

**The Difference between the  
Management of Human Resources  
and Personnel Management**

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**Introduction:**

According to the article “Human Resources Management” (2013) human resource management “is the process of managing people in organizations in a structured and thorough manner.” However, the same article gives a second definition, which is macro-oriented unlike the first one. This second definition states that human resources management “encompasses management of people in organizations from a macro perspective.” In this approach of defining Human resources management from a macro perspective, it makes it more encompassing to the different dynamics of managing people rather than from the narrow oriented perspective that distinguishes human resources management from a microoriented perspective of personnel management

(“Human Resources Management,” 2013, “Personnel Management,” 2013).

Human resources management can be defined as the effective use of human resources in an organization through the management of people related activities. In this case, it becomes the core in the deliberate administration of people-related activities (“Human Resources Management,” 2013).

**Methodology:**

The differentiation of the personnel management and human resources management was done through a survey of literature and making a comparison between the two in drawing similarities and differences. Contextual analysis was

done to determine the degree of similarities and differences in determining the extent to which they either differ or are the same.

### **Results and Discussion of the Findings:**

Personnel management and human resource management have one notable similarity, which may obscure the difference between the two. They are both people-oriented and applied, and both deal with the human aspect of production, labor. Mashete (2009) acknowledges that there is substantial similarity between human resources management (HRM) and personnel management as both touches on the concept of people both collectively and as individuals at work, in the work environment or under conditions that affect their input to production. Despite this, states Mashete (2009) a careful evaluation of the two concepts exposes many fundamental differences between them.

Personnel management is essential in increasing efficacy and productivity of workforce in making a great positive impact on entity's performance (Sampson, 1993). Historically welfare management was the precursor of some of the modern day practices in personnel management whose aim was and is still aimed at improving the home and working life of personnel (Eilbirt, 1959, pp. 348–349).

Personnel management includes the functional process of employment or recruitment, development and compensation. The administrative people in charge of personnel management in any organization will be concerned with problems of staff inadequacy both in terms of skill quality and skill quantity. Once this problem has been defined, the personnel department can competently source for the right people to fill the positions that are relevant to achieving functional objectives through employment of the appropriate cadre of workers.

Bloom & Van Reenen (2010) concur that human resource management is an important cog in the handling of the productive process. Secondly, they argue that human resources management is strongly placed within the precincts of management taking the responsibility; “Of incentive pay (individual and group) as well as many non-pay aspects of the employment relationship such as matching (hiring and firing) work organization (e.g. Teams, autonomy... place HRM more generally within the literature on management practices *of directing people towards concerted efforts* and productivity.” (Italics my own addition.)

Personnel management therefore is all about providing assistance to human resource management by doing the practical aspects of actually directing the affairs and behaviors of personnel. Personnel management provides the information upon which human resource management frames the policy regarding handling of the workforce. From this

platform, it places more weight on action and acts rather than formulating plans and constructing extensive work, work schedules, work approach methods and techniques. While Human Resources Management deals with staff problems, the first point of resolution is made more effective when personnel management is provided with useful foundations upon which personnel policies are anchored that facilitate quick resolution.

According to the article (“The Objectives of Personnel Management,” 2013) personnel management is a deliberate attempt that provides functional managers with a means to effectively utilize the crucial production feature, labor, in a manner that enhances productivity and efficiency. Personnel management mediates how labor intertwines with other factors of production (Carley, 1992). Thus, it allows the people-element of production to lead to results in productivity in utilizing capital, land, entrepreneurship and equipment among others in the pro-

duction process. This is succinctly captured by “Personnel management is purposeful action aimed at enabling functional managers to apply and utilize the manpower available within the enterprise, towards the optimal realization of the set goals” (“The Objectives of Personnel Management,” 2013).

It is important that personnel management address the immediate concerns that personnel face in discharging their functions in the work environment and ensuring that productivity is sustained or increased (Hartman, 2013). Under functional objective, personnel management reduces waste of resources due to loss of time and wages paid to unproductive workers. Personnel management therefore provides a platform on which personnel labor input in production is enhanced (Pencavel, 1972). The issue of work allocation and supervision of work being done is a direct function of it.

Personnel management is the actual administration of the

workforce in relation to the actual processes of production. Human resource management incorporates personnel management. In general terms human resource management deals with policy formulations and strategic guidance where personnel management is its end product (Storey, 2001). Human resource organization is seen as unique move towards employment organization. In this regard it “seeks to achieve a competitive advantage through the strategic deployment of highly committed and capable workforce” (Sharma, 2009; Storey, 2001). Thus to draw the distinction between human resource management and personnel management may be difficult if one cannot demarcate the thin line between the two.

Underemployment organization, human resources management determines the functions of a given office or job profile. In this determination, human resources will undertake a construction of staffing activities where the people assigned to execute the func-

tions of the positions constituted whereverom the personnel will be able to produce certain types of services and products through the labor they give. The real objective of human resources management is to improve the economic competence of the entire workforce of an organization. This is its core function of enhancing human productivity, which is achieved through staffing. Issues such as job profiling, employment and deployment of staff come directly under the umbrella of personnel management, a component of human resources management (Hartman, 2013).

Note the thin line of difference between personnel management and human resources management, human resources management deals with defining a given function, deciding on the qualifications of who should execute them and other related policy development that will now guide personnel management in the process of recruitment, role allocation, remuneration, and training. By

the time personnel management undertakes to recruit, the staffing policy developed by human resources guides the process.

Human resources management is derived from the need to manage human relations and coordinate human activities in achieving organizational objectives. Contrasted to personnel management, which is confined to the direction of personnel efforts (labor) towards productivity, human resources approaches the subject realistically by managing all the relationships of people within an organization and directing all these behaviors towards a common objective goal of the business entity. Comparing personnel management to human resources management, one can clearly note the fact that it deals with overall management of an entity's employee (Eilbirt, 1959). Human resources management is also a strategic move to add value to the productivity of the workforce. It should be noted some scholars are not able to distin-

guish personnel management and human resource management (Jain & Murray, 1994).

Personnel management may not encompass other factors that are critical to the productivity of workers. In this case it pools together the experience of different employees with the organization for its own benefit (Carley, 1992; Sharma, 2009). For example legal issues relating to employees are squarely within the domain of human resources, while personnel directs the productivity of the labor force, it does so within the premises of human resources management functions of performance management (Karwendo, 2009).

Another difference between personnel management (PM) and human resources management (HRM) is that PM is grounded on human orientation and seeks to aid employees to growing their careers and achieve their full potential, the objective being that it will motivate them to provide full teamwork and cooperation. Hum-

an resources management is not necessarily based on human orientation of the personnel, but is geared towards attaining optimum functioning capacity of the entire workforce in an organization.

On the subject of leadership style, PM approach is more of task-oriented, where the key focus is to have the task performed. The nature of personnel management relegates human factors making them to be superseded by task-achievement rather than the other way round as envisioned by the HRM approach which places more weight on the people (Caldari, 2007). HRM can be branded as people-oriented in its leadership style. Unlike PM, HRM creates a transformational leadership that thrives within the organization's management structures. Riley (2012) describes leadership styles in different ways but captures democratic and paternalistic styles of leaderships in a manner that they promote a people-oriented approach to work and work environment positive,

while the autocratic style matches with the PM models (Phipps, 2011).

Mashete (2009) presents further ideas on the differences existing between PM and HRM. Under PM, the employees enter into fixed contracts whose terms and conditions are rigid and lack flexibility inherent in the HRM approach. The PM approach has no room for making compromises between the employer and the employee (Bowey , 2005). HRM from this dimension is not instituted based on a permanent rigid contract. It has room for versatility that allows employees a chance to a multitude of avenues in which they can continuously apply their knowledge and skills to the organization.

Finally Mashete (2009) argues that under HRM “job design is no more functional based but teamwork and cyclical based.” In this design, HRM produces a new method inclined to job rotation and innovativeness that facilitates a talented person to take more

duties and accomplish them due to a favorable reward and recognition scheme. This idea is also echoed in the work of Davenport & Leitch (2005), where they opine that resource dependence is severely threatened by prohibitive rules. In this, it should be noted human resources constitutes the larger pool of resources that a business needs to survive profitably. HRM reduces a problem that wills is generally difficult to contain due to poor staff morale when comparatively related to PM.

### Conclusion:

Pursuant to the subject of the micro nature of PM stated above, PM captures the individual as an employee while HRM places him or her within the larger context of the organization’s workforce. In this, HRM comes along as an aspect of managing employees in the structured collective association that defines the relationship between management and employees (“Human Resources Management,” 2013; Sharma,

2009). PM is about the individual performing his/ her functions as individual, and where there productive potential is harnessed and converted to the *kinetics of the job*. (This is the analogy of potential energy, which is latent, while kinetic energy is energy in active usage). The article “Human Resources Management” (2013) captures this analogy with clarity by the statement “personnel management is essentially “workforce” centered whereas human resource management is “resource” centered.” The landmark difference function is that HRM is the potential (of the people) which creates the means through which their productivity can be harnessed. This is through PM undertaking its management mandated purposes in the sourcing, distribution and allocation of people for deployment, based on the HRM strategies, supervision and control of staff (workforce). HRM is duly concerned with the management of employee expectations whilst also achieving the management goals and integrating

them to unified end that is acceptable to both, guaranteeing employee satisfaction and realization of corporate goals.

At this juncture it now becomes convenient to revisit the contribution of Mashete (2009) to this discourse, where he states that the differences between PM and HRM can be seen from the following perspectives, (i) nature of relations, (ii) leadership and management style, (iii) contract of employment, and lastly (i) pay policies and job design. In the nature of relations, personnel management is constructed on the pluralist perspective where the focus centered majorly on the individual. This implies that the relationship is founded on contractual terms “...where one hires and the other performs.” On the other side HRM is not focused on this pluralist perspective and instead approaches the relationship as one, where the employer and employee are “...one and together.” HRM in this case operates on a mutual vision whose conceptualization is shared between



the employer and employee where they have established a common ground for mutually satisfying the needs of the other for their own benefits. Under personnel, management power is concentrated in the top management where there is monopoly in decision-making touching on employees. HRM on the other side encourages delegation of power in a decentralization approach that allows even junior members and employees of an organization to come to agreements in decision-making on a collective basis. Personnel management encourages an authoritarian management style while HRM builds teamwork "... with the involvement and participation of management and employees with shared power authority."

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