

## Why Lateral Moves Should Be Required For Executive Teams

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In construction, career progression has traditionally followed a straight line. Promotions are often vertical, earned through tenure, technical mastery, or performance in a single function. That approach feels logical. It's familiar. And for a long time, it worked.

But in today's fast-moving business environment, companies need to "prioritize the development of strong and effective teams that function as a behavioral unit rather than the loose affiliation of individual leaders" ([HBR Sept 2024](#)). Leaders need to understand not just their lane, but how the entire operation fits together – financially, operationally, contractually, and culturally. That's where vertical-only career paths hobble an organization. We need to start broadening people's knowledge and experience through lateral moves.

Lateral moves – intentional shifts across functions, roles, or responsibilities at a similar level – are one of the most underused tools for building leadership capability in construction organizations, which is unfortunate because they are one of the most powerful.

### CONSTRUCTION LEADERSHIP ISN'T A SINGLE SKILL SET

Running a construction company is not the same as being excellent at construction. Future executives must understand how estimating decisions affect cash flow. How scheduling choices impact labor risk. How safety culture ties directly to profitability and reputation. How contract language shapes operational behavior. And how people decisions ripple across every jobsite.



Yet many high-potential leaders grow up deep in one function. A project manager may know scheduling and client coordination cold but know nothing of financial forecasting. A safety leader may be exceptional at compliance and training but unfamiliar with operational tradeoffs. A controller may understand margins and risk but never understand the dynamics of field leadership.

Promoting these leaders straight up without broadening their exposure creates executives who are technically strong but strategically narrow. The higher up they go in the organization (VPs or to the C-suite) the less helpful their skill and knowledge is in operating the organization. Shockingly, an executive team made up of experts can negatively affect the company's effectiveness and profitability. Lateral moves change that equation.

## LATERAL MOVES BUILD ENTERPRISE THINKING

A lateral move forces a leader to see the business through a different lens.

When a superintendent spends time in preconstruction, they begin to understand how estimates are built – and where assumptions tend to break down. When a project manager moves into operations, they experience the reality of individual project performance and company-wide resource planning. When a high-potential leader rotates into safety, HR, or equipment management, they gain insight into constraints they may have previously been oblivious to.

Exposure builds enterprise thinking – the ability to balance competing priorities, understand second-order consequences, and make decisions with the whole business in mind. That is executive-level capability, which cannot be taught in a classroom, it must be lived; which is why executive development takes so long (easily 10 – 20 years to develop a well rounded executive).

## LATERAL MOVES REDUCE SUCCESSION RISK

From a succession-planning standpoint, lateral moves serve another critical purpose: they reduce dependency risk.

Construction companies often rely heavily on a few key leaders who “know how things really work.” When those leaders leave – whether through retirement, burnout, or unexpected departure – the organization scrambles. External hires are expensive, disruptive, and slow to ramp up. Internal promotions feel risky because successors haven’t been exposed to enough of the business. The number one complaint I hear is, “They don’t know enough about the business.”

Leaders who have moved across functions are more adaptable, more confident, and more credible as future executives. They are better prepared to step into larger roles because they’ve already operated outside their comfort zone.

In other words, lateral moves don’t just develop individuals. They protect the business.

## OVERCOMING THE RESISTANCE TO LATERAL MOVES

Despite the benefits, lateral moves often meet resistance, especially in construction.

Employees worry that a lateral move looks like a demotion or a stall. Managers worry about losing their best people. Executives worry about short-term disruption.

These concerns are understandable, but they are manageable.

The key is framing them correctly. Lateral moves must be positioned not as detours, but as deliberate development assignments. Clear communication matters: this move is about expanding capability, it is a pathway to bigger roles and responsibilities in the company. Time horizons matter too – lateral roles should be purposefully designed within a career path, such as “anyone who has been in a management role for three years must move to a different division of the company, to broaden their perspective.”

Most importantly, leaders must model the behavior they want to see. When executives openly value breadth of experience, and reward it in promotions, lateral moves gain legitimacy.


## WHAT THIS MEANS FOR CONSTRUCTION EXECUTIVES

If you want a leadership team capable of navigating complexity, uncertainty, and growth, vertical promotions alone won’t get you there.

Ask yourself:

- » How many of our future leaders have worked in more than one function?
- » Where are we developing technical experts versus “enterprise leaders?”
- » If a key executive leaves tomorrow, would we be at ease knowing we built a competent and ready team?

Lateral moves are not a nice-to-have perk. They are a strategic tool. Used intentionally and consistently, they build stronger leaders, reduce succession risk, and create organizations that are resilient.

In construction, where the margin for error is thin and the cost of leadership gaps is high, this isn’t about leadership development so much as it’s about responsible management. 



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### About the Author

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Dr. Nanette Miner is an expert in building ready and capable leadership teams for succession and exit.

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