



# Monthly Sectoral Review of the Kingdom of Saudi Arabia

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# HUMAN CAPITAL INNOVATION

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In December 2025, Human Capital Innovation became a key focus in Saudi Arabia as the country continued to develop a more competent, future-ready workforce. At the same time, the Ministry of Human Resources announced substantial progress in digital government performance, showing how innovation in human capital is becoming a major driver of productivity, competitiveness, and sustainable growth in Saudi Arabia.

## Major Workforce & Regulatory Updates



### Continued implementation of Saudization in professional roles

The Ministry of Human Resources and Social Development continued to enforce localisation requirements for accounting and finance professions as part of a multi-year national workforce strategy.



### Strengthened labour compliance and penalties

Updated labour regulations introduced stricter penalties for non-compliance, reinforcing employer accountability and improving labour governance across the private sector.



## Expansion of wage protection and digital system

Preparations continued for mandatory electronic salary payments for domestic workers starting January 2026, supporting wage transparency and digital labour management.



## Saudi Government HR Digital Achievements

Ministry of Human Resources & Social Development (HRSD) The Ministry of Human Resources & Social Development achieved first place in the Digital Transformation Measurement Index at the Digital Government Forum 2025, reflecting the Kingdom's progress in digital HR systems, digital services, and workforce transformation. This shows a government-level commitment to human capital innovation through digital governance and improved digital HR functions, which impact workforce services and operations.



## “Date With Tech Saudi Arabia 2025” Event (8-9 Dec, Riyadh)

A tech-focused festival (including HR tech innovation themes) aligning with Vision 2030, serving as a platform for business leaders, HR professionals, and innovators to explore how technology and digital transformation empower people and organisations. Although broader than HR alone, this event connects technology innovation with workforce development strategies, reinforcing human capital adaptation to digital trends.

## Human Capital Tech Market Growth & HR Tech Saudi Summit Insights:

Saudi HR technology market is expected to increase from USD 576.8 million in 2024 to over USD 1 billion by 2031.

## Summary (At-a-Glance)

December 2025 reflected continued progress in Saudi Arabia's human capital agenda. Localisation of skilled roles, stronger compliance mechanisms, and digital workforce systems marked key advances.

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