

Extreme Compensation

We live in a world that is quickly running out of superlatives ... now the word extreme has been down valued too. There are extreme sports, extreme stress, extreme shopping and extreme vacationing. There's also EXTREME COMPENSATION.

This was developed as a phrase by some management consultancy with – presumably – too much time on it's hands at the height of the late 20th century people wars. The idea was that it expressed the levels that desperate corporations would go to in their ham-fisted efforts to attract the good, the bad and the ugly to their corridors of corporate corruption. The concept was built around the idea of those 1920's gangland movies, "everyone has a price, everyone can be bought."

According to most professional observers (loosely translated as people who will never, EVER receive extreme compensation and are rather pissed-off about that), rewards are all located in the Cayman Islands or Bermuda and involve paying a reputable international law firm three or four times the level of the extreme compensation package to maintain the mask of respectability.

Thus thousands of managerial geniuses – and a few lucky prats too – are deeply mired in split compensation scams (for legal reasons we cannot say swindles) that de-tax and de-tox the great and good in the corporate shark pool. It also locks them in that shark pool, underwater, unable to breathe without help from the body corporate).

Essentially the concept of extreme compensation was based around the idea of being able to offer the kind of stuff that corporate genius need: tax havens, big houses, executive jets, access to hard-to-get sports events (Jack we love you for that one and the fact that, even AFTER retirement, you put the "E" in extreme!).

But that isn't what extreme compensation is really about. Extreme compensation is going the extra kilometre for the best guy or gal you can get. It is bending over backwards (but not too far!), being creative. It is getting it right-on-the-night.

Let me tell you a couple of stories that illustrate, for me, what extreme compensation really is.

An American computer genius (are we able to say "computer" these days, or is it obsolete?) is headhunted to Europe for a big job in Frankfurt. He says, "Yes, but". The But? He is a Shakespeare fan and wants to live in Stratford-on-Avon: which is a few kilometres from Germany's financial hub. Solution? A private jet takes him to Deutschland every Monday morning and deposits him back in his adopted English village every Friday. Was it worth it? He thinks so!

An Italian banker is wooed to London for the promise of big books and an ever bigger job. Again he says "Yes, but." What's the "but" this time? Fourteen polo ponies! So the acquiring bank says "OK" So that's cool isn't it? Well our Italian stallion spoils it just a little by the most uncool demand ever in extreme compensation. What do you think it was? You'll never get this one. An apartment in London for his mother-in-law!

Then again, remember something else, you don't belong in the super-league of super compensation unless you have has the ultimate treatment: three lawyers to make the move happen. Here is how it works. One is on your side, one is on the would-be employer's side and the other one is there to make sure the other two do their job right. A three lawyer move is all too common these days. Days when they don't call it recruitment. They call it "unsticking the candidate" from his or her current highly comped cocoon. By next year when the market warms up, extreme compensation could hit new highs.

What makes me laugh is that we have these so-called shareholder revolts. All these people upset at a few fat-cats getting what scaredy-cat hiring teams agreed too. You think this is going to go away? Don't be silly. Come the upturn, they'll be throwing the millions around just like they did before. Despite everything, money talks.