



Future Trends

The Opposable Mind

This month I present to you the problem solving power of integrative thinking.

By Roger Gudobba

I have written a number of columns in the past about thinking. Last month, we covered the differences between divergent (right brain) versus convergent (left brain) thinking. The right brain is the creative thinking side, while the left brain is the critical thinking side. Although most of us have a dominant side, both sides are involved in the problem solving and decision making process. Today, I am going to talk about integrative thinking; a decision-making process in which an individual balances tensions between opposing variables. Some 5 or 6 years ago, I read the book “The Opposable Mind” by Roger Martin. This article reflects many of his thoughts and concepts. One of the quotes in his book was from F. Scott Fitzgerald, who passed away in 1940, who stated, “The test of a first rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function. One should, for example, be able to see that things are hopeless yet be determined to make them otherwise.”

The Knowledge Systems of Integrative Thinkers: By studying some of the world’s most successful individuals, Roger Martin concluded that integrative thinkers have a different combination of stance, tools and experience than non-integrative thinkers. Their stance is different in six ways:

Nature of their world:

1. They recognize that existing models do not equal reality.
2. They seek out model clash and leverage opposing models.
3. They believe that better models always exist that cannot be seen.

Their role in it:

4. They believe that they are capable of finding a better model.
5. They are willing and enthusiastic about wading into complexity.
6. They give themselves the time to

create; they aren’t rushed to find ‘the answer’ to a problem.

Our world is becoming more **knowledge intensive, fast-paced, diverse, chaotic, interconnected, and multicultural.** In such a world, we need new ways of thinking, learning, and development in organizations.

When making any decision, people proceed through four steps:

The first step **Salience** seeks to define the relevant aspects of a problem. What do we choose to pay attention to; and what not? In this initial step, we decide which features are relevant to our decision. The conventional thinker will focus on only the relevant features whereas the integrative thinker will seek less obvious but potentially relevant features.

The second step **Causality** seeks to determine the relationships between related and seemingly unrelated parts of the problem. How do we make sense of what we see? What sort of relations do we believe exist between the various pieces of the puzzle? The conventional thinker will consider one-way linear relationships between variables where more of A produces more of B. The integrative thinker will consider multidirectional and nonlinear relationships.

The third step **Architecture** involves the creation of a model that outlines the relationships defined in the previous two steps. An

overall mental model is constructed, based upon our choices from the first two steps. The conventional thinker will break problems into pieces and work on them separately or sequentially. The integrative thinker will see the problems as a whole; examine how the parts fit together and how decisions affect one another.

The final step **Resolution** outlines the decision and how it was reached. What will our decision be, based on our reasoning? The conventional thinker makes an either-or decision and settles for the best available decision. The integrative thinker will creatively resolve tensions among opposing ideas and generate innovative outcomes.

The process is similar to a feedback loop in which each step links forward to the next step as well as backwards to the previous step.

How does all this relate to our industry? The Mortgage industry has been pursuing the paperless mortgage for probably 25 years or more. I believe we can finally see the light at the end of the tunnel and it's not the train. Conventional thinking led to the migration from pre-printed forms to templates. I recognize that we scanned and stored the paper, but in the end it was still a paper-driven process. Integrative thinking led a number of us to recognize that it's all about the data and that the documents

Integrative thinkers share some common traits related to their **stance, tools and experiences**, which is good news for those of us who aspire to attain their level of **decision-making prowess**.

were just the end result. The focus on data will allow the industry to progress to where applications, appraisals, verifications, tax returns, underwriting, and finally closing; everything will be handled electronically. The current focus on the consumer will drive the industry to develop systems that will be easy to use and almost self-explanatory.

Why do I know this to be true? The answer is because if the opposite happens the mortgage industry

will literally cease to exist as a viable business. A variety of outside sources are literally forcing the industry to progress these days. If you think about it, recent developments like UMDP, for example, show that the government wants the mortgage industry to become more electronic. No lender wants to bring on the wrath of the federal government.

The end goal, of course, is for a viable secondary market to return in a responsible way. Investors will not get back into the business of mortgage in a big way until they know that they can trust every mortgage that they buy. Can you do that in a paper world? Sure, if you employ millions of employees to literally look through every file. That's not going to happen.

We're also on the brink of returning to a predominantly purchase market. Why does that matter? Because it costs lenders more to originate purchase loans vs. refinances. So, if lenders are looking to cut cost and become more efficient, the case for automation and becoming truly data driven becomes a foregone conclusion. Add to that the fact that more and more borrowers are looking to transact online and you have the perfect storm for a more data-driven mortgage process to emerge.

I could go on and on in stating the case as to why the industry should be more data driven and how the integrative thinkers will finally have their day, but I won't. The larger point is that everything is connected and the best way for the mortgage industry, or really any business, is to realize those connections and embrace them in a creative way to grow their business. Simply put, the same-old, same-old won't cut it any more. In a more regulated business environment, lenders have to find the cheapest and most efficient way to both comply with new regulation and remain competitive.

Why all the emphasis on thinking? We usually don't give it much thought and take our thinking for granted. I firmly believe you can learn a lot about yourself by knowing the different thinking dynamics and that will evolve into a better understanding about how you think. Hopefully, this series of articles encouraged you to open your mind and think different. If so, I have accomplished what I set out to do.

Note: Roger Martin spent fifteen years as Dean and now is the Director of the Martin Prosperity Institute at the Rotman School of Management at the University of Toronto. He has written fifteen Harvard Business Review articles and published eight books. ❖