Thriving in the New Normal:
Strategies for Managing the Scarcity Mindset

Aimee Fifarek

“If you perceive the universe as being a universe of abundance, then it will be. If you think of the universe as one of scarcity, then it will be.”
Milton Glaser

Introduction

We've all seen her - at times, we have probably all been her: the stereotypical librarian, conference bag overflowing with free posters and preprints, collapsing under its bulk. How much time and money is spent waiting in those endless lines mailing swag back to our libraries only to have it be thrown away shortly thereafter?

Scarcity is part of our mythos and our reality, one that we often put into perspective as soon as we attempt to pack all the cheap trinkets into our already full suitcase. However in recent years the feeling of scarcity has moved out of the realm of harmless if embarrassing conference behavior into a truly debilitating mindset that governs most aspects of our professional lives. No longer is “overworked and underpaid” the mantra of a bad day at the desk. The economic downturn has brought painful budget and staff cuts making us increasingly unable to respond to rising customer demands. The slow economic recovery in the U.S. has intensified this stress as we face yet another year of budget deficits and hiring freezes. From front line staff to administrators, we have good reason to be tired and demoralized.

It is abundantly clear that the budgets and staffing levels of 2008 are not coming back. Even if they do rebound from where they are today the fever for economic and political austerity that has gripped the world will ensure that we continue delivering services in modest and efficiency-focused ways. The question is how, with the resources we do have, can we make our workplaces better environments for ourselves and our staff? What strategies can we employ that will allow us to focus on what we have rather than on what we have lost?

Asking this question is in itself a powerful starting point for reestablishing our sense of professional value. Viewing our day-to-day in terms of diminishment is preventing us from trying new ways to deliver services as well as finding that process personally and professionally meaningful. We need to recognize that, separate from the economic reality that defines our “new normal,” we are also battling a debilitating mindset that has resulted from those economics.

Scarcity as Reality and Mindset

Constraints can be productive things. For example, you buy a new car. The result is that money is a little tighter than normal, so to compensate you review your spending. This review forces you do some useful things: cancel the irregularly used Netflix account, drop the gym
membership that you don't use enough, and commit to packing a lunch a few times a week rather than going out to eat every day. With a little cut here and there you've made some sensible reductions. As a result you feel better about your spending and the additional bill is no longer a problem. Besides, you really like your new car.

But then the economy declines and you are forced to take a pay cut. You've cut all the extras out of your budget already so you are left with the choice of selling your new car or not making your rent payment. You sell the car, and every day when you are on the bus you stew about how much you miss your car, how you resent the extra time it takes to get to work, and ask yourself if it is all really worth it since you're not even getting paid what you were last year.

That was how most of us experienced the economic downturn. The early round of budget cuts was not that much of a problem. We were in pretty good shape budgetarily and probably needed to make more of an effort to expend our budgets efficiently. In some cases it even gave us the extra push we needed to make truly painful decisions, like ending a beloved but poorly attended program or letting go of that underperforming staff member. We were leaner and meaner, doing more with less, and it was just fine.

But year after year of cuts has moved us past useful constraint into painful scarcity. We began having to eliminate core programs, lay off quality staff, and even cut hours. We've had to cut muscle and it hurts. Now staff morale is down, turnover is up, and a good portion of each day is spent trying to plug the organizational holes that are the result of five years of difficult economic times.

Sendhil Mullainathan and Eldar Shafir, in their book *Scarcity: Why Having Too Little Means So Much*[^1], give us some clues to the effects that situations like ours have on our ability - individually and organizationally - to cope with this level of resource loss. Although research on the effects of scarcity has not really been done, Mullainathan and Shafir were able to identify a variety of studies done over the last 50 years that resulted in or otherwise documented the effect that prolonged scarcity has on individuals. Their analysis concludes that scarcity is not just a lack of resources but also a mindset that limits an individual's - or an organization's - ability to perform over time. As this mindset takes hold, it is self-reinforcing, reducing the cognitive ability to make the decisions necessary to effectively cope with and emerge from the scarcity situation.

Mullainathan and Shafir begin with the concept of bandwidth. Like the capacity an internet connection has to transmit data, our brains also have a certain amount of capacity to manage the everyday activities of life. Introducing modest constraints, like a new car payment, can produce what is called a "focus dividend" – improvements that result when a (desired or unwelcome) change forces unplanned decision making. While such a change might narrow your bandwidth for a short period (you now devote a few evenings to examining your spending and canceling those unnecessary services) it is quickly resolved and bandwidth levels soon return to normal.

However if the constraints become more than modest, or go on for an extended period of time, the iterative process of changing in the face of scarcity leads to tunnel vision that uses up more and more bandwidth. “Tunneling”[^2] goes far beyond a focus dividend, causing thoughts of the scarce resource to dominate the mind to the point that other important information gets crowded out.

Mullainathan and Shafir cite a study done during World War II that followed a group of conscientious objectors who volunteered to significantly reduce their food intake. The goal was
to help US Government officials determine the best method to bring starving concentration camp survivors back to health. Journals kept by the participants showed how food came to dominate their thinking. "If you went to a movie, you weren't particularly interested in the love scenes, but you noticed every time they ate and what they ate."5

By definition, tunneling excludes things not related to the scarce resource, in effect reducing the available choices. This is not because there are no longer any viable options, but rather that the available options are not even noticed because they excluded from the tunnel. By focusing on short term fixes to the immediate problem, there is significantly less bandwidth available to see the big picture and consider underlying causes and possible solutions.

Mullainathan and Shafir refer to this as the "Bandwidth Tax." They propose that scarcity doesn't just distract us - it "directly reduces bandwidth - not a person's inherent capacity but how much of that capacity is currently available for use."6 These performance effects can be so profound that they mimic a decrease in IQ by as much as 14 points.7

**Pushing Back the Mental Barriers**

It is easy to see the scarcity mindset at work in our libraries. Faced with a seemingly impossible task – reducing staff and spending without impacting services – we taxed our remaining resources by implementing one short term fix after another. We simply lacked the collective bandwidth to find sustainable ways of delivering services within existing constraints. What’s more, we inadvertently reinforced the effects of the scarcity mindset with our use of the mantra “doing more with less” when we should have been reminding our staff of the resources we DO have: trained staff, budgets, buildings and regular customers.

For us to begin to change the mindset of our employees we must reframe the way we think and talk about our situation. Unlike the actual lack of resources, which we can do little about, it is possible to change the mindset that has resulted from our prolonged scarcity. Although this may seem like a paltry issue to address, research has shown that removing perceived barriers can have a profound effect on performance.

Steven D. Levitt and Stephen J. Dubner, in their book *Think like a Freak*, cite a March 2012 study in which researchers tested whether removing perceived mental barriers could improve the physical performance of professional cyclists.8 In one round of tests the cyclists were instructed to pedal a stationary bike at their top speed. In a subsequent round they repeated the task while watching a computer-generated recording of their previous test. As the avatar moved around the virtual track, the cyclists were able to keep pace with their previous time, despite the fact that the "recording" they were seeing had been artificially sped up.

The deception concocted by the researchers made the cyclists think they had already achieved a higher speed than they initially thought was possible. This, consequently, allowed them to perform at a higher level. This is surprising given that, as elite athletes, the cyclists should be both well aware of what their bodies are capable of and less susceptible to mental barriers. In essence, they were able to measurably increase their performance because there was nothing telling them they couldn't - not even themselves.

Library leaders can take a cue from this powerful example. We can give ourselves the "cognitive gift"9 of believing that the most effective way to do more with less is to move our focus away from resources onto our employees. Fortunately we don't have to make that case
on our own; there is ample research that proves that organizations that focus on sustainable employee engagement and organizational health perform better and profit more than those that don't invest in meeting employee needs. Even better, the investments we need to do this don't have to come with a high price tag.

The Effect of Sustainable Engagement on Organizational Performance

"Sustainable engagement" is a term coined by Towers Watson, a New York-based agency specializing in human resource consulting. In 2012 the firm conducted a survey of over 32,000 full time employees in large and midsize organizations from around the world to quantitatively measure employee engagement. The concept of engagement - that employee feelings about their company, supervisor and work environment impact their willingness to put forth discretionary effort to achieve corporate goals - has been around since at least the early 1990's. But only recently has the effect of engagement on the organization’s bottom line begun to be measured. “Studies at a number of organizations, including leading academic institutions, have shown a clear relationship between high levels of employee engagement . . . and improved financial and operational results.”

The Towers Watson study found that engaged employees measurably improve an organization’s success, but it is necessary to sustain that engagement over time to achieve maximum results. By pairing the sustainable engagement survey data for 50 companies with their financial data, Towers Watson was able to quantify the effect of sustainable engagement on the bottom line. When employees are sustainably engaged, a company’s operating margin (aka net profit margin) is nearly double that of companies with traditionally engaged employees (27.4% vs 14.3%) and nearly triple that of companies in which overall employee engagement is low (9.9%). The companies achieved these financial improvements through decreased turnover, reduced absenteeism, and higher employee productivity.

The Energy Project, a consultancy that focuses on organizational performance, along with the Harvard Business Review, conducted a follow-on study with 12,000 employees to further quantify how successful organizations are meeting their employees’ needs in terms of energy and enablement. It found that companies with the most sustainably engaged employees were succeeding in four core areas:

- Renewal - physical and mental well being
- Value - having supervisors who genuinely care about an employees' success
- Focus - being able to prioritize and "uni-task"
- Purpose - deriving meaning and significance from work

These four areas, essentially the workplace equivalents of physical, emotional, mental and spiritual needs, are critical components of sustainable engagement. "When employees at a company perceive that any one of their four needs has been met, they report a 30% higher capacity to focus, a nearly 50% higher level of engagement, and a 63% greater likelihood to stay at the company . . . when all four needs are met, the effect on engagement rises [. . .] to 125%.

We are fortunate that we work in libraries. Our staffs work with our customers every day and get first hand feedback on how they are impacting their lives for the better. We definitely have a
leg up on other institutions in the "Purpose" category. This may be why library employees tend to stay with us despite budget cuts and low pay.

But these studies demonstrate that if library leaders start working to meet the other core needs of our employees, we can significantly improve how well our organizations function. Improving the work experience related to renewal, value, and focus - in addition to purpose - will help improve our employee's ability to manage their scarcity mindset and give them more bandwidth to develop the creative responses necessary to thrive in the new normal. The good news is that it doesn't take more resources to do this. We just need to devote some of our bandwidth to implementing a local "Energy Project."

**Energy Project: Strategies for Workplace Renewal**

**Gimme a Break**
The simplest thing supervisors can do with zero monetary outlay is to encourage employees to take regular breaks at work. According to The Energy Project research, taking a break every 90 minutes can result in "50 percent greater capacity to think creatively and a 46 percent higher level of health and well-being" than just taking a lunch break alone. Taking a walk, brushing your teeth, or even simply taking some time to chat with co-workers in the break room can reduce stress levels and improve performance. It doesn't cost anything to encourage nonexempt staff to take all the breaks they are allotted by HR or union agreements and salaried staff to build breaks into their day, especially if they are working extended hours. The payoff will be better customer service and fewer errors. While this could pose challenges for already packed desk schedules it is worth investigating as a way to reduce customer complaints and other issues related to fatigue.

**Get Moving**
Another item at our disposal is the "wellness" programs already offered by many of our parent organizations. These programs usually begin as a way of managing growing health care costs. But even though the expected benefit is to the organization, they do introduce the idea of personal care as an organizational responsibility. Encourage the formation of lunchtime exercise groups, team activities, or highlight staff members who routinely make a point of walking or biking to work. Supporting employee efforts to adopt healthy lifestyles not only lowers health care costs but makes the employees more productive.

**Stay away from work when you're away from work**
Encourage a healthy work/life balance by setting limits on after-hours work by salaried staff. Make it clear that staff should not be taking work home with them, and that regular email late in the evening indicates a problem rather than an achievement-orientation. The job will get its pound of flesh through late budget meetings or library events, having to cover desks when workers call in sick, or having to handle evening emergency situations. If we expect staff to do a good job it's important that they make time for a good life outside of the job.

**Sweet Dreams**
A healthy work/life balance can contribute to another key renewal factor - getting a good night sleep. Many studies have demonstrated that getting sufficient sleep is a critical factor in optimal performance. Conversely, a poor sleep schedule, even one where we only miss an hour or two of sleep in a night, can cause us to "... have less capacity to remember, to learn or to be creative, and we become less optimistic and less sociable. ... The effects can add up: one study in Australia calculated the cost of sleeplessness at 0.8 percent of the country’s gross
domestic product...." because of lowered productivity or even sleeping on the job. More proof that renewal at the individual level can contribute to the overall success of the organization.

Renew by Example
Implementing an effective workplace renewal strategy requires that library leaders model the right behavior. You may advocate taking breaks and the importance of maintaining a healthy work/life balance, but if staff see you working through lunch and get emails from you late at night they are more likely to do what you do and not do what you say. "When leaders model in their own behavior sustainable ways of working, the effect on those they lead is far bigger. . . . Those leaders' employees are 55% more engaged, 72% higher in health well-being, 77% more satisfied at work, and 1.15 times more likely to stay at the company. They also reported more than twice the level of trust in their leaders." As with everything else in leadership you need to walk the talk – or in this case smell the roses. The best thing you can do to demonstrate support for personal well-being to your staff is to make personal care a priority for yourself.

Energy Project: Strategies for Adding Workplace Value

Say "Thank You"
The founder of Mary Kay Cosmetics, Mary Kay Ash, reportedly said "There are two things people want more than sex and money . . . recognition and praise." It is easy to overlook the importance of recognizing our employees for a job well done, especially in a library world full of introverts. However it is the one thing we can give to employees that costs nothing at all but our time and attention.

All acknowledgment should involve recognizing the person by name, being specific about the success they are being recognized for, and relate the success to an organizational value. The latter is especially important to help employees (both those receiving the praise and those witnessing the recognition) to see the event not as a discrete action ("Sarah did a great job helping John with his computer issue when . . .") but in terms of organizational objective ("Sarah demonstrated Exceptional Customer Service when . . .").

When deciding to present recognition in public, consider the personality of the employee. If they are the shy type, giving them praise in front of a large group of people may discourage them from doing anything that would make them stand out in the future. In those cases, a thank you in front of a small group, one-on-one, or via email might be better received.

Supervisor feedback: Quality Matters
While it may seem obvious, a key aspect of the supervisor/employee relationship involves the supervisor accurately assessing the employee's strengths. "...few things can have as much immediate impact as an effective relationship with one's direct manager . . . [it will] ultimately influence how employees feel about stress, their workload, their growth opportunities and their likelihood of remaining with the company." The supervisor/employee relationship is now as much about meeting the employee's overall workplace needs as it is making sure that the employee is meeting the needs of the organization. The Towers Watson study found that three most important aspects of the manager/employee relationship are:

- manager assigns tasks suited to employee skills
- manager acts in ways consistent with his/her words
- manager coaches employees to improve performance
None of these things are possible if the supervisor fails to communicate with the employee in an effective manner. When the supervisor shows interest in the employee's overall development it dramatically increases the effectiveness of any feedback given.

**Conduct "Stay Interviews"**

How many times have you heard about an employee unloading a long list of reasons why they are leaving during an exit interview, only to wonder if management was aware of these issues before they quit? If you don't want to find out about growing issues the hard way, conduct stay interviews with key staff members. The process is designed for you ask a series of open-ended questions about an employee's work life to find ways you or the organization could better serve them. Business performance advisors Insperity offer up the following 6 stay interview questions as a guideline:

- What kind of feedback would you like about your performance that you aren’t currently receiving?
- What opportunities for self-improvement would you like to have that go beyond your current role?
- What kinds of flexibility would be helpful to you in balancing your work and home life?
- What talents, interests or skills do you have that we haven’t made the most of?
- What have you felt good about accomplishing in your job and in your time here?
- If you could change one thing about your job, team or company, what would it be? 23

This provides a manager with an easy way to communicate to employees that they are valued and that improving the quality of their daily work experience is important to the organization.

**Energy Project: Strategies for Increasing Workplace Focus**

When doing the work of two (or more) people it is easy to find the day being organized by how loudly each person or project is screaming for attention. Being able to successfully prioritize - and feeling able to allot the time it takes to successfully prioritize - is the key to actually accomplishing necessary tasks. Respondents in the Energy Project study who reported being able to prioritize well were almost twice as likely to be able to focus on a single task to the point of completion. That kind of focus leads to 50% more engagement on the job.24

The biggest risk to effective prioritization is email. Ron Friedman, writing in a Harvard Business Review blog post says "... checking email or listening to voice mail [first thing in the morning] is practically automatic. In many ways, these are among the worst ways to start a day. Both activities hijack our focus and put us in a reactive mode, where other people's priorities take center stage. "25 The antidote that he prescribes for this is to start the morning with a brief planning session. Friedman recommends spending the first 10 minutes of each workday creating a brief, specific, action-oriented list of to-dos. Comparing it to "mis-en-place" - a chef's practice of laying out all the tools and ingredients needed to successfully complete a recipe - this strategy will provide a regular opportunity to create a targeted list of goals. The daily list will provide plenty of opportunities to experience the gratifying feeling of crossing off completed items. It also allows the list to easily change as unexpected new priorities arise.

This 10-minute trick is one way of building slack into an overfull schedule. Slack can act as a buffer against the pressure of handling the unexpected things that inevitably happen to us all. There is an organizational lesson to be learned from the effective use of slack. In *Scarcity*, Mullainathan and Shafir cite the case of a Missouri hospital that was not able to accommodate a growing surgical load and could not afford to spend millions on an expansion.26 When the
hospital administration brought in an outside advisor to analyze the issue, his conclusion wasn’t that they lacked sufficient capacity, but rather that they had not built sufficient slack into their schedule. The advisor recommended leaving one surgical suite and its medical team unscheduled so it would be available for emergency surgeries that, although unplanned, experience said were going to occur. This allowed the scheduled staff to work normal hours resulting in less overtime and fewer errors; effectively handling the increased workload while cutting costs.

The important thing to remember is that slack is not fat. As shown in the hospital example, slack means having space to deal with the unexpected but inevitable. For libraries this means staffing so that service points will still be covered even if one or two people call in sick. For library leaders this means leaving some unscheduled calendar space to compensate for hallway conversations and the "this will just take a minute" drop-ins. These "known unknowns" are going to happen no matter how many resources we have at our disposal, so ensuring there is space available in our schedules to compensate is a sensible strategy.

**Energy Project: Strategies for Enabling Staff Success**

As your local Energy Project progresses, both you and your staff should begin to reap the benefits of reduced tunneling and increased energy. In the best case scenario, this increased bandwidth will allow space for you to begin to look at the big picture. At this point it will be important to have clearly expressed organizational goals and objectives in place.

Nothing can be a bigger barrier to an employee's success and engagement than failing to understand the organization’s mission and his/her role in contributing to it. Patrick Lencioni's 2012 book *The Advantage: Why Organizational Health Trumps Everything Else in Business* makes the case that while business fundamentals are important to organizational success, having an environment that nurtures employees and reinforces the organizational objectives is what can take an organization from merely good to great. Lencioni defines organizational health in this way: "An organization has integrity - is healthy - when it is whole and complete, that is when its management, operations, strategy and culture fit together." He goes on to describe the attributes of a healthy organization as "minimal politics, minimal confusion, high morale, high productivity, low turnover" - all of which are signs of high employee engagement.

Lencioni provides a detailed plan for achieving organizational health, but the piece he spends the most time on is creating organizational clarity. "Within the context of making an organization healthy, alignment is about creating so much clarity that there is as little room as possible for confusion, disorder, and infighting to set in. Of course, the responsibility for creating that clarity lies squarely with the leadership team." 

To achieve this level of clarity, Lencioni identifies what he calls "6 Critical Questions" that organizations must be able to answer:

- Why do we exist?
- How do we behave?
- What do we do?
- How will we succeed?
- What is most important right now?
- Who must do what?
Unlike traditional strategic planning and mission statement generation, these 6 questions require succinct answers that leave no room for disagreement once a leadership team has committed to them. They are also an interesting mix of long-term and short-term thinking that can help staff at all levels pull out of a tunneled mindset.

“Why do we exist?” and “What do we do?” are the “reason for being” questions that, once answered, will likely not have to change much if at all. The “How do we behave?” question reflects the organizational values that we all likely have in place and already train our employees on. However those values - often inherited from our parent organizations - can take on a much more useful meaning for staff when seen in context of the Exist and Do answers, and help to make them much more specific and relevant to staff's day-to-day work experience. The final question “Who must do what?” is there not only to reinforce everyone's role in creating clarity but also to help identify gray areas that might wind up on more than one person's list.

Lencioni frames the “How will we succeed?” question as the strategy question, essentially the thing that differentiates the organization from its competition. The process he recommends for identifying strategic priorities involves drawing a big open blob on the flip chart and inside of it writing down everything you know to be true about the organization. In this non-linear method that he calls “The Strategy Amoeba” it becomes easier to see relationships among the various truisms and categorize them into strategic anchors for the organization. For instance, the brainstorming session might have generated “free parking”, “free classes”, “meeting space” and “local event sponsorship” which could then fit into the anchor of “Build local loyalty and become a community destination.” In this way staff can see what current activities made up the strategic priorities and will more easily be able to see whether new services the library considers offering will fit with that direction. In the same vein, this process can help to de-prioritize services the library is currently offering (or may want to start offering) but don't fit the strategic focus. This is the question that is closest to what we think of as strategic planning since the strategic anchors will need to change to match evolving business conditions.

"What is most important right now?" is the question that sets Lencioni's roadmap apart from traditional strategic planning processes because it is designed to only be relevant for 3 to 12 months and truly be the organization's top priority for that period. In addition to being very clear about an organization's values and reasons for being, having an answer to the question "What is most important right now?" is something that the entire leadership team can use create clarity at all levels. Having identified the goal, and supported it with appropriate objectives and measures, the leadership team can use this as a rallying cry. Because it is developed within the context of the answers to the other questions, this short-term goal can provide a focus dividend for the entire organization.

Conclusion

We as library leaders have the ability to transform the way our organizations think about and manage the resources at our disposal. By investing some effort into meeting the physical (renewal), mental (focus), emotional (value) and spiritual (purpose) needs of our staff we can move them – and ourselves - into a productive and innovative mindset. There is no better time than now to begin this transformation. With the changes that have taken place over the last five years, many people in our communities are looking for new pathways to success. Whether they are going back to school, retraining for new professions, or just looking for a little escapism, they will need expert information managers to help them along their journeys. Building support for employee energy maintenance and enablement into our organizational priorities will help the
library to meet those needs now and into the future. This in turn will help our libraries thrive in the new normal.

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5 Mullainathan, Scarcity, 7.
6 Mullainathan, Scarcity, 47.
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