

## Leashing the Risks of Pets in the Workplace

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Study after study has found that having pets in the workplace makes a concrete difference on the workforce, measurably reducing stress and boosting productivity, creativity, team cohesion and employee satisfaction. Pets have also been found to lower blood pressure, cholesterol, depression and the odds of obesity, which, in turn, help reduce absenteeism and health insurance premiums.



As a result, many companies are starting to introduce pet-friendly office policies or take-your-pet-to-work days, such as the 18th annual Take Your Dog to Work Day scheduled for Friday, June 24. According to a 2015 Society for Human Resource Management survey, 8% of American workplaces allow employees to bring a pet to work, up from 5% in 2013.

These progressive policies are increasingly common among start-up and tech companies, drawing in younger employees with perks that target improved work-life balance. With millennials poised to make up half the workforce by 2020, such initiatives can play a valuable role in recruitment strategies. What's more, while many companies have considered offering other incentives that aim to lure young people, such as student loan paybacks, allowing dogs in the office is far less expensive and appears to benefit both current and prospective employees.

"One of the charges I've been given is to be more creative in finding some benefits that could be no-cost or very low-cost that have an impact on the workforce," said Rick Roberts, director of risk management and employee benefits for Ensign-Bickford Industries, Inc. "There is a considerable amount of scientific research out there that having your pets at work reduces stress in the workplace, improves productivity and morale—a whole bunch of things that add up big across the company."

Roberts has begun developing a plan to seize these advantages and allow employees to bring a pet to work, either on designated days or as a blanket "pet-friendly" office policy. The company's biggest subsidiary, ADB International, manufactures pet food taste additives and maintains a kennel of 300 dogs and cats. Before their acquisition, personal pets regularly

attended ADB board meetings. When an employee who runs the kennel asked to institute a “take your pet to work” program, Roberts started exploring the idea and the logistics to pull it off.

Assuming a company either owns its space or has a landlord that permits tenants to have animals on the premises, most potential issues can be headed off through a simple but thoughtful policy. Roberts believes the biggest concerns are noise abatement and keeping dogs under control in the office. This can easily be addressed by designating areas where they can and cannot be and setting clear expectations that owners will bear the responsibility for containing their pet, cleaning up any messes, and monitoring activity and behavior.

“To address behavior, many policies I have seen include a three-strike rule—if the dog misbehaves in any fashion three times, or otherwise does not meet the rules, they’re out, and employees just have to understand that,” Roberts said. “It also makes sense to think about workplace activity. For example, if you’re going into a meeting, you have to make arrangements for someone to watch the dog if you are not available.”

While many suggest that having pets can be a great icebreaker with clients or set various stakeholders at ease, it is also easy to establish scheduling procedures if there are concerns about having animals in the office when key customers are expected or big meetings conducted.

Questions of legal liability for any potential damage or injuries also give many risk professionals pause when considering making the office pet-friendly. Legal trends may actually be making this a bit less of a risk for employers, however. According to Geordie Duckler, an attorney who has focused exclusively on animal law for the past 15 years, recent legislation in almost every state has worked to increase owner liability, with some states going so far as to adopt strict liability policies. This may make inviting pets into the workplace a somewhat safer bet for employers by helping to limit their liability should serious problems ensue.

Duckler also pointed to the rise of in-depth behavior classes as a trend that has reduced some of the risk for employers. “People are spending more money and more time on true obedience classes, not just teaching animals to respond to basic commands, but to interact productively with owners, and that helps reduce the risk as there is now a better chance than not that the dog has been trained,” he said.

He recommended that employers consider this as part of a thoughtful, thorough vetting process. Policies could stipulate, for example, that a dog first obtain a behavior certificate from a licensed animal behaviorist. Anyone overseeing a program should ask for more than just a dog’s breed, weight, or age, but also look at where the animal came from and its history, particularly as many rescue dogs may present unknowns that could introduce risk, he said.

Duckler considers the risk of animal-related injury and resulting legal action to be a real concern. As the animal would not have been in the facility if the employer had not allowed it, injured parties could try to hold both the animal's owner and the employer responsible. However, with nearly 900 animal law cases under his belt, he has only seen four or five proceed regarding such claims.

When evaluating the idea of becoming pet-friendly, Duckler said employers need to protect themselves against the risks of legal repercussion in three ways.

First, financial protection can be secured by ensuring there is a relevant insurance policy in place to cover the costs of a suit and settlement should an employee be injured by an animal in the workplace.

Second, companies must ensure they are factually protected, specifically outlining the conditions under which an animal is permitted in the workplace, such as where a dog must be kept and any places that are off limits.

Third, businesses must make sure they are legally protected, having employees sign liability releases that make clear that any liability for a pet's behavior falls on the employee. "Employees are probably not going to be thrilled that employers are having them waive any rights, but it's the carrot on the stick that is essential if they want this benefit," Duckler said.

"It can't be a free-for-all unless you just love spending money on other people's lawsuits, but at the same time, it can't be so restrictive that 'pet-friendly' becomes a meaningless phrase," he said. "If you want to be pet-friendly, as soon as you have a list of 27 strict conditions, you might as well just say no dogs allowed because you don't look pet-friendly and it's a lot simpler."

While companies continue to debate voluntarily inviting pets into the workplace, in the case of service animals, compliance with federal regulations trumps most potential risk concerns. This class is limited under Title III of the Americans with Disabilities Act to animals, mostly dogs, that are "individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability" that directly relates to the individual's disability. It is worth noting that there is no specific definition of a service animal under Title I, however, so employers need to seriously consider employee requests to bring in other assistance animals in order to remain compliant with the letter and spirit of the regulations. In addition to the reputation risk, civil penalties for ADA violations can be as high as \$75,000 for a first-time offense.

ADA requirements aside, Roberts considers the real risks of having pets in the workplace to be fairly low if handled properly from the start. "We sometimes over-think things," he said. "People worry about it, but if you have 50 employees, how many are going to bring their dog in on any given day? Probably only a couple. There are some issues to consider, but at the end of the day, I think the biggest challenge is more just selling management on the benefit."