

Difference between Personnel Management and HRM

Personnel Management

Personnel Management is a part of management that deals with the recruitment, hiring, staffing, development, and compensation of the workforce and their relation with the organization to achieve the organizational objectives. The primary functions of the personnel management are divided into two categories:

- **Operative Functions:** The activities that are concerned with procurement, development, compensation, job evaluation, employee welfare, utilization, maintenance and collective bargaining.
- **Managerial Function:** Planning, Organizing, Directing, Motivation, Control, and Coordination are the basic managerial activities performed by Personnel Management.

From the last two decades, as the development of technology has taken place and the humans are replaced by machines. Similarly, this branch of management has also been superseded by Human Resource Management.

Human Resource Management

Human Resource Management is that specialized and organized branch of management which is concerned with the acquisition, maintenance, development, utilization and coordination of people at work, in such a manner that they will give their best to the enterprise. It refers to a systematic function of planning for the human resource needs and demands, selection, training, compensation, and performance appraisal, to meet those requirements

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.

Basis For Comparison	Personnel Management	Human Resource Management
1. Meaning	The aspect of management that is concerned with the work force and their relationship with the entity is known as Personnel Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.

Basis For Comparison	Personnel Management	Human Resource Management
2. Approach	Traditional	Modern
3. Treatment of manpower	Machines or Tools	Asset
4. Type of function	Routine function	Strategic function
5. Basis of Pay	Job Evaluation	Performance Evaluation
6. Management Role	Transactional	Transformational
7. Communication	Indirect	Direct
8. Labor Management	Collective Bargaining Contracts	Individual Contracts
9. Initiatives	Piecemeal	Integrated
10. Management Actions	Procedure	Business needs
11. Decision Making	Slow	Fast
12. Job Design	Division of Labor	Groups/Teams
13. Focus	Primarily on mundane activities like employee hiring, remunerating, training, and harmony.	Treat manpower of the organization as valued assets, to be valued, used and preserved.