

## A Literature Review of Succession Planning and Talent Development for Underrepresented Groups in the Construction Industry

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**ABSTRACT:** This study examines the current state of research on succession planning, talent development, and diversity inclusion within the construction industry, with particular attention to underrepresented groups. The review synthesizes scholarly and industry literature that highlights the strategic importance of succession planning and talent development for organizational sustainability, leadership continuity, and workforce competitiveness. Existing studies emphasize the need to integrate diversity and inclusion initiatives with business and human resource strategies to strengthen leadership pipelines and organizational performance. However, the literature reveals a significant gap in research addressing the development, advancement, and succession planning of minority and underrepresented populations within construction organizations. Findings indicate that succession planning practices in the construction sector remain inconsistent and lack widely accepted standards, while labor shortages and an aging workforce continue to challenge industry sustainability. The review further explores diversity management through the lens of dynamic capabilities theory, identifying mentoring, networking, internship, and career-track succession programs as critical mechanisms for improving workforce diversity and inclusion. The chapter concludes that construction organizations must adopt systematic, diversity-focused succession planning frameworks and establish measurable diversity indicators to evaluate progress toward equitable leadership development. Additional research is needed to better understand and address barriers affecting the advancement of underrepresented groups in the construction industry.

**KEYWORDS:** construction industry, succession planning, talent development, underrepresented groups.

### INTRODUCTION

The construction industry continues to face significant workforce challenges, including an aging labor force, persistent skilled labor shortages, and increasing competition for leadership talent. As experienced professionals retire, organizations must develop strategies to ensure the continuity of institutional knowledge and leadership capabilities. Succession planning has emerged as a critical component of talent management, enabling organizations to identify, develop, and prepare future leaders for key positions. Effective succession planning not only promotes organizational stability but also enhances long-term competitiveness, innovation, and workforce sustainability.

Despite growing recognition of the importance of succession planning, leadership pathways within the construction industry have historically lacked diversity. Women, racial and ethnic minorities, and other underrepresented groups remain disproportionately absent from managerial and executive positions throughout the sector. Although workforce diversity has gradually increased over the past decade, representation within leadership ranks continues to lag behind workforce demographics. This disparity presents both an equity concern and a strategic challenge, as organizations may fail to capitalize on a broad range of perspectives, experiences, and talents necessary for responding to increasingly complex business environments (Vlas et al., 2022).

Recent research has demonstrated that organizations with diverse leadership teams often experience improved innovation, decision-making quality, employee engagement, and financial performance. Diversity, equity, and inclusion (DEI) initiatives have therefore become increasingly important components of organizational strategy. However, many construction firms continue to approach diversity efforts separately from succession planning and leadership development processes. Consequently, underrepresented employees frequently encounter barriers to advancement, including limited access to mentorship, professional networks, sponsorship opportunities, and leadership development programs. These barriers can restrict career progression and reduce the availability of qualified diverse candidates within leadership pipelines (Shikweni & Schurink, 2022).



The integration of DEI principles into succession planning offers an opportunity to address these challenges while strengthening organizational performance. Dynamic capabilities theory suggests that organizations can develop competitive advantages through the implementation of organizational routines that support workforce diversity and talent development. Practices such as mentoring programs, employee resource groups, internship pathways, sponsorship initiatives, and structured leadership development programs have been shown to facilitate the advancement of diverse talent and improve organizational adaptability (Vlas et al., 2022). Furthermore, inclusive succession planning systems can improve employee retention, increase organizational commitment, and promote equitable access to leadership opportunities.

Within the construction industry specifically, the need for inclusive succession planning is amplified by ongoing workforce shortages and demographic shifts. As firms seek innovative approaches to attract and retain talent, expanding leadership opportunities for underrepresented groups represents a critical strategy for enhancing workforce resilience. Yet, scholarly literature examining the intersection of succession planning, leadership development, and diversity within construction remains limited. Most existing studies focus either on workforce diversity or succession planning independently, creating a significant gap in understanding how construction organizations can intentionally prepare underrepresented employees for leadership roles.

Therefore, greater attention is needed to identify effective succession planning practices that foster equitable leadership development and promote organizational sustainability. Examining succession planning through diversity and inclusion lens can provide valuable insights into reducing systemic barriers, strengthening leadership pipelines, and creating pathways for underrepresented groups to advance into influential positions. This research delves into the existing body of research pertaining to succession planning in construction, talent development, and the inclusion (or absence thereof) of underrepresented groups in these practices by revisiting prior studies on talent development and succession planning within the construction sector and examining literature on talent development and succession planning for minority individuals in a broader context to highlight the gaps in the literature and point to a dearth of studies specifically addressing the disparities in the development and succession planning of underrepresented groups within the construction industry. By developing inclusive succession planning strategies, construction organizations can contribute to a more representative workforce while enhancing their capacity to address future leadership and workforce challenges.

## LITERATURE REVIEW

### (1) Talent Development and Succession Planning as a Business Strategy

Comprehensive research underscored the significance and necessity of succession planning and talent development. Greer and Virick (2008) delved into succession planning, drawing insights from various industry leaders. They emphasized the importance of linking diversity management with succession planning to enhance the robustness of succession plans, thereby strategically focusing on diverse workforce development. The authors further explored the performance effects of diverse succession planning, emphasizing its critical role in building bench strength among women and minorities in the competitive talent landscape. Figure 1 illustrates a generated flow of competencies related to "diversity integrations with business and human resources strategies" (Greer & Virick, 2008, p. 356).

As depicted in Figure 1, 'Development Practices' emerged as an essential step in the process. The authors stressed the importance of contact and visibility with senior leaders, cautioning that programs championed by only a few leaders may lack long-term success due to a lack of organizational support and a non-systematic approach (Greer & Virick, 2008, p. 360). Another researcher, Jackson (2017), indicated that data suggested a commitment to leadership diversity necessitated coordinated succession planning inclusive of diversity efforts for transformative change. Trammel (2019) recommended effective implementation through the appointment of successors deeply aligned with the company's vision, mission, and core values. Schleifer et al. (2014) observed over a decade ago that the construction industry faces significant changes, emphasizing the inadequacy of traditional business approaches in the highly competitive and high-risk environment. Choi et al. (2021) highlighted previous research addressing aging and labor shortages in the construction workforce, proposing increased hiring from underrepresented groups as a potential solution. Labor shortage concerns were forewarned across multiple industries in the early 1990s that would result in a leadership vacuum at all levels with an emphasized concern for the top management and C-levels within organizations (Gordon & Overby, 2018). McKinsey & Company reiterated that it remains critical to deploy a systematic approach with a clear rationale for inclusion and diversity (I&D) linked to

business strategy, underscoring the need for organizations to integrate diversity initiatives with overall business goals to drive lasting impact (McKinsey & Company, 2020).

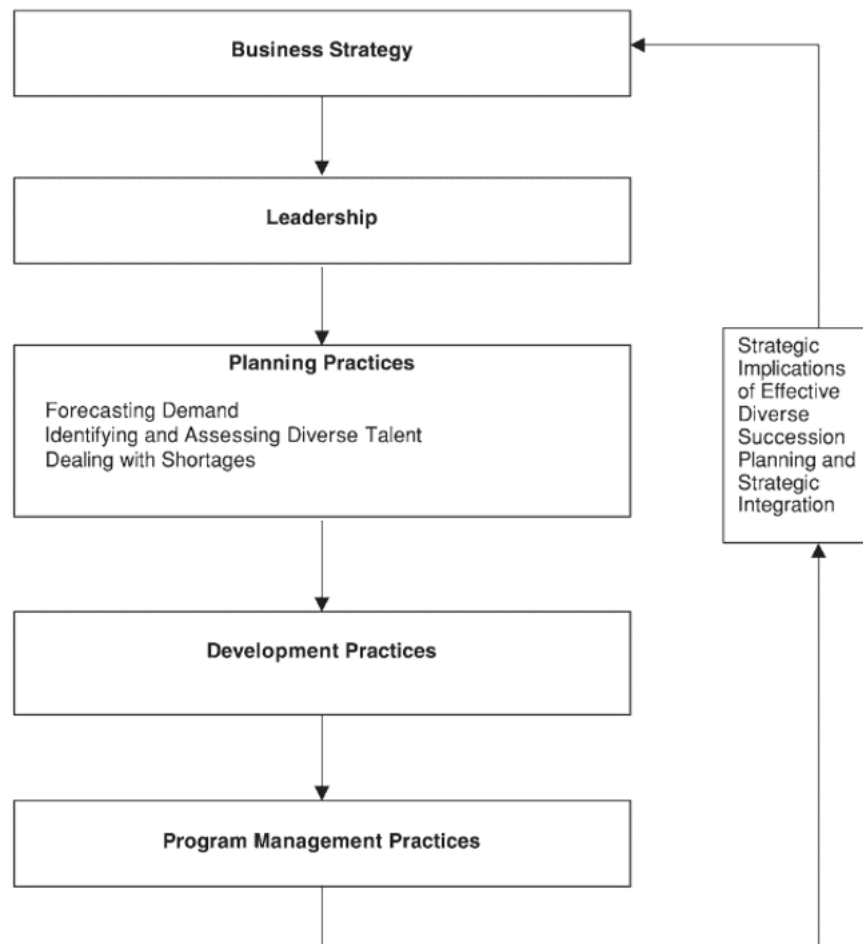


Figure 1. Diverse Succession Planning Practices and Competencies

## (2) Research on Talent Development & Succession Planning for the Construction Industry

Research conducted and reported by graduate students shed light on concerns regarding preparation and effective succession planning in the construction industry. In a case study, Gunnoe (2015) identified a disconnect in the construction industry standard for succession planning. Responses from six companies revealed a "discontinuity surrounding succession planning perspective" (p. 14). The study also highlighted variations in methods and metrics for tracking employee succession, including factors such as job title and age. Notably, the findings did not provide information on whether any of the respondents belonged to minority or underrepresented groups. The research also raised concerns about the aging and retiring population in the construction industry, but it did not explore the possibility of engaging underrepresented groups to address the construction shortage. In another graduate thesis, Perrenoud (2012) focused on developing a methodology to assist construction companies in succession planning for executive leadership positions. The researcher examined trends in leadership transitions, typical timelines, and crucial phases of succession. The critical review results identified the top ten recommended practices for succession planning, as shown in Table 1.

Table 1. Comparison of Recommended Practices Found in Literature Review

| #  | Recommended Practice                                    | Recommended percent within articles outside of construction | Construction articles recommended percent within articles |
|----|---------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|
| 1  | Prepare a succession plan                               | 100 %                                                       | 67 %                                                      |
| 2  | Analyze and select quality candidates                   | 73 %                                                        | 83 %                                                      |
| 3  | Prepare a plan to develop successor                     | 64 %                                                        | 0 %                                                       |
| 4  | Prepare well defined/communicated responsibilities      | 50 %                                                        | 0 %                                                       |
| 5  | Secure senior level support                             | 50 %                                                        | 0 %                                                       |
| 6  | High level of communication                             | 50 %                                                        | 17 %                                                      |
| 7  | Talent management processes in company                  | 41 %                                                        | 50 %                                                      |
| 8  | Capture the vision of company                           | 36 %                                                        | 33 %                                                      |
| 9  | Measure performance before and/or after succession      | 36 %                                                        | 17 %                                                      |
| 10 | Agreed responsibilities of predecessor after transition | 36 %                                                        | 17 %                                                      |

The data revealed a disparity, indicating that three out of the ten recommended practices were not implemented in construction articles. Only three of the aligning recommended practices performed above fifty percent within the construction sector. This lack of consensus and the inconsistent application of succession planning practices suggest that no widely accepted industry standard exists. Despite this, reputable templates and resources, such as those provided by the federal government, the Associated General Contractors of America (AGC), and the American Institute of Architects (AIA), are commonly utilized across other areas of the industry. These organizations offer standardized forms, often referred to as boilerplates, which have been adopted successfully in other operational aspects (Kenig, 2011). The availability of such templates in other industry areas demonstrates that the construction industry could benefit from a structured framework for succession planning to support consistent and effective practices across organizations.

Current research confirmed the scarcity of data on successful succession planning in the construction industry, especially concerning underrepresented groups. According to the U.S. Bureau of Labor Statistics (2020), there was consistent representation across all minority groups, except for Black or African American individuals, showing an improvement from 6.0% to 6.7% from 2020 to 2022. This suggested that organizations were actively recruiting and hiring qualified individuals from underrepresented groups. As Schleifer, Sullivan, and Murdough (2014) emphasized, "Each construction company has key people who are the primary reason for the company's success, and the training of future leadership is critical to the continued success of the organization" (p. 97).

### (3) D, E, & I initiatives: Dynamic Capabilities

Vlas et al. (2022) in their recent study published in the Journal of Business Research proposed diversity management routines and diversity cognition routines as instrumental tools in enhancing a firm's competitive edge, thereby boosting financial performance. The authors applied dynamic capabilities theory to diversity management, conceptualizing dynamic capabilities such as integrating processes, building processes, and reconfiguring processes as a systemic approach to evaluate organizational routines. These routines are crucial in supporting diversity management and are depicted in Figure 2 below.

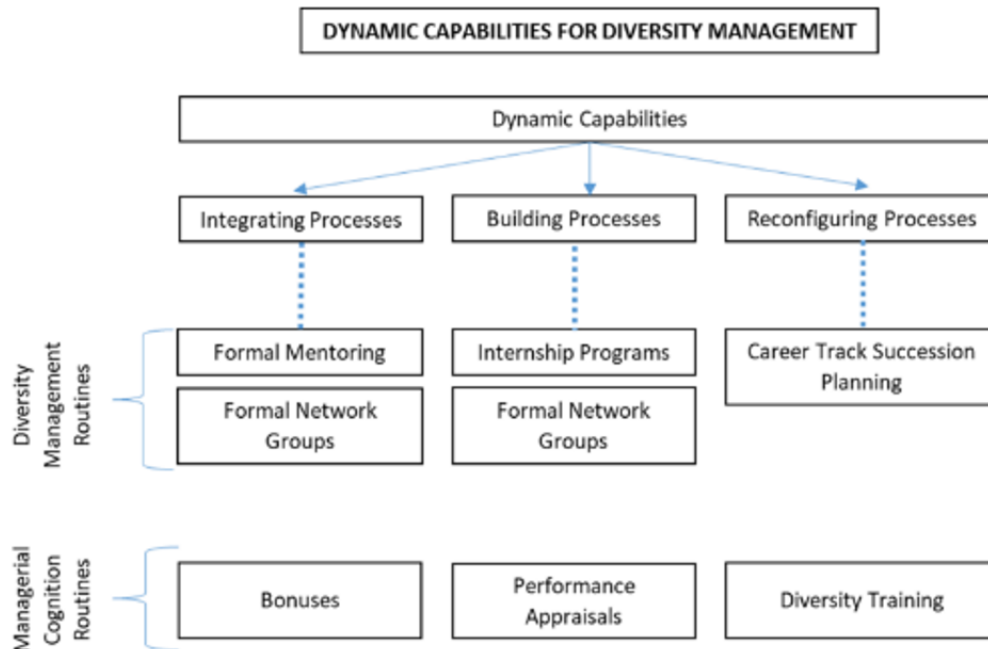


Figure 2. Application of Dynamic Capabilities Theory to Diversity Management.

The study underscored the significance of successful diversity management routines while highlighting impediments such as limited access to social networks and a lack of career counseling, which hinders a firm's ability to leverage the talent of racial minorities. To overcome such barriers, the authors suggested organizational routines like mentoring programs and formal business network groups, also known as employee resource groups (ERGs) or employee affinity groups. Among the study's findings were the indirect influences on firm performance and the mechanisms driving these effects, namely integration, building, and reconfiguration, as depicted in Figure 1 of the model elucidated in the paper. Specifically, mentoring programs and formal network groups facilitate minority integration at all decision-making levels, internship programs contribute to building an effective racially diverse workforce, and career track succession programs aid in workforce diversification by transferring and recombining minorities across organizational hierarchies (p. 610). The research conducted by Vlas et al. (2022) underscored the critical role of diversity routines in organizational performance, rooted in organizational values and culture. The authors address external pressures faced by organizations, such as those stemming from movements like #MeToo and #BlackLivesMatter, emphasizing the significant efforts being made to implement diversity practices.

## DISCUSSION

Research over the past decade indicates that the construction industry continues to face significant barriers in developing diverse leadership pipelines. Although organizations increasingly recognize the value of diversity, equity, and inclusion (DEI), succession planning systems often fail to adequately support women, racial and ethnic minorities, and other underrepresented groups. Four primary challenges emerge from literature.

### (1) Limited Access to Mentorship, Sponsorship, and Professional Networks

One of the most frequently cited barriers is the lack of access to mentors, sponsors, and professional networks that are critical for leadership development. Underrepresented employees often have fewer opportunities to build relationships with senior leaders who can provide career guidance, advocate for promotions, and facilitate leadership visibility. Research suggests that mentoring and sponsorship programs play a crucial role in preparing employees for succession pipelines, yet these programs remain inconsistently implemented across the construction industry (Agyekum et al., 2021; Choi et al., 2022). Without access to influential networks, talented individuals may experience slower career advancement and reduced participation in leadership development opportunities.



## (2) Organizational Culture, Bias, and Exclusion

Construction remains a traditionally male-dominated industry where implicit bias, stereotypes, and exclusionary workplace cultures continue to affect career progression. Studies examining women and minority professionals have identified discrimination, hostility, lack of inclusion, and limited representation in decision-making positions as persistent obstacles to advancement. These cultural barriers can discourage participation in leadership development initiatives and contribute to higher turnover rates among underrepresented employees (Heydari et al., 2024; Lekchiri & Kamm, 2020). An organizational culture that fails to foster psychological safety and belonging can undermine succession planning efforts by limiting the diversity of future leadership candidates.

## (3) Lack of Structured and Inclusive Succession Planning Systems

Another major challenge is the absence of standardized succession planning frameworks within many construction organizations. Research has shown inconsistencies in how firms identify, assess, and develop future leaders. In many cases, succession decisions rely heavily on informal relationships and subjective evaluations rather than transparent talent management processes (Yusuf et al., 2024; Loosemore & Malouf, 2021). These practices can unintentionally perpetuate existing demographic imbalances in leadership positions. Inclusive succession planning requires formal leadership competency models, DEI metrics, and objective talent assessment systems that intentionally identify and prepare diverse candidates for advancement.

## (4) Recruitment, Retention, and Leadership Pipeline Gaps

The construction industry continues to struggle with attracting and retaining diverse talent. Workforce shortages and an aging labor force have increased the need for broader recruitment strategies; however, underrepresented groups often encounter barriers at multiple career stages, from entry-level recruitment to executive leadership development. Research highlights challenges related to work-life balance, limited role models, inadequate career development pathways, and insufficient support systems (Vlas et al., 2022; Shikweni & Schurink, 2022). These factors contribute to attrition and reduce the number of qualified candidates available for future succession planning efforts. As a result, organizations frequently face a restricted leadership pipeline that does not reflect workforce diversity.

In summary, the literature suggests that successful succession planning for underrepresented groups requires more than workforce diversity initiatives alone. Construction organizations must establish formal talent development programs, expand mentoring and sponsorship opportunities, address systemic biases, and create measurable diversity goals within leadership pipelines. By addressing these four challenges, firms can strengthen leadership continuity, improve workforce sustainability, and support a more inclusive construction industry.

## CONCLUSION

This study illuminated the pressing need to confront the disparities faced by underrepresented groups in the construction industry and to seamlessly integrate diversity and inclusion into succession planning. One critical aspect of addressing these gaps is the incorporation of diversity indicators into succession planning. By tracking key metrics such as the representation of minority candidates in leadership pipelines and their advancement through organizational hierarchies, companies could assess the effectiveness of their diversity initiatives and ensure equitable pathways for underrepresented groups. The lack of studies addressing these challenges underscores the urgent necessity for further investigation and concerted efforts to foster inclusivity and equitable opportunities. By prioritizing diversity, integrating diversity indicators into succession planning, and empowering underrepresented groups, the construction industry could propel itself toward a future defined by innovation and sustained excellence while reaffirming its commitment to equity and progress.

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