

How is Australia faring in the global innovation race?

We expect to see Australia sprinting to the forefront of the ‘innovation race’ in the wake of the launch of the ‘innovation agenda’ and ‘the ideas boom’. Yet if you look at some of the global innovation measures that were released last year, Australia hasn’t ranked too highly.

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In the 2015 Bloomberg Innovation Index, which focuses on the number of patents registered, Australia comes out at number 13, and in the 2015 Global Innovation Index (which considers a few more factors), Australia is number 17.

Are these the best ways of measuring innovation potential? If we were to measure innovation in companies (not just countries) by patents alone, IBM and Samsung would come out on top, and Facebook wouldn’t even make it to the top 40!

Innovative companies are not simply coming out with a lot of ideas. They may be coming up with fewer ideas, but they are often better ideas. Australia, similarly, appears to have a huge amount of potential if different measures are used. Australia comes out in the number one innovation position out of 139 countries in the 2015 Global Creativity Index. This index was developed by urban studies theorist Richard Florida from the Rotman

School of Management at the University of Toronto as an alternative to innovation measures that focus on patents.

Florida has found that creative thinking and innovation flourish in cities where there is a focus on developing what he calls the three ‘T’s: where there is the development of ‘talent’, where there is a ‘tolerance’ for diversity, and where there is the access to the appropriate ‘technologies’. Australia was found to do particularly well in the areas of ‘talent’ development (eg education systems), and a focus on building ‘tolerance’ (eg multiculturalism).

There appears to be a disconnect, though, between our potential and the reality. The 2015 Australian Innovation Systems Report found that only 16 percent of Australian businesses are high performing in innovation (compared to 44 percent of the top global 100), and 39 percent do not recognise the importance of innovation.



Our geographic isolation may have made it challenging for us to compete on the global stage in the past, considering that areas such as Europe and the Silicon Valley have traditionally developed as highly connected communities where creative ideas can naturally collide. However, the transition to interconnected global communities through the rapid rise of the internet gives us our turn to shine.

Yet simply talking about innovation, throwing out grants, having hackathons or putting innovation in company mission statements is not necessarily going to lead to improved innovation results. We need to be developing better innovation processes, and we need to more deliberately creating positive innovation cultures that will adequately support this shift. Perhaps even more importantly, we also need to be considering the purpose behind innovations, in order to better connect with the identified need

for millennials to feel committed and connected to what they do.

Once these critical conditions are in place Australia may really be able to contribute to the global challenge as a leading innovator.

For more information: *The Innovation Race: How to change a culture to change the game* (August 2016/ Wiley), written with by Gaia Grant with co-author Andrew Grant, takes readers on a lively global adventure to explore the state of innovation and to investigate why some countries, cultures and companies race ahead while others struggle. The book outlines how it is possible to navigate the key paradoxical challenges that can either frustrate or fuel innovation – and how to develop a sustainable purpose-driven innovation culture to change the game.

the-innovation-race.com
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