How the Great Resignation is challenging growth for SMEs in Asia Pacific & Japan

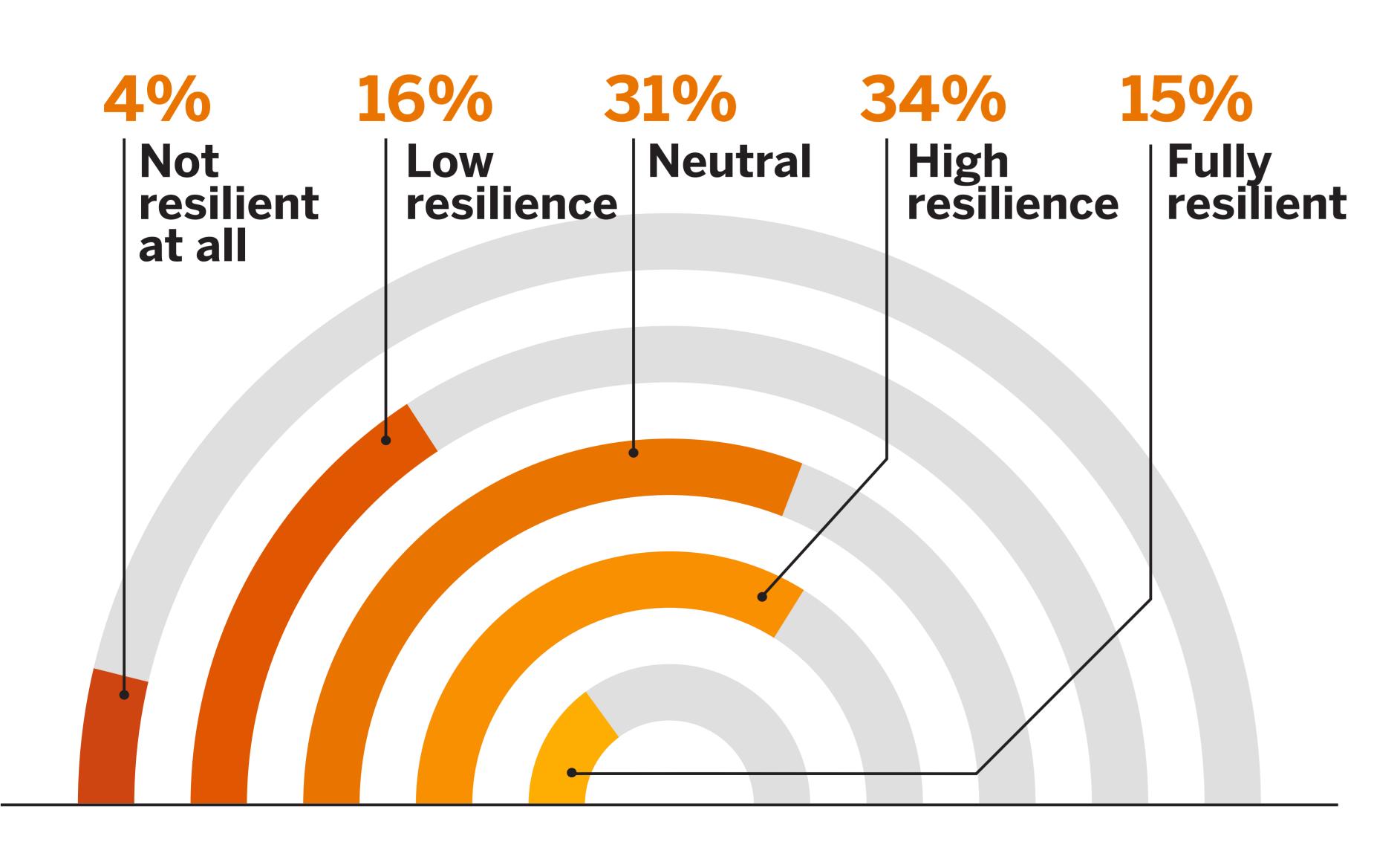
Having weathered the pandemic's impact, SMEs have found their footing and 2022 marks an opportune moment where, fuelled by their recent digital progress, they aim to shift from recovery to long-term growth. Yet, challenges remain.

SAP polled 1,363 small and medium business leaders across Asia Pacific and Japan (APJ) to uncover insights into how the region's SMEs are juggling key global challenges and opportunities almost two years after the onset of the COVID-19 pandemic.

Encouraged by organisational resilience, optimism abounds for growth

Almost half of SMEs in APJ say they are highly or fully resilient.

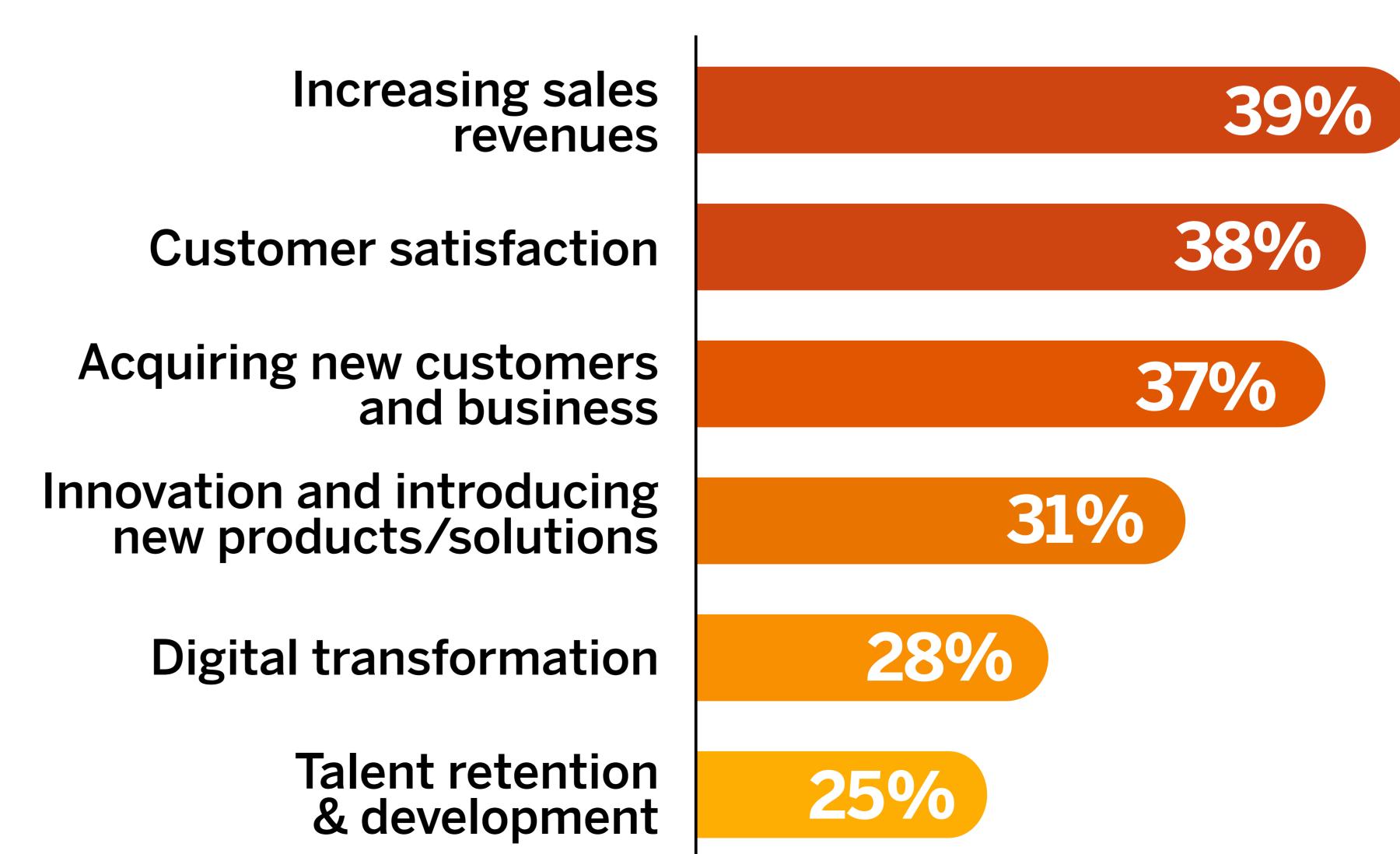
How well do you rate your organisation's current state in weathering the pandemic's impact?



APJ SMEs have clear strategic priorities to pursue growth

Besides engaging customers and creating innovative products, 1 in 4 SMEs indicated digital transformation and talent retention/development as a key strategic priority in the next 12 months.

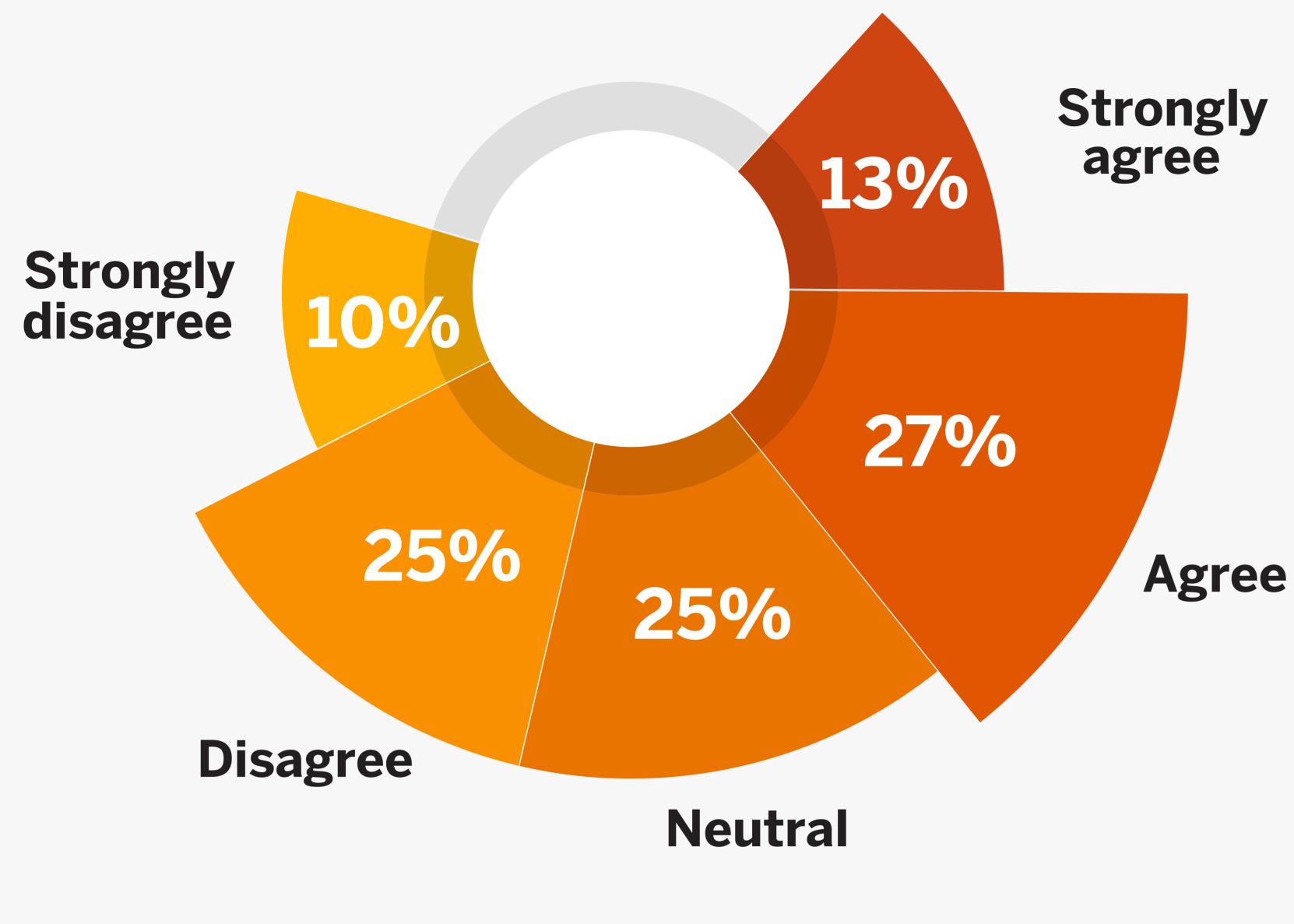
Key organisational priorities:



The 'Great Resignation' is challenging APJ SMEs' ambitions

The Great Resignation is real for SMEs across Asia Pacific and Japan.

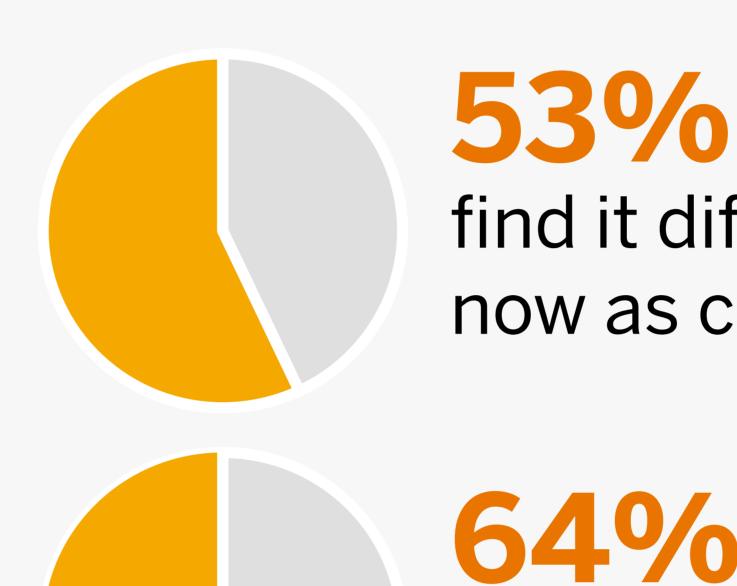
Are more employees resigning now compared to 12 months ago?



of APJ SMEs say more staff are resigning now compared to a year ago.

What is the Great Resignation?

First coined in 2021 in the United States, the Great Resignation refers to an ongoing global workforce trend where millions of employees, from frontline workers to executives, are voluntarily leaving their jobs.



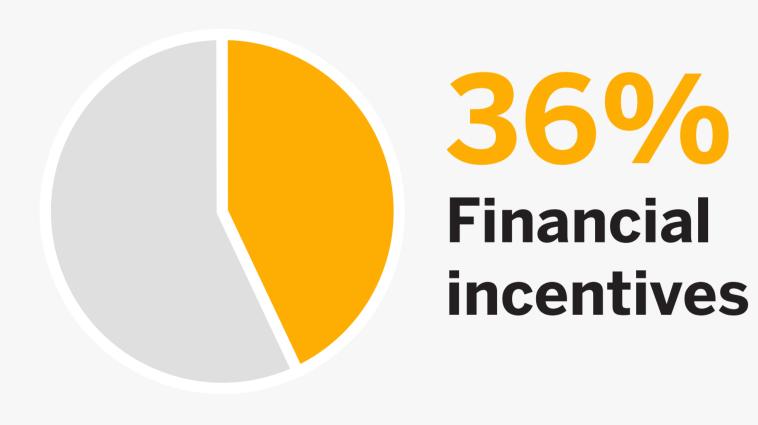
find it difficult to hire/find replacements

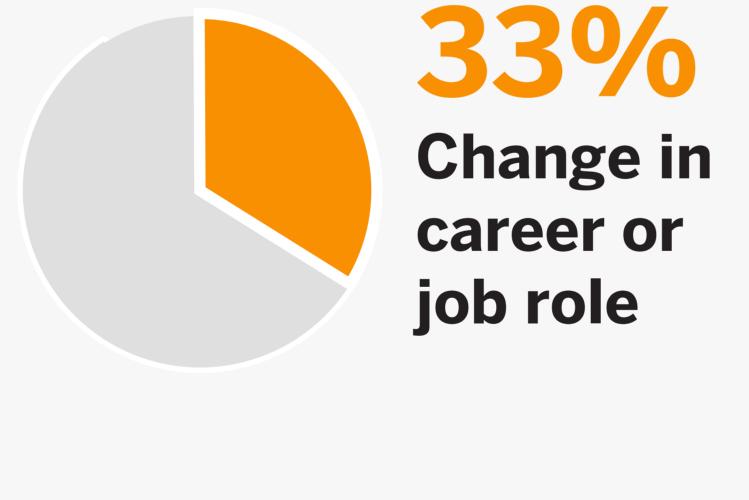
now as compared to 12 months.

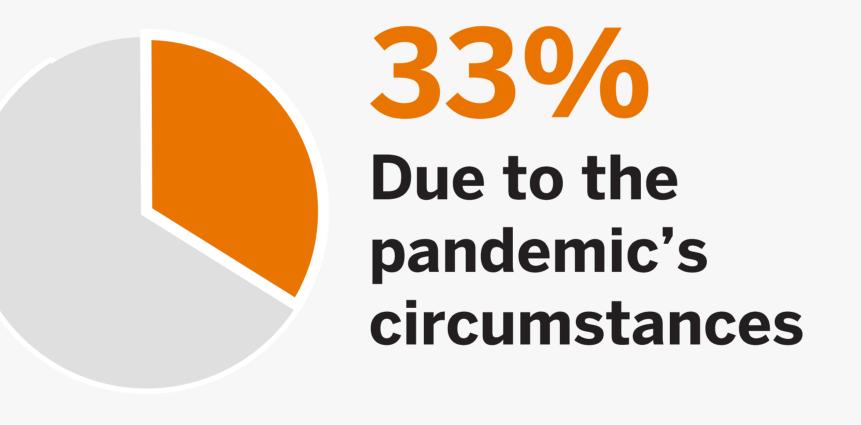
64% of SMEs say they aren't finding it easy to deal with the Great Resignation.

Many employees are leaving in search of better pay or opportunities, but also for a greater sense of purpose and realigned job priorities.

Why are employees leaving their roles at SMEs in APJ?





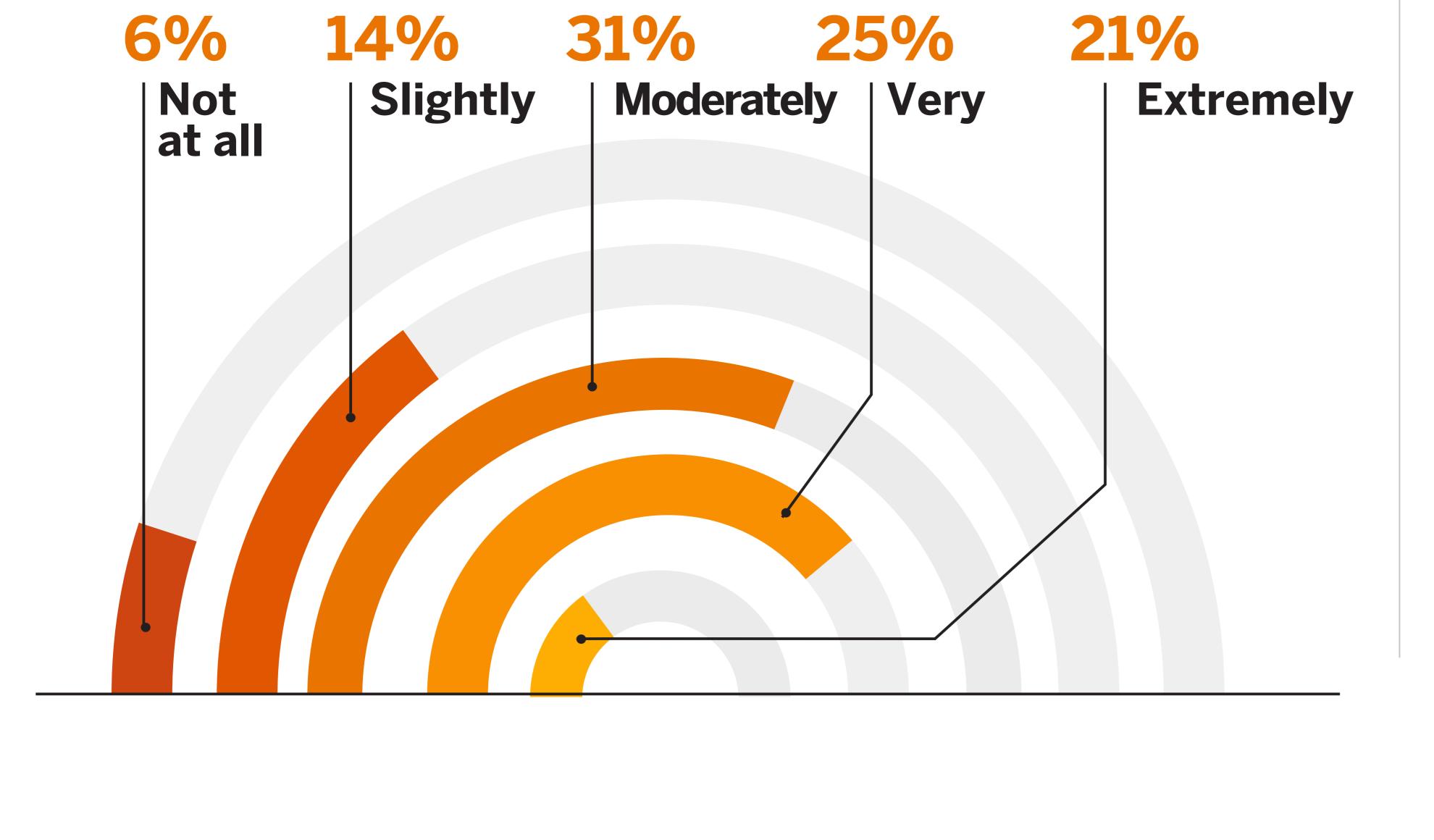


29% To pursue more personally fulfilling work

The Great Resignation is hampering SME digital transformation and future success...

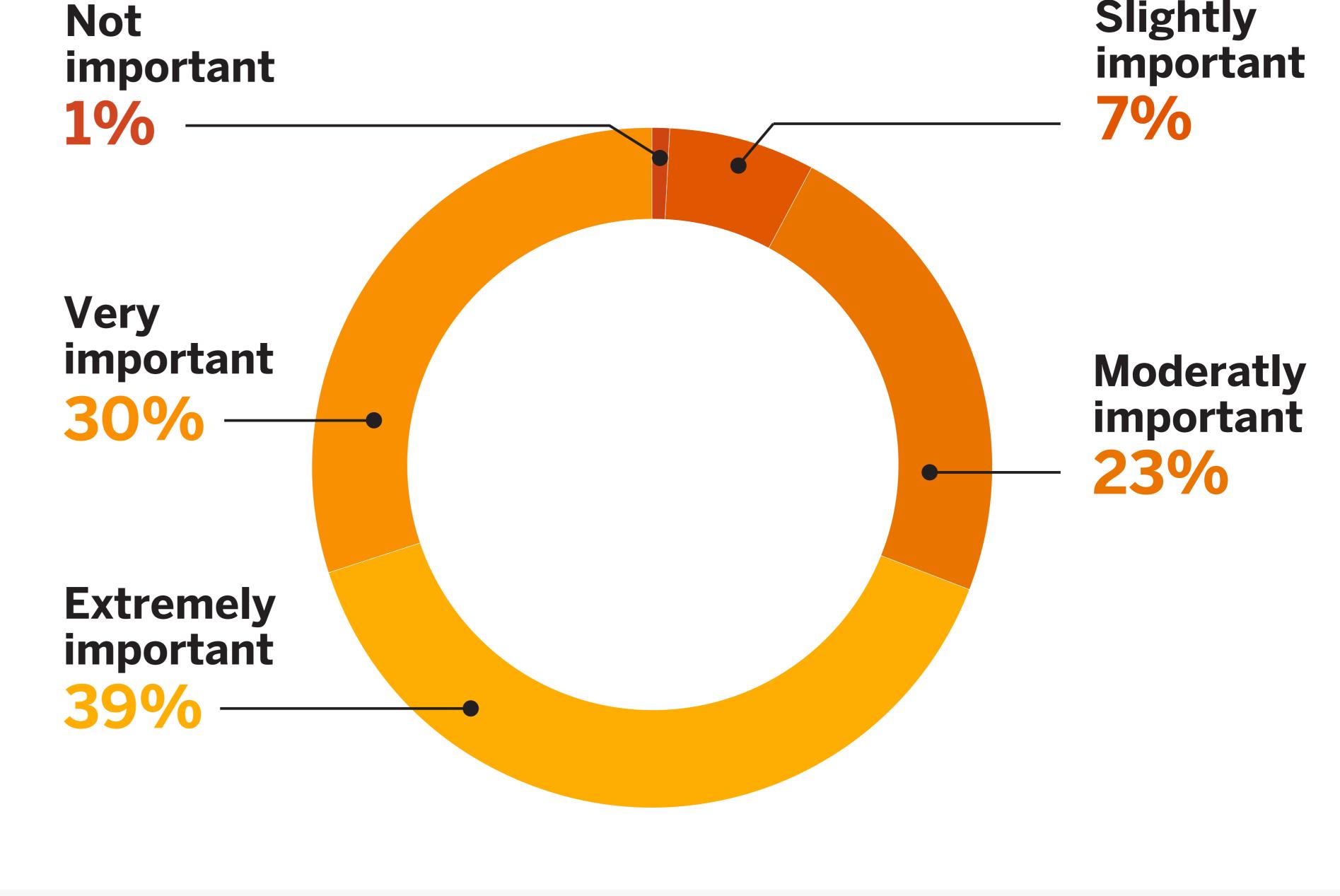
94% of APJ SMEs say the impact of workforce volatility is making it difficult to keep up with their innovation and digital transformation plans. How much has workforce volatility affected

digital transformation?



This is important because digital transformation is seen as critical to organisational survival in the next 12 months. How important is digital transformation to

SMEs' survial in the next 12 months?



SMEs are banking on talent and digital training to mitigate the Great Resignation More financial benefits, flexible working SME leaders also intend to focus on digital training

arrangements, upskilling opportunities are key strategies to talent retention. Strategies to boost talent retention in the next

12 months.

Improving financial incentives 43% Provide flexibility in 43% work arrangements Provide upskilling 40% opportunities Provide better career 36% advancement/pathways Create/improve 34% understanding of employee value proposition 29% Allow remote working

and development in the next 12 months.

80% agree digital training and development is a

long-term investment priority. 72%

agree they will focus on digital training and development in the next 12 months.

65% say they have

linked their digital transformation strategy to their employee value proposition.

While APJ SMEs are aware of the importance of tackling the talent crunch for digital transformation success, many also recognise they can't do it on their own, and many are looking to trusted partners for help. About half have thought about hiring an external service provider, yet most don't know where to start.

66%

believe an external service provider or partner who can assist their digital transformation are an absolute must for their business' future growth.

https://www.sap.com/sea/products/rise.html

have considered hiring a partner

but don't know where to start.



Find out more information on how you can transform your organisation with our digital transformation as a service solution, RISE with SAP

decision-maker or influencer in strategic organisational decisions and technology implementations.