Difference	Personnel Management	Human Resource Management
Result	Organizational goal is achieved and employers are satisfied.	Organizational goal is achieved and both employers and employees are satisfied.

Human Resource Management is a continuous process of ensuring the availability of eligible and willing workforce i.e. putting the right man at the right job. In a nutshell, it is an art of utilizing the human resources of an organization, in the most efficient and effective way. HRM covers a broad spectrum of activities which includes:

- Employment
- Recruitment and Selection
- Training and Development
- Employee Services
- Salary and Wages
- Industrial Relations
- Health and safety
- Education
- Working conditions
- Appraisal and Assessment

#### Key Differences Between Personnel Management and Human Resource Management

The following are the major differences between Personnel Management and Human Resource Management:

1. The part of management that deals with the workforce within the enterprise is known as Personnel Management. The branch of management, which focuses on the best possible use of the enterprise's manpower is known as Human Resource Management.
2. Personnel Management treats workers as tools or machines whereas Human Resource Management treats it as an important asset of the organization.
3. Human Resource Management is the advanced version of Personnel Management.
4. Decision Making is slow in Personnel Management, but the same is comparatively fast in Human Resource Management.
5. In Personnel Management there is a piecemeal distribution of initiatives. However, integrated distribution of initiatives is there in Human Resource Management.
6. In Personnel Management, the basis of job design is the division of work while, in the case of Human Resource Management, employees are divided into groups or



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teams for performing any task.

7. In PM, the negotiations are based on collective bargaining with the union leader. Conversely, in HRM, there is no need for collective bargaining as individual contracts exist with each employee.
8. In PM, the pay is based on job evaluation. Unlike HRM, where the basis of pay is performance evaluation.
9. Personnel management primarily focuses on ordinary activities, such as employee hiring, remunerating, training, and harmony. On the contrary, human resource management focuses on treating employees as valued assets, which are to be valued, used and preserved.

## Conclusion

Human Resource Management has come up with an extension over Personnel Management, which eradicated the shortcomings of the Personnel Management. It is quite essential in this era of intense competition where every organization have to put their manpower and their needs first.

Nowadays, it is very challenging to retain and maintain good employees for a long time as they are fully aware of their rights and any organization cannot treat them like machines. So, HRM has been evolved to unite the organization with their employees for the attainment of a common goal.



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