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# Why I wrote Triple Value Leadership?

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**In the last few years, we have seen a tipping point in the role of business in society: with the growing planetary crisis, attacks on democracy and the ongoing health challenge, business can no longer give priority to commercial interest and financial gains at the expense of societal and environmental interests. Leaders in business and society will now need to develop a new and higher perspective to align the needs of society and the environment with the commercial interests of business. Business will not flourish unless people and the planet are flourishing.**

The quest for such higher perspective has motivated me throughout my career. I started my work with degrees in international economic law and Asian affairs with an interest in the emerging markets of Asia. I was fascinated by how countries such as Japan, South Korea and Taiwan, who were considered part of the “third world”, suddenly leaped from the third to the first world in a matter of years, becoming known as the so- called Asian tigers. After training at the law firm Baker & McKenzie in Taiwan, I worked for ABN AMRO Bank as chief representative for China, with postings in Hong Kong, Beijing and Shanghai.

This unique experience in Asia, which spanned the entire 1990s, gave me insight into the mechanics of booming globalization, but I also witnessed its shadow. When countries open up to global capitalism, their ecosystems tend to disintegrate and social inequality flares up – inevitable by- effects of economic growth. I also experienced firsthand the destabilizing effects of the Asian financial crisis of 1998 and the Internet bubble crash some years later, foreshadowing the global financial meltdown a decade later. While I had seen the benefits of globalization and the liberalization of markets, the unchecked and speculative force of capital that followed disturbed me deeply. How could business bring sustainable benefit to these countries, if the system supporting business was unsustainable by nature?

This question got more persistent year- by-year. With the world facing growing societal and ecological challenges from climate change, resource depletion, pandemics, mass immigration and disruptive technology, many business leaders whom I met did not know how to respond to these challenges. I felt that too many leaders were hooked onto “business as usual”, which did not make sense in a world that was rapidly moving into the unusual. How can leaders in business think that they can be successful when the societies and ecosystems that they depend on are on the verge of collapse?

I decided not to despair and look for solutions. While no doubt business is part of the problem, I did not want to see it merely this way. Rather, I wanted to know how business could become part of the solution. So I shifted my career to the field of sustainable finance and investment, while pursuing a parallel career in research and teaching.

This shift coincided with the rise of Corporate Social Responsibility (CSR) initiatives in business. Many CSR efforts were placed at the margin of the core business, leading to the publication of nicely looking social reports and business philanthropy, but little was done to integrate sustainability into the core strategy of business. In fact, I believed that the way CSR was framed was setting business up for failure: if companies would accept that there was something like “socially responsible” business aside from their normal business, they logically also needed to accept that their normal business was “socially irresponsible” business.

Indeed, I saw many businesses continue with negatively impacting our natural and social environment by causing pollution, depleting vital resources and promoting unhealthy lifestyles – in spite of paying lip service to CSR. The CSR movement brought a multitude of exotic terms into the board room – Environmental Social Governance, Ecological Footprint, Triple Bottom Line, Cradle- to- Cradle, Circular Economy, Impact Entrepreneurship, Stakeholder Capitalism and many others – but how do all these concepts hang together? Which of them are mission critical?

What’s worse, some companies started to use these terms in their business communication to pretend that all was well, or to find clever ways of luring customers, which is known as green washing. Likewise, business leaders started to speak about purpose to indicate that they are serving a higher goal than just making money. However, when their actions do not match their words, these statements amount to purpose washing.

### ***The “how” of sustainable business transformation***

My journey across the sustainability world convinced me that something more fundamental was needed. If CSR is not the answer, then what is it? Something that would appeal to business logic, that would indicate that sustainability is not a cost issue per se, but an inevitable investment into a change process that would bring multiple long- term benefits, including financial ones.

If real change was to be achieved, sustainability should be at the heart of business logic. The main thing missing, in my opinion, is the understanding of how companies can step up to this challenge and move in the right direction. How can the supertanker of business transform itself, so that companies no longer merely extract value, but start to create value for the needs of society and the planet? How can companies become net benefactors to society and the environment, while still also benefiting themselves? How can we transform capitalism from “within”?

In the role of consultant for organizations such as the World Bank, International Finance Corporation (IFC) and Triodos Bank, I traveled the world in search of companies that were leading in sustainability fields such as renewable energy, organic food and micro finance. I discovered that authentic sustainable companies are led by leaders with distinct qualities:

they are committed to a vision for a sustainable world, while having the ability to build a successful and profitable organization.

These could be for-profit companies with a social purpose or not-for-profit organizations with a business orientation. What they had in common was a model of value creation for more stakeholders than the owners alone – in fact, they were creating “shared value” for themselves and society. In these companies, there was no apparent conflict between the needs of core business and the needs of society.

Their leaders had transcended the common dilemma of social benefit versus profits, expressing this in (somewhat awkward) terms such as “social enterprise” or “purpose-based business”.

On a global level, I sensed that if we want to create a sustainable economic system, we need to radically reorient our leadership from merely creating profits to creating value for society. If we want to divert the machine of global capitalism from its self-destructive course, we will need courageous leaders who are equipped to change direction. This became the heart of my quest: to create this type of new leadership – sustainable leadership.

I specialized my research and work in leadership development, studied with leading scientists of the mind, delved deeply in contemplative practice and co-created a global leadership network. I worked with senior business leaders and their teams on finding purpose and sustainable high performance. Gradually, a vision emerged of what sustainable leadership entails and how it could be practiced.

### ***Deep research and practice***

Over a period of several years, I studied and worked with many different companies and interviewed hundreds of executives. I also conducted an extensive review of literature in the fields of sustainability, strategy, leadership and organizational transformation and performance, as well as the more fundamental sciences of behavioral economics, biology, sociology and psychology. My end goal was to develop a comprehensive method for business leadership that works, spanning the dimensions of leadership, strategy and performance management.

I concentrated our research on firms that are considered leading companies in sustainability. Some are listed on the Dow Jones Sustainability Index and are earmarked by sustainability monitors and investors, but we also looked at smaller sustainability pioneers. Most of these firms are considered leading among their peers.

Subsequently, I validated the methodology that we developed by working with a number of these companies. I set out to discover how companies could embrace the challenge and opportunity that sustainability represents – and start solving the bigger societal problems that we face. It became the most ambitious but also the most rewarding project that I ever undertook. I was fortunate to work with truly remarkable leaders around the world.

## ***Sustainability revolution – New leadership***

In the process, I became witness to a revolution- like change sweeping the business world, a major transition from CSR to entirely new value creation models.

The most important insight is that Sustainability is the next level in leadership development. Global executive recruiters will be screening the next CEO on their capacity to lead their companies into instruments for societal change. Sustainability, ethics, staff wellbeing and high performance are becoming connected in leading companies.

Taken together, these key insights provide the elements of a new paradigm that allow business leaders to positively contribute to society by recognizing that business is a part of society and not apart from society.

This recognition profoundly alters the way business positions itself vis- à - vis society and will flip the business model from value extraction into joint value creation and reimagining business success. Rather than creating value primarily for the shareholders and senior managers, business can now learn to create value for their organizations, their customers and society at the same time – this is what we call TripleValue .

Many entrepreneurs start with good intentions – very few of them would not want to create value for all their stakeholders. At the same time, living up and keeping such intention turns out to be difficult and rare. Why is this so? Why are so many companies locked in a strategy of trade- off s, between profits and principle, often caught in a race to serve the bottom line – while the ecological bottom is rapidly approaching as well?

The answer is painfully simple: we use outdated ways of thinking: we hold on beliefs, leadership styles, strategies, vested interests and performance models that may have worked in the past, but are no longer fit for purpose. The world has changed, and the purpose of business now needs to change as well. This is what this book is about! It has been written for existing and future business leaders who want to transform their organization towards Triple Value creation – In the process they will transform their leadership capacity into Triple Value Leadership.

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### **Triple Value Leadership**

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