

THE 9TH ANNUAL YEAR IN IDEAS

A B C D E F G H I K L M O P **R** S T U W Z

Random Promotions

 In 1969, the Canadian psychologist Laurence J. Peter posited the "Peter Principle": people in a workplace are promoted until they reach their "level of incompetence." This happens, Peter argued, because we wrongly assume that people who are good at their jobs will also be good at jobs that are one rung up on the corporate ladder — so we promote them. But often the new job is so different from the previous job that the employee can't handle it. Now performing incompetently, the employee stays in place, dragging the efficiency of the firm downward. Eventually the entire economy becomes like the paper company Dunder Mifflin in "The Office" — clogged with incompetence.

Is there any way to avoid this trap? Yes, by promoting people at random. That's what a trio of Italian scientists discovered this year. They created a computer model of a 160-person corporation and programmed it with Peter Principle-like logic: the best performers were promoted, but they had only a random likelihood of being good at their new jobs. Sure enough, the firm was soon cluttered with incompetents, and its efficiency plunged. But then the researchers tried something different: they reprogrammed the firm so that it

promoted people entirely randomly, and the overall efficiency of the firm improved.

They also tried alternately promoting the absolute best and absolute worst performers. That, too, worked out better than promoting on merit. The scientists say these strategies work because they harness "Parrondo's Paradox," a piece of game theory in which you win by alternating between two losing strategies. "In physics or game theory, this isn't new," says Andrea Rapisarda, a physicist at the University of Catania in Italy and a co-author of the study, which was recently published in the journal *Physica A*.

As Rapisarda points out, if you could know for sure that the people being promoted would excel in their new jobs, that would be the best strategy of all. But if you aren't sure — and in the real world, we rarely are — then random works better. CLIVE THOMPSON

attitude
+ dedication
+ results
- attitude
- dedication
- results

promotion

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