

BUSINESS OF HOME

# BOH

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## THE LEADING EDGE

How to build a great firm,  
lead it well, and—when you're  
ready—pass it on





# Reap the Benefits

Whether you want to attract top talent or keep a first-rate team for the long haul, the way you compensate your employees matters. Here's how your personal values can align with the workplace benefits you offer.

**BY HALEY CHOUINARD**

An undulating staircase is juxtaposed with a statement painting in this foyer by Marguerite Rodgers Interiors. Each of the firm's team members is given a \$500 stipend every year for personal improvement, which has resulted in employees pursuing outside interests, spending the money on everything from painting classes to buying a new bicycle.





**FROM LEFT:**

A sculptural desk anchors this home office in a New York high-rise by Heather Hilliard, who implemented a profit-sharing model at her firm to foster collaboration and teamwork. To create a cocoon-like bedroom, Hilliard blanketed the space in saturated hues and lush textures.

off without dipping into PTO can help to set a convivial tone. “It’s small efforts that can make a big difference when you’re hiring,” says Christine Woodward, founder of the San Francisco–based business coaching firm 19th&Co. “You’ve added company culture and some work-life balance to your standard operating procedure. That’s going to bring a smile to someone’s face when they read a job description.”

**THINK OF OTHERS**

Knowing your priorities is one part of the process, but knowing what your employees want is just as important. For example, if you’ve set aside funds for paid maternity

leave but all of your team members have college-age kids, that money is probably better earmarked for a 401(k) matching plan. Woodward recently had a client whose staff seemed dissatisfied with their compensation package, which surprised her, as the firm offered health insurance, a retirement plan and a bevy of other perks. What the designer ultimately discovered was that her employees were unhappy with their baseline salaries. “If you are not offering competitive compensation, it really doesn’t matter if you [provide] a 3 percent 401(k) match,” says Woodward. “You would be better off putting that money into yearly salary increases and retaining staff.”





PHOTOGRAPHY: MANUEL RODRIGUEZ

Learning what makes specific people on your team feel valued can also help you make smarter decisions. “Some people are going to feel appreciated by getting a bonus or a raise, while other people want to accrue more paid time off because they value that quality time outside work,” says Williams. “Another person might need words of affirmation to truly feel appreciated by their employer. There’s a key component of appreciation that we often overlook, and that’s how the other person is going to receive it.”

#### TIME OUT

While you can’t always tailor your approach to each individual employee, tuning in to the

impact and perception of your actions as a business owner can help you determine the best course of action. To that end, Melissa Galt, a design business coach based in Scottsdale, Arizona, has seen a notable shift among millennial and Gen Z employees, who are often not as incentivized by money, but value flexible schedules, hybrid work opportunities and additional time off. “I have a lot of clients who are Gen X or baby boomers, and they’ve struggled to figure out how to motivate younger employees who aren’t always profit-driven,” says Galt. In cases like that, instead of having staff work toward a cash bonus for reaching a performance threshold, employers are considering

options like giving the week off between Christmas and New Year’s, or creating a PTO structure that accrues when certain employment milestones are reached.

Halprin initially offered unlimited paid time off when she launched her firm in 2016, but quickly found that it wasn’t a sustainable strategy for her business. “Some employees weren’t taking any time off, because there wasn’t an impetus to—it wasn’t a use-it-or-lose-it situation—while others were being too liberal with it,” she says. After doing a lot of research on PTO policies, she settled on an accrual model after being inspired by how businesses operate in countries like the Netherlands. Their system is now twofold: Senior employees receive more time off than their junior counterparts (with the thinking that the more green staff members benefit from additional time in the studio), and the amount of time off increases after two years of employment. Her most senior employee, who has been with the company for five years, accrued 32 days of PTO this year.

French also eschewed the unlimited PTO model after grappling with the sense that it wasn’t a good deal for her team. “It’s a trap,” she says. “In the state of North Carolina, if my employee and I part ways, I owe them pay for the vacation days they’ve accrued. However, if that employee leaves and I offer unlimited time off, I don’t owe them anything, which doesn’t seem fair.” Instead, she favors increasing PTO if certain targets are met, in addition to a baseline of two weeks and an extra week once an employee has been with the company for five years.

#### SHARE THE WEALTH

While less common than traditional benefits, a profit-sharing system has been a great motivator and retention strategy at many firms. In San Francisco, designer Heather Hilliard takes 10 percent of the firm’s profits from furniture sales and splits it equally among all employees, no matter their role. “We want everyone to work as a team, and it gives them a sense of ownership over the success of the firm,” says Hilliard. “If we do well, everyone benefits directly. It’s been a big source of motivation internally.” In tandem with regular raises, she feels that the profit share has increased employee retention. “I would never want anyone to leave because they feel like they’re not being well paid, and this is another way to make sure my team feels financially taken care of.”

Halprin’s studio also has a profit-sharing pool, but their contributions go into a retirement savings account, something she felt strongly about offering. “Retirement saving for me has always seemed daunting, and I think it’s often not a priority, especially for younger employees who might have other things they want to save for,” she says. “This was a way to help our employees save for the