It was a question that kept coming up throughout ITW’s global operations: with so many successful, talented women at ITW—why aren’t there more women in leadership positions? Would more women in these roles affect ITW’s competitive advantage? A group of leaders at ITW believed the company could improve the gender diversity of its executive team. They formed a Women’s Leadership Development Council, which has served as a starting point for meaningful, long-term change.

ITW began by recognizing that while it has many women in its ranks, there should be more in corporate executive roles and business-level managerial positions that serve as a pipeline to greater leadership. This employment dynamic is typical of most Fortune 500 companies: while women make up 47 percent of the overall U.S. business workforce, only 14 percent are executive officers, 16 percent retain board seats and only a handful are considered the “top earners” and CEOs.¹

¹Photo above: Front row (left to right): Lei Zhang Schlitz, Cheri Chappelle, Sharon Brady, Jane Warner, Maria Green, Sue Stark
Back row (left to right): Meenal Sethna, Leann Ono, Mary Beth Siddons, Maryann McNally, Carmelle Giblin, Michele Arnison, Shavonlyn Scalzitti, Ann Manikas, Karen Tulloch
Those numbers concerned leaders and managers across ITW, because research shows that companies with a sustained high representation of women in leadership are more profitable and attain better results, on average, than other companies. For example, those with the most women board members outperform those with the least by 26 percent on return on invested capital. A recent report by Forbes noted that in a challenging global economy, “It is no longer simply a matter of creating a heterogeneous workforce, but using that workforce… to set a company apart and give it a competitive advantage in the marketplace.”

Many large corporations have a diversity policy or mission statement. However, some have become workplace boilerplate, leaving real change and opportunity behind.

“While ITW has long been committed to promoting women and people of color, our initial research showed there was room for improvement relative to our peers,” says Cheri Chappelle, Director of Diversity and Inclusion at ITW and part of the team that helped form the Women’s Leadership Development Council. “We needed to find new ways to attract, develop and promote top talent among businesswomen globally, with an eye toward our future and without excluding men.”

ITW officially established the Women’s Leadership Development Council in 2010 and invited a select group of women leaders to take on the challenge of increasing women in leadership. The council includes 15 women holding positions at the executive vice president, senior vice president, vice president, group president, vice president-general manager and director levels. The council’s goal was to leverage their expertise to support networking, resources and other means for elevating ITW’s top female talent. The council, in aggregate, had extensive knowledge and passion around women’s leadership development, but there was no vehicle for integrating their insights and expertise within ITW. The challenge of moving more women into leadership is compounded by ITW’s decentralized operations.

“Our challenge extended beyond recruiting for centralized corporate functions,” says Chappelle. “We needed to create a better pipeline for women working in ITW businesses that are the core of what we do. A purchasing leader at one business, a top engineer at another — how can we be more successful in promoting this talent and growing general management?”

The answer? Change conversations into professional development and executive exposure, and ideas into action plans.

ITW’s first Women’s Leadership Conference, held in November of 2012 in Northbrook, Illinois, brought together women in leadership positions from ITW businesses all over the world to focus on increasing ITW’s competitive advantage through gender diversity.

But the planning work prior to the conference was as critical to the success of the leadership initiative as the event itself. Council members developed a business case for the conference and for the larger goal of actively increasing women in leadership roles. They leveraged information from an ITW Diversity and Inclusion benchmarking project with seven peer companies that have made good progress in similar initiatives. Members captured best and notable practices, including those from two companies with leaders who serve as ITW board members.

Council members conducted interviews and gathered a wide array of internal perspectives on women and leadership at ITW to uncover core issues and determine an effective agenda. Planning was an interactive process.
"We have established a goal of doubling the percentage of women in ITW's vice president and above leadership positions by the end of 2017."

E. SCOTT SANTI, ITW PRESIDENT AND CEO

that helped steadily build acceptance and support. “Senior leadership supported us early on, but the momentum came from the women in this group and their upfront work,” says Sharon Brady, Senior Vice President of ITW Human Resources, and a founding member of the council. “They’re passionate about it—and the company believes in its promise.”

CONFERENCE LEADS TO ACCESS, ACTION

The conference developed into a two-day event with the theme Inspiring Leadership: It’s About You, It’s About Me, It’s About ITW. Specific conference goals included raising awareness and generating ideas about how each leader can use her own sphere of influence to enhance the diversity of ITW's talent pool. The conference hosted outside experts on women's development and presented a framework for how to mentor, coach and develop others. ITW President and CEO E. Scott Santi, and all eight of the company’s executive vice presidents attended the conference, giving participants direct access to top ITW leadership.

“I gained insights about the perceptions of women in business and male-dominated working environments, and I learned how to increase my network of ITW women within the company,” says conference attendee Elisabeth Finkbeiner, vice president and general manager of ITW Global Motion and Assist Grip in Germany.

On day two of the conference, a sub-group of participants worked together to create an action plan to increase access to leadership roles for women in general management and other operational roles. This plan will link directly with ITW’s long-range business goals, with accountability and measurement shared by both the Women’s Leadership Development Council and executive vice presidents who oversee ITW’s business segments.

“The business case for increasing the number of women in leadership positions is clear and well understood at ITW,” says Chris O’Herlihy, Executive Vice President of ITW’s global Food Equipment Group. “The Women’s Leadership Conference helped establish enterprise-wide goals in female leadership representation and reinforced a high degree of conviction and urgency among ITW senior leadership to achieve these goals.”

ACHIEVING A CLEAR AND MEASURABLE COMMITMENT

The Women’s Leadership Conference experienced an unprecedented response. Eighty of the top senior women from ITW businesses around the world attended the conference. During the conference, ITW President and CEO E. Scott Santi made an important announcement for the future of women at ITW: “At ITW, we know that gender diversity plays an important role in our continued success,” says Santi. “The unique perspectives that result from a diverse workforce help us innovate, drive results and deliver best-in-class operating performance. For that reason, we have established a goal of doubling the percentage of women in ITW’s vice president and above leadership positions by the end of 2017.”

But as Brady points out, the way to that goal is just as important. “It’s not just about increasing a number,” she
“The momentum came from the women in this group and their up front work. They’re passionate about it—and the company believes in its promise.”

SHARON BRADY, SENIOR VICE PRESIDENT OF ITW HUMAN RESOURCES

says. “It’s also the steps we’re taking to get there, such as enhancing our talent recruitment process to attract more potential leaders—women as well as men. The council is a catalyst to broaden our base of leaders for the future.”

Santi’s goal signals that the Women’s Leadership Development Council is on the right path. Research shows that linking diversity initiatives to business goals and having the support of top leadership is essential to improving gender diversity. In a recent survey of over 300 C-level executives at global companies, seven out of ten companies indicated that “the buck stops at the C-level…but overall implementation can lie elsewhere.”

LEVERAGING ITW GROUPS AND RESOURCES

New leadership councils and groups are supporting the council in its implementation efforts. A new Women’s Leadership Development Council based in Europe held its first conference in Paris in October 2012. ITW’s Women in Technology group, the ITW Women’s Finance Network, and several groups growing out of specific businesses—such as Instron’s Women’s Business Network and Miller Electric’s Inspiring Women in Leadership (IWIL)—comprise an informal structure open to all employees that brings ITW’s women leaders together with the shared goals of professional development, networking and executive exposure and access. At the same time, ITW continues to reach out to potential women leaders by supporting professional associations like the Society of Women Engineers and interacting with students at college recruitment events.

“There’s always the question of hiring the best person versus hiring more women and people of color,” says Chappelle. “But we believe that these aren’t mutually exclusive categories. You can have both, and it is what we need to do to help ITW stay competitive and innovative. One realization that came out of the conference planning: ‘What’s good for women is good for ITW.’”

1, 2 Catalyst.org.
ITW WOMEN’S LEADERSHIP DEVELOPMENT COUNCIL

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Karen Tulloch
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Jane Warner
Executive Vice President (Retired)