



The future of occupational pension services:

**More talents for the occupational pension sector!**

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## More talents for the occupational pension sector!

**The shortage of skilled workers also affects occupational pension plans. The solution lies in a realignment of talent management.**

### How do we make the occupational pension market more attractive for talents?

In view of demographic developments in Germany, the occupational pension sector will continue to gain in importance. To meet the growing demand for occupational pension solutions in the future, well-trained specialists will continue to be needed. But if expert forecasts are to be believed, the shortage of workers will worsen in the coming years due to the decline in the workforce [See ["It won't get much better – Germany's labor market at its peak,"](#) IW Short Report 71/2022, August 28, 2022].

The pension community seems to be particularly affected by these structural changes – for various reasons:

- The difficult succession search for pension admin experts suggests an unbalanced age structure in the community.
- The search for talent is exacerbated by the fact that it takes a long time to build up knowledge for new talent due to the particular specialization.
- In addition, the pension community has traditionally found it difficult to highlight the attractiveness of the pension labor market despite the bright outlook and to differentiate itself from other labor markets.

### Talent management can be realigned with a variety of measures

In this respect, it is not surprising that the management of pension talent is becoming increasingly important. This concerns both the retention of existing employees and the recruitment and qualification of new talent. In this context, talent management must pay particular attention to future-oriented qualification to be able to master the upcoming challenges (see "For a sustainable occupational pension scheme", English version on request; German version: "[Für eine nachhaltige betriebliche Altersversorgung](#)").

The good news is that there is definitely a variety of concrete actions that can be taken to improve the talent pool. These include:

- Offensive communication of the attractiveness of occupational pension schemes as a future-oriented and secure field of work with career prospects. Against the backdrop of demographic developments in Germany and the resulting decline in pension levels in the statutory pension insurance system, occupational pension schemes will become increasingly important.
- Increase the diversity of the occupational pension community to take advantage of the opportunities of a broader and more diverse talent pool and make the occupational pension sector more attractive for all talents. Initial successes in recent years should be used aggressively as a model for strengthening diversity.
- Long-term oriented employee planning including succession planning for key positions.

- Utilizing the potential of existing employees with flexible retirement and part-time models.
- Mobilization of former employees from retirement. They often have specialist and historical knowledge that is invaluable to employers.
- Modernization of employee qualification, geared to future challenges. Digitization and regulation are certainly the most important drivers here for rethinking and adapting training and development concepts.
- Redesigning induction concepts to accommodate lateral hires and thus a broader talent pool, and to facilitate entry with tailored training concepts.
- Increasing the attractiveness of the workplace – with appropriate workplace concepts, working time models, benefits and other targeted employer services.
- Spatial and temporal flexibilization of work increases the talent pool and thus the opportunities to attract new talent. The occupational pension sector in particular, with its highly specialized expertise, offers a clear competitive advantage over other industries in this respect.
- Further specialization, new tailoring of job profiles and thus opening up new opportunities for talent acquisition. Digitalization creates new opportunities to effectively address talent from sourcing to recruiting.

### **Now it's time to act**

The occupational pension system and its organization are complex. Demographics and the associated shortage of skilled workers will be increasingly visible in the market over the next few years. Therefore, a timely review of the entire pension organization is necessary in order to adapt to these changes with appropriate measures. Talent management is of particular importance in this context.

The occupational pension sector as a whole must be increasingly perceived as an attractive, future-oriented working environment, also by young talents, in order to be able to survive in the competition for talent on the labor market. Well thought-out talent management is a decisive factor and an opportunity to align the occupational pension sector with the challenges of the future.

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