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# DEVELOPING YOUR LEADERSHIP PIPELINE: PREPARING THE NEXT GENERATION OF LEADERS

BY TRACEY SMITH

**Those of you who have a rock-solid talent pipeline and are confident in your ability to attract, retain and develop future leaders — congratulations! You're in the minority. For many others, the challenge of building and sustaining a leadership pipeline has never been more pressing.**

Every client we've worked with over the past six months is facing increasing complexity and experiencing relentless competition for top talent. The question is no longer simply how to find great leaders — it's how to develop and prepare them for the demands of tomorrow's business landscape.

This means getting succession planning right at all levels of the business.

In a recent conversation with a junior executive, we were discussing a time audit that this executive conducted to understand where he was spending

his hours. Turned out he was spending over 50% of his time on project-specific issues, and only ~5% on more strategic thinking. When asked his thoughts on why, he said he didn't have anyone else ready to take on all the challenging project issues. This meant he tended to get sucked into fighting day-to-day fires more often than he liked.

This particular challenge is common among new executives transitioning into their new roles. A lack of succession planning can really limit a leader's ability to fully transition into an executive role.

## LEADERSHIP TRANSITIONS ARE CHALLENGING — HERE'S WHY

We often think of leadership progression as a straightforward and steady climb, but the reality is that transitions from one leadership level to another often require fundamental shifts in how leaders think and operate.

Across the engineering and construction (E&C) industry, there's a tendency among company leaders to promote people into new leadership roles based on their potential. And that potential, say the authors of [“The Leadership Pipeline: How to Build the Leadership-Powered Company,”](#) is based on accumulated skills and experience as evidenced by past achievements.” This means we see leaders advance because they've been successful in the past — without understanding if the same skills and competencies are what will make them successful in a more senior role. This happens at all levels of leadership, which can result in leaders working one or two levels below where they need to be.

“The Leadership Pipeline” highlights three areas where individuals need to significantly shift in order to successfully transition into a new executive role.

- **Skills:** The specific capabilities required to perform effectively at the next level
- **Time:** Where leaders prioritize their hours in terms of energy and effort
- **Mindset:** The values and perspectives that guide decision-making and behavior

Talent development programs often focus on the skills required for more senior roles. And while skill development is an important component, helping new leaders understand the time and value shifts they should be making is critical in effectively leveraging those skills.

A project executive recently reached out to us about a strong project manager (PM) she was trying to develop to take on a more senior PM role. The executive was frustrated because the project manager was working extremely long hours but the project team was still struggling to meet project milestones. Project execution had never been an issue with this PM in the past, and the executive was trying to figure out what the disconnect was. After a few coaching conversations with the PM, she found out this individual was afraid that if he stopped being the team's main decision-maker, people would no longer see him as a



valuable resource. Once the executive identified the PM's mindset, she was able to coach him on the value of using his expertise to delegate and coach others versus doing all the work himself.

## **SPOTTING MISALIGNMENT: WHEN LEADERS STRUGGLE IN THEIR ROLES**

The above example highlights the need to assess all three areas — skills, time allocation and mindset — when diagnosing performance challenges. As you review your bench, keep in mind some common warning signs that someone is struggling to make the transition to the next level of leadership.

### **Leading self (individual contributors):**

- Missed deadlines and poor work quality
- Resistance to feedback
- Lack of initiative or excessive dependence on direction
- Isolation from teammates
- Victim mentality (commonly uses excuses)

### **Leading others (leaders who manage individual contributors):**

- Fixing mistakes instead of coaching team members
- Being overly critical on minor issues
- Takes team credit or dodges responsibility when things go awry
- Withholding information from the team
- Failing to develop direct reports at an appropriate pace

### **Leading leaders (leaders who manage leaders):**

- Bottlenecking processes and decisions instead of empowering others
- Oblivious or misjudged read on project health
- Poor cross-functional relationships
- Not seen as a coach or resource by junior team members
- Inability to balance work and life; personal burnout





## ACCELERATING THE TRANSITION

Once they recognize the challenges that can emerge during a leadership transition, companies can put things in place to support transitioning leaders. Here are a few best practices FMI has identified:

### 1. Set clear role expectations and career paths.

Remember, a leadership role is more than a job description. It's a mix of technical skills and leadership competencies that make someone successful in a given role. There's also a clear link between the experiences the role facilitates and future roles (career paths) available to the individual.

Younger leaders want to understand their career options so that they're clear on the development opportunities they need to focus on. To hear one executive sum up their business's commitment, "We have a lot more dialogue and communication around career planning, helping people visualize their careers — not just the job they're doing today." And as another executive shared: "People want to know early on what opportunities are, and you can't talk about opportunities early enough."

### 2. Develop leaders through stretch assignments and exposure.

Another way to support leaders in making effective transitions is through stretch assignments — which let them gain exposure to new-to-them parts of the business and which allow senior leaders to assess the transitioning leader's ability to think in new ways. Some examples of stretch assignments/experiences include:

- **Involving high-potential leaders in executing a strategic initiative.** This enables transitioning leaders to gain a deeper understanding of the business and allows you/their managers to assess their ability to think long-term.
- **Cohort-based development programs.** Bringing peers together from across the organization increases their exposure to various parts of the business and builds cross-functional relationships.
- **Shadowing opportunities.** Simply exposing leaders to executive-level discussions and decision-making can expand high-potentials' understanding of the business. Allow junior leaders to sit in on an executive meeting, bring a junior member with you during a client meeting, or have a CFO coffee talk so they can gain exposure to project and business financials.



### 3. Create a culture that encourages growth and ownership.

If your leadership development is entirely HR driven, it's less likely to be effective. The best organizations cultivate leadership at every level by building a culture that encourages growth. This means:

- Encouraging leaders to take ownership of their development
- Recognizing and rewarding leaders who invest in developing their teams
- Ensuring that mentorship and coaching are embedded in everyday leadership practices



### QUESTIONS FOR REFLECTION

Ready to strengthen your leadership pipeline? Here are a few reflection questions to help you assess how well you're supporting leaders during key transitions:

- Do I have clearly defined roles, responsibilities and leadership competencies at each level of leadership?
- Can employees see how their current roles align with defined career paths?
- How are we currently assessing potential?
- For our high-potential leaders, how do we identify skill/time/mindset gaps and help them create a plan to close those gaps?
- What experiences are we providing to help leaders gain exposure to and experience in other parts of the business?
- Are our senior leaders acting as mentors and coaches for rising talent?
- How much of our current strategy is focused on people development to ensure the organization has the leaders it needs five years from now?

Remember, the strongest leadership pipelines don't happen incidentally — they're built with intention. By identifying, developing and supporting next-generation leaders today, you ensure your organization is well-positioned for future success.

# AUTHOR



**TRACEY SMITH** leads FMI's Organization Development discipline within the Leadership and Organizational Development practice, partnering with architecture, engineering and construction firms to build enduring companies through exceptional enterprise-level leadership. She approaches organizational challenges with a blend of up-front assessment and in-person collaboration to help clients solve their most pressing issues.

Tracey's extensive experience leveraging high-performing team concepts to align organizational structure and processes helps increase leadership capacity. Her clients have spanned the industry, from family-owned architectural firms to multi-billion-dollar contractors.

Tracey can be reached at [Tracey.Smith@fmicorp.com](mailto:Tracey.Smith@fmicorp.com).



## CONTACT US



**RALEIGH HEADQUARTERS**  
223 S. West Street  
Suite 1200  
Raleigh, NC 27603



919.787.8400

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Denver  
44 Cook Street  
Suite 900  
Denver, CO 80206  
303.377.4740

Houston  
1301 McKinney Street  
Suite 2000  
Houston, TX 77010  
713.936.5400

Tampa  
4300 W. Cypress Street  
Suite 950  
Tampa, FL 33607  
813.636.1364

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