

Research Title:

**Peer Effects and Workers Preferences Regarding
Working from Home**

Primary Investigator:

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This paper explores the effect of monitoring intensity on individuals' incentives to exert effort. Through an experiment involving a test with six problems and varying success criteria, we analyse the performance as a measure of exerted effort. Our findings uncover a non-monotonic relationship between the rigor of monitoring criteria and worker performance, notably demonstrating that peak performance is achieved when the success threshold is set at correctly answering just one out of six problems. Additionally, we introduce a theoretical model to assess rational effort decisions in these scenarios, and discuss the similarities and discrepancies between the observed and the theoretically predicted behaviour. Our research contributes to the understanding of performance monitoring strategies and their implications in contemporary work environments.