

Casting Call: Recruiting the Next Class of Construction Leaders

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Construction firms have been struggling to attract enough trade professionals to keep projects on schedule, but there's another mountain ahead that may be even harder to climb: finding new leaders who are comfortable standing at the top of the figurative ladder. When consulting and accounting firm Wipfli surveyed more than 350 U.S. construction firms in 2021, 90% of respondents indicated that they intended to start transitioning ownership of their companies within the next decade. For a lot of those companies, it's going to be a first: More than 20% have never handed the reins over to someone new.

It's not just the owners. More than one in five construction workers are at least 55 years old, according to recent data from the Bureau of Labor Statistics. As more senior-level leaders eye the ability to ride off into the sunset, many construction companies are getting serious about preparing for the next sunrise.

Nearly 70% of leaders have a documented and actionable succession plan, according to Wipfli's research. What are leaders thinking about when they're putting those blueprints together? And for those who haven't been able to find the time to draft one yet, what needs to be done to make sure they're laying a foundation to write a new chapter of growth?

A FAMILY AFFAIR

Being a family-run business is a key selling point that helps plenty of construction companies earn the trust of customers,



and it's also an integral part of plans for their futures: 35% of leaders in the Wipfli research prefer to transfer ownership to a family member. However, Sam Springer, CPA, CExP (Certified Exit Planner), associate relationship manager at The Trust Company of Tennessee, says that family-focused owners need to be prepared to discuss some tough topics.

"Are my kids ready to step in and assume ownership or a leadership role? Are they capable of doing it on a go-forward basis in the future? And really, do they even want to? Those are all unique questions that need to be answered," Springer says. "We've seen owners assume their child would step in, but the child wanted really no part of the business."

Tim Keating, president of Florida-based R.C. Stevens, initially assumed that his son Tim – who now serves in a leadership

role in the company and is known affectionally around the office as “TK3” – did not have any desire to be in a management position. However, that changed as the younger Keating spent time doing office work, earning a degree in construction technology, completing his bachelor’s degree, and getting a sense of how some other major names in the industry worked. And oddly enough, part of Keating’s succession planning – which resulted in a 2022 acquisition by Cianbro – was informed by his son’s work with other firms.

“I think the best thing I did for myself and him was to not hire him after he graduated,” Keating, who is gearing up to celebrate the company’s 100th anniversary in 2026, says. “He had to go to work for other companies and cut his teeth with them. Fortunately, he landed with some very large firms and found out the stark difference between [us] and much larger firms. I truly believe his experience really influenced my desire to sell to someone that would let us grow.”

IMMEDIATE OPPORTUNITIES

For Keating, succession planning is much more than whoever may have president or another top title next to their names. It’s about giving everyone a chance to show whether they could fill those shoes – regardless of any familial connection. “When we hire young people today, we want them to have immediate opportunities,” Keating says. “We don’t want them to be sitting behind a desk just checking steel shop drawings for a year because they’re on this massive project with hundreds of staff.”

Michael Nelson, a senior account executive at Arcoro, believes those kinds of opportunities can be a key point of differentiation for recruiting and motivating some of your best workers to stick around.

“As a general laborer, I could go to dozens of different construction companies that might pay me an extra dollar an hour than my last job,” Nelson says. “If you can show them that you see the potential for them to play a bigger role in the company, it can make a big difference.”

Keating has aimed to help unlock that potential by offering employees an opportunity to enroll in Rapport Leadership programming. The curriculum includes three two-and-a-half day courses focused on leadership and communication, which Keating says have been integral to helping team members recognize that the company has a stake in their personal

development. That kind of investment can pay big dividends: According to the most recent edition of LinkedIn’s Workforce Learning Report, 70% of employees say learning opportunities improve their sense of connection to their organizations, and 80% say it adds purpose to their work.

“If you’re focused on building your people, succession happens naturally,” Nelson says. “It doesn’t have to be an overwhelming checklist of putting x, y, and z in place so that a leader can move on. It’s about establishing a culture and identifying the people who believe in that culture.”

THE IMPACT OF INCLUSIVITY

In addition to harnessing the power of that kind of cultural spirit that can pass down to younger team members, Sasha Reed, senior director of industry transformation at Procore, says leaders should aim to show an emerging generation of workers how the makeup of company is changing. According to Deloitte’s most recent outlook for the engineering and construction industry, 77% of construction firms believe that diversifying their workforce is crucial for the future of their business, and Reed says that internal belief should be an “express part” of a succession plan.

“Most women and underrepresented groups in construction don’t leave because they were having conflicts with managers, which is the top reason people typically leave other companies,” Reed says. “Instead, it’s a lack of job progression. If a woman looks up to your C-suite, and they’re all men, she’s not seeing herself represented.”

Reed says that if a company is in a “work-in-progress mindset” toward a more diverse group of executives, it’s critical to share it widely. That way, even if someone doesn’t see someone who looks like them with a seat at the table, they’ll know that you’re working to welcome them in the future.

“Create transparency around it, and communicate it so they understand what you’re trying to do,” Reed says. “You will then mitigate the risk of losing your top talent just because they didn’t know. People need to see what the plan is.”

GET ON IT

Showing people that plan for the future, however, comes with one big challenge: finding any free time in the present. “There’s so much urgency to get the next quote out, to send the next

invoice, and to handle all the tasks on your plate,” Nelson says. “They all tend to feel more pressing than succession planning.”


Keating understands that tough balancing act. “As owners, we are always in the weeds,” Keating says, “and we are problem solvers. We are always working ‘in’ the business versus ‘on’ the business.”

A big part of his efforts to work ‘on’ the business have involved regular participation with a peer group of seven ABC members across the Southeast, Mid-Atlantic, and Midwest. Since 2003, the group has met two to three times each year, interviewing partners and employees on each other’s behalf to collect feedback and helping to develop strategies for overhauling parts of their respective companies. “It’s the best thing I’ve done for working ‘on’ the business,” Keating says. “You get objective free help from peers that may have also gone through some rough patches.”

...THEN GET OUT OF THE WAY

Ultimately, succession planning can feel awkward for any leader: You need to get comfortable feeling replaceable, according to Sheryl Linck, senior vice president at The Trust Company of Tennessee, CExP and Certified Exit Planning Advisor. “Some owners have a mentality that no one else can do their job,” Linck says. “Getting past the ego side of it can be difficult, but the owners who are able to come to grips with it are much more successful.”

Keating’s company-first mentality offers a blueprint for that kind of ego elimination. He evaluated offers from six different companies, and while each price exceeded his expectations, his true north was simple: He wanted the plan to offer more possibilities for the people who will be there after he eventually steps down. “I wanted to make sure the goal was to grow the company substantially and to offer more opportunities to the team members,” he says.

“Cianbro was a good fit culturally. They were clear that the future is not me, but the team members and their continued growth. That aligned with what I may not have been able to verbalize, but it’s what I really wanted as a lasting legacy.” 



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