

## Human Resource Executive

# The latest trend in employee retention? Even more pet benefits

By *Dawn Kawamoto* August 8, 2023

As HR leaders struggled with recruiting and retention in recent years, many set their sights on expanding benefits for employees. With the added challenge of getting talent to come back into the office today, experts say, HR needs to double down on innovation in benefits—and one way to do that is to broaden the focus to include pets.

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Consider this: During the pandemic, nearly one in five households **adopted a cat or dog**, representing a whopping 23 million households, according to a **survey** of more than 5,000 U.S. residents by the American Society for the Prevention of Cruelty to Animals. Over the past three years, many employees worked from home with their pets—and now may be reluctant to return to in-person work and, in some cases, are seeking jobs that are more pet-friendly.

According to a **survey** by insurance carrier Nationwide, nearly one-third of pet owners surveyed said they would be more likely to stay at an employer that offered pet benefits; this is even more important to Gen Z (49%) and millennials (45%).

In particular, these are the benefits that employees with pets are seeking, and what employers concerned about recruiting and retaining talent need to consider:

- 40%: Pet insurance
- 29%: Paid time off to care for a pet
- 27%: A pet-friendly office
- 14%: Leave to care for a new pet, sometimes called “paw-ternity”

Here's a deeper look at how employers can reconsider their benefits offerings to meet employees' evolving expectations.

## Pet insurance

Some employers have offered pet insurance as a voluntary benefit since the late 1990s, but recently this offering has picked up steam, says Brian Jorgensen, head of MetLife Pet Insurance. In 2020, for example, approximately 11% of employers offered pet insurance. Today, thanks in part to the pandemic, that number has jumped to 16%, he says, citing results from the *MetLife 21st Annual U.S. Employee Benefit Trends Study*.

Pet insurance also is becoming more extensive, Jorgensen says, with policies that go beyond accident and illness coverage to include telehealth, pet wellness with acupuncture and end-of-life care.

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“The concept of taking care of the 24/7 lifecycle of what it’s like to own a pet is where the [pet insurance] industry is going and looking to provide employers and, therefore, their employees,” says Jorgensen.



## Paid time off for pet care

Just as employers typically offer paid time off for the birth or adoption of a child, an increasing number are extending this **benefit** to workers with new pets. New York-based data company mParticle, for example, offers **two weeks of paid time off** when employees adopt rescues, and U.K.-based tech company BitSol Solutions **offers a week of paid leave**.

Some employers, including the 6% cited in an International Foundation of Employee Benefit Plans’ survey, offer **unpaid leave** for those adopting new pets. Others, like Texas-based insurance company The Zebra, give employees a stipend to help offset the cost of pet adoption.

For many employees, Jorgensen says, pets are like children. And, in addition to paid time off when they welcome a pet, many employees could also benefit from time off to care for a sick or injured pet, just like they would a child.

“For so many folks, that’s how we think about our pets,” Jorgensen says. “We think about them as our four-legged children.”

And when a pet dies, employer offerings like pet bereavement leave can have a direct impact on employees’ emotional well-being, says Kevin Ringstaff, founder of PetCloud, a grief support and community service.

It’s a benefit that 37% of employers offer, according to a **survey** by Banfield Pet Hospital. Pet-friendly Kimpton Hotel & Restaurant Group, based in San Francisco, offers all employees up to three days off with pay for pet bereavement. Meanwhile, Nationwide provides its employees eight hours of paid time off each year for any unexpected life event, which can include a pet illness or bereavement, says Jeff Whetzel, a communications consultant for Nationwide.

Regardless if it is a day, several days or a week, it is important for employers to give employees time to grieve the loss of their pet, Ringstaff notes.

## Pet-friendly offices

Although employers are increasingly calling on employees to return to offices, many still have empty space in their buildings, given hybrid schedules and remote workers. To help attract employees reluctant to leave their pets at home, some employers are converting that empty space into pet daycare centers.

And for good reason.

According to research by dog food brand CESAR of 300 employers and 1,500 U.S. office workers who spend at least two days on-site at their employer, 84% of employers that welcome dogs at the office see improvement in culture and retention; 93% of employees with dogs say it improves their attitude about going into the office; and 94% of dog owners say it increases their happiness at work.

“Dogs make great co-workers,” says Sarah Dunsmore, people and organization business partner for people strategy and talent at Mars Petcare, the parent company of CESAR. “We know that they reduce stress and increase our collaboration and productivity at work.”

Mars Petcare opened its Tennessee office in 2019 with pet-friendliness in mind, including a **free doggie daycare** for employees.

“We know our associates’ days can get busy, and being able to offer readily available, reliable accommodation when the time comes for that big meeting, training or off-site is invaluable,” Dunsmore says.

Its office has extra wide furniture with pet-friendly fabric so dogs can sit with their pet parent; employee coffee bars have slurp stations on the floor for thirsty canines; and the campus features an off-leash, Wi-Fi-enabled dog park.



Although Mars Petcare does not offer paw-ternity or pet bereavement leave, the company continuously evaluates its pet-related offerings and benefits, Dunsmore says. And employees say the company’s existing pet-friendly benefits have made a difference in their **wellbeing**.

“One associate recently told me that having her dog with her at the office has not only improved [her] stress levels since she doesn’t have to worry about leaving him home alone, but it has also helped her dog become more socialized with other people and dogs,”

Dunsmore says. “Her pup loves to come into the office to see friends—and has even helped her meet and interact with so many other associates.”



## How to create a pet-friendly work environment

Employers interested in developing pet-related policies or on-site pet daycare centers should begin by fostering a collaborative environment with pet parents and consider taking a slow and easy approach, Dunsmore advises.

“You don’t have to be all-in right away—and it’s not one-size-fits-all,” she says.

For example, try inviting employees to bring their canine friends to the office for a Take Your Dog to Work Day as an introductory step to creating a more formal policy. Consider a colored leash system, where green signifies “come play with me” and yellow indicates “ask my pet parent first,” Dunsmore says.

She also stresses minding décor selections to keep pets safe, including non-slip rugs or mats, cord covers and non-poisonous plants.

The Mars Petcare program [Better Cities for Pets](#) offers a [pets-at-work toolkit](#), while its [Workplace Grants](#) will award \$75,000 to 15 companies to help them equip their operation to be dog-friendly. The deadline to apply is Aug. 11.

While HR can implement a number of simple dog-friendly policies with ease, challenges may still arise. Some employees, for example, may have pet allergies, while others may feel nervous around animals.

One potential workaround is to designate specific sections of your workplace as pet-friendly and others as pet-free, Dunsmore says.

Other issues to consider include knowing local ordinances, especially around hygiene, for having pets at work, as well as whether the company’s insurance carrier will require additional coverage with pets on site, according to [Better Cities for Pets](#).

Despite these challenges, the payoff can be worth it for employee wellness and, in turn, the employer.

“We hear from associates in our (Tennessee) office about how much they love working alongside dogs every day,” Dunsmore says. “We see that it builds connection and community, which is integral to a strong culture at work.”

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