Leadership used to refer to a position of power, but now it is generally understood as a type of behavior. People are leaders not simply because of the job title they hold: it’s more about what they do. While the leaders of any business face many problems in common, as a small business owner you need to be aware of some particular issues that can have an effect on the success you achieve for your company.

— The Vision to Motivate

Of course, every enterprise needs someone to set a direction by developing a vision or a mission, and no business will survive if it can’t work out a strategy to achieve its goals. To do so it must motivate its people to behave in the best interests of the company. But small businesses tend to have limited resources, so often can’t motivate people simply by offering more money or a promotion. Instead they have to inspire people with the vision for the future success of the business.

Finding ways to make the vision seem within reach can do wonders for motivation and commitment. To motivate people in non-monetary ways you need to know their values, what turns them on. As a small business owner, you need to invest the time and energy to get to know your employees well, and the more you know them, the more you will be able to meet their needs in non-monetary ways.

— Small Business, Short Distance

In most small businesses, the psychological distance between leader and team is short. The boss is not someone who is only in touch once a quarter, through a video conference or via e-mail: this is someone on site regularly. And because there are few if any layers of management to insulate owner from employee, those at the top need to be seen to lead well. Being highly accessible offers the chance to influence many people in a short period of time, but it can also magnify leadership warts.

The psychological distance between co-workers is also short in most small businesses. As a result, everyone will be affected by how they see their colleagues being treated. Treat an employee in a small business badly, and people are likely to feel that they have been treated badly themselves.

— Hands on in Tough Times

Leadership is not simply about doing the right things, it’s about doing things right, particularly when facing difficult circumstances. Recent economic conditions have forced many small business leaders to make tough choices. How you behave at these times directly influences how willing your employees are to support the decisions you make. Spending time explaining why cuts are necessary, addressing people’s concerns, and expressing empathy for the difficulties they may face has been shown to have a positive effect compared to a less concerned delivery of the same information. During tough times you may feel you just don’t have the time to do this. But the proven benefits of getting leadership right, particularly when making the tough decisions, suggest you don’t have the time to get it wrong.

Equally, it can be tough to make yourself psychologically available to your people. Feeling under pressure from challenging circumstances, you may feel like hunkering down and avoiding people who are in need of care, concern and communication. Avoiding this temptation is something that a good leader has to do.

Leading a business is more than simply owning it or running it. It’s a quality you can always improve in yourself, and, to really enhance the success of your business, recognize and encourage in those around you.