

Pets in the Pay Mix

Can allowing
pets in the workplace
help your organization
attract talent,
increase productivity
or reduce employee
stress levels?

At the end of my last year of graduate school, my colleagues and I were busy preparing to start new careers — some in academia and some in the private sector. The jobs varied in terms of the type of work, pay and benefits among other things. One colleague had a perk that caught my attention: the option to bring her dog to work.

As someone who identifies as both a labor economist and dog owner, I was intrigued. How would a pet in the workplace impact the work environment? What types of organizations and employees benefit most from this practice? Is this common?

Pet-friendly Benefits in the Total Rewards Package

It turns out that pet-friendly policies are not unheard of. A student working with our Institute for Compensation Studies identified several well-known companies with policies allowing pets at work — Ford, AT&T, Bank of America, Home Depot, among others. Some organizations, like Amazon, have even augmented the workplace with designated outdoor dog areas and dog-friendly water fountains, according to a CNBC.com article. SHRM's 2015 Employee Benefits Survey reports that 8 percent of organizations allow pets at work and 3 percent have a bring-your-pet-to-work day. Beyond just having a pet in the workplace, 9 percent of organizations offer pet health insurance and a small fraction pay for pet care expenses incurred while the employee is



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on business travel, according to an article by the Society for Human Resource Management called “2015 Employee Benefits: An Overview of Employee Benefits Offerings in the U.S.” The prevalence of these policies is less surprising when you consider that roughly 65 percent of U.S. households have a pet and 44 percent have a dog, according to “Pet Industry Market Size & Ownership Statistics” by the American Pet Products Association. In fact, given the majority of U.S. households owns pets, one might ask why we don’t see more U.S. organizations including the pet perk in their pay mix.

The Evidence Base for Pets at Work

Perhaps, the gap between pet ownership and the prevalence of pet-friendly workplace practices is understandable given how complicated it is to identify the causal effect that pets in the workplace could have on productivity, profit or organizational culture. Testing a pets-at-work policy in a robust manner requires careful empirical design that isolates a “treatment group” (in which pets are allowed) from a statistically identical “control group” (in which pets are prohibited). Because a given pay practice may attract a specific kind of employee, lessons from a company that has already adopted the practice of interest may not apply to a competitor (see June 2011 *workspan* column, “Does That Pay Practice Really Have An Impact?”). While academics love this kind of activity, most organizations find it a huge burden to conduct sophisticated evidence-based research.

One innovative company and group of researchers have started the process of understanding the impact of pets in the workplace. In an article called “Preliminary Investigation of Employee’s Dog Presence on Stress and Organizational Perceptions” published in the 2012 *International Journal of Workplace Health Management*, Randolph Barker and co-authors studied three groups of workers within one firm: those who bring their dog to work, those who do not bring

their dog to work, and those who do not have a dog. They find that the workers who own dogs and bring them to work have lower stress levels throughout the day. Interestingly, both dog owning groups — those who bring their dogs to work and those who don’t — report higher levels of overall job satisfaction with respect to benefits, rewards and pay compared to their co-workers who do not own dogs. Moreover, those who do bring their dogs to work report higher satisfaction with their total rewards than do their dog-owning coworkers who leave their pets at home.



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Beyond Pets

With October being National Disability Employment Awareness Month, it is also a great time to think about the impact of pet-friendly policies on service animal accommodations. Under the Americans with Disabilities Act, all U.S. businesses with at least 15 employees are legally mandated to allow workers with a qualifying disability to bring their service animal to work. To be clear, there is a significant difference between the functional roles of service animals and pets to their owners. Given this important distinction, how can an organization provide a working environment

where pets do not detract from the accommodation work that service animals perform? Likewise, how could the expansion of pet-friendly policies create a more welcoming organizational culture for individuals with disabilities? Any expansion of bring-your-pet-to-work policies will need to be carefully considered to assure the successful integration of employees, service animals and pets. With little research existing in the literature, how to gain employee engagement and productivity benefits from Fido or Fifi tagging along to work, in a manner that is fully inclusionary and compliant, remains a fascinating area for future workplace research. **WSE**

Got a Question? Send them to the Institute for Compensation Studies (ICS) at Cornell University, at ics-ilor@cornell.edu | www.ilr.cornell.edu/ics | facebook.com/ICSCornell