

bias, diminishing returns, and unethical manipulation).

**1) Behavioral Bias:** People who lack system understanding and become superficially infatuated with OB may develop a behavioral bias, which gives them a narrow viewpoint that emphasizes satisfying employee experiences while overlooking the broader system of the organization in relation to all its publics. Concern for employees can be so greatly overdone that the original purpose of bringing people together—productive organizational outputs for society—is lost. Sound organizational behavior should help achieve organizational purposes, not replace them. The person who ignores the needs of people as consumers of organizational outputs while championing employee needs is misapplying the ideas of organizational behavior. To assume that the objective of OB is simply to create a satisfied workforce is a mistake, for that goal will not automatically translate into new products and outstanding customer service. Moreover, the person who pushes production outputs without regard for employee needs is misapplying organizational behavior. Sound organizational behavior recognizes a social system in which many types of human needs are served in many of their good intentions, so overwhelm others with care that the recipients of such care are emotionally smothered and reduced to dependent—and unproductive—indignity. They become content, not fulfilled. They find excuses for failure rather than take responsibility for progress ways.

**2) The Law of Diminishing Returns:**

Overemphasis on an organizational behavior practice may produce negative results, as indicated by the law of diminishing returns. It is a limiting factor in organizational behavior the same way that it is in economics. In economics the law of diminishing returns refers to a declining amount of extra outputs when more of a desirable input is added to an economic situation. After a certain point, the output from each unit of added input tends to become smaller. The added output eventually may reach zero and even continue to decline when more units of input are added. The law of diminishing returns in organizational behavior works in a similar way. It states that at some point, increases of a desirable practice produce declining returns, eventually zero returns, and then negative returns as more increases are added. The concept implies that for any situation there is an optimum amount of a desirable practice, such as recognition or participation. When that point is exceeded, there is a decline in returns. In other words, the fact that a practice is desirable does not mean that more of it is more desirable. Diminishing returns may not apply to every human situation, but the idea applies so widely that it is of general use.

Why does the law of diminishing returns exist? Essentially, it is a system concept. It applies because of the complex system relationships of many variables in a situation. The facts state that when an excess of one

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of the early 1900s. In the traditional approach, managers decided what should be done and then closely controlled employees to ensure task performance. Management was directive and controlling. The human resources approach, on the other hand, is supportive. It helps employees become better, more responsible people, and then it tries to create a climate in which they may contribute to the limits of their improved abilities.

It assumes that expanded capabilities and opportunities for people will lead directly to improvements in operating effectiveness. Work satisfaction also will be a direct result when employees make fuller use of their abilities. Essentially, the human resources approach means that better people achieve better results.

**2) Contingency Approach:** The contingency approach also is more interdisciplinary, more system-oriented, and

more research-oriented than the traditional approach. Thus it helps managers use in the most appropriate manner all the current knowledge about people in organizations. Traditional management searched for principles to provide “one best way” of managing. There was a correct way to organize, to delegate, and to divide work. The correct way applied regardless of the type of organization or situation involved. Management principles were considered to be universal.

**3) Results-Oriented Approach:** All organizations need to achieve some relevant outcomes, or results. A dominant goal for many is to be productive, so this result orientation is a common thread woven through organizational behavior.

**For Example:** If better organizational behavior can improve job satisfaction, a human output or result occurs. In the same manner, when employee development programs lead to a by-product of better citizens in a community, a valuable social result occurs.

**4) Systems Approach:** Treating an organization as a system is critically important to its success. The fundamental elements of the systems approach include:

- i) There are many variables within a system.
- ii) The parts of a system are interdependent (one part affects many others parts and is affected by many in a complex way).
- iii) There are many subsystems contained within larger systems.
- iv) Systems generally require inputs, engage in some process, and produce outputs.
- v) The input-process-output mechanism is cyclical and self-sustaining (it is ongoing, repetitive, and uses feedback to adjust itself).
- vi) Systems produce both positive and negative results.