

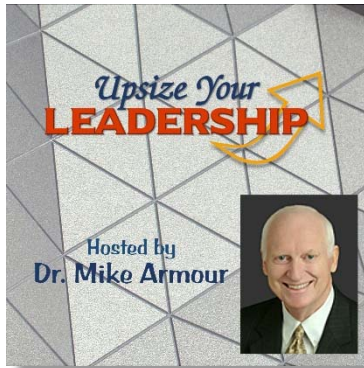
# Developing Leaders

## *How BNSF Keeps It on Track*

Hosted by Dr. Mike Armour

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When I started my leadership development firm 20 years ago, few speakers and coaches were making sharp distinctions between leadership and management. The two terms were used somewhat interchangeably both in training and in the corporate world.

One of the first organizations to break with that practice was Burlington Northern Santa Fe Railway. In 2005, BNSF's CEO Matt Rose engaged me to evaluate the railroad's internal mentoring program. That led to a multi-year engagement in which I coached dozens of BNSF's upper and middle management executives.

Early in his tenure as CEO, Matt had launched an initiative to promote leadership at all levels of the organization. He and the senior executive team formulated what they called their Leadership Model, then built a corporate-wide mentoring program around it. That was the program which I was initially engaged to evaluate.

The Leadership Model consisted of five simple statements which summed up the leadership framework in which railroad management was to operate. It was masterfully simple, straightforward, and easy to understand. After working with hundreds of companies and thousands of managers and leaders, I've not found any organization with a better statement of its leadership philosophy than the Leadership Model at BNSF.

I want to share that model with you today, recommending it as an exceptional outline of how to Upsize Your Leadership.

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Lots of companies develop leadership initiatives. Few do so with the diligence of Matt Rose and the executive team which surrounded him at BNSF Railway at the beginning of the century. I mentioned earlier that Matt and other senior executives formulated the Leadership Model. It took final form after extensive deliberation.

The model succeeded, not because it was articulated well (which it was), but because of the steps which upper management took once it was announced. I mentioned BNSF's mentoring program earlier. Senior executives, at the Vice-President level or above, were assigned 16 high-potential, up-and-coming managers to mentor once a month in a group setting. The members of

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each mentoring group came from different locales and from different branches of the railroad, and none of them were directly downline from the executive leading the group.

For the better part of a year, they came together monthly, meeting in different cities. This gave them a chance to become familiar with far-ranging elements of the railway's system. But the actual mentoring time was spent exploring one of the five principles in the Leadership Model. They would analyze case studies designed help them apply that principle to their own personal responsibilities. Since so many different parts of the railroad were represented in the group, the cross-fertilization of ideas was stimulating and thought-provoking.

But mentoring groups were not the only way – or even the primary way – in which the Leadership Model was embedded in the company culture. The five elements of the model were incorporated into the evaluations used to determine promotions and bonuses. They were an integral part of an employee's annual review. When top leaders at BNSF spoke to employee gatherings of any size, normally at least one of the five components of the Leadership Model would figure prominently into their remarks.

Through this continuous emphasis on the model and because it presented itself in so many ways and in so many forums, the Leadership Model became ensconced in the mindset of management at every level. I can remember visiting with section gangs laying track in the middle of nowhere. They were geographically and organizationally about as far from corporate headquarters as they could be. But every supervisor knew the Leadership Model and how it applied to his duties and responsibilities.

It was no surprise to me, therefore, that after Matt Rose relinquished the CEO's role, the Leadership Model lived on in the BNSF culture. Over the years the model has grown, with other elements of leadership philosophy used to expand on it. But the five principles remain at the core of BNSF's leadership development program.

Let's make a quick tour, then, of the five principles. The first is, "Lead more, manage less." I said at the top of the program that the distinction between leadership and management was not always crisply recognized in corporate America at the time that the Leadership Model was developed. Today, most training on leadership, most books on the subject, and dozens of well-known keynote speakers make that distinction. But that was not the case in the late 1990s.

The first principle of the Leadership Model was thus a ground-breaking declaration. It forced people to ask the question, "What is the difference between management and leadership? And when should I be practicing one or the other?" This was a vital question to ask in an industry whose daily routines rotate around massive pieces of equipment and machinery.

Machines and equipment do not need to be led. But people do. You can manage people, just as you can manage a train schedule. But you would never speak of leading a freight shipment or leading a switch engine. We only lead people.

"Lead more, manage less" was a clever way of saying, "Make people your priority. We may have billions invested in rolling stock. But we must be just as purposeful in investing in our people."

This is not to say that the railroad was relegating management to a negligible role. Quite the contrary. Management will always be front and center in a company like BNSF. When you are putting together hundreds of trains a day, then running them through thousands of jurisdictions,

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each with its own regulations and restrictions, you better put a premium on good management. Otherwise, the company will literally run off the rails.

The admonition to lead more, manage less merely meant, don't let your necessary preoccupation with management issues crowd out the indispensable time you should be giving to leadership. It's a sound piece of advice for managers in every corner of business and institutional life. We easily find time for management. We have no choice. Problems are thrown at us constantly demanding immediate management responses.

But leadership's primary concerns are longer-term, not so demanding of immediate action. As a result, in the press and pressure of the moment, time for leadership gets crowded aside, hour after hour, day after day. "Lead more, manage less" is a simple, constant reminder to make time to lead.

The choice between leading or managing is not an either-or decision. It's a commitment to both – and – a commitment to excel both at management and leadership. Long after the Leadership Model was woven tightly into the cultural fabric of BNSF, Warren Buffett bought the railroad and took it private. When he spoke to the press about the acquisition, he explained his rationale for the purchase by describing BNSF as extremely well-managed. The company had learned to lead and to manage simultaneously.

Leadership suggests that you are going someplace and that you want others to follow you. Thus, the second principle of the Leadership Model is, "Cast a compelling vision." Sometimes we talk about vision as though it's the province only of executives at the top of the organization. They need to be men and women of vision, we say.

But the BNSF Leadership Model makes no distinction between the CEO and the supervisor of a section gang. They are both to cast a compelling vision. A leader with no vision is merely meandering. And his or her people are doing little more than milling around smartly. Naturally, the section gang supervisor can't have as grand a vision as the executives with C-Suite titles. The supervisor's vision may be for his team to set a new standard in terms of quality and performance. Or it may be a vision for the individual members of the team, a vision to develop them so well that they promote twice as fast as their peers. But the supervisor needs a vision, just as much as the CEO.

Vision is the rationale which leaders offer for the commitment and sacrifice they ask of their people. That's why BNSF used the word "compelling" to describe the leader's vision. The Leadership Model does not merely say, "Cast a vision." It says, "Cast a compelling vision." A vision which is so powerful, so appealing, so enticing that the leader's people easily buy into it. They clearly see the benefit, personally and as a team, if the vision is achieved.

By its very nature, however, a compelling vision requires steadfast endeavor if it is to be accomplished. People must be continually reminded of where they are going, of what's truly important, of what needs to be done next and how it needs to be done. This, then, sets the stage for the third principle in the Leadership Model, "Communicate, communicate, communicate."

In my keynote speeches, I've often made the comment that having worked with hundreds of companies as a consultant or coach, I'm yet to have anyone tell me, "You know, we don't really have many communication problems around here." If I lived another 200 years, I would probably never hear those words in a corporate setting. When a potential client calls me about the

possibility of management training or consulting, I obviously ask them what problems they need me to address. But before they say a word, I have already written the word “communication” on my note pad, because sooner or later they are going to mention it. And they always do, usually sooner than later.

It’s a given, therefore, that there is no ultimate solution to the communication problem. The only solution is to combat it ceaselessly. Every day in a leader’s life is another round of “communicate, communicate, communicate.”

Which brings us to the fourth principle in the Leadership Model, which is, “Model the way.” From the time we were toddlers, we have learned new things by imitating people whom we perceived as knowing how to do them. While that’s obviously true in childhood, it’s no less the case in adulthood. What happens if you’re in an unfamiliar setting and a host puts a food dish in front of you which you’ve never seen before? You have no idea how you should eat it. With a fork? A spoon? As finger food?

What do we do in a case like that? As a rule, we look around to see what others are doing, don’t we? We try to identify someone who knows the ropes, we watch that person for a moment, and then try to imitate what he or she is doing.

Leaders, especially those who cast compelling visions, are taking people into terrain which is unfamiliar to them. Certain aspects of this new terrain may be as confusing to them as that strange dish which your host set in front of you. They need the benefit of seeing how they should act, what they should do. Ideally, they will find this example in the person of their leader.

Einstein is reported to have once said that teaching by example is the not a way to teach. It is the only way to teach. There’s much truth to that. Modeling the way, however, is much more than a mere teaching technique. It’s the way that leaders validate in the eyes of their followers that the leader truly believes in what he or she is encouraging them to do. As the old adage says, “Actions speak louder than words.” People listen to their leaders to understand what the leader thinks is important. But if the leader’s example contradicts those words, they will take the actions as the better indicator of what’s truly important to the leader.

The leader’s mindfulness of his or her people is encapsulated further in the fifth principle of the Leadership Model, which is simply, “Develop your people.” At some point along the way BNSF has modified this principle to say, “Develop others,” which is the way that I see it sometimes worded in internet articles about the railroad. Personally, I prefer the phrasing, “Develop your people.” It’s a steady reminder that while we may have a hand in developing peers, colleagues, and friends, our prime obligation as leaders is to develop our own people. We develop them through training, through mentoring, through delegation. We develop them by exposing them to realities and experiences which stretch their abilities, expand their know-how, and enlarge their self-confidence.

In large organizations, one like BNSF, it’s a temptation for managers to view employee development as the primary responsibility of HR or some training component of the company. And clearly these auxiliary services play an invaluable role in the development of workers. But ultimately, the development of workers is primarily the duty of their leader. We default in our leadership role if we ignore this essential responsibility.

Here, then, is the Leadership Model in summary. Lead more, manage less. Cast a compelling vision. Communicate, communicate, communicate. Model the way. And develop your people. I

can't think of a single organization which would not be well-served by taking these five principles as a mantra. There are other elements of leadership, to be sure. But these five statements sum up the essence of great leadership in an exceptional manner.

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*Dr. Mike Armour is the managing principal of Strategic Leadership Development International, which he founded in Dallas in 2001. Learn more about his leadership development services at [www.LeaderPerfect.com](http://www.LeaderPerfect.com).*

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