

What is the Role of a CEO for a Business Owner?

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At a recent meeting for The Alternative Board that I was facilitating, a member asked a great question, “What is the role of the CEO in a small business?” That is a common concern. In my thousands of hours of work with owners, I rarely have seen anyone who is not struggling somewhat with the role of being a good CEO. This article will provide helpful information for all owners.

In small business, what does a CEO do anyway? Assuming you are committed to long-term success of the business, (which is pretty much a prerequisite for being involved with TAB), I would say it is pretty simple: **You develop a customer base and revenue streams.**

However, it is never that simple to execute. Owners typically need help from their facilitator and fellow members because we all get hung up in the many hurdles that get in the way. How many of the following barriers apply to you?

The Seven Deadly Sins of Owners while performing their CEO role

1. Do you ignore the important responsibilities because of the day-to-day pressures of doing business?
2. Do you gravitate to roles that you are good at or enjoy doing, and leave the other areas to chance?
3. Are you insensitive to the real needs of the organization?
4. Do you fail to appreciate the impact that you have on the organization?
5. Do you have trouble deciding if and where you need to make changes in how you manage?
6. Do you just not know how to alter your approach to leading your organization?
7. Do you perform your role based on old ineffective management

theory?

You must overcome these hurdles and become a proactive leader. Your job each and every day is to create an atmosphere where everyone senses the company direction and renews their hope in the future. If there is one constant that I learned in two decades of professional HR management it is that people work because they want to fully express themselves. If you can master your role in helping people have a “life at work”, just think how much easier it will be to create customers and revenue streams! Employees all want to grow and make a contribution. Your job is to give them a reason for doing what they do.

Three Ways to Give Employees a Reason to Work with You

1. Develop a vision and actively communicate that future to them weekly.
2. Balance the need to master what your company does today with the need for innovation and change for the sake of the future.
3. Offset the natural tendency of people staying at status quo.

Why Being a CEO of a Small Business Is So Hard

Leading organizations is hard work because there are so many obstacles that are inevitable while leading any organizations. Just some issues that I see all the time are:

- When dealing with organizations, things rarely go as expected.
- Disconnects are to be expected.
- Environmental conditions keep changing.
- Needs of owners often conflict with needs of organizations.
- There is stress caused by internal dynamics.
- Individual needs of people (the human side) get overlooked.

You overcome all of these by being true to your greater purpose as the leader.

Your Purpose as the CEO

- You take the lead in making decisions and stimulating action.
- You make sure objectives are achieved.
- You keep the operations stable.
- You adapt the organization to a changing environment as needed.
- You create an atmosphere where people will grow and enjoy their work.
- You take the lead in making decisions and inspiring action.

You accomplish this purpose by performing three other roles simultaneously:

Making Decisions, Providing Information, and Personal Interactions.

1. Making Decisions-

Perhaps the most important part of what owners do is to make decisions and develop strategy. You must continually scan the environment, looking for opportunities and issues. You must act as the initiator of change. However, because it is difficult for CEOs to see their own disconnects and problems, you should look to your trusted advisors for help as well. My clients look to their TAB Board (The Alternative Board for this).

2. Being an Information Resource-

You constantly receive and dispatch information. Ultimately the CEO is where people turn for answers. Owners often underestimate the potential consequences this information transfer role can have on the organization. You are truly the hub of the movement of information. That means that even if you are trying to reduce your role in the business, you must be present enough to know what is going on, detect changes and identify problems and opportunities. Effective owners will bypass others to stay informed and do whatever it takes.

3. Personal Interactions-

Because of your special standing in the organization, never underestimate the impact you have on others. This cannot be escaped. There are important interpersonal roles that go with your authority and

status. You establish the climate of the working environment. If you do not pay attention to developing a culture, complacency and stagnation will surely result. On the other hand, when you, as the owner, infuse your company with energy and vision, you have performed your role as a CEO very well.

Note: CEOs are much more effective as leaders when they understand [how small businesses capture talent](#) and when they utilize [Employment Assessments](#) to make better hiring decisions and manage more effectively.