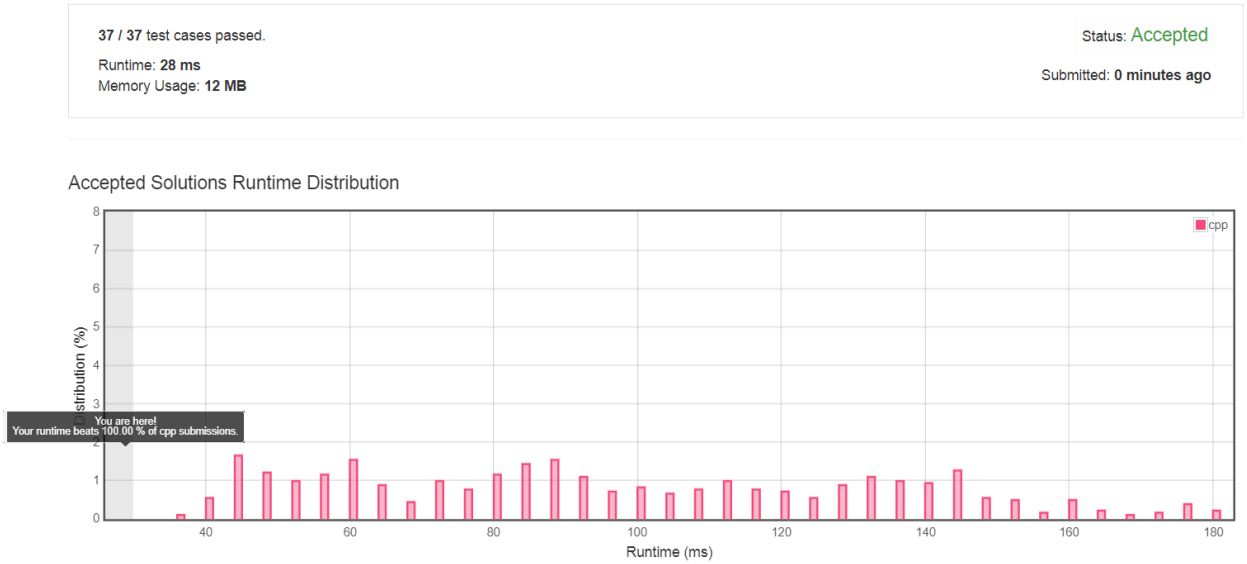
sort according to height in decreasing order in $O(\text{sort}(n))$, then insert people one by one, according to k. trivially this takes $O(n \log n)$.
we can reduce to the list indexing problem [2] and solve in $O(n \frac{\log n}{\log \log n})$.
in the offline setting we can also reduce to dynamic selection, by inserting people according to height in increasing order, initially insert $1, \ldots, n$ in the set, each time query the k-th smallest element in the set and delete it. the running time is $O(n\sqrt{\log n} \log^{\frac{1}{4}} \log n)$ [1].



References

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