

[From the desk of the CEO of Worstall Industries](#) [1]

Written by [Tim Worstall](#) [2] | Friday 27 January 2012

Nigel,

I must thank you for your time the other day, my apologies for being so late in replying. I do wish you luck in your new role as an advisor on Corporate Social Responsibility, or as you put it in our meeting, CSR. Can't handle acronyms myself but I'm sure your new consultancy is more with the zeitgeist than the now aged "Diversity Matters" that you tried to sell me a few years ago and much more so than the "Mandy for Political Diversity" that was the one before that. As I've said, that we were at school together means you're always welcome to pitch your latest to me, just as I am, as an old schoolfriend (yes, I am still sorry about that taking the fly half position off you in the First XV but come along now, moving over to the second stream cross country wasn't that bad, was it?) allowed to listen to yet reject your pitch.

And the problem with your CSR stuff is, well, you say that it's good business to do right by people. Which, yes, of course, it is. Which is why we do right by people all the time. While we fail occasionally, we give our customers what we've promised to give them for the money they have spent. Similarly, those who work with us know the deal, sign up voluntarily and similarly get dealt with by the deal agreed.

Your argument though goes a lot further. It seems to be that if we splurged the shareholders' cash on, say, abolishing hunger in Africa (when our job is in fact making adult nappies in Barnsley) then everyone would love us more, buy more of our product and thus make the shareholders greater profits.

And the thing is, there really are times when this is true. We have found that allowing the employees to use company property for their own charitable money raising activities has increased employee loyalty (which, as you know, means lower wage demands in future!). Similarly, we have found that career breaks, sabbaticals, have increased our retention of senior and valuable staff. Certainly, my company paid four months over the winter on St Maarten investigating low paid female labour helped to keep me with the company!

But there does seem to be a point that you're missing Nigel. We run a company on behalf of the shareholders: our duty is, without skimming off too much for ourselves, to make them money. And these social responsibility things, well, yes, they might make the shareholders money. Treat the staff right, the customers right, yes, perhaps a little bit of local community bits and bobs where we have factories.

But what you were suggesting is that we should be fire hosing money at the Guardianistas' topic de jour. And given that our workers (well, Bob in HR) and our customers (and if they are, by the time they need our products it doesn't matter) are not in fact Guardianistas, well, where is the profit increase we'll get from spraying money as The Guardian would have us do so?

Or, to put this all another way Nige me old mate, we're a profit maximising organisation and we already do as much CSR as we think will maximise profits. It is indeed true that we don't know everything but that idea of yours that we should sponsor that youth LGBT dance troupe seemed a bit off. An aged one seems closer to our target market and the one that we already do sponsor, well, their "Caught Short in Age" dance is to be remembered.

Anyway, so sorry about this, but we won't be hiring your consultancy on this one although, as I say, we're always open to new ideas. If you can show us something that increases our profits we'd be most grateful: but we think we're doing the most CSR that does that already.

Finally, well, we've both about 15 years of working life in us left and I'm sure that you will be able to, in this final third of working life, find something out there that I actually want to buy from you.

All the best!

Tim Worstall

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