

Future-fit Construction

# Why accelerating leader readiness is the key to growth



CONSTRUCTION LEADERSHIP



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# The future of construction: Why accelerating leader readiness is the key to growth

For generations, American builders have taken seriously their role in bringing to life the needs and ambitions of the communities they serve.

The places we work, learn and grow, relate, and do life together can be traced back to the grit, heart, and skill of millions of building professionals up to the task of constructing challenging builds. Yet today, the complexities facing builders go far beyond the complications of a job site. Construction is facing one of the most disruptive eras in its history. Labor shortages, rising material costs, accelerating technology, generational turnover, and increasing client expectations are redefining how firms compete and deliver.

Amid all this complexity, one truth holds steady—your company will succeed or fail based on the quality of your leadership. Leadership in this industry is no longer just about directing crews and hitting deadlines—it's about developing people, shaping culture, navigating risk, making strategic decisions during uncertainty, and executing well. And while no two builds are the same, the stakes have never been higher, and the margin for ineffective leadership has never been smaller. For builders who lead, the mandate is clear: Intentional development of a leadership pipeline is no longer optional. It's time for bold and actionable talent strategies that meet the challenges of today and anticipate the demands of tomorrow.

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# The forces of change

Recent years have seen a surge in demand for constructors: Federal and state infrastructure investment, renovation and adaptive reuse, industrial and manufacturing market growth, and sustainability and energy transition projects. Technology and innovation, while rapidly changing, have helped fuel growth for builders. Yet the industry also faces both unique and significant challenges.

## Increasing geopolitical and economic uncertainty

Tariffs, retaliatory tariffs, revisiting clean energy investments, and immigration reform are impacting builders. The cost of materials is up, workforces are squeezed, projects have been halted (and re-started), and construction spending slowed sharply in 2025.<sup>1</sup>

## Significant labor shortage

For an industry that views talent as a differentiator, many builders find themselves short-handed and competing for the same craft and administrative talent to fill job sites and unlock growing backlogs. Decades in the making, the problem has only intensified with recent changes in immigration enforcement. The labor shortage has become so significant that George Guszczka, president and CEO of the National Institute of Building Sciences, recently declared it had “risen to the level of a national security issue.”<sup>2</sup> Lack of talent will ultimately impact builders’ ability to remain competitive and grow, and this issue will only intensify in years to come: The industry is projected to require nearly 3.2 million additional workers over the next decade.<sup>3</sup>

## Technology transformation

Digital transformation is reshaping the way work gets done, from drones and data analytics to AI-enhanced toolkits and reporting in the field. With millennials now making up the majority of the workforce (and Gen Z coming up fast behind), today’s teams expect to use modern tools. Automation is reshaping workflows, which requires rethinking jobs and upskilling and enabling workers to leverage technology effectively. Unfortunately, the industry is not known for fast adoption: Lack of digital fluency at the leadership level and inconsistencies in platform usage/adoption plague builders’ ability to match the pace of change. Data-driven solutions and AI-based learning and growth will continue to differentiate firms going forward.

## Safety culture and mental health

Even when there have been zero recorded incidents, safety is top of mind for construction leaders. Builders want their workers to return safely home at the end of each day. Despite massive gains in safety throughout the decades, addressing



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and proactively equipping the workforce to handle mental health crises remains a challenge. Construction workers account for 1 in 5 suicides, yet make up just 7.4% of the total workforce.<sup>4</sup> Builders also battle higher rates of overdose and substance abuse than in other industries. It’s tough work, and in a traditionally male-dominated industry that prides itself on resilience, vulnerability has historically gone unrewarded.

## Senior leadership turnover

A record number of CEOs exited their role in the past year, and construction leaders are no exception.<sup>5</sup> Funding volatility, sectoral disruption, and compressed timelines for results are just a few of the factors driving executives to the exits. Beyond external pressures, lack of succession options are deepening the challenge with senior leader turnover: The workforce itself is aging, with the average age of a construction worker hovering in the low 40s, and fewer younger professionals entering the trades.<sup>6</sup> Additionally, for an industry facing a labor shortage, women make up less than 15% of the workforce (a number that has grown just 2% each decade)—and the numbers are even smaller for those in leadership roles.<sup>7</sup>

While these are significant concerns for builders, the greatest limiter to growth we hear most often from construction executives is *lack of ready-now leaders to drive the work forward and deliver on our goals.*

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“You can dream, create, design, and build the most wonderful place in the world. But it requires people to make the dream a reality.”

- Walt Disney

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## Lack of ready-now leaders is the greatest limiter to construction growth

In an industry built on concrete, steel, and precision, the real foundation of every successful project isn't poured or welded—it's how it's led. Most organizations have achieved success through a workforce of resilient and skilled builders who have tackled significant and complicated projects.

Yet expertise and experience alone won't win the day in the present environment: Strong leaders driving exceptional teams are what will make the difference. The future will belong to the firms that invest in developing leaders who can build more than structures—they can create value. As the late Walt Disney once famously said, "You can dream, create, design, and build the most wonderful place in the world. But it requires people to make the dream a reality."

Finding the right people to lead continues to be a significant challenge for construction. A Deloitte study revealed that nearly 60% of Gen Z workers reported having no interest in becoming people managers, citing stress, lack of balance, and inadequate rewards as the key reasons.<sup>8</sup> Even when desires to grow one's career exist, as 87% of women in construction recently expressed in a survey, over two-thirds of women cited "poor leadership" as the thing pushing them out of the industry.<sup>9</sup>

Firms up and down the ENR list are feeling it: They can't lay down a significant backlog if they don't have the right talent in

place to drive execution and lead high-performing teams. One branch manager for a national contractor recently lamented, "I need my leaders with 2 years of experience to have 5 years of experience, and my leaders with 5 years of experience to have 10 years of experience."

Compounding the existing labor shortage, the latest research suggests that 40% or more of the current workforce is expected to retire by the start of the next decade.<sup>10</sup> The situation is clear: Builders have an increasingly shrinking pool to draw leaders from, they don't have enough of the emerging leadership talent ready to go, and they don't have a plan to prepare their existing talent to be ready to take on increasing responsibilities.

So, what can be done? MDA advocates for the following talent roadmap designed to build a leadership pipeline of ready-now leaders. By embracing this new leadership paradigm and implementing practical talent strategies, construction organizations can identify their force-multipliers and accelerate leader readiness to drive greater success today and tomorrow.

# The future-fit construction leader

Accelerating leader readiness begins with asking two simple questions: What do we need our leaders to do, and how do we need them to be? A quick glance at the forces for change outlined earlier allows a preliminary profile of the future-fit construction leader to emerge. While not a definitive success profile, these four leadership roles cover the most critical emerging leader capabilities.

## Intentional Self-Leader

In the era of near-constant disruption, leaders increasingly feel less in control of their ability to drive impact. One thing organizations can do: Equip your leaders with powerful insights into their leadership style. Leaders who deeply understand their approach to problem solving, proactively manage their communication and collaboration tendencies, and adapt their approach to meet the moment will outperform (and outlast) those stuck in the spiral of unsuccessful habits and reactive leadership. A project manager who knows he is predisposed to moments of passion and direct communication—and has been introduced to tools and practices to manage his style—is less at risk for an explosive meeting with a demanding owner’s rep or wayward subcontractor.

## Agile Performance Champion

In today’s data-rich environment, there is rarely one “right” path forward. Future-fit leaders know how to analyze complexity, identify uncertainties, make a decision, and pivot as needed to achieve great outcomes. Calculated risks are the norm, not the exception. But agile leaders must also set clear performance standards and drive performance, including giving tough and constructive feedback when necessary. The agile project executive knows when she has the opportunity to empower her project managers, when she needs to come alongside them and redirect, and when it is time to make a call and provide direction when projects don’t go as planned.

## Value Expander

Future-fit construction leaders become force multipliers through insatiable curiosity—with both technology (digitally

fluent, AI-curious) and enterprise resources like talent. Continuous improvement and innovation must be cultivated, not tempered. Embracing a “learn-it-all” mindset where failure is simply feedback on the way to success will be the cornerstone of talent developers managing a workforce with nontraditional backgrounds. Value expanders look for opportunities beyond what lies in their immediate vision, notice the signals of change and opportunity, and lean into multidisciplinary collaboration to drive more value than they alone can bring. In one situation, a regional manager for a national subcontractor was involved in a pursuit wherein his branch could only compete for part of the work given their talent and capabilities. The customer wanted scaffolding, and his branch didn’t offer that. But his peer in another region did—and had resources available. Recognizing the opportunity, he connected with the peer—and through a joint venture turned a \$2M opportunity into \$80M over the course of three years.

## Human-Centered Team Builder

Organizations already know their increasingly diverse workforces desire flexibility and purpose. Additionally, safety culture and mental health can no longer be managed reactively. Human-centered team builders meet people where they are, lead with “why,” consider the whole person, and promote environments of rewarded vulnerability (psychological safety) through modeling the way. Leaders who help people feel heard and make people feel seen will attract and retain talent better than those who do not. And when most of your workforce still comes through word of mouth (craft and admin), the “buzz” generated by the culture an organization’s leaders create matters.<sup>11</sup>

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## Why human-centered leadership is so critical for leading tomorrow's workforce

As Gen Z and the generations that follow enter the workforce, slowing down, meeting people where they are, and leading in inclusive, human-centered ways will become table stakes. While Google's famous Project Aristotle highlighted psychological safety as the single most important factor in determining high-performance teams, recent research underscores the prevailing challenge for leaders: Today's teens and young adults have been "rewired" through overconsumption of social media and technology. Research points out the number of major depressive episodes, diagnoses of mental illness, and emergency room visits for self-harm have surged in the past 15 years with no signs of stopping; indeed, nearly 20% of those aged 18-25 reported high levels of anxiety.<sup>12</sup> Future-fit construction leaders will need to slow down and be intentional in creating an environment in which people feel they belong, feel safe to ask questions, feel comfortable contributing their full skills, and openly challenge the status quo without fear of negative conflict.



# Design–build: How to ensure your organization is building future-fit leaders

Where, then, do we start? MDA Leadership has worked with builders across the nation to help them identify, assess, and develop the future-fit leaders they need. Much like the evolving design–build model that allows contractors and design teams to partner more fully with their customers, MDA’s partnership approach begins with designing the type of leaders you need, then building them through intentional talent practices.

## The starting point: Defining clear leader behaviors

If developing future-fit leaders is the goal, then defining the target (i.e., what an organization needs its leaders to do well and how it needs them to show up) is a critical first step. For many builders who have experienced fast growth, the lines can be blurred between project manager and superintendent, or project executive and senior project manager. These levels mean different things to different builders, and the ambiguity is not lost on leaders who, without a “playbook” or clear definitions of responsibilities, inevitably run into value-decreasing situations of confusion and misalignment.

Many organizations have fallen into the pitfall of either developing leadership expectations within a human resources silo or simply licensing generic leadership competencies; in both cases, the language, tools, and “WIIFM” (what’s in it for me?) usually fail to connect to the needs of the business.

MDA’s approach centers on partnering with key business leaders and professionals who role model leadership within and across the organization to co-create clear, high, and consistent leadership standards that feel homegrown given their origination from the insights of trusted colleagues.

The result: More leaders doing the “right things” every day at every level; transparent expectations for leader progression; clear direction for leader development; and a strong foundation to align how you recruit, hire, manage, develop, and retain top talent. When integrated into talent systems (acquisition, onboarding, development, performance management), well-defined leadership expectations net clear leader behaviors aligned with strategic business needs.

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## Determine current-state talent capabilities and gaps through assessment

With a clear target in place, organizations can begin to assess incoming talent and their existing leaders against leadership expectations. At the individual level, assessment data provides powerful and rich insights for leaders to develop an actionable plan for growth (in partnership with their manager) and to make demonstrable, measurable progress against their growth goals.

At the aggregate level, organizations can make more informed decisions on talent and development needs across their organization. With succession planning becoming increasingly important, and lack of visibility into a dispersed workforce’s daily performance, making talent decisions on intuition or feedback alone can be risky. Data-based assessment with science-informed competencies and proven methods gives organizations a clearer, more objective, and less-biased look at what their talent is capable of. Everyone has likely seen a high performer promoted into leadership and, unfortunately, crash and burn. Leading people—getting results through others—is an entirely different skill set, and most leaders don’t get insights into their abilities or approach toward managing a team until they are already in the role.

The result of better assessing your leaders: Derisking the selection and promotion process with data-based decisions and leaders empowered to own their development with actionable insights.



## Fast-track readiness of leaders through proven development accelerators



### Individual Coaching

Whether you have leaders in role who need support; leaders who have been newly selected, promoted, or laterally moved; or leaders identified as high potentials or critical successors, providing the leader with a coach can be a game changer. Working with a coach helps leaders to increase their self-awareness, minimize blind spots, target specific skills, enhance resilience, and gain deeper insight into their impact and potential.

MDA's high-performance, transition, and readiness coaching offerings are designed to help leaders elevate their impact, drive great results, accelerate into new roles with their teams, and be better equipped to step into future roles. Our approach ensures both alignment with the manager of the leader and contains mechanisms to measure real impact. In fact, 87% of leaders and their key stakeholders reported noticeable improvements after leaders engaged in standalone coaching; the number increases to 94% when paired with additional leadership development experiences.



### Cohort-based Development

For some organizations, foundational leadership development offerings that focus on their leadership expectations and equip leaders with the tools and insights to live them out may be the first place to start.

For more advanced leaders or emerging "high potentials," the research bears out that individuals grow best through on-the-job learning. MDA has partnered with many builders to help them identify real-world business challenges to which they assign a small team of leaders as part of a development experience (action learning). Through multidisciplinary teamwork, these leaders stack hands to drive impact for the business while advancing their own personal and professional development. MDA has helped construction action learning teams explore and identify robust recommendations for their organizations around pre-con profitability, expanding to a new market or region, exploring self-perform prefab or modularization, travel employee equity, and more.

The net result is not only development of your leaders as they learn your leadership values and discover new leadership tools, but also real value delivered back to the business.

## Investing in building future-fit leaders is the greatest accelerant to construction growth

The present complexities in which constructors operate demand future-fit leaders to navigate and solve them. Constructors today need leaders who know their strengths and limitations, approach the work with agility and accountability, spot opportunities for innovation and improvement, and who lead with both empathy and vulnerability.

Investing in redefining what it means to lead, the capability to assess your talent, and the experiences to accelerate your leaders' readiness are just a few components of MDA's playbook to build a new breed of construction leader.

For builders who lead, it's time to become leaders who build. It's time for constructors to take bold actions to develop future-fit leaders who can meet the challenges of today and tomorrow.

# Accelerating leadership impact when it matters most™

The need for great leadership is urgent. At the speed business moves, you can't afford to wait, and you can't afford to get it wrong.

We know how to build your next generation of leaders—and it starts by really getting to know you. Curiosity is in our nature. It's what drives us to dig deeper, tuning in to every nuance of your business until we truly understand what makes you unique. It's how we bring you the insight and clarity to make better talent decisions. And how we design the right development experiences that will transform your leaders in life-changing ways.

Leadership is complicated. So team with a trusted advisor who can make it simpler. We've got superior expertise and proven methodologies to help you grow great talent faster. So you can stand ready for business with a leadership pipeline prepared to power your success.



**Erik Williams** is an experienced and passionate talent strategy and leadership development expert who serves as the Vice President of Construction at MDA Leadership. For 15 years, he has helped builders across the country to identify and develop a pipeline of ready-now leaders to step into roles of increasing importance and responsibility to drive business growth. It's one of the greatest privileges of his life to help construction and building leaders achieve their goals of driving greater impact for themselves, their teams, and the communities they serve.

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