

Organizational Development

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Abstract

This paper explores the multiple definitions of organizational development as well as the reasons why organizational development is important to all companies in today's global marketplace. Brief examples of how Mascoma Savings Bank is constantly changing to meet the ever changing needs of its customer base is provided in order to further develop the analysis of what organizational development can look like. Because experience does not always dictate the future success of a company, it is extremely important for companies to have the ability to change when needed otherwise the company may find that it cannot stay competitive and eventually fold if it is too inflexible.

Organizational Development

Organizational development is a common theme in business yet a topic for which a universal definition does not exist. The Organizational Development Network (2011) defined organizational development as, “a carefully planned and implemented [process] to benefit the organization, its employees, and its stakeholders.” Rebecca Tonn (2010) defined organizational development as, “the ability to build healthy and high-performance organizations and to successfully manage change.” The Organizational Development Portal (2011) says that organizational development is, “the practice of changing people and organizations for positive growth.” No matter what definition is being used to describe organizational development, the common themes of the topic seem to be improving the organization, changing the culture of the organization, and managing change in a positive way that benefits everybody affiliated with the organization.

In today's highly competitive global marketplace, businesses are constantly having to come up with new and innovative ways of keeping ahead of their competition as well as maintaining and growing their customer base. For example, the banking industry is one of those businesses where customers may base their decision on where to bank based on deposit or mortgage interest rates rather than on customer service. Rather than only offering accounts that appeal to a limited number of customers, banks are now having to constantly evolve what they offer in order to attract a wider range of customers as well as encouraging those customers to become more exclusive to one institution rather than banking at one institution for one service and another for a different service.

Because of the constant need to change what the bank offers for products and services, the ability to successfully innovate as well as mitigate the change process while causing as little

disruption as possible is always key to the success of the organization. New products are rigorously tested before being offered to customers and because the employees perform the testing of products and new accounts in advance of release they are better able to sell these products to customers of the bank. Banks are also constantly on the lookout for the latest innovations in order to capture more of the banking marketplace. For example, at Mascoma Savings Bank, several types of checking accounts are offered based on what the individual customer's needs may be. Younger customers may be attracted to RealTunes checking because they can earn credits for purchases on iTunes. People who are frequently on the move may appreciate the iPhone application for mobile banking. Older customers may be interested in the wide array of time deposit options as well as accounts such as Relationship Gold or Rewards checking which offer interest checking account deposit balances. Mascoma Savings Bank is constantly evolving in ways that provide big bank services with small bank customer service (Mascoma Savings Bank, 2011).

Mascoma Savings Bank also does its part to help educate employees by offering classes in general business topics, such as accounting and supervision, free of charge to those employees who may need the education rather than just expecting employees to know the subject material before joining the company. Developing the skills of employees is an important part of developing the organization as a whole as without employees a company would cease to exist.

So why is organizational development important to an organization? In its most simple form, organizational development is the process of managing change and improving an organization for the common good of employees, stakeholders, and customers. Due to the fact that today's marketplace is a global one, companies are constantly having to evolve in order to keep up with the demands of the people they serve, both on an internal and an external level.

Businesses that do not change to meet the needs of its marketplace often find themselves at a loss and often fail as a result of the inability to evolve in the marketplace.

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