

Human Capital SLED Solutions

A newsletter for State, Local and Education (SLED) agencies



Welcome to Our Third Issue!

Many of you are either settling into a new fiscal year or preparing to wrap one up, and we know workforce challenges remain top of mind during this planning cycle. In this issue, we share our perspective on how modernizing classification and compensation systems can help organizations stay competitive and support their teams. We have also included updates on services and resources from the MGT Human Capital team that might be helpful as you plan for the months ahead.



Outdated Pay Structures, Modern Workforce

Closing The Gap

Across the country, nearly half of state and local government employees are considering leaving their roles in the next three years, either through retirement or a career change, according to the [MissionSquare's 2025 survey](#). At the same time, many organizations are trying to recruit and retain talent in a competitive market with limited resources.

These challenges have prompted agencies to take a closer look at their classification and compensation systems. When job descriptions do not reflect the actual work being performed or pay structures lack flexibility to reward performance and support advancement, organizations struggle to remain competitive.





What's Driving the Challenge

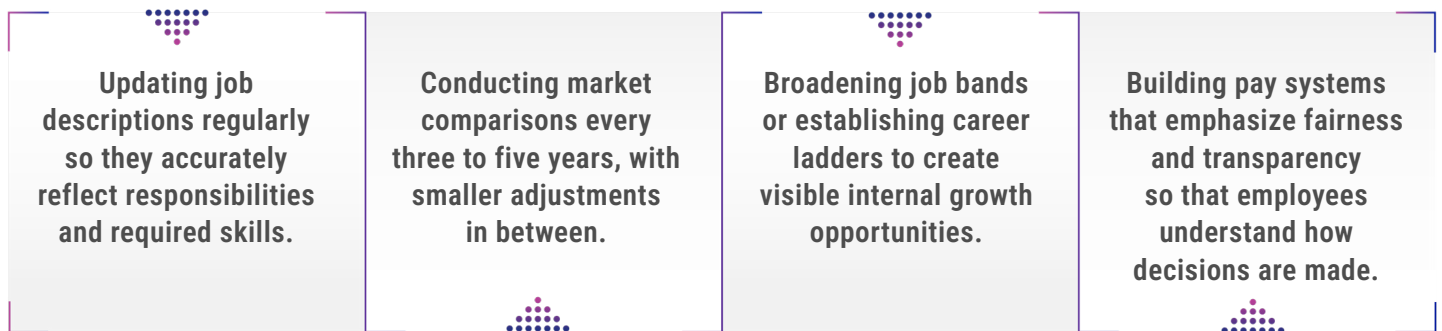
A few common issues show up again and again in the work we do with clients:

- ❖ **Outdated job descriptions** that lag behind real responsibilities, making it harder to set expectations and evaluate performance fairly.
- ❖ **Pay compression** when long-serving employees are earning the same or less than new hires.
- ❖ **Rigid structures** that make it difficult to adjust to evolving work or provide career growth opportunities.
- ❖ **Limited market alignment** with many agencies not reviewing their pay plans frequently enough to keep up with labor market shifts.

In [MissionSquare's 2025 survey](#), 77% of agencies reported difficulty filling skilled trade roles, 75% with engineering and public safety, and 72% with IT. Nearly 54% have conducted a compensation or classification study in the past two years, underscoring how many organizations are trying to respond to these workforce pressures.

What Modernization Looks Like

A thoughtful modernization effort can change this story. Strategies include:



For many organizations, the best way to achieve these results is through a comprehensive classification and compensation study. When done well, this process engages leaders, supervisors, and employees early so that the final recommendations are accurate, supported, and sustainable. A study provides a clear understanding of current roles and pay structures, identifies where adjustments are needed, and creates a roadmap that can guide decision-making for years to come.

The result is a stronger, more resilient organization built on pay systems that reflect current work and help attract, develop, and retain the workforce of the future.

If your classification and compensation system hasn't been reviewed in four or more years, or if you are experiencing challenges recruiting or retaining staff, now may be the right time to take a closer look.



CONTACT

Rachel Skaggs, Director of Human Capital and MGT's Classification and Compensation practice group leader, **for a free, no obligation consultation** at rskaggs@mgt.us.

By the Numbers

(From the 2025 State and Local Government Workforce Survey by MissionSquare Research Institute)



47%

of state and local governments now use temporary or contract employees



54%

have conducted a classification or compensation study within the past two years



61%

report having no succession planning elements in place



50%

of state and local government employees are considering leaving their jobs in the next three years



On Demand Webinars

Looking for practical ideas you can put to work right away? Our on demand webinars bring you proven approaches from MGT experts who partner with local governments across the country.

[Overworked & Understaffed?](#)

Discover practical staffing solutions for local government.

[Insights to Strengthen Your Temp Staffing Approach](#)

How to make interim and contract staffing more effective and strategic.

[Fix Turnover, Modernize Pay and Retain Talent](#)

Key steps for updating your classification and compensation systems to stay competitive.

Spotlight on MGT Solutions

In addition to our Human Capital services, MGT partners with local governments in many other ways. This edition we are highlighting:

[Managed Services \(Network, Cloud, Cybersecurity\)](#)

We provide 24/7 monitoring and support for your network infrastructure, cloud environment, and cybersecurity systems. Our managed services can help reduce IT costs by up to 30% while delivering continuous protection and reliable coverage.

[Technology Assessments & Infrastructure Audits](#)

We'll identify gaps in your technology systems, so you can confidently support modernization efforts like new HR or payroll platforms with a secure, reliable foundation.

MGT Leadership Lens

Our Human Capital team publishes research-based - papers that combine current workforce data, national trends, and practical strategies for local governments. These resources are designed to help leaders make informed decisions about how they recruit, retain, and develop their teams. These are our recent publications that can be downloaded at no cost:

[Future Proofing Public Sector Compensation](#)

A roadmap for modernizing job structures and pay systems using market data, career pathways, and transparent processes to attract and retain talent in a competitive environment.

[Retaining Employees in the Public Sector: Strategies for Success](#)

Evidence-based approaches to strengthen retention through wellness programs, professional development, and recognition, informed by MissionSquare survey data and public sector best practices.

Supervisor Leadership Training

Starts September 4th

Strong supervisors are the backbone of effective local government. That is why we created ***Leading the Future: Mastering Essential Skills for Public Sector Supervisors***, an eight week, 16 hour online program built specifically for new and experienced public sector supervisors and taught by experienced former local government executives.

Participants consistently tell us it is one of the most practical and useful trainings they have attended. Over this course, supervisors strengthen skills in communication, coaching, accountability, and team leadership, supported by a personalized CliftonStrengths assessment, which is included in the fee.

The next session begins September 4th, and the cost is \$799 per participant. Discounts are available for multiple attendees from the same organization.

[**Click here to register!**](#)

Space is limited, so early registration is encouraged.

What Participants are Saying:

- ❖ "This course included tangible tools that I could take away and use in day to day work."
- ❖ "The trainers brought real world government experience, making the sessions relatable and engaging."
- ❖ "The topics were exactly what I was looking for. It was easy to attend without travel time."



MGT

Contact Mary Jacobs at mjacobs@mgt.us for more information and discounts!