

procapita
GROUP

Kuwait

HR Trends & Practices

Annual Report
2025-2026

Public Edition



CEO's Message



Mohammad Abu Al-Rob

CEO – Procapita Group

Founder – Zenithr

Our Valued Partners,

It is with great appreciation that I thank our clients and partners in Kuwait for their ongoing trust and confidence in Procapita Group. We view this trust as a responsibility, one that drives the development of insights aligned with the workforce realities and priorities shaping the market of Kuwait.

This report draws on insights from over 3,000 organizations in the GCC and 100+ entrepreneurs in Kuwait, offering a focused view of the forces shaping the workforce in Kuwait, from talent mobility and employee experience to rewards, HR financial metrics, BOD remuneration & ESG practices, and business environment for entrepreneurship.

Supported by Zenithr, our digital arm specialized in AI-powered innovative HR solutions, and our partnership with Thomas International, we continue to equip organizations in Kuwait with advanced tools that strengthen talent decisions and workforce resilience.

Grounded in evidence-based research and robust market intelligence, this report aims not only to highlight trends, but to contextualize them, helping businesses and HR leaders understand their impact on people, strategy, and long-term competitiveness.

Thank you for being part of this journey. We look forward to continuing our partnership as we shape a more resilient and sustainable future of work in Kuwait.

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Research Methodology

1 Research Approach

Procapita's research center collected and analyzed data through a structured and scientifically grounded approach, ensuring consistency and reliability across all data points.

2 Listing Status of Data Points

Listed Organizations
34.3%



Unlisted Organizations
65.7%

3 Longitudinal Analysis

The report consolidates data trends from 2020 to 2025, providing a comprehensive view of market evolution and allowing for the identification of long-term shifts in HR practices.

4 Validation & Benchmarking

All findings were cross-referenced with global benchmarks and international standards to ensure accuracy, relevance, and comparability with global best practices.

Industries Covered



Financial Services



Education



Insurance



Manufacturing & Industrial



Retail & Consumer Goods



Real Estate



Consulting



Construction



F&B



Telecom & Technology



Healthcare



Oil, Gas & Energy



Tourism & Hospitality



01

Talent Mobility

This section reflects the recruitment and manpower planning trends practiced by organizations in Kuwait market.

Sources:

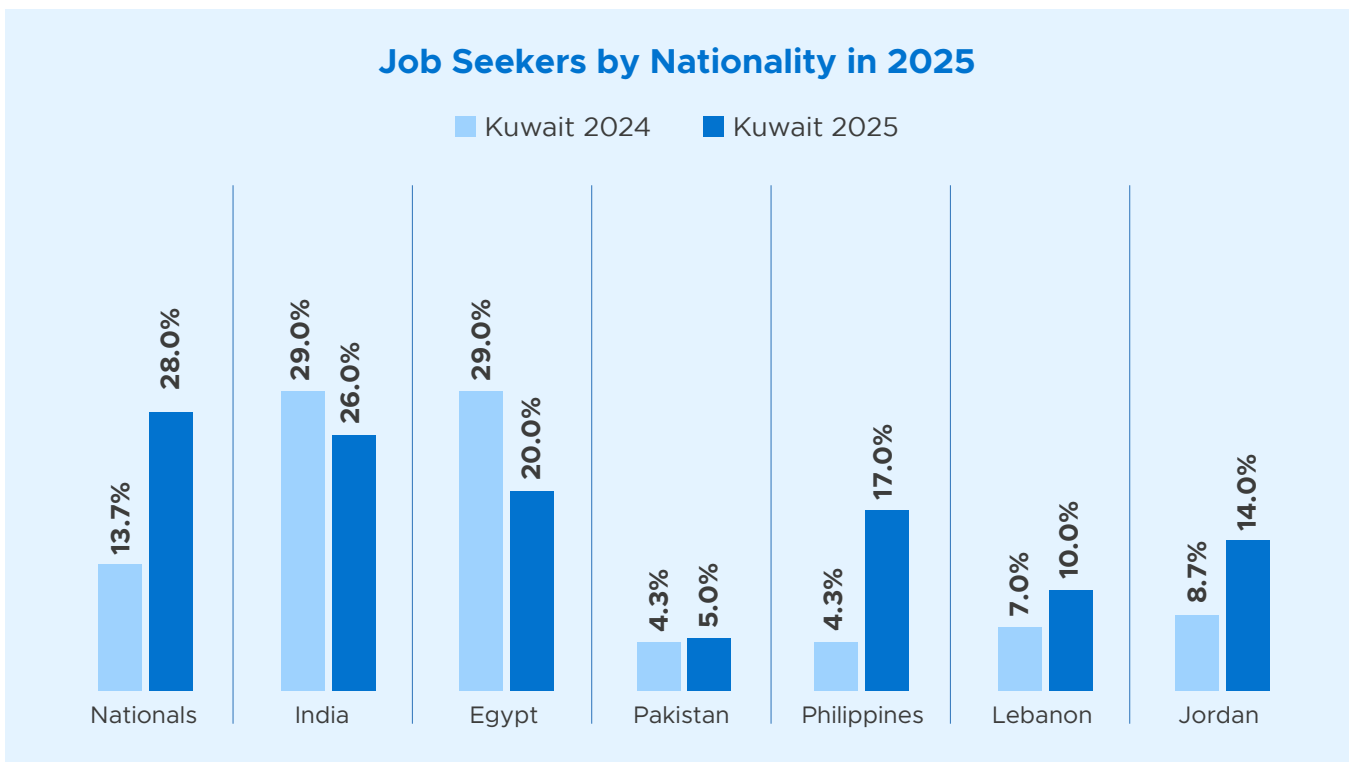
Procapita Research Center, Procapita HR advisory, Procapita Talent advisory, Procapita Annual and Talent Survey.

<https://pro-capita.com/>

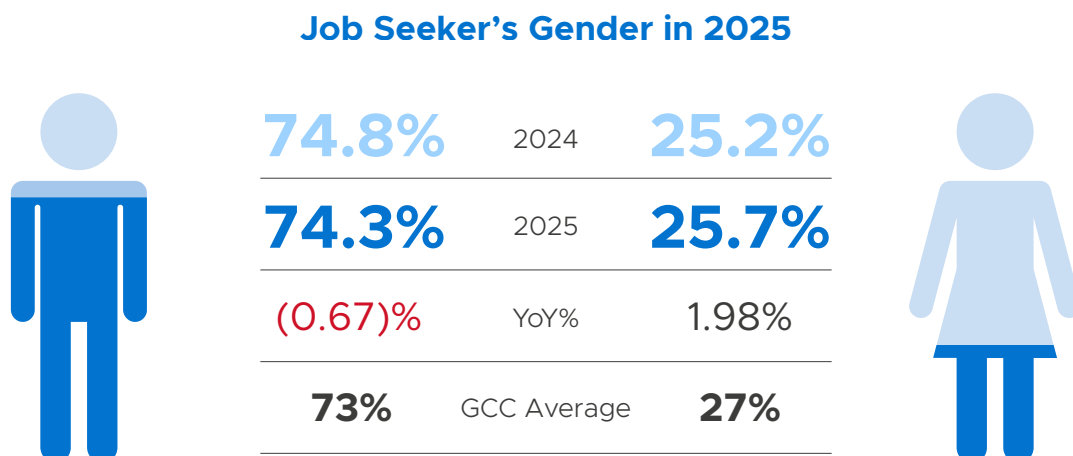
ⓘ Disclaimer: Percentages may exceed 100% as multiple options can apply simultaneously

Demographic Segmentation

Kuwaiti nationals accounted for the largest share of job seekers in 2025 at 28%, driven by a rising number of new graduates entering the labor market. Job seekers from India, Egypt, and Pakistan declined due to stricter work visa processes, while Filipino job seekers increased with deployment reopening. Lebanese job seekers showed internal mobility, and Jordanian job seekers maintained steady activity supported by relatively smoother visa processing.

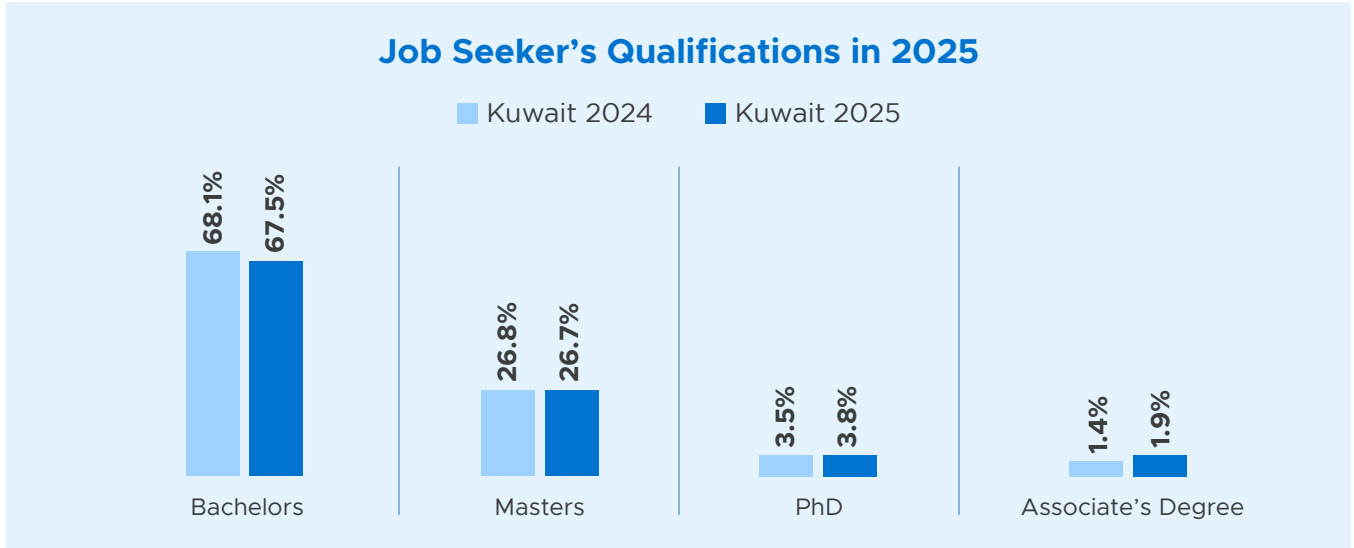


Female job seekers account for 25.7% of the total job-seeking population in Kuwait as of 2025, placing the country 5th across the GCC.



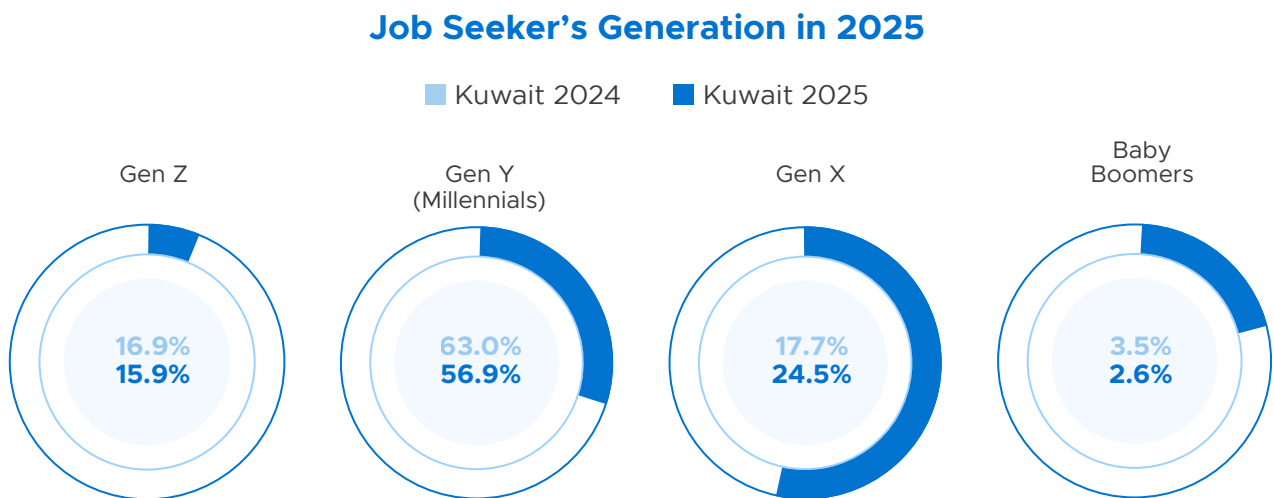
Demographic Segmentation

The educational profile of job seekers in Kuwait in 2025 remained highly qualified, with bachelor's and master's degree holders comprising 67.5% and 26.7% respectively, despite a slight decline from 2024. Meanwhile, the share of PhD holders rose from 3.5% to 3.8%, signaling a gradual shift toward greater academic specialization and research driven roles.



 Organizations should invest in development programs to align rising local talent with evolving needs.

Gen Y comprised 56.9% of job seekers within Kuwait for 2025, followed by **Gen X** at 24.5%, exceeding the combined share of **Gen Z** and **Baby Boomers**. This pattern reflects a labor market driven by mid-career professionals pursuing advancement or career changes rather than entry-level positions.



Note: The generational breakdown in this section is as follows– Baby Boomers (1946–1964), Gen X (1965–1980), Millennials/Gen Y (1981–1996), and Gen Z (1997–2012) based on their corresponding years of experience in 2025.

Industries in Demand

In 2025, several sectors in Kuwait recorded notable growth in hiring demand. The technology sector led this trend, with recruitment focused on advanced technical talent from Jordan, Egypt, and India, in addition to select European nationalities for specialized roles such as data analytics and cybersecurity.

The e-commerce sector also saw strong growth in demand for talent from Jordan, Lebanon, and Egypt across operations, customer service, and digital marketing roles, supported by the expansion of digital activities and changing consumer behavior.

In the energy and petrochemicals sector, Kuwaiti nationals were prominent in engineering and supervisory roles, alongside expatriate talent from India and Egypt in specialized technical positions. The food and beverage sector and the logistics sector relied primarily on Indian and Filipino labor for operational roles.

Meanwhile, the healthcare sector continued to attract specialized talent from Egypt, India, and the Philippines. At the same time, the employment of Kuwaiti nationals remains more concentrated in the public sector, as well as in oil and gas and financial services.

Looking ahead, hiring demand is expected to continue improving in 2026, particularly in technology, e-commerce, energy, and healthcare, reflecting an ongoing shift toward more specialized and skills-intensive roles.

Recruitment Trends by Industries and Nationalities in 2025

Energy & Petrochemicals	Kuwait	India	Egypt	
Information Technology	Jordan	Egypt	India	Europe
E-commerce	Jordan	Lebanon	Egypt	
Healthcare	Egypt	India	Philippines	
F&B	Philippines	India		
Logistics & Freight Forwarding	Philippines	Pakistan	India	
Public Sector & Financial Services	Kuwait			

Industries Expected to be High in Demand in 2026

Technology and Ecommerce
Healthcare
Oil, Gas and Energy
Trading and Manufacturing
F&B

Trending Jobs in The Market

Labour market indicators for Kuwait in 2025 indicate that demand is primarily concentrated in **data science and artificial intelligence, information technology and software development, and cybersecurity**, reflecting the pace of digital transformation. Rising demand for **UI/UX design and digital marketing** further underscores the shift toward digital platforms and e-commerce. At the same time, sustained demand for **financial analysts and healthcare professionals** points to the continued importance of core economic and essential service roles within the labour market.

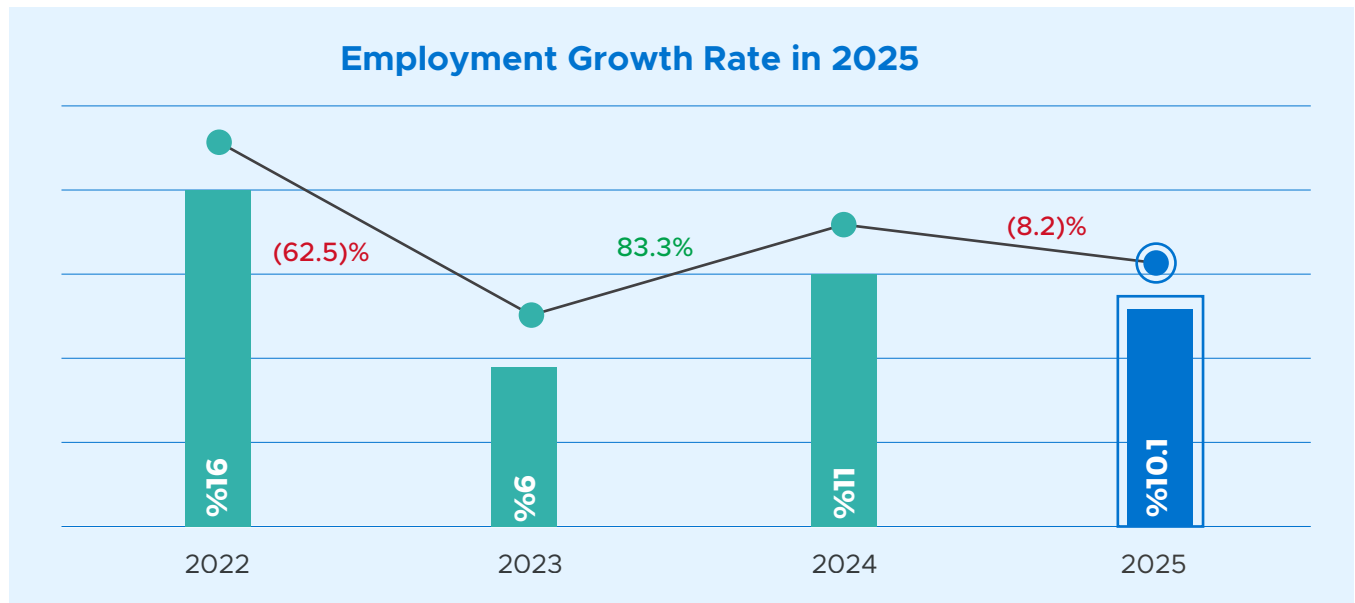
Recruitment Trends by Jobs in 2025



The 2025 hiring trends in Kuwait reflect its focus on technological advancement in alignment with its 2030 vision.

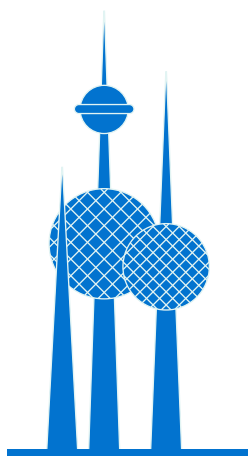
Organizational Employee Growth

Employment growth rate in Kuwait declined from 11% in 2024 to 10.1% in 2025, placing the country last among GCC markets. The reduction reflects stricter nationalization policies, and lower overseas recruitment, all of which are constraining workforce expansion across organizations.



— YoY%

Expected Employment Growth Rate in 2026



Kuwait

9.2%

GCC Forecast

24.0%

Kuwait ranked last among GCC countries in terms of expected employment growth rates for 2026 in the private sector.

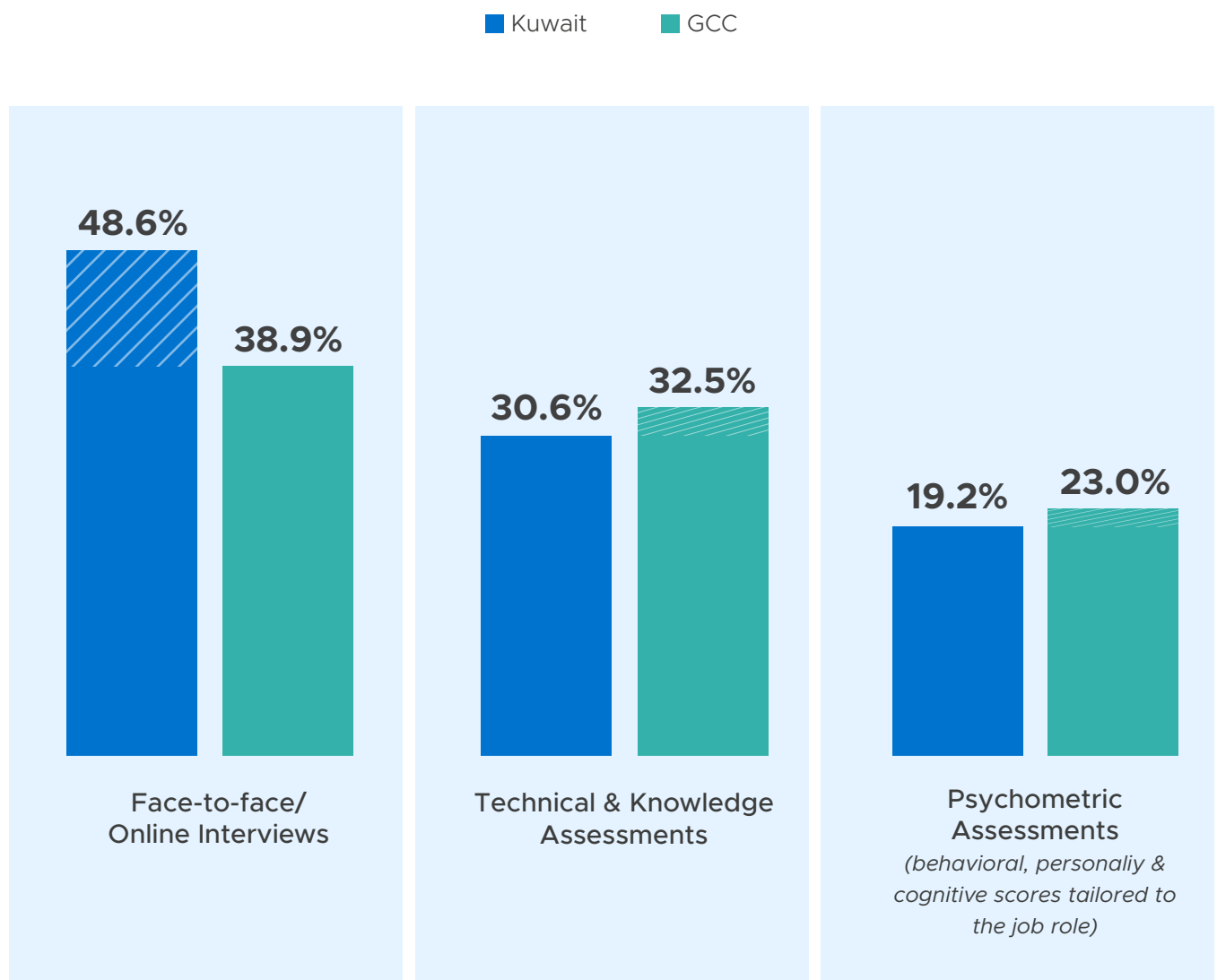
To find out more on organizational growth in Kuwait for your industry visit [Procapita Hub](#) — your all-in-one platform for HR metrics per country per industry.



Recruitment Methods

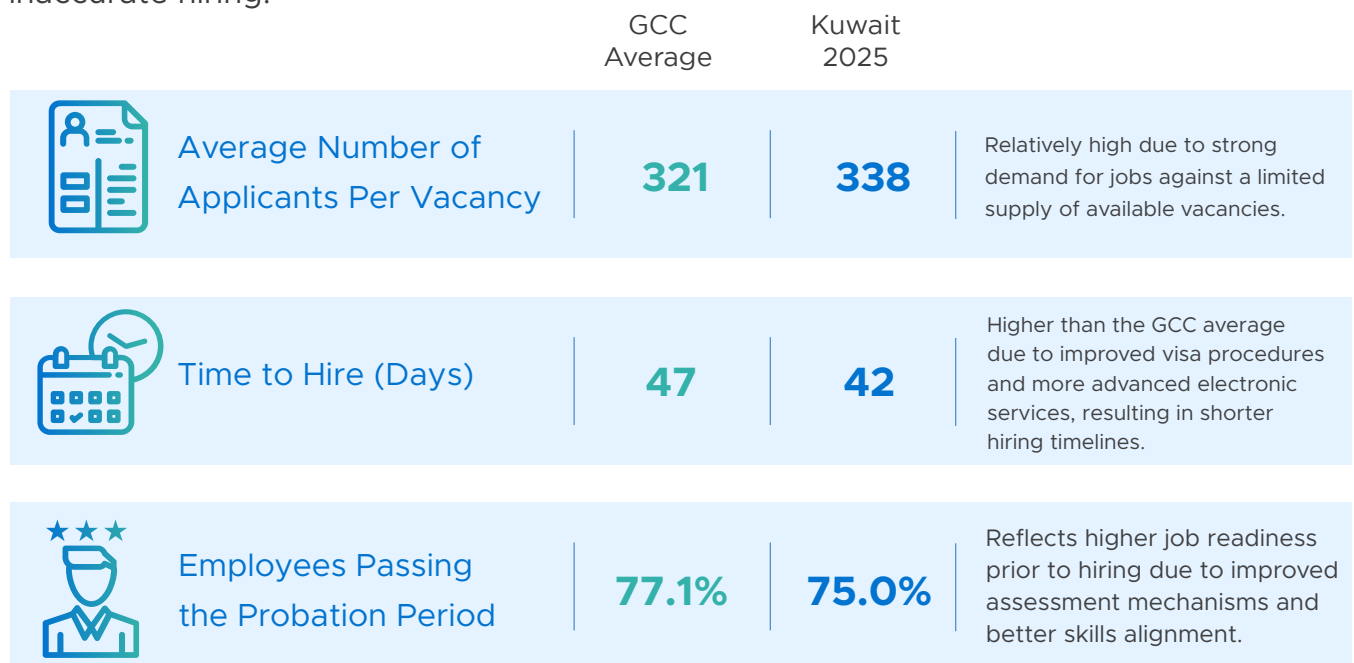
In 2025, organizations in Kuwait ranked 4th in the adoption of advanced recruitment methods, particularly psychometric and technical assessments. These practices have improved hiring precision, reinforced cultural alignment, and contributed to nationalization efforts by enabling more targeted selection of qualified national talent.

Primary Recruitment Methods in 2025

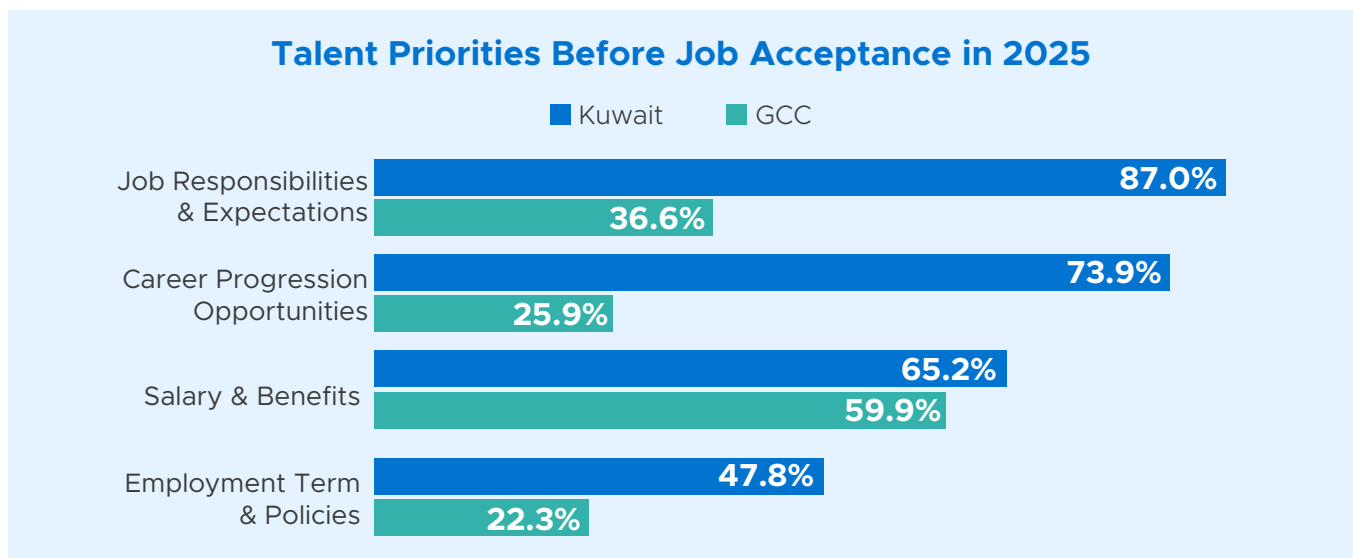


Recruitment Process Insights

Recruitment efficiency indicators showed an improvement in the quality of selection processes, as the average number of applicants for each vacant position rose from 240 in previous years to 338 in 2025, reflecting the intensity of competition for job opportunities. At the same time, time to hire decreased from 62 days to 42 days during 2025, which is among the lowest rates at the level of GCC countries, reflecting the development of data systems and analytics. Organizations that have adopted modern assessment systems and behavioral competencies for candidates achieved an improvement in hiring efficiency of 35% in terms of test quality and higher pass rates after the probation period, which enhances workforce stability and reduces the risks of inaccurate hiring.



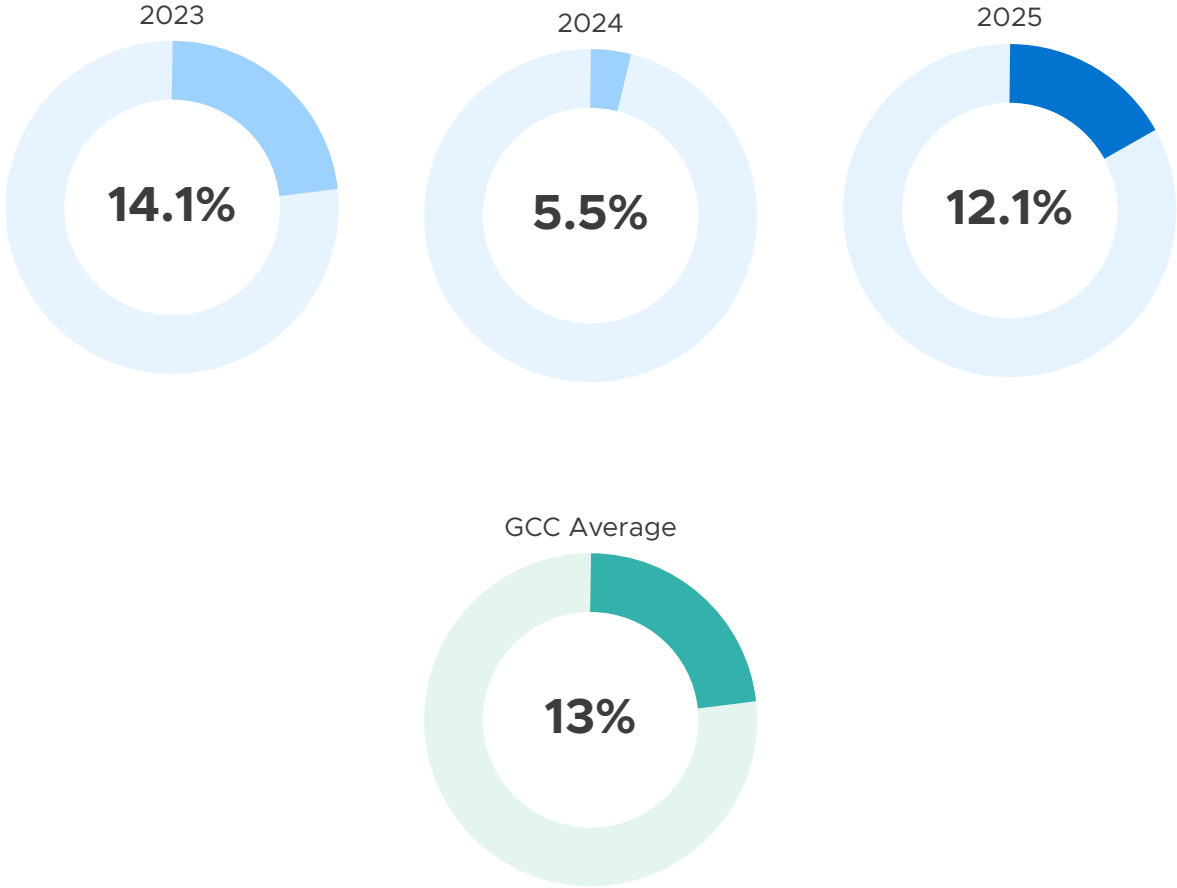
87% of job seekers in Kuwait prioritized job responsibilities and expectations during 2025, compared with 65.2% who prioritized salary and benefits. Attracting talent, therefore, depends less on compensation packages and more on role design, clarity of expectations, and purpose-driven work.



Turnover Rates

Employee turnover in Kuwait increased from 5.5% in 2024 to 12.1% in 2025, ranking fifth across the GCC. The rise was primarily driven by involuntary exits, notably the end of expatriate contracts.

Employee Turnover Rate

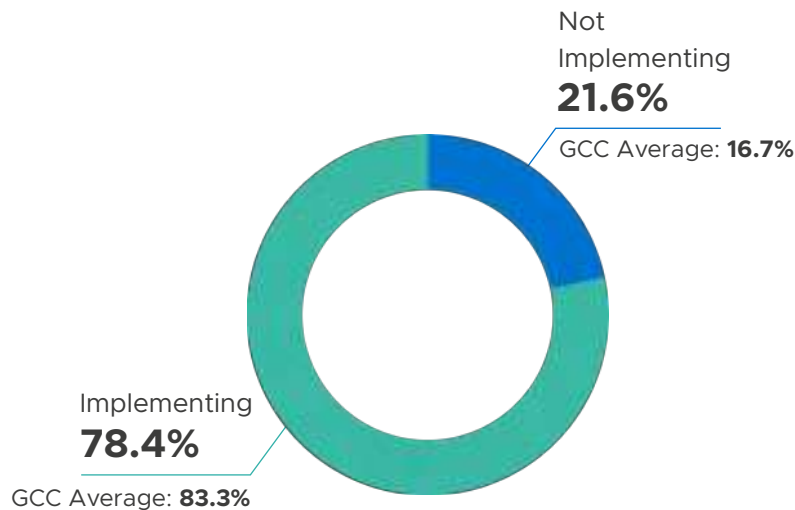


Gain deeper insights into mobility patterns and relocation preferences per country per industry through **Procapita Hub**

Retention Strategies

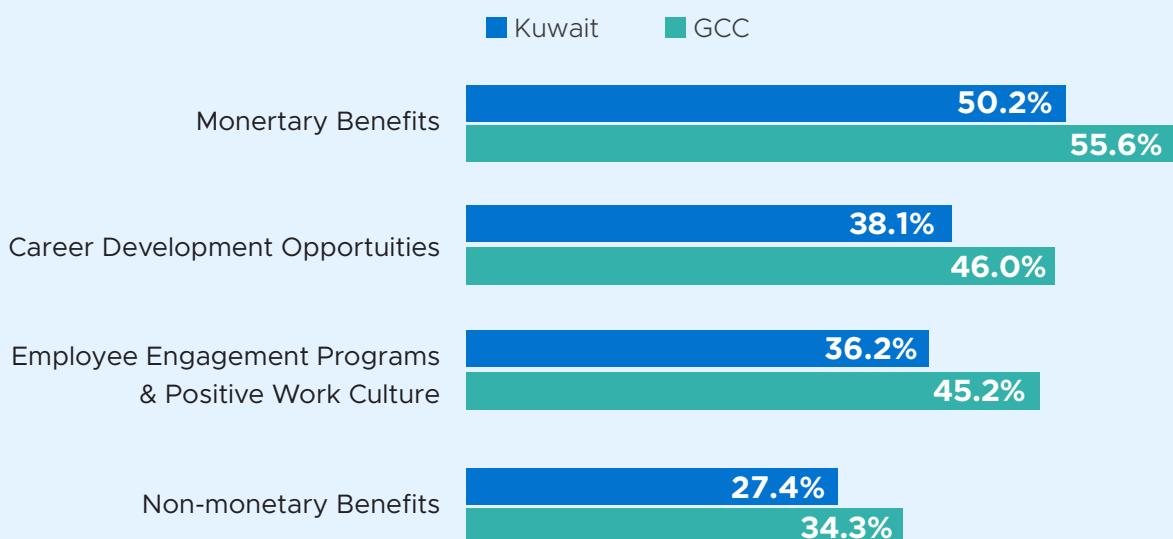
78.4% of organizations in Kuwait are implementing retention strategies in 2025, indicating a broad focus on reducing turnover and maintaining workforce stability.

Retention Strategies Implementation Percentages in 2025



Organizations in Kuwait placed greatest emphasis on monetary rewards as the primary lever for talent retention, with 50.2% identifying monetary benefits as the most effective strategy, followed by career growth opportunities at 38.1%. Non-monetary benefits trailed, indicating that employees attached more weight to compensation and clear advancement prospects than to workplace atmosphere alone.

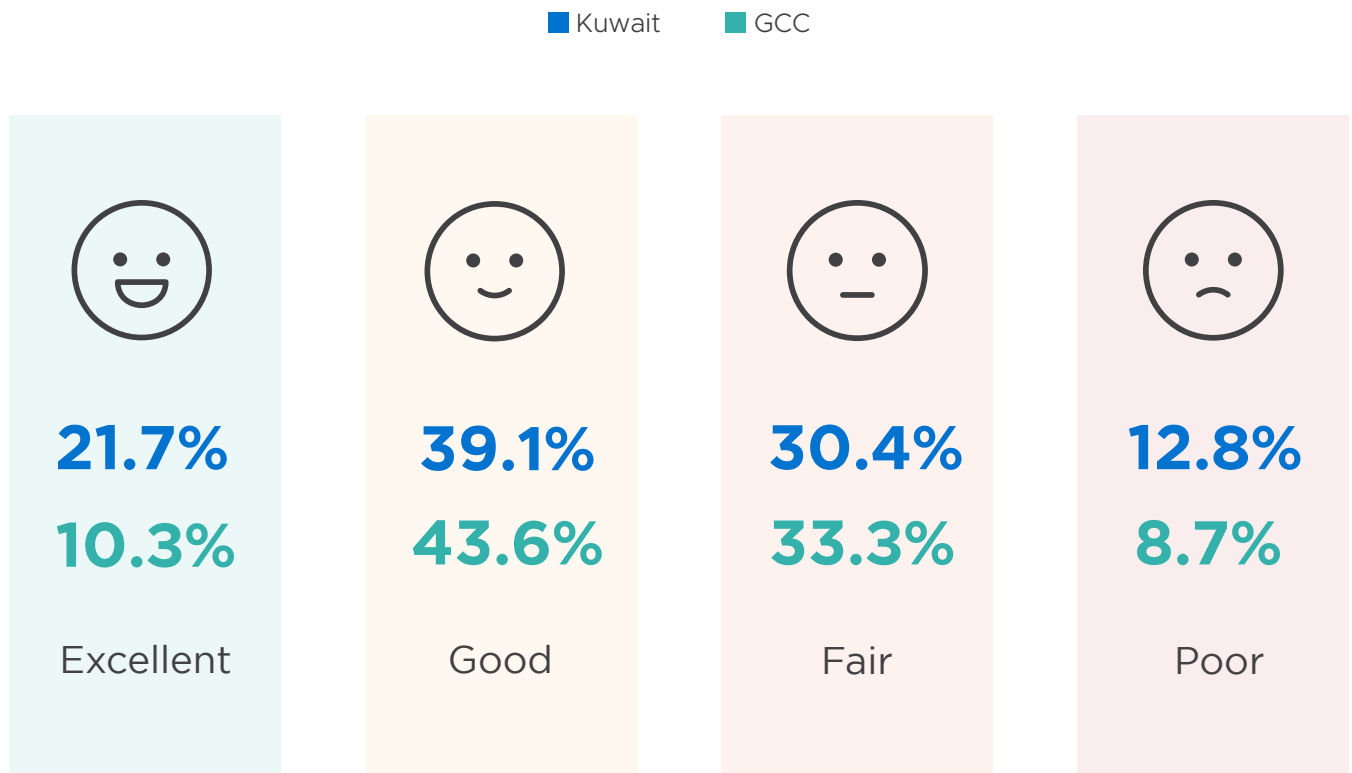
Types of Retention Strategies Implemented in 2025



Work-Life Balance

According to the Procapita Talent Survey 2025, talent in Kuwait reported a generally positive work-life balance, with 21.7% rating it as excellent and a further 39.1% as good. While overall satisfaction remains strong, the findings suggest that employers can further enhance engagement by expanding flexible work arrangements, managing workloads more sustainably, and strengthening holistic well-being initiatives.

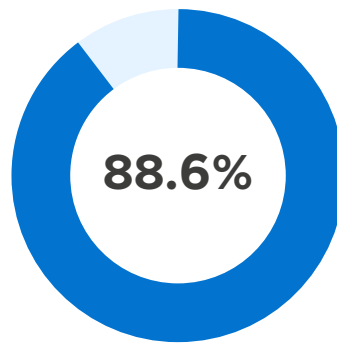
Talent work-life balance in 2025



Workforce Skill Gaps

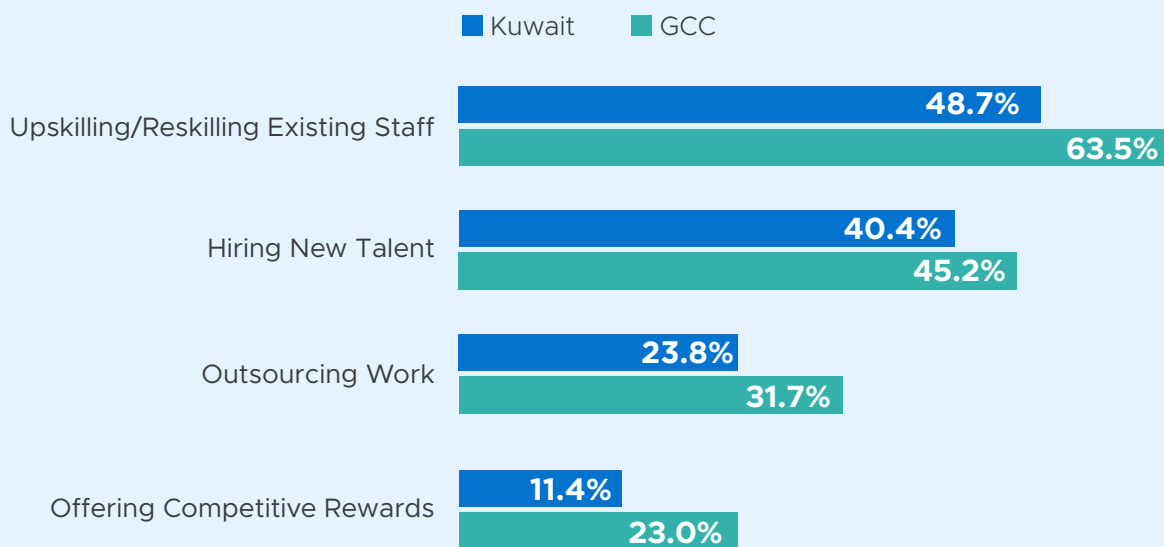
88.6% of organizations faced challenges finding candidates with the right skills in Kuwait during 2025, revealing a mismatch between employer requirements and capabilities of job seekers and the need to focus on further development of local talent in accordance with organizational needs.

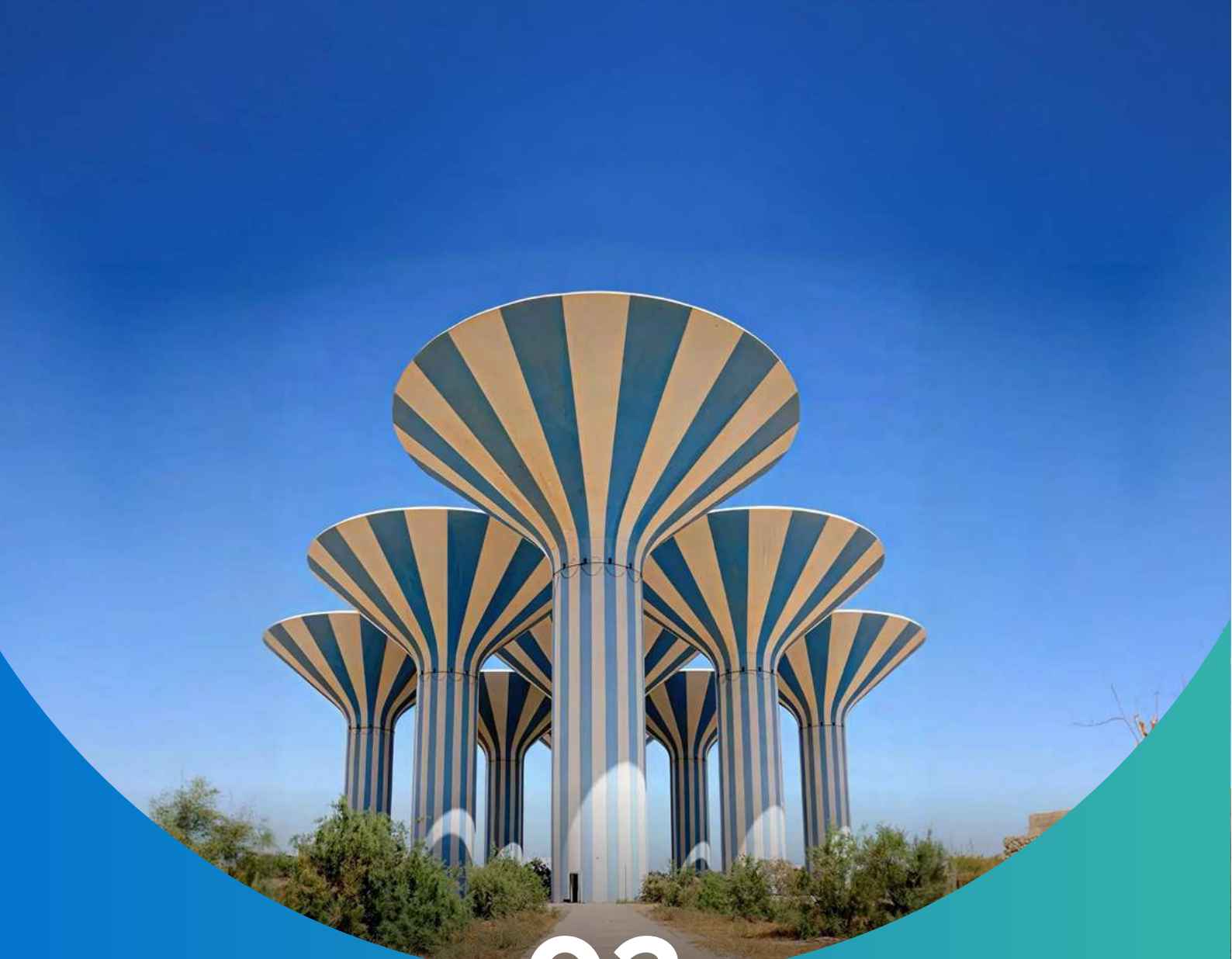
Organizations Facing Skill Shortages in 2025



During 2025, 48.7% of organizations in Kuwait provided upskilling/reskilling of existing staff to address skill shortages, followed by 40.4% who hired new talent.

Strategies to Address Skill Shortages in 2025





02

HR Financial Metrics

This section provides an overview of key HR financial metrics for listed organizations in Kuwait during the Fiscal year 24–25.

Sources:

Procapita Research Center, Procapita HR advisory, financial data for listed organizations on Boursa Kuwait

<https://pro-capita.com/>

HR Financials Metrics

Fixed salary as a percentage of revenue declined from 12.3% in FY 2023-2024 to 10.7% in Kuwait during FY 2024-2025, due to greater revenue stemming from an enhanced economy. Concurrently, total compensation as a percentage of operating expenses increased from 23% in FY 2023-2024 to 28.6% in FY 2024-2025.

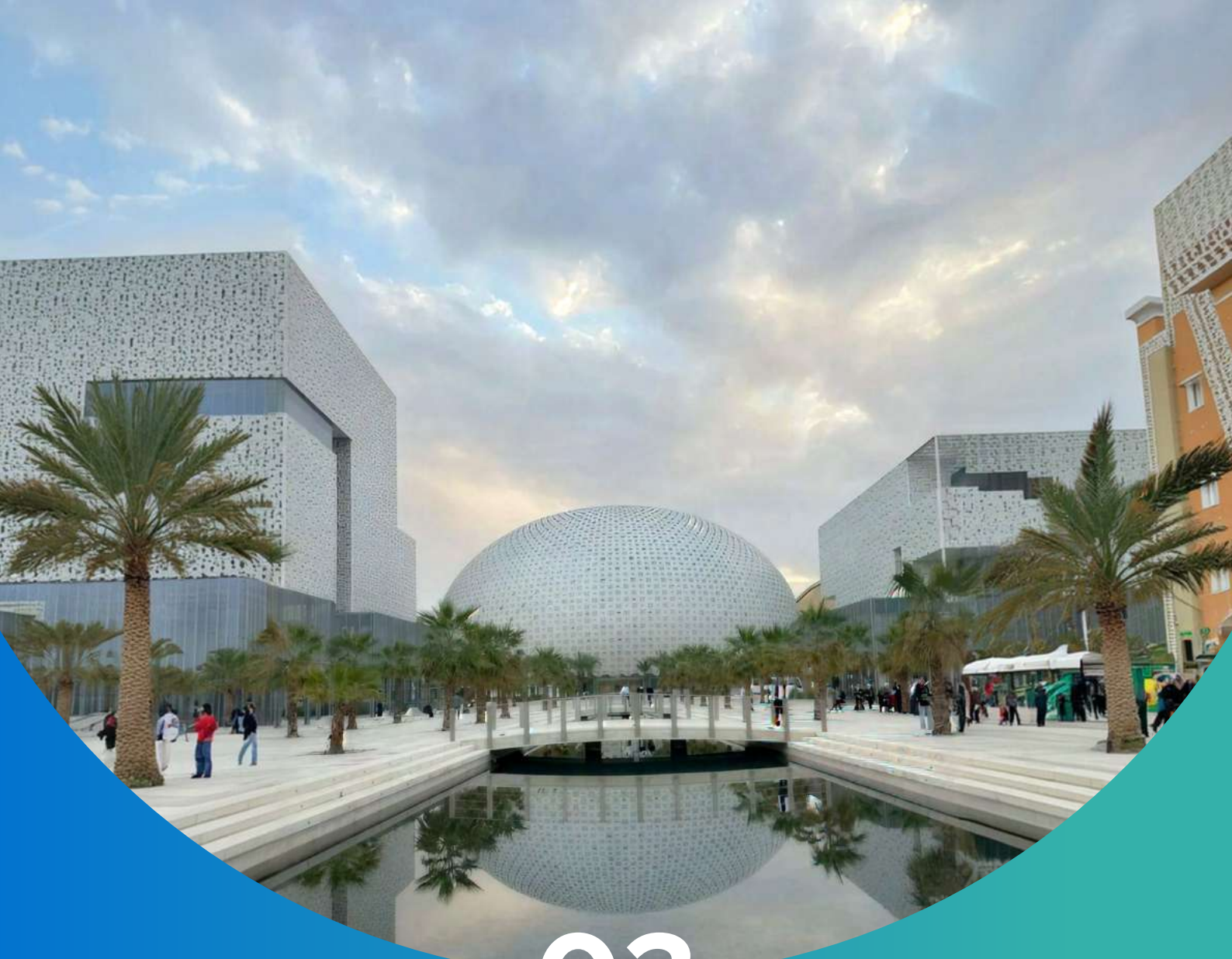
Fixed Salary*	Kuwait	Kuwait	GCC AVERAGE
	FY 23-24	FY 24-25	FY 24-25
Fixed Salary vs Revenue (Annually)	12.3%	10.7%	10.5%
Fixed Salary vs Profit (Annually)	45.2%	40.1%	71.4%

Total Compensation*	Kuwait	Kuwait	GCC AVERAGE
	FY 23-24	FY 24-25	FY 24-25
Total Compensation vs OpEx (Annually)	23.0%	28.6%	21.0%

- The analysis is based on sample sizes averaging up to 420 data points across key HR financial indicators in the GCC, and more than 70 data points for Kuwait, including fixed salary, total compensation, bonus, and OpEx metrics relative to revenue, profit, EBITDA, and assets.
- The term 'fixed salary' used in this report refers exclusively to the basic salaries across all levels and positions and explicitly excludes any benefits, allowances, or other forms of variable or non-salary compensation on average.
- Total compensation, as defined in this report, includes all forms of remuneration provided to employees, encompassing fixed salaries, benefits, allowances, bonuses, and other variable compensation elements.
- All financial data used in this report is sourced from all publicly available information on each country's stock exchange market and organization disclosures. The accuracy of the calculations depends on the correctness and completeness of this publicly available data.

*Discover extensive compensation data for each country and industry through **Procapita Hub** and its detailed insights.

For more detailed information regarding HR Financials, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com



03

Employee Experience

This section reflects the employee experience and development trends practiced by organizations in Kuwait market.

Sources:

Procapita Research Center, Zenithr HR business solutions, Thomas international, Procapita Annual and talent Surveys.

<https://pro-capita.com/>

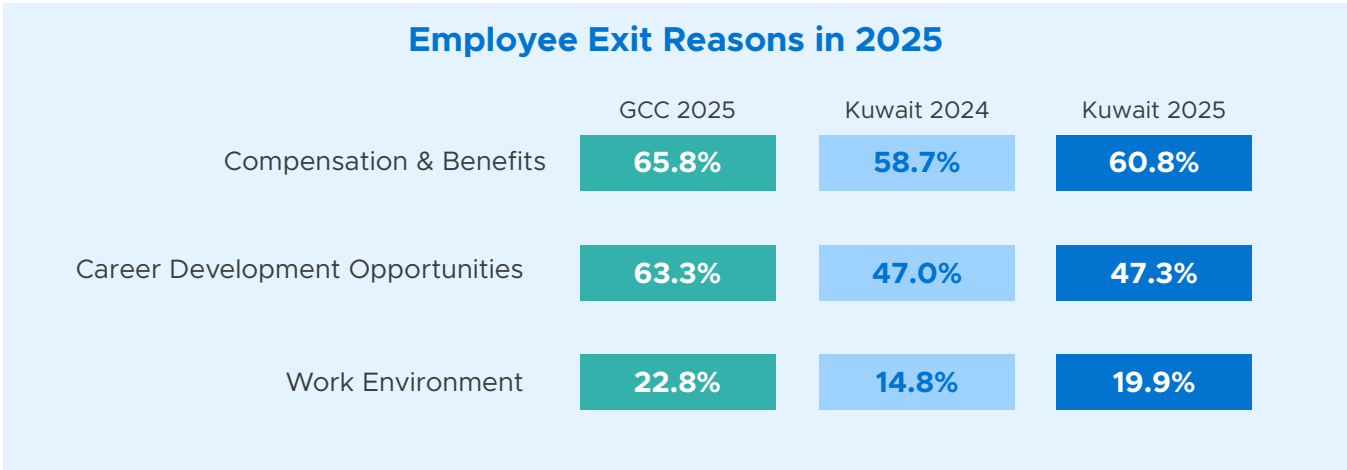
⚠ Disclaimer: Percentages may exceed 100% as multiple options can apply simultaneously

Understanding Why Employees Leave: A Look at Exit Reasons in Kuwait

Recent employee attrition in Kuwait indicates that compensation and career advancement are the primary drivers of voluntary turnover. Although talent migration has decreased compared with previous years, many professionals still seek jobs in nearby countries with growing labor markets, especially the United Arab Emirates and the Kingdom of Saudi Arabia.

This year, 60.8% of employees who left cite higher pay as the main reason, and 47.3% point to limited career growth opportunities. These figures are higher than last year, highlighting the growing importance of financial incentives amid rising inflation and increased competition for talent, alongside the continued need for clear career pathways.

In addition, the report highlights the work environment as a key factor and recommends that organizations adopt an integrated strategy that combines competitive compensation, clear career paths, and a positive, supportive workplace culture to enhance employee satisfaction, productivity, and the sustainability of organizational performance.



Employee Engagement

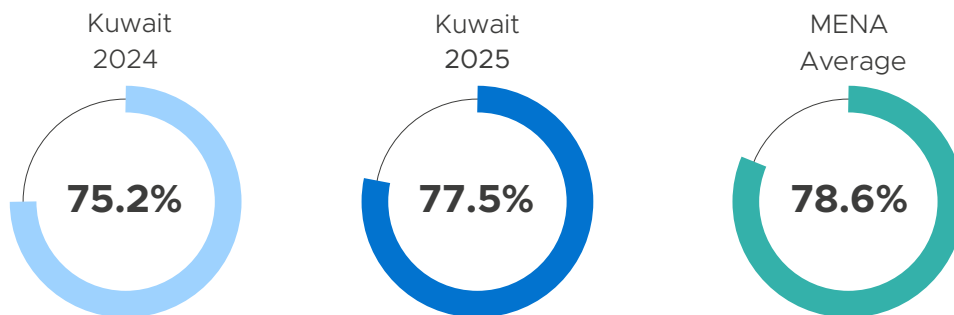
Performance is the exciting outcome, but it's engagement that truly fuels that success.

More and more organizations are recognizing that a vibrant employee experience is essential to thriving. When team members feel respected, informed, and empowered to shine, we see a wonderful boost in morale, productivity, and retention. This creates a stable and sustainable workplace!

Employee engagement is a key driver of organizational performance, prompting organizations to treat the employee experience as a strategic priority to enhance productivity and sustainability. This includes recognizing competencies, empowering employees, and supporting professional development in ways that improve overall performance and job stability.

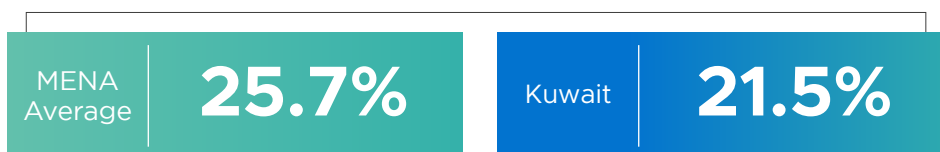
In this context, the employee engagement index in the State of Kuwait rose to 77.5% in 2025, reflecting a notable improvement in workforce commitment to organizations. To sustain this progress, organizations are adopting an "employees first" approach by fostering effective communication, providing clear growth opportunities, and building a supportive work environment that helps develop a more engaged and resilient workforce.

Employee Engagement Score in 2025



eNPS Score in 2025

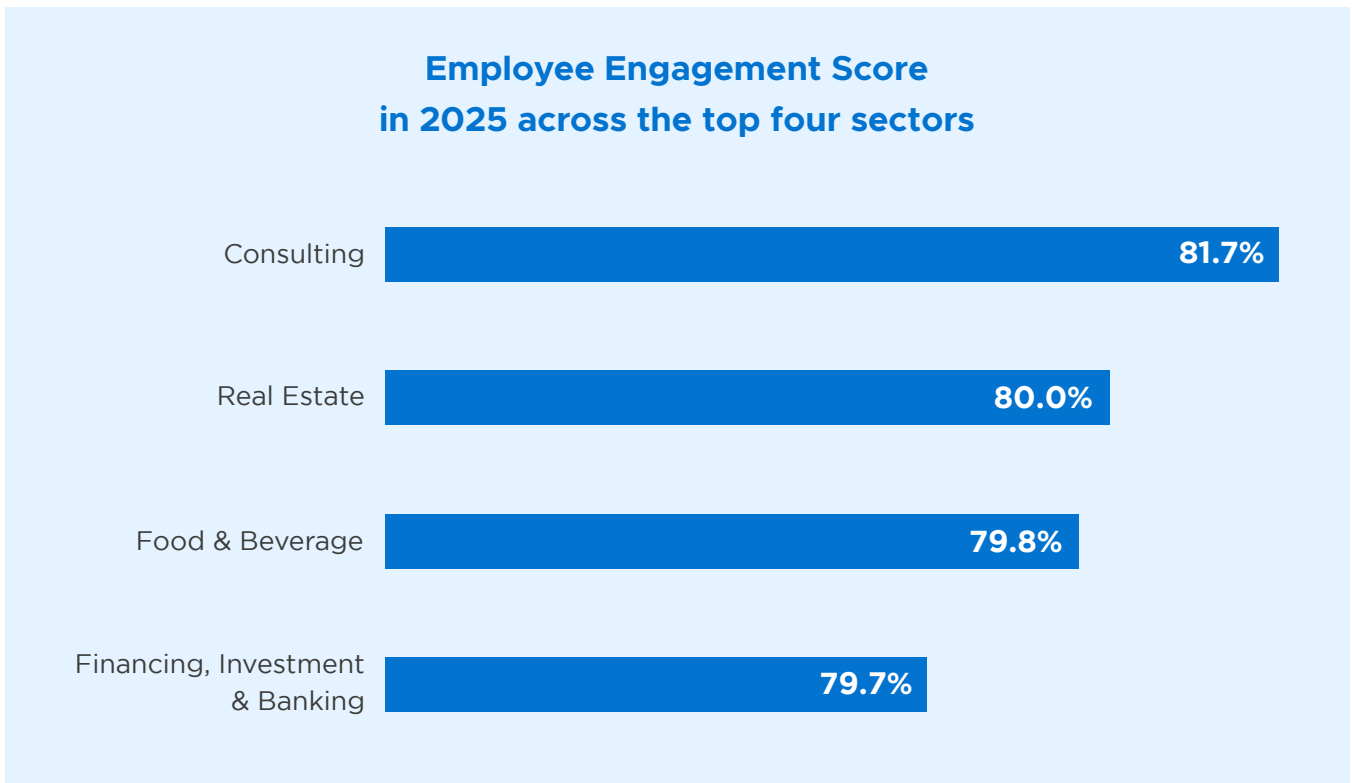
Employee Net Promotor Score (eNPS)



Uncover the reasons behind employee turnover and discover strategies to retain top talent with **Procapita Hub** your all-in-one platform for HR metrics per country per industry.

Employee Engagement (Continued)

In 2025, Kuwait's consulting sector led with an engagement rate of 81.7%. The healthcare sector followed closely at 80.0%, the food and beverage (F&B) industry at 79.8%, and real estate at 79.7%. The close percentages reflect remarkable performance across these industries, meaning a similar seriousness and alignment across these leading sectors.



Employees in industries with high engagement consistently express that their work is meaningful, they possess strong growth prospects, and they feel a connection to their organization's purpose. Different industries fuel this engagement in unique ways, Consulting challenges individuals with complex problem-solving and clear career paths, Healthcare nurtures impactful patient-centered relationships, and Food & Beverage thrives on vibrant customer interactions and collaborative teamwork. These elements reinforce a sense of value, momentum, and meaning at work.




Designing the employee journey around personal goals, growth potential, and shared values strengthens engagement and supports sustained organizational success.

Succession Planning

The level of succession planning readiness in Kuwait remains low in 2025, with only 37.1% of organizations having adopted well-defined and regularly updated plans. Most organizations still lack defined mechanisms for leadership succession, while others are still at early stages of developing these frameworks. This reflects a growing need to adopt more comprehensive workforce localization and succession planning strategies to ensure leadership continuity and long-term workforce sustainability.

Succession Planning Readiness in 2025

	Kuwait	GCC
Well-defined and regularly updated plans	37.1%	31.7%
Early development phase	34.3%	42.1%
Not ready	28.6%	26.2%

 Organizations in Kuwait should embed proactive succession planning to secure leadership continuity and build a pipeline of local talent ready to drive future growth.

Key Insights into the 9-Box Grid in MENA

The 9-box grid is a talent management framework that evaluates employees along two key dimensions: performance and potential. It has its roots in the General Electric–McKinsey matrix and gained popularity in HR after being adopted by General Electric. The grid consists of nine boxes resulting from three levels for each dimension, supporting strategic decision-making.

The 9-box Matrix serves as a cornerstone for data-driven decision-making in talent retention and succession planning, especially within the rapidly evolving economies of the Middle East and North Africa (MENA) region.

Succession planning across MENA presents unique challenges, particularly when identifying and developing potential successors. In many organizations, this process relies heavily on the observations of direct managers. While these insights are valuable, relying solely on them introduces a significant degree of subjectivity or bias, which can undermine the fairness and objectivity of selection decisions.

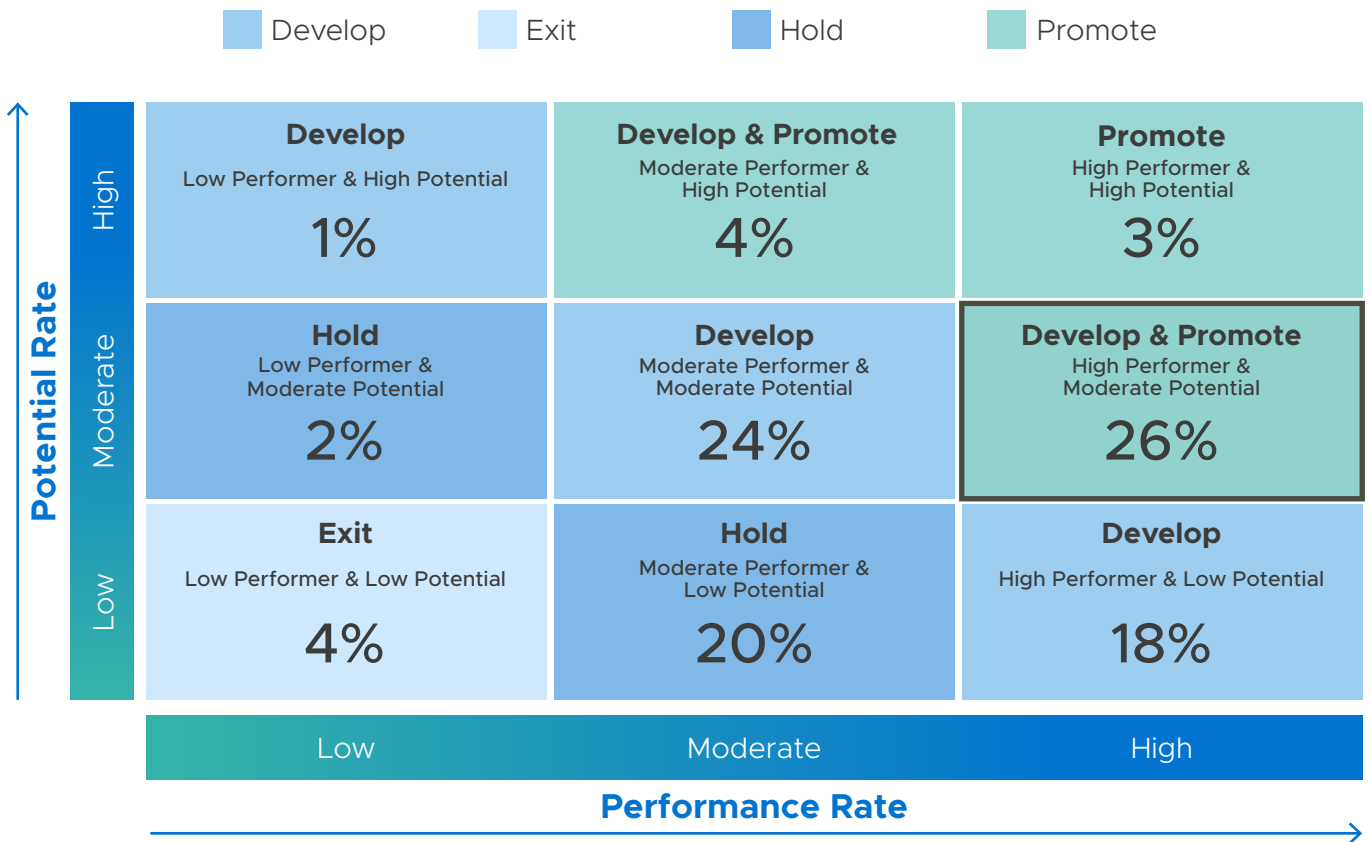
This is where the true value of the 9-box methodology becomes clear. By assessing employees along two dimensions — performance and potential — the matrix offers a more structured and holistic view. It also incorporates multiple data points, including feedback from different stakeholders, as well as assessments of leadership potential, cognitive ability, and personality.

By adopting this approach, organizations in the MENA region can reduce bias, enhance transparency in decision-making, and ensure that succession planning is data-driven rather than based merely on personal impressions.

At Zenithr, we integrated the 9-box methodology with comprehensive assessment results to ensure a more objective and data-based approach to succession planning. This integration minimizes subjectivity or bias by combining performance and potential indicators with scientifically validated assessment tools.

Last year, we launched this automated solution in the MENA market through our platform, Zenithr Elevate. Since then, hundreds of organizations in the region have benefited from its ability to simplify talent evaluations, identify highpotential employees, and build stronger leadership pipelines.

The 9-box Grid in Action



Percentage of talent within sample organizations in MENA region for 2025
 n=122 organizations, 9 Industries

Over the past 12 months, we have been actively analyzing the data collected from our clients using the 9-Box Grid within the Elevate platform. This analysis has provided valuable insights into talent distribution, leadership potential, and organizational development trends across the MENA region. By examining patterns across performance and potential ratings, assessment outcomes, and feedback mechanisms, we've identified several key findings that reflect the current state of succession planning and talent readiness in the region. Below are some of the most notable insights:

1. The scores are relatively high compared to other regions.
2. The majority of the talent is in Develop & Promote.

In many MENA cultures, there is a strong emphasis on respect for authority and maintaining harmony, which can lead managers to avoid giving negative feedback. Managers may inflate ratings to avoid difficult conversations or damaging relationships.

Mainly, in such cases, we suggest training managers on how to use the 9-box grid objectively and promote a culture of constructive feedback and transparency.



04

Rewards

This section outlines the types of rewards and benefits offered to talent across organizations in Kuwait.

Sources:

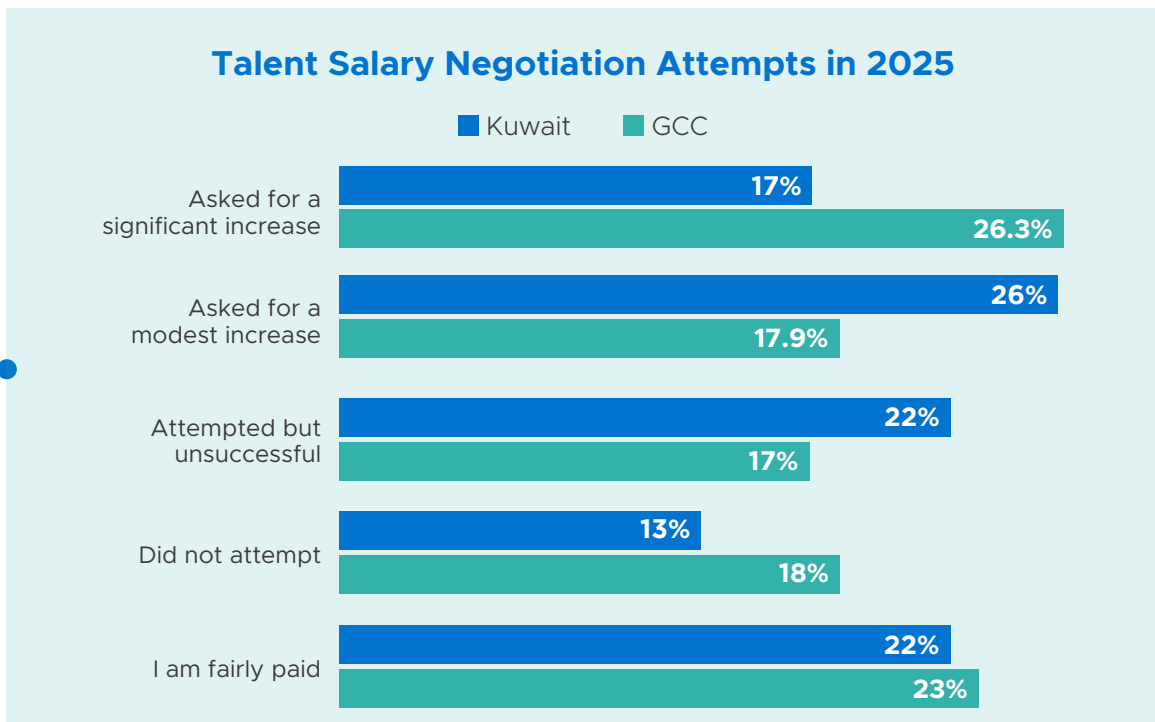
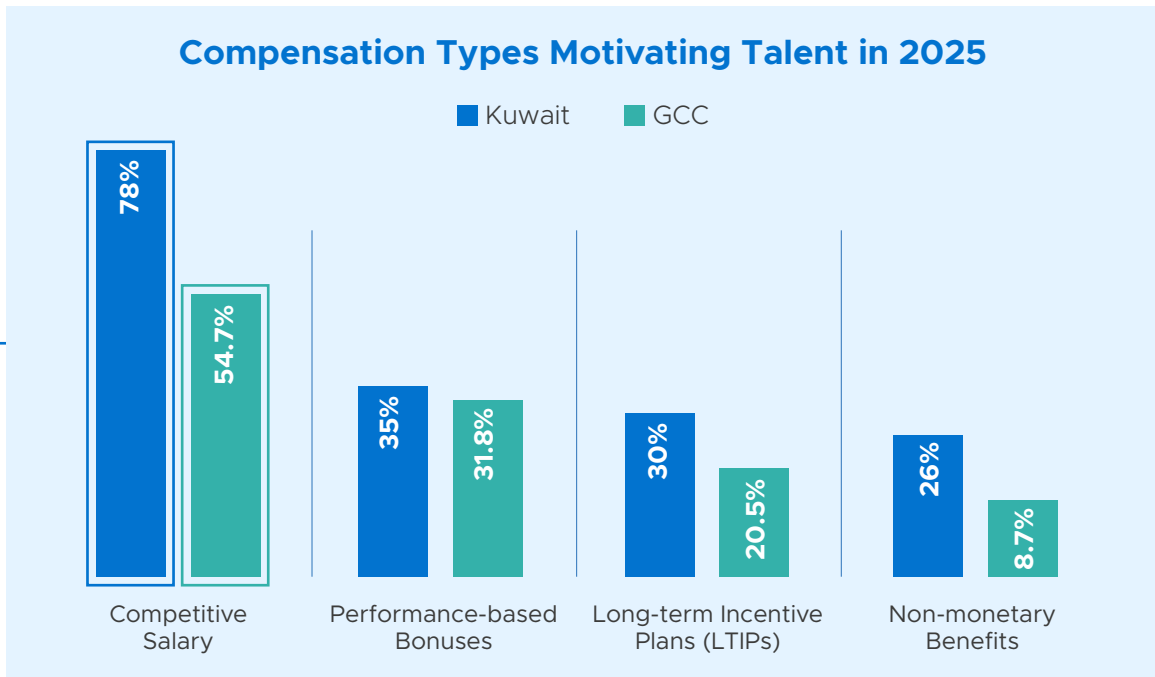
Procapita Research Center, Procapita HR advisory, Procapita annual and talent surveys.

<https://pro-capita.com/>

ⓘ Disclaimer: Percentages may exceed 100% as multiple options can apply simultaneously

Compensation Types

While **78%** of talent in Kuwait cited competitive salary as their main motivation in 2025, only **22%** felt fairly compensated, highlighting a clear retention challenge. Addressing this through transparent compensation benchmarking will help reduce employee dissatisfaction and turnover.

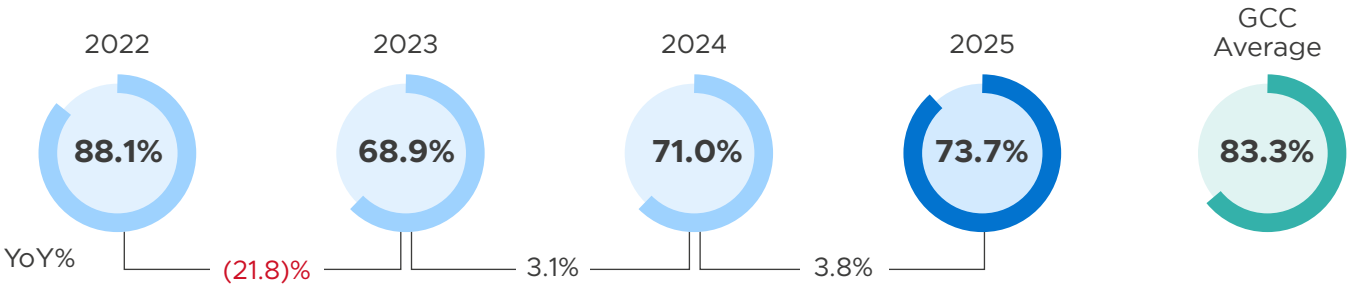


Access Instant Compensation Benchmarks on **Procapita Hub** HR analytics across countries and industries at your fingertips.

Annual Increments and Bonuses

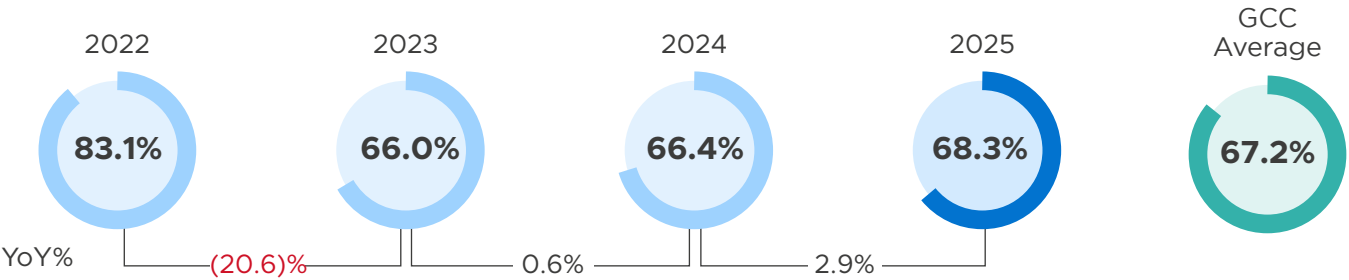
Kuwait stood in 5th place between the GCC for providing salary increments, with **73.7%** of organizations in Kuwait providing them in 2025, signaling intensifying competition for talent as employers use pay increases to strengthen retention and attraction.

Organizations Providing Increments in 2025



Organizations in Kuwait recorded a notable increase in the provision of bonuses from **66.4%** in 2024 to **68.3%** in 2025, underscoring the growing reliance on performance based incentives as a key driver of employee motivation and engagement.

Organizations Providing Bonuses in 2025



Organizations Planning to Provide Bonuses in 2026

Kuwait
89.7%

GCC
81.8%

89.7% of organizations in Kuwait plan to provide bonuses in 2026, which exceeds the average expectations in GCC countries of 81.8%, showcasing that employers are leaning on performance-based pay to compete for talent and reward contributions.

See how organizations are shaping bonus and increment for 2025 visit **Procapita Hub** for exclusive insights per country per industry.

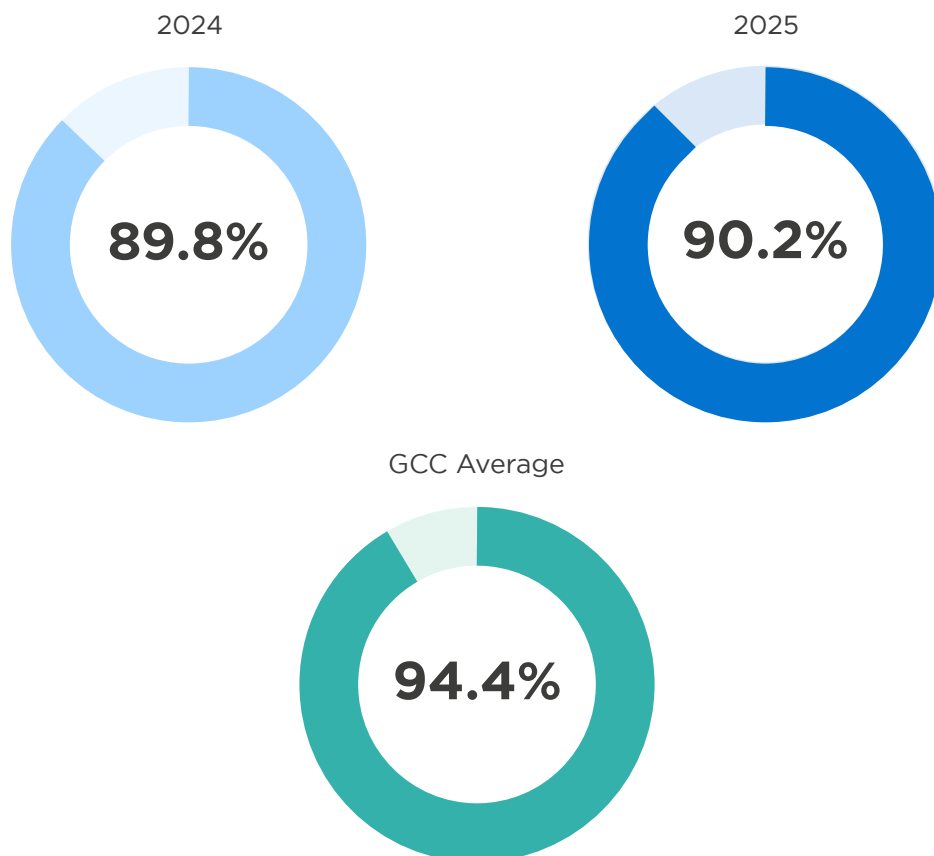
Non-Monetary Benefits

Non-monetary benefits in Kuwait increased from 89.8% in 2024 to 90.2% in 2025. This rise reflects a growing focus on employee wellness and work-life balance as key elements of organizational culture and competitive positioning in the market. Yet, the percentage remains below the GCC average and less than the percentages in Qatar, UAE and KSA.



Integrated employee wellness strategies are fundamental to fostering higher levels of workforce satisfaction within organizations.

Organizations Providing Non-Monetary Benefits in 2025



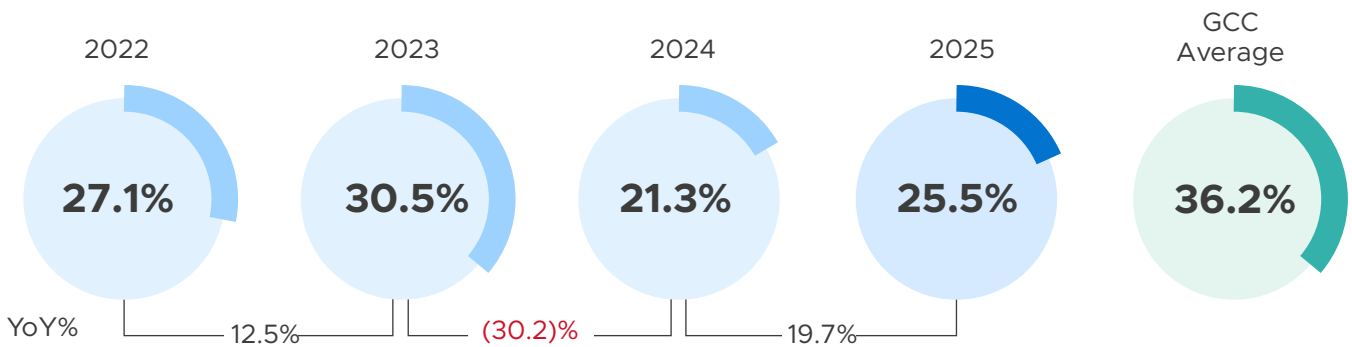
(Types of non-monetary benefits provided: Medical insurance, flexible working hours, life insurance, leave exceeding the minimum set by the labor law).

Long-Term Incentive Packages

In Kuwait, more organizations provided long-term incentive plans (LTIPs) during 2025 with 25.5% offering them in 2025, up from 21.3% in 2024, ranking fourth in the GCC, reflecting a focus on short-term compensation rather than on long-term incentives.

In 2025, deferred bonuses and performance share grants were the most common LTIPs in GCC organizations. For detailed industry and country insights, visit [Procapita Hub](#)

Organizations Providing LTIPs in 2025



Organizations Planning to Provide LTIPs in 2026

Kuwait
35%

GCC
41.8%

In Kuwait, organizations providing LTIPs are expected to reach 35% by 2026, closer to the percentages of the UAE and KSA who lead the GCC in providing LTIPs.

To know what 2026 holds for the LTIPs- visit [Procapita Hub](#) for industry and country specific insights.



05

BOD Remuneration and ESG Practices

This section discusses the compensation of the Board of Directors and environmental, social and governmental practices in the listed organizations in Bursa Kuwait.

Sources:

Procapita Research Center, Procapita HR advisory, financial data for listed organizations on Bursa Kuwait.

BOD Remuneration

Board of Directors (BOD) remuneration in the region refers to the compensation provided to board members for their services. This compensation can include fees for attending meetings and performance bonuses. Specific practices for BOD remuneration vary by country and sector, but overall, the remuneration tends to be high. Additionally, the structure and criteria for these compensations are often influenced by local regulatory frameworks and industry standards.

Qatar has the highest remuneration as a percentage of total profits at **2.05%**. Kuwait ranks third among the GCC at **0.57%** average remuneration as a percentage of total profits.

Total Board Remuneration in the GCC (FY 24-25)

Location	Average Number of Board Members	Average BOD Remuneration per Board Member (USD 000)	Average Total Remuneration (USD 000)	Average Net Profit (USD 000)	Average BOD Remuneration as a Percentage of Net P/L
GCC Average	9	293	2,584	1,585,343	0.16%
#1 Qatar	8	449	4,182	204,216	2.05%
#2 Bahrain	10	171	1,706	102,915	1.66%
#3 Kuwait	10	254	2,544	444,853	0.57%
#4 Oman	7	112	811	186,195	0.44%
#5 UAE	8	451	3,823	1,271,443	0.30%
#6 KSA	9	271	2,440	7,302,435	0.03%

- The above figures are the net remuneration paid for members excluding any other expenses such as (accommodation, travel, etc.).
- All figures above represent the average of the top 120 public listed organizations by net profit in accordance with data availability (top 20 for each country).
- Remuneration excludes committee members' sitting fees and other benefits provided.
- Remuneration excludes remuneration/compensation/benefits disbursed to executive directors.

For more detailed information regarding HR Financials, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com

BOD Remuneration

In Kuwait, Board of Directors' compensation decreased by 20.5% during FY 2024–2025 compared to FY 2023-2024, alongside an 8.9% increase in corporate profitability during the same period, indicating a focus on corporate sustainability and confidence.

Total Board Remuneration in Kuwait 2024 (FY 24-25)

	Kuwait (FY 23-24)	Kuwait (FY 24-25)	GCC AVERAGE (FY 24-25)	YoY%
Average Number of Board Members	10	10	9	0% —
Average BOD Remuneration per Member in USD Thousands	310	254	293	(18.1)% ▼
Average Net Profit in USD Thousands	408,200	444,853	1,583,343	8.9% ▲
Average Total Remuneration for BOD in USD Thousands	3,065	2,544	2,584	(20.5)% ▼

— No Change

▲ Increasing

▼ Decreasing

*Optimize your board compensation decisions through **Procapita Hub** advanced insights, benchmarked by industry and country.

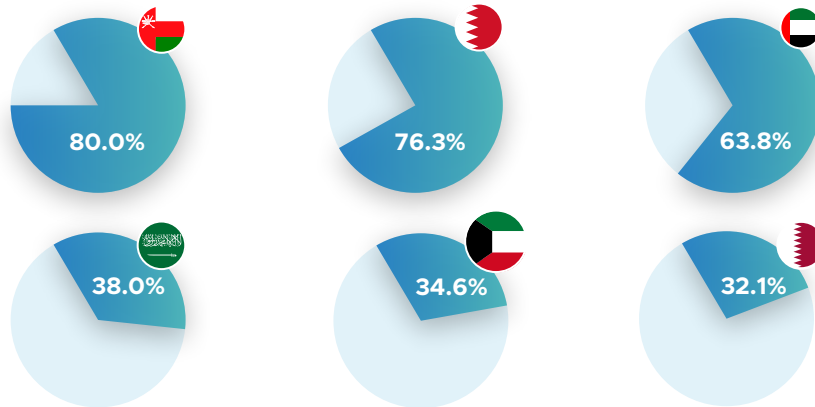
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- Remuneration excludes committee members' sitting fees and other benefits provided.
- Remuneration excludes remuneration/compensation/benefits disbursed to executive directors.

For more detailed information regarding BOD remuneration, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com

ESG Practices

Kuwait ranks 5th in the GCC for sustainability reporting, with 34.6% of organizations disclosing ESG performance. Stronger efforts are needed to enhance corporate transparency and align more closely with global sustainability standards.

Sustainability Reporting Compared to GCC (FY 24-25)



Three industries lead in sustainability reporting in Kuwait, setting benchmarks for transparency and responsible growth that align with regional priorities and global standards.

Top Industries Reporting Sustainability (FY 24-25)



Telecom & Technology

STC Kuwait teamed up with Tadwire to launch a full-scale e-waste and operational waste recycling program, turning circular economy principles into action by keeping electronics out of landfills and cutting environmental impact across its telecom operations.



Financial Services

Kuwait Finance House invested \$364 million in green Sukuk and pioneering green finance products that align Islamic banking principles with climate action.



Retail & Consumer Goods

Mezzan Holding's ThinkGreen initiative demonstrates sector commitment to operational efficiency through waste reduction, translating sustainability from corporate strategy into tangible production-line practices that serve both business growth and environmental stewardship.

Sustainability reporting in Kuwait is lowest in the Manufacturing sector, followed by Oil, Gas and Energy and Tourism and Hospitality sectors, highlighting significant opportunities to improve transparency and ESG disclosure in these sector to help improve the sustainability reporting rank for Kuwait.

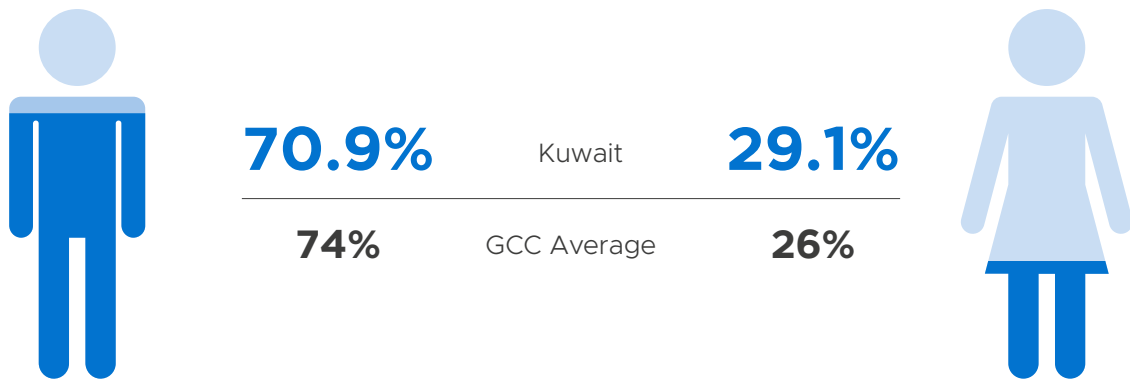
For more detailed information regarding ESG, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com

ESG-HR Indicators

Gender Equality

Females make up 29.1% of the workforce in Kuwait, exceeding the GCC average of 26%. Yet, males still represent 70.9%. Closing this gap is more than inclusion, it is a strategic imperative to address talent shortages and enhance economic.

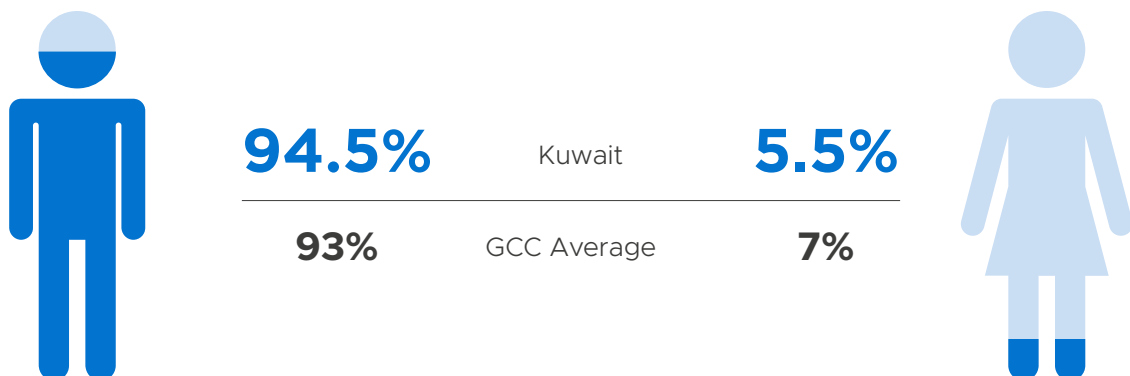
Female Representation Workforce (FY 24-25)



Board Gender Diversity

Female representation on boards of directors in Kuwait reached 5.5% in the 2024–25 fiscal year, compared to a GCC average of 7% over the same period. Despite this, men still occupy 94.5% of board seats, highlighting a clear gender gap in executive leadership and underscoring the need for stronger efforts to enable women to access decision-making roles.

Female Representation BOD (FY 24-25)



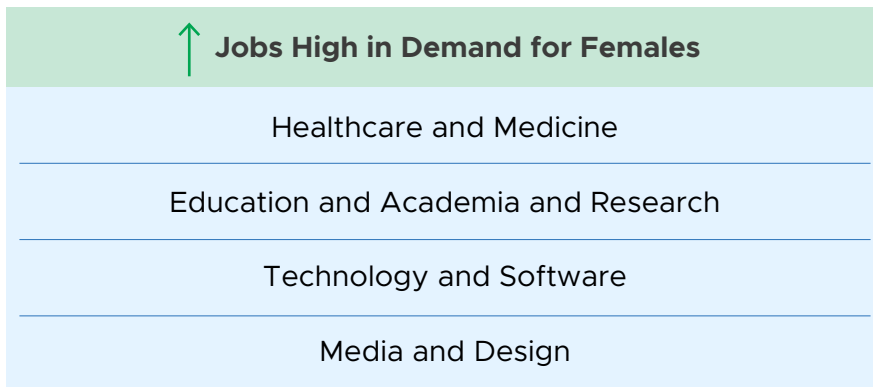
For more detailed information regarding BOD remuneration, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com

ESG-HR Indicators

Recruitment Trends

Healthcare, education, technology, and media sectors are leading employers of females in Kuwait, reflecting a strong demand for female professionals in knowledge-based and service-oriented industries where women's participation helps to address workforce gaps and drive economic growth.

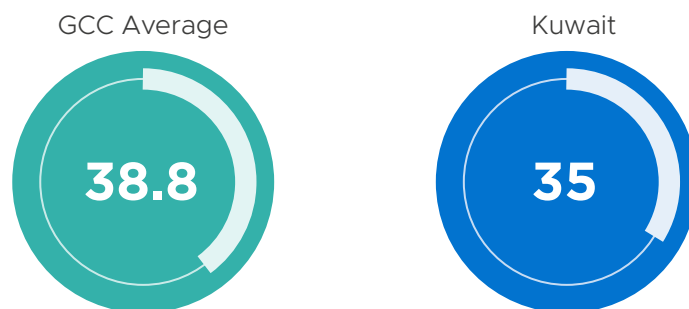
Jobs in Demand for Females (FY 24-25)



Employee Training Hours

The average of 35 training hours per employee in Kuwait falls short of the GCC benchmark, urging the need for higher investments in structured upskilling programs to boost employee competitiveness and organizational capabilities.

Average Hours of Training Provided to Employees (FY 24-25)



For more detailed information regarding ESG, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com



06

Entrepreneurship Landscape and Business Environment

This section provides an in-depth exploration of Kuwait's entrepreneurial landscape.

Sources:

PROCAPITA's Research Center,
Procapita Entrepreneurs Survey

<https://pro-capita.com/>

ⓘ Disclaimer: Percentages may exceed 100% as multiple options can apply simultaneously

Entrepreneurship Landscape and Business Environment

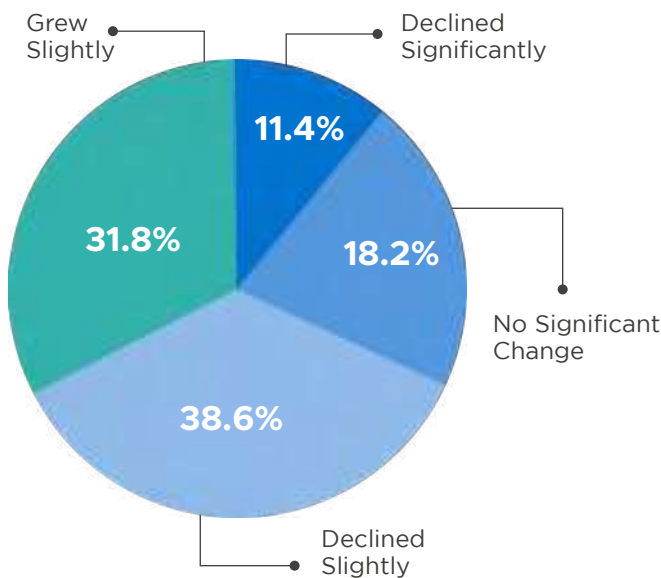
Drawing on insights from 100+ entrepreneurs, this section explores the key forces driving innovation, assesses the depth of government support, and highlights forward-looking views on Kuwait's business future. These perspectives, insights, and challenges offer a valuable lens into Kuwait's evolving economic landscape in 2025. They reflect how effectively national economic visions are being translated into practice and reveal the true level of support available for fostering entrepreneurship.

Business Performance and Outlook

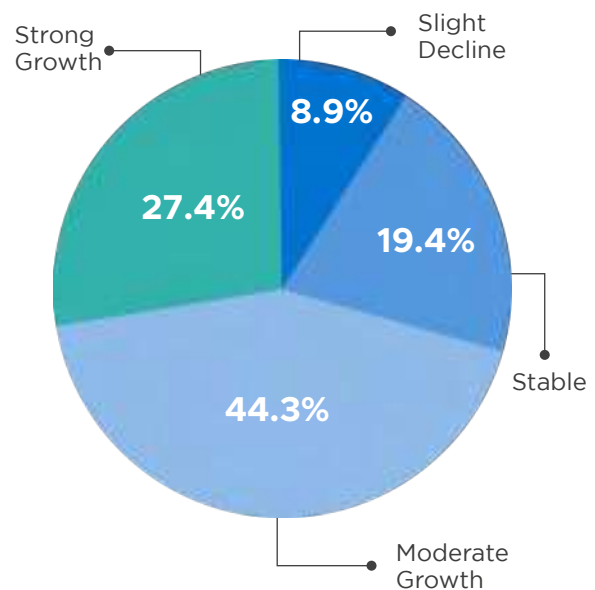
Benchmarking business performance helps entrepreneurs identify gaps early, set realistic growth targets, and make strategic decisions for sustained competitiveness and profitability. In 2025, 38.6% of businesses reported a slight decline in performance, compared to 31.8% that saw slight growth.

Looking ahead to 2026, the outlook is more optimistic, with 44.3% expecting moderate growth and 27.4% anticipating strong growth with major profit expansion.

Business Performance in 2025



Business Performance Expectations for 2026

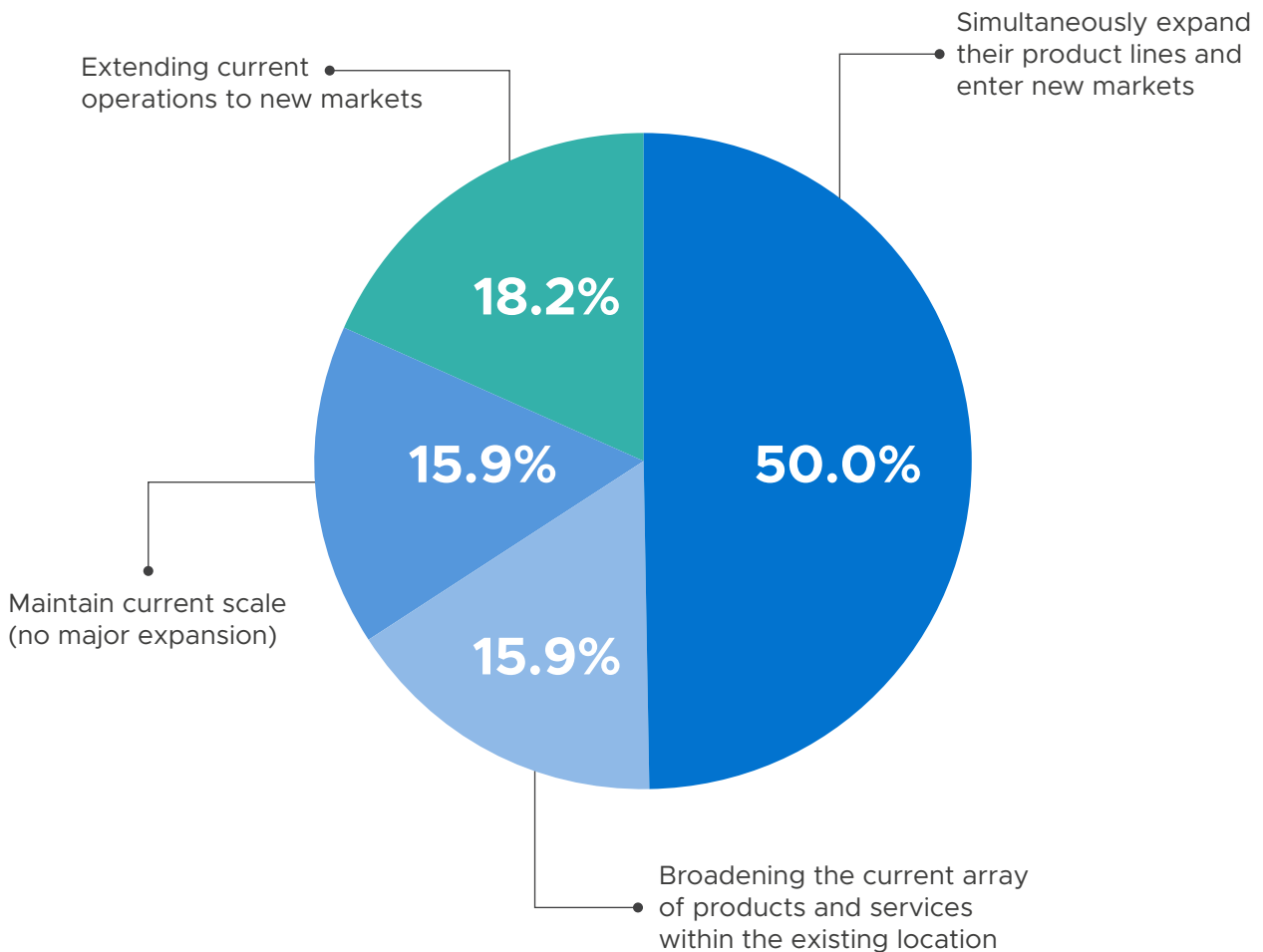


E-commerce emerged as the top-performing sector for SMEs in Kuwait during 2025, thriving on digital adoption and supportive new regulations, while conventional F&B struggled due to soaring operational costs from high commercial rents, labor shortages driven by Kuwaitization quotas and high turnover.

Business Performance and Outlook

Optimistic growth expectations for 2026 are fueled by expansion strategies, with 50% of SMEs planning to diversify product lines and enter new markets. For entrepreneurs, this points to a more competitive landscape where success will favor innovators who proactively expand beyond their current customer base to capture emerging demand.

Business Plans for 2026

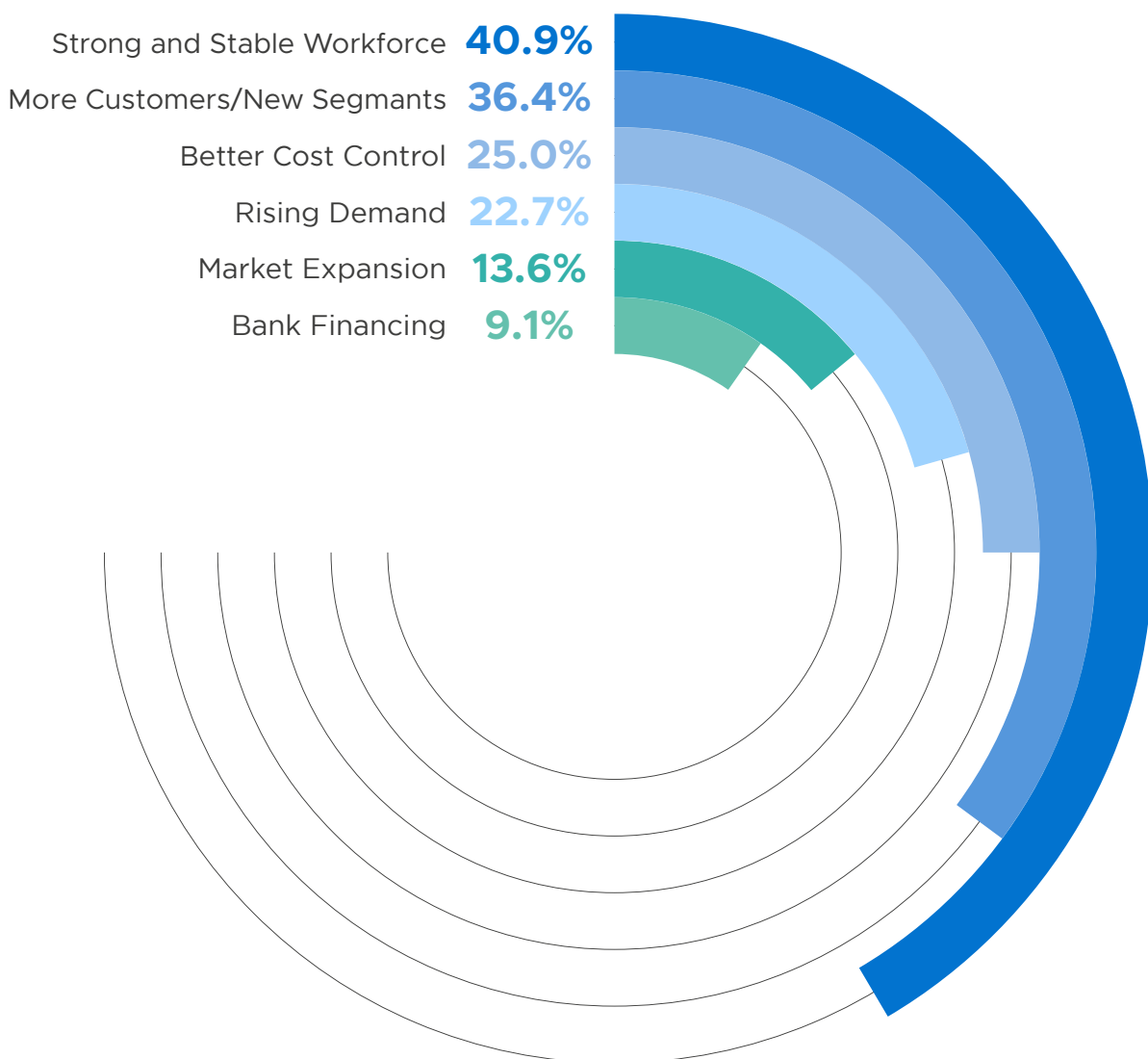


In addition to planned business growth, Bursa Kuwait activated the Emerging Companies Market on December 14 with flexible listing rules to aid SME funding and investor confidence.

Business Success Drivers

Understanding key business success drivers helps entrepreneurs plan strategically, manage risks, and allocate resources effectively. A strong and stable workforce remains the leading success factor for SMEs at 40.9%, underscoring the importance of talent continuity and operational efficiency.

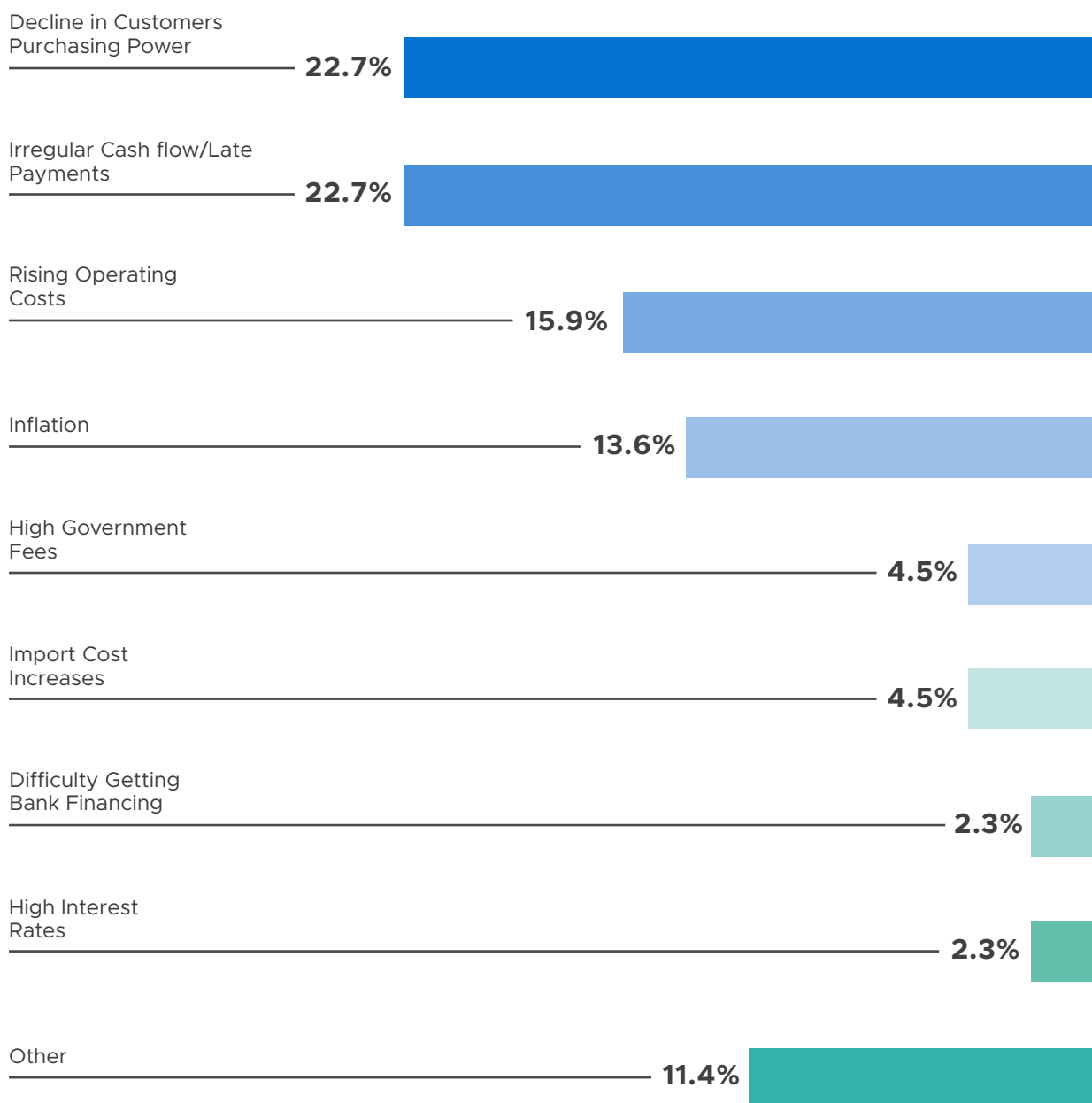
Business Success Drivers in 2025



Business Challenges

Current challenges paint a different picture, with entrepreneurs facing weaker customer purchasing power, rising operating costs, cash flow irregularities, inflation, and high government fees. Amid these pressures, a solid and stable workforce has become a strategic anchor for SME resilience.

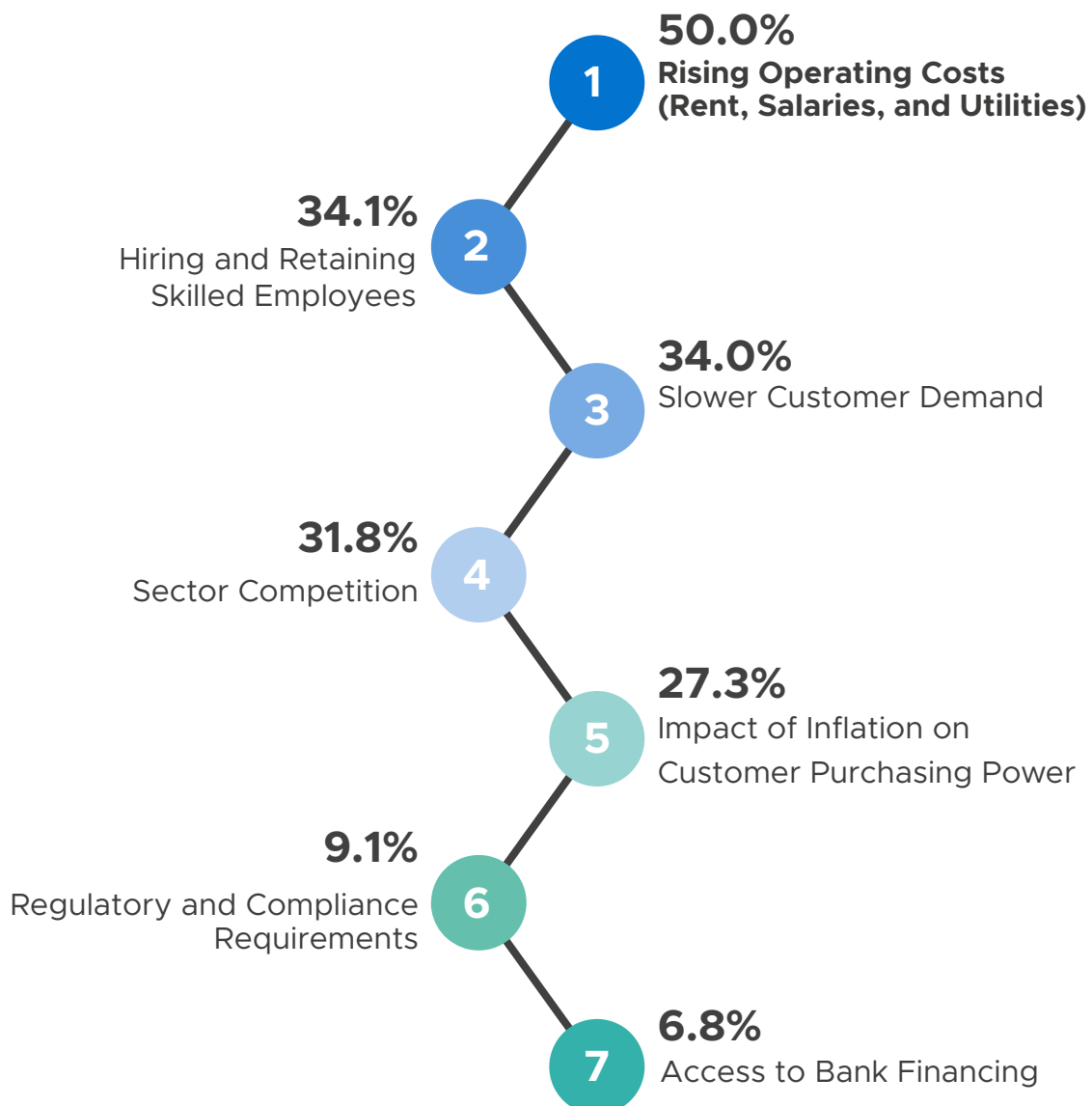
Business Challenges in 2025



Future Business Challenges

The primary challenge entrepreneurs anticipate for 2026 is rising operating costs at 50%, followed by hiring and retaining skilled employees at 34.1%. After a year driven by demand pressures, 2026 is set to focus on cost control alongside demand management. Those who strengthen workforce stability and manage resources strategically will be the ones turning pressure into performance.

Expected Business Challenges for 2026



In major city areas, rent can exceed 20% of revenue for F&B outlets, reducing profitability. Entrepreneurs are adapting via pop-up culture* to minimize operation costs and expand customer bases through shared spaces.

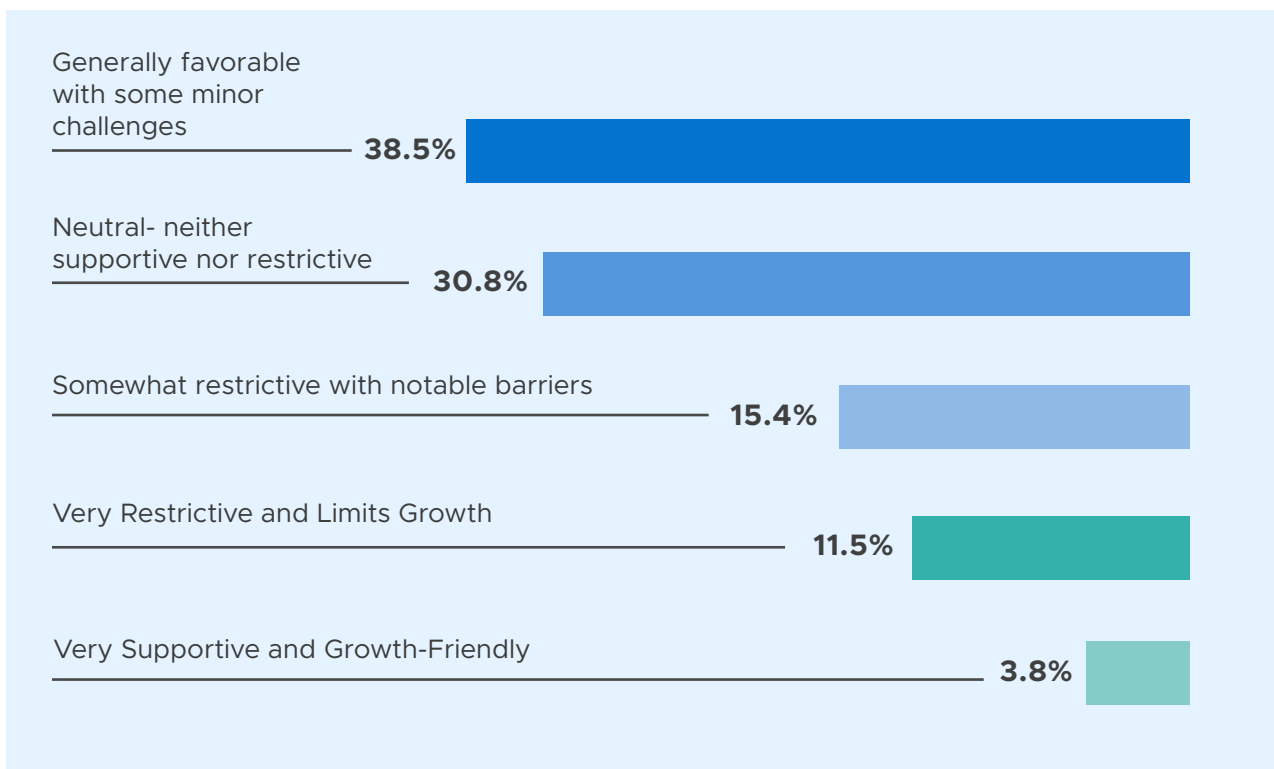
**Pop-up culture is the trend of temporary retail shops and events for engaging customers with low-commitment experiences.*

Kuwait Business Environment

The assessment of the business environment in Kuwait reveals a market characterized by stability and opportunity. 38.5% of entrepreneurs view the business environment as generally favorable, while 30.8% assess it as neutral.

This positive sentiment reflects fiscal stability, transparent regulations, and government support for private sector growth, giving entrepreneurs a strong foundation for strategic positioning and innovation.

Entrepreneurial Confidence in the Business Environment in 2025

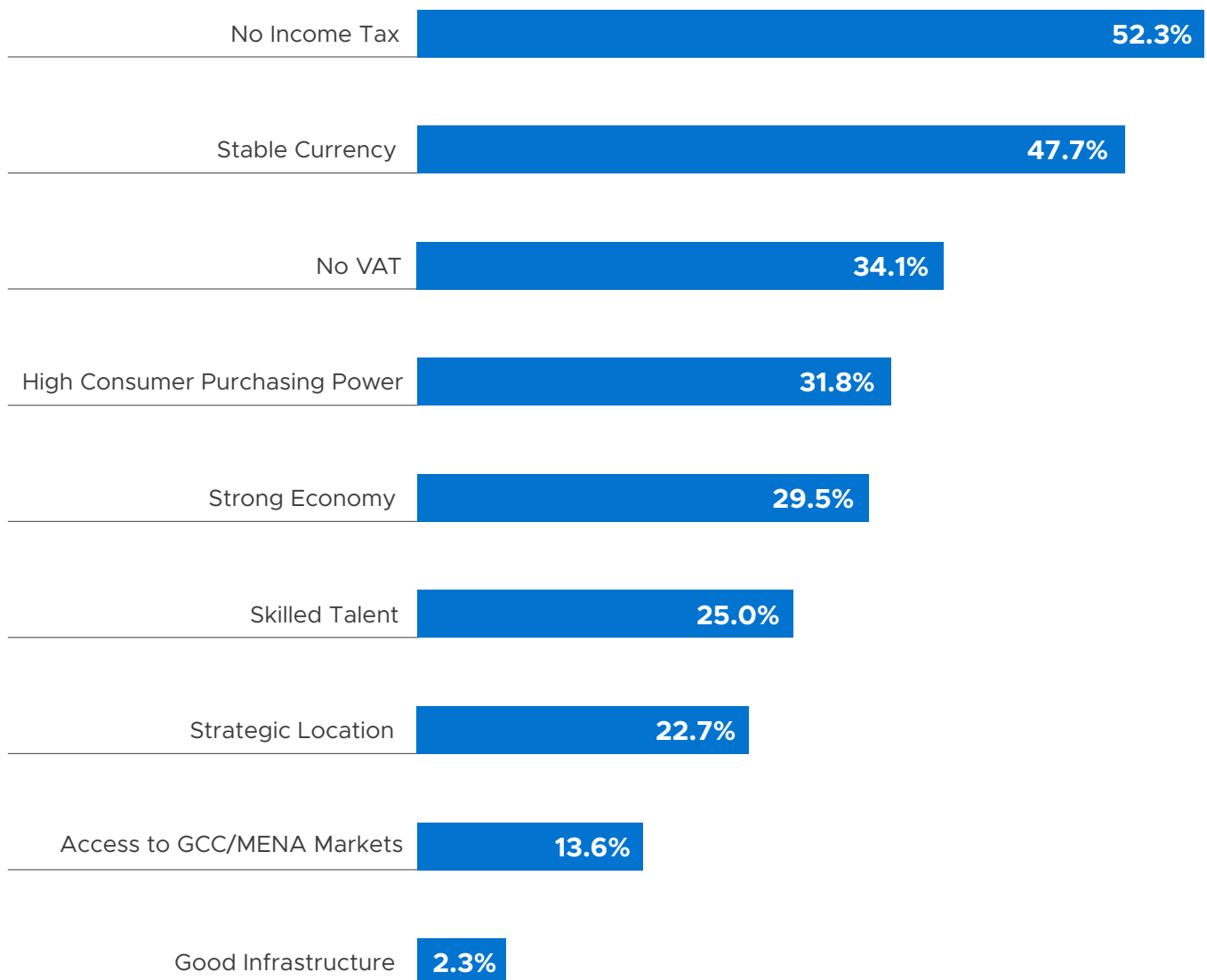


The Ministry of Commerce and Industry simplified licensing for cloud kitchens in 2025, making it easier for businesses to operate with lower costs and without physical storefronts.

Kuwait Market Attractiveness

Kuwait continues to attract entrepreneurial activity through a favorable fiscal environment. In 2025, 52.3% of entrepreneurs identified the absence of income tax as a primary advantage, followed by currency stability at 47.7% and the lack of VAT at 34.1%. While these factors support market entry, long-term sustainability will depend on aligning fiscal incentives with the development of local capabilities, enabling a shift from cost-driven entry strategies to value-based growth models.

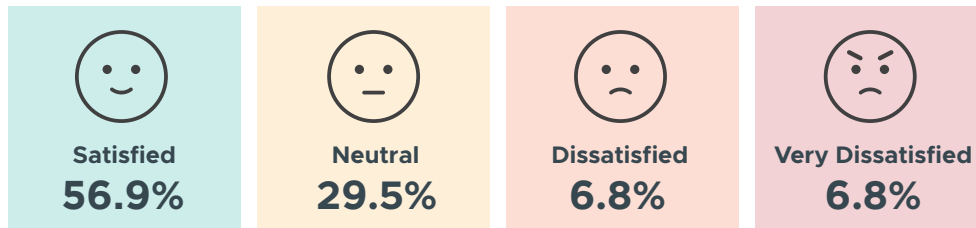
Reasons for Kuwait Market Attractiveness in 2025



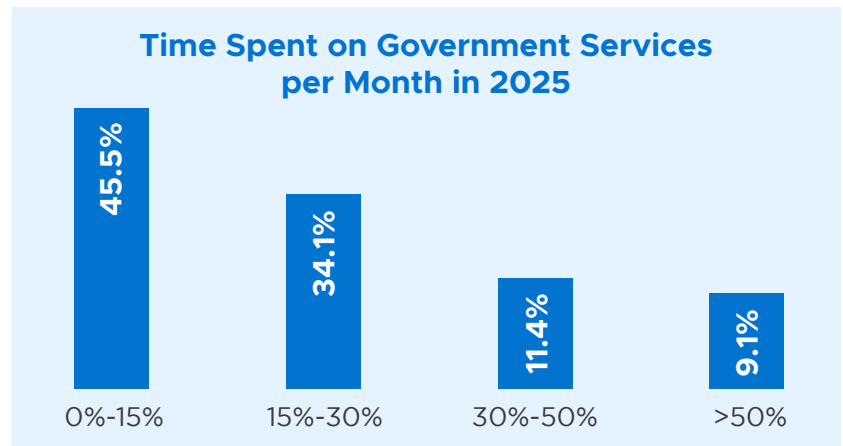
Government Services and Reforms

The majority of entrepreneurs express appreciation for the governmental digital transformation, with **56.9%** reporting satisfaction with the digital governmental services provided.

Digital Government Services Satisfaction in 2025

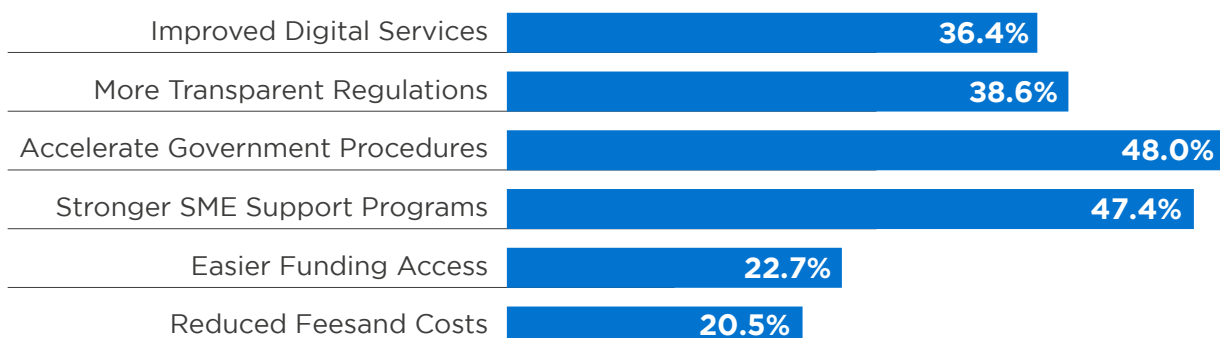


Administrative burdens remain a challenge, with most SMEs spending over **15%** of their monthly time on government tasks, reducing productivity. Streamlining procedures and advancing digital integration are key to improving efficiency and unlocking greater business potential.



The most desired reforms in 2025 focus on systematic improvements rather than financial aid. About **48%** of entrepreneurs call for faster government procedures, **47.4%** seek stronger SME support programs, and **38.6%** want more transparent regulations. Understanding these priorities helps policymakers enact targeted reforms that turn government services into true enablers of progress and innovation.

Digital Government Services Satisfaction in 2025



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The report consolidates data from 2020 to 2025. It is designed to assist decision-makers in identifying trends, challenges, and opportunities. The data presented in this report was cross-referenced with global benchmarks to ensure accuracy and relevance. Statistical methods were employed to analyze trends over time.

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Contact Info



Kuwait

Sharq, Ahmed Al Jaber Street, Arzan Tower,
8th floor.

Tel: (+965) 22203100



Riyadh

Al Malqa District, Anas Bin
Malik Street, Business Park,
1st Floor, Office No. 105.

Tel: (+966) 112255178



Dubai

Ground Floor Commercial
Offices, South Residence,
Palm Jumeirah.



Amman

Makka Street,
Building #164, Second Floor.

Tel: (+962) 65533877



Egypt

25 Saqr Quraish Buildings,
Nasr City, Cairo

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info@pro-capita.com