Management Thinking: An Antidote to the Scarcity Mindset - II

By K. Sankaran

In an earlier article in this series, the idea of an 'AND' principle as an antidote to scarcity thinking was introduced. A similar notion can be credited to Japanese management. They showed that lower cost production and quality could both be had at the same time. It was a simple revelation that easily saves on otherwise wasted materials costs incurred on returned good, lowers cost by retaining customers with purchases.

Look carefully at the field of management with instances of such thinking. A simple example from the Japanese is that of the JIT (Just-In-Time) inventory system. JIT was idea that stock-out costs and stock-carrying costs are not levelled-offs as traditionally done. They both can be simultaneously through a new system.

Scarcity mindset may be the biggest scheme of wealth creation. Scarcity mindset plays havoc particularly with intangible wealth such as trust and social capital. With scarcity mindset, one will not be able to conceive that sharing can be mutually beneficial. After all, one's gain is only at the cost of others. All transaction would then become at best, tactical and at worst, a matter of snatching.

Scarcity mindset seriously erodes the power of noble thinking and action, and it sabotages co-operative behaviour. In other words, nobility would have no practical value, except for self-indulgence. Nobility would then be badmouthing as an excessively ambitious overreach! Interestingly, the scarcity mindset is so ubiquitous that it does not attract our attention. It is all around us. We have no way to step out and observe it.

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