

FACULTY OF JURIDICAL SCIENCES

Lecture-6



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 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.

BASIS FOR COMPARISON	PERSONNEL MANAGEMENT	HUMAN RESOURCE MANAGEMENT
Meaning	The aspect of management that is concerned with the work force and their relationship with the	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve

	entity is known as Personnel Management.	the organizational goals is known as Human Resource Management.
Approach	Traditional	Modern
Treatment of manpower	Machines or Tools	Asset
Type of function	Routine function	Strategic function
Basis of Pay	Job Evaluation	Performance Evaluation
Management Role	Transactional	Transformational
Communication	Indirect	Direct
Labor Management	Collective Bargaining Contracts	Individual Contracts
Initiatives	Piecemeal	Integrated
Management Actions	Procedure	Business needs
Decision Making	Slow	Fast
Job Design	Division of Labor	Groups/Teams
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.