

2015 Global Innovation Index & Your Leadership

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The 2015 Global Innovation Index rankings are out and they provide another reason why leadership, and indeed our thinking needs to change – we are simply not creative enough and struggle to innovate new goods and services that add value. What’s worse is that we are not agile and responsive enough to take advantage of opportunities or move away from threats.

Australia has been resting on its laurels - To maintain our standard of living in the 21st century we have to get serious about innovation.

In 2014 Australia was ranked 81 for innovation efficiency against some 140 other nations according to INSEAD, Cornell University and the World Intellectual Property Organisation. This year, Australia ranked 72nd for innovation efficiency.

Innovation efficiency is the ratio of inputs to creative outputs, that is, how efficiently Australia converts inputs into new products and services that create value or, more simply, how much output a country is getting for its inputs.

Australia ranks much higher on the General Innovation Index, in fact, we came in at 17th. (This is a ranking which looks at criteria such as our human capital, the quality of institutions and infrastructure, the rule of law and government institutions). The problem for Australia is that we do much better on this input side of the equation - where we rank highly for human capital and research and for market sophistication - but when it comes to outputs we rank poorly, for example, communication and information services exports or creative services exports. This means that Australia’s overall innovation efficiency ratio is languishing in the middle of the table. Quite simply we are not leveraging our inputs.

Darwin said that it is not the strongest or smartest who flourishes but those that are more flexible, those who can respond and adapt to changes in their environment. It is critical is to understand that the innovative potential of an individual or organisation is not an instinctive capability but one that can be learned. To do this we need to ‘change’ our brains; to change the neural pathways that process information and to challenge our mindsets. By forming new neural connections in our brains we can process information more accurately and assimilate new information more effectively.

The good news is that we can all teach our brains to perceive information in new ways and move beyond our old thinking habits. William Bragg, who won the 1915 Nobel Prize for Physics, said the important thing is not so much to obtain new facts as to discover new ways of thinking about them. This is the challenge for us all.



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