



One feature of the recent exodus of refugees to Europe might have come as a surprise. Amid the swarming thousands craving food, water and shelter in the European heat, Wi-Fi and mobile phone power were also in high demand.

This is the mass connectivity we've heard so much about in action. Even in trouble spots, communication and social movements are spreading quickly thanks to cheap, ubiquitous technology, making people and their aspirations more mobile. There are 7 billion mobile phones on the planet, nearly 2 billion of them smartphones. That number will hit 5 billion, with 80 billion connected devices worldwide by 2020, according to *Forbes* magazine.

We truly have become what *The Economist* describes as a planet of "phono sapiens".

What has this to do with us here and our daily challenge of running our businesses and managing our teams? Plenty. Talent, not capital, will be the key factor linking innovation, competitiveness and growth in the 21st century, World Economic Forum executive chairman Klaus Schwab says. In the forum's inaugural *Human Capital Report 2015*, he describes how technological, geopolitical, demographic and economic forces are profoundly reshaping labour markets. The way that nations and organisations develop their human capital throughout life will drive their competitiveness.

Rather than the traditional economic divide between emerging and developed nations, Schwab says we should think of nations as innovation-rich or innovation-poor.

With a massive pool of latent human capital and a growing shortage of talent – government, business, educators and individuals need to do three things. They need to better understand the global talent value chain; rethink the notion of business as a consumer of "ready-made" human capital; and proactively seek out, engage and develop people's potential.

In Africa, South America and India's Silicon Savannah we are seeing the impact of "jugaad" innovation, meaning solutions that are "fast, frugal, flexible and inclusive". But genteelly ageing and declining nations such as Australia are in what Tufts University calls the digital innovation Stall Zone, with declining productivity and standards of living.

We identified organisations that make the most of their human capital to adapt faster and create new products, services and markets. We also examined the systematic approach of Scandinavian countries



national industry median than those who do not. And London Business School research has found gender-balanced teams create conditions that maximise experimentation, necessary for boosting creativity.

The data is in and it is compelling. Organisations where women do well also do other things well. They're inclusive, open, fair and tend to focus on the longer term. But what we also know is that unless you intentionally include women, the system will unintentionally exclude them.

In *New Women, New Men, New Economy: How Creativity, Openness, Diversity and Equity Are Driving*

Prosperity Now we've identified the four dimensions that organisations need to invest in to maximise their competitiveness in a resource-constrained, globally connected economy.

These dimensions help create a culture of innovation and build the trust of employees, customers and the community, now critical if your organisation is going to be sustainable over time.

They are: 1. Creativity – a core business competency, ignites competitiveness and can be learned. 2. In an open world, there's no place to hide, so you need to be prepared to share and build on information – fast. 3. Diversity boosts performance and problem solving. 4. Equity helps teams thrive and creates long-term, sustainable value. We call this the "New Economy CODE".

The glue that binds these dimensions together is organisational intelligence – the capacity to generate new ideas and adapt quickly to changing circumstances – and agile, responsive systems and behaviours that build collaborative environments.

ALL THE DIFFERENCE IN THE WORLD

The data's in. It's compelling. Research is showing that diversity in all its forms is better for companies and their shareholders, societies, and countries.

STORY NARELLE HOOPER AND RODIN GENOFF

in using gender diversity to create the agility required to develop new products and services.

Why does gender diversity matter for innovation and growth? Decades of research shows that organisations with more women in leadership roles do better – societies too.

Advocacy group Catalyst outlines 39 pieces of research that show how diversity (including gender, racial, sexual orientation and cognitive difference) boosts performance. Credit Suisse's landmark study of 3000 companies in 40 countries suggested the more women in senior roles, the better return on equity. McKinsey & Co's 2015 research showed listed companies with higher levels of racial and ethnic diversity were 35 per cent more likely to have financial returns above the

THINGS YOU CAN DO RIGHT NOW:

- 1: Look for data to test your assumptions; intuition borne of experience can be unreliable.
- 2: Mix it up – skills, perspective and experience. Ask "50-50 – if not, why not?" – in the room, around the table, in your team.
- 3: Make innovation and experimentation everyone's responsibility; start with the strengths: what's working and how can you build on it, rather than what's not working, and get agile.

Narelle Hooper, former Boss editor, is co-author with industry development consultant Rodin Genoff of New Women, New Men, New Economy: How Creativity, Openness, Diversity and Equity Are Driving Prosperity Now (Federation Press, Sept 2015): new-women-new-men-new-economy.com.