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Column: What 17th-Century Pirates Can Teach Us About Job Design
by **Hayagreeva Rao**

Costly failures of talent management—such as hiring the wrong people for the wrong reasons or creating perverse incentives—can frequently be traced to the earliest point in the recruitment process: designing the job. It's easy to get that wrong. Too often, executives bundle contradictory tasks without considering how the job description will influence who applies or how the hired employee will allocate his or her time.

Consider a relevant, if rather dark, chapter in the history of leadership: the 17th-century heyday of Captain Morgan and Captain Kidd. If you had to design the job of a pirate ship captain in that era, how would you do it? When I ask MBA students and executives to design the job, they invariably lump together two areas of responsibility: *star tasks*—strategic work such as target identification, command during battle, and negotiating alliances to form fleets—and *guardian tasks,* which are operational work such as allocating arms, adjudicating conflict, punishing indiscipline, distributing loot, and organizing care for the sick and injured. (James N. Baron and David Kreps introduced these categories in their 1999 book *Strategic Human Resources.*)

The job designed by my students would be a mistake. When star and guardian tasks are lumped together, various problems ensue. For instance, candidates who can do both exceptionally well are rare, because star tasks require risk taking and entrepreneurship, whereas guardian tasks require conscientiousness and systematic effort. The need to accomplish both kinds of tasks might discourage either great stars or great guardians from applying. A brilliant commander might have little patience for dealing with the minutiae of resource allocation. A skilled administrator might dread the thought of leading men in battle.

Employees hired for a job that incorporates conflicting tasks will tend to focus on the easier and more controllable ones rather than the most critical. Thus a risk-averse pirate captain might be tempted to spend his time on guardian tasks. But if star tasks were easier to accomplish, guardian tasks might get short shrift.

It turns out that pirates did a better job of assigning the right tasks to a leader than my students do: They made the captain responsible for star tasks and elected a quartermaster general to perform the guardian tasks. This solution also prevented a concentration of power in the captain's hands. In those days many captains of merchant navy ships spent too much time on guardian tasks and became tyrants, triggering mutinies and inducing their men to join the pirates. (For more on pirate HR, see Peter T. Leeson's "An-*arrgh*-chy: The Law and Economics of Pirate Organization," *Journal of Political Economy,* 2007.)

At the top of the modern corporation, star and guardian tasks are divided between the CEO and the COO. Such clean separation is less common lower in the organization, with adverse consequences at the team and unit levels.

The U.S. Department of the Interior's Minerals Management Service, for example, is responsible for both star tasks (allocating oil-well leases in exchange for royalties) and guardian tasks (overseeing safety and sustainability). The service found the former much easier and more glamorous than the latter. Poor organizational design led to the regulatory failure that characterized the catastrophic oil spill in the Gulf of Mexico. The recent secretarial order to create separate bureaus for revenue management, safety and enforcement, and sustainable energy development is a belated step in the right direction.

The moral of this pirate story: Bundle star and guardian tasks at your peril.

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