Yum! Brands Chairman and CEO David Novak was honored as CEO of the Year in 2012 by Chief Executive magazine in recognition of his many leadership qualities and decades of success. When we first began work with Yum! Brands some years ago, David asked us to help him build a global recognition culture. He has done that far better than most CEOs. And he did it with the traits that we call principles of Thriving leadership.

Any CEO who can deliver 10 consecutive years of 13-percent-plus earnings growth has a message for all of us who run companies. If you can do that with 1.4 million employees in 117 countries, the global lessons are even stronger. When asked how he accomplished that, David said, “The single highest priority I had was to really create a global culture where we can galvanize around the behaviors that we know will drive results in our industry.”

Study after study has confirmed that companies like Yum! Brands that align their cultures with their strategies outperform those that do not by a wide margin. A 2011 McKinsey study showed a more than two-fold difference in EBITA and in book value growth in top-quartile versus bottom-quartile cultures. That kind of alignment around a carefully defined culture is what David meant when he stated how important it is to “galvanize around the behaviors that drive business results.” Those behaviors were called the How We Work Together Principles when we first developed them at Yum! Brands, and they later became the How We Win Together Principles. Both emerged from insights gained in facilitated offsite sessions with David and his executive team.

David also said, “We primarily focus on getting results through people.” He deeply believes you do that when people feel recognized and valued and that they are making a difference.


Three key traits of Thriving leaders

Senn Delaney conducted research with several universities over the past few years on a leadership mindset we call Thriving. The three traits we identified that define Thriving are an accurate predictor of superior performance and success.

One Thriving trait is vitality. Simple defined, vitality means living a healthy, positive set of values in community with others. Anyone visiting the Yum! Brands headquarters can feel the energy and vitality. David talks about Senn Delaney’s concept the Mood Elevator (my latest book, Up the Mood Elevator, describes this in depth) as an important concept for a leader to create positive energy.

As a CEO who is acutely aware of the power of the Shadow of the Leader, David leads from the top of the Mood Elevator and reminds his leaders to check their Mood Elevator when they come in the door. Leaders are casting the wrong shadow if you are low on the Mood Elevator at irritated, bothered or angry. David says you need to at least get yourself up to the curious level and you are at your best when you can get up to grateful level. The How We Win Together Principles, the Mood Elevator and David’s continual focus on positive energy and recognition of people exemplify that vitality aspect of Thriving.

A second predictor of Thriving is a learning and growth mindset. David’s commitment to learn and to teach is evidence that he has that growth mindset. His best-practice visits to Apple and Google and periodic meetings with Warren Buffet are all a part of a growth and learning mindset that enables him and Yum! Brands to execute on a committed goal of at least 10-percent growth each year and continual improvement in operational excellence. He personally commits big blocks of time to teach and mentor other Yum! Brands leaders. This caused Buffet to say that David is “the top leader in terms of teaching people.”

The third predictor of Thriving is purpose. You might not expect a higher purpose in a global fast-service restaurant company, but David and Yum! Brands are very purposeful, and have a stated vision of being a “Defining Global Company That Feeds the World”. They live this purpose through the Yum! Brands Foundation, a partnership with Louisville’s largest hunger relief organization and the Yum! Brands Harvest program, the world’s largest prepared-food donation program. David personally leads and lives by that purpose. He set the example by donating all proceeds from his book, Taking People With You, to the UN World Food Program.

With purposeful leadership, vitality and a learning and growth mindset, it’s quite remarkable what any leader can do to create a Thriving organization.