# Distinguishing Strategic Effectiveness from Operational Efficiency: Exploring the Need for General Ledger-Based Insights in Saudi Arabian Corporate Decision-Making

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## Abstract

To bridge the identified empirical and practical void in understanding how corporate decision-makers transition from high-level financial reporting to general ledger-based insights, the paper investigated the necessity and perceived importance of merging General Ledger (GL) information with the Financial Statement (FS) analysis to enhance strategic and operational decision-making in Saudi Arabian businesses. Financial Statements are the most important internal assessment tool, as their aggregated significance usually restrains their capacity to inform decision-making regarding cost reduction, pricing, investment, and process improvement. The qualitative research design was applied, and the data was collected through semi-structured interviews with 25 finance and strategy professionals, including CFOs, Financial Controllers, FP&A managers, and Strategy Managers, who represent a variety of industries: manufacturing, retail, agri-food, and logistics. Thematic analysis displayed four key findings (1) FS alone were seen as inadequate to capture granular operational performance, (2) GL data presented more detailed information about cost centres, variance analysis, and product line profitability, (3) there are great obstacles to integrating FS-GL including technical infrastructure, skills gap, and organizational silos, and (4) respondents had a firm belief that FS-GL integration would enhance decision accuracy, operational efficiency, and alignment with the goals of Saudi Vision 2030. These results indicate the theoretical requirement and practical need of granular internal data in the attainment of

strategic effectiveness, and they furnish a foundation of further investigation into systematic GL-based performance analytics in new markets.

**Keywords:** General Ledger Integration, Financial Statements, Strategic Management Accounting, Operational Efficiency, Strategic Effectiveness, Saudi Vision 2030

## Introduction

The world is currently living in a more data-driven decision-making era. Organisations worldwide are using the latest analytics, business intelligence (BI), and big data technology to track past performance and to motivate strategic thinking. In particular, according to recent reports, the use of analytics has increased to approximately %60 of enterprises, compared to approximately %43 in the year 2018, according to Müller et al. (2018). In addition, approximately %73 of businesses currently make data analytics a board-level priority in their digital transformation agendas (Caluwe, 2022). Another trend is that the integration of analytics into operational systems and workflows (e.g., ERP systems, real-time dashboards, predictive tools, etc.) is becoming increasingly popular, and most large and medium-sized businesses report tangible benefits (e.g., cost reduction, process efficiency, etc.) as a result of implementing analytics tools (Krishnan, 2024).

This change is indicative of the increased awareness that external reporting and compliance focus on summary financial reports and aggregate metrics cannot offer sufficient granularity to internal strategic or operational decisions. Financial Statements (FS) normally provides an integrated perspective of revenues, expenses, assets, liabilities, etc, but can conceal variances between product lines, cost centres, process inefficiencies, or operational variances that, had they been known, might have steered more specific strategy, more responsive operations, and more effective risk management (Al-Tamimi, 2023).

Simultaneously with this trend, numerous firms around the world are migrating to integrated systems (including ERP) that produce transactional and ledger data at detailed levels stated by Yasser & Khalifa (2024). Such ERP systems are centred on General Ledger (GL) systems, which record all financial transactions in an account-by-account detail. According to Pollari (2024), properly utilised, GL data may be a facilitating factor of internal environment analysis: knowing how much certain activities cost, how well a department or product performs, whether there are anomalies or inefficiencies, making decisions in pricing, investment, and operations more informed.

This global trend of analytics and data integration is well underway in Saudi Arabia, driven by national programmes, including Vision 2030, which openly seeks digital transformation, better governance, transparency, and performance efficiency both in the public and the private sectors (Aldhobaib, 2025). The integration of big data and analytics in SMEs has been on the increase so far, especially in manufacturing and service industries, which can be discussed as an indication of the growing awareness of the significance of detailed data in enhancing business operations (Kgakatsi et al., 2024).

In addition, Saudi companies are adopting ERP systems in greater numbers. Case studies indicate that even large companies like SABIC adopted SAP ERP and began to see operational efficiency (e.g. process times reduced, demand forecasting improved) in various factories (Omair et al., 2025). Moreover, Logix Solutions Al Faisaliah Group has implemented Oracle Fusion Cloud to unite operations at various subsidiaries. Logix Solutions Small to mid-

sized. There are smaller-to-midsized Saudi ERP-case studies (such as Sawaed Wood Industries, or Natco Mercedes in the automotive sector) reporting an increase in reporting capabilities, process streamlining and quality of data post-ERP (including accounting and inventory) adoption.

These developments demonstrate that Saudi firms are expanding their technical resources (ERP, big data analytics) and are interested in using data to drive performance. However, it is clear that the degree to which financial data at the GL level (transactions, cost centres, process-level details) is used in internal strategic and operational decision-making (Fähndrich & Pedell., 2024). Literature evidence on how financial managers and strategic planners in Saudi Arabia are currently using GL insights (beyond traditional FS) to make decisions such as pricing, cost control, and investment is limited. This ensures that without it, most firms will be operating with only partial internal visibility, using the FS summaries as their primary source of information, possibly with external reports, but not with the detailed internal ledger information that provides more actionable and granular evidence.

The global business environment is growing data-intensive, but many organisations remain confused about how to differentiate between strategic effectiveness (doing the right things, setting the right long-term direction) and operational efficiency (doing things right, optimising processes and resource use) (Basa, 2025). The limitations of financial statements-based decisions on pricing, investment, cost reduction, and process improvement are limiting in most situations to the extent that they can be relied

on to aggregate numerous transactions, eliminate process-based attribution to costs and lag in providing real-time or near-real-time internal performance (Cunningham, 2024).

In Saudi Arabia, the use of ERP systems and other digital tools is widely adopted (Hammad et al., 2024); however, as it has been shown, companies might not fully use the details presented by General Ledger systems. FS are regularly prepared and audited, although the conversion of GL information into decision-ready insights to internal operations (e.g. cost centres, product lines, process variances) has not been documented well (Bakr & Napier, 2022). Understanding what strategic and operational decisions are limited by FS-only data, which managers feel is limited, and why broadening the use of GL is limited by technical, organisational, and cultural barriers is also a gap.

Furthermore, until practitioners, including CFOs, finance managers, strategy managers, and internal audit functions, provide empirical evidence on their attitudes to the potential value of GL and challenges, the need to incorporate GL insights into the internal environment analysis on a systematic basis is hard to determine. This deficiency hinders both theory (of how internal strategic effectiveness can be enhanced) and practice-companies can fail to invest properly in systems, processes, training or governance to make use of GL data.

Therefore, this research will fill this gap by examining the perceived need and value of GL-based insights in Saudi corporate decision making: how financial decision makers currently evaluate their internal strategic and operational environment, what decisions

they feel are constrained by FS limitations, what specific insights they feel GL would add to the analysis, what barriers prevent them, and what value they believe will be created by combining GL analysis with FS analysis. The study creates theoretical necessity and practical justification of GL integration even in the context where direct access to GL data can be challenging by concentrating on perceptions and demand. This study has the following research questions to answer:

1. How do financial managers and strategic planners in Saudi companies currently assess the internal strategic and operational environment? What role do FS play? What role could the GL play?
2. What specific strategic and operational decisions (e.g., cost reduction, pricing, investment, process improvement) are perceived to be hindered by limitations of FS data alone?
3. What granular insights (e.g., cost centre performance, product line profitability, process-specific costs, variance root causes) do practitioners believe the GL could provide that are unavailable from FS?
4. What are the perceived barriers (technical, organisational, cultural) to integrating GL analysis into strategic internal assessment processes?
5. What is the perceived potential value (improved decision-making, risk mitigation, performance gains) of systematically combining GL analysis with FS analysis for internal assessment?

## Theoretical Framework

This study has a theoretical foundation based on three mutually complementary views: the Resource-Based View of the firm (RBV), Strategic Management Accounting (SMA), and Decision-Usefulness Theory (DUT). Collectively, these frameworks offer a theoretical explanation of why granular internal data, including that recorded in General Ledger (GL) systems, is essential in making the difference between strategic effectiveness and operational efficiency, as well as in allowing decisions to be made using better information.

The Resource-Based View (RBV) assumes the sustenance of competitive advantage by a firm based on the competitive advantage of resources and capabilities that a firm enjoys, which are valuable, rare, inimitable, and non-substitutable (Madhani, 2021). Although RBV has always been concerned with tangible and intangible assets, the framework has been gradually expanded to incorporate the contribution of information and analytical capabilities as strategic resources (Chatterjee et al., 2024). GL level and granular financial data in particular may be regarded as an in-house knowledge asset that raises managerial potential to identify areas of inefficiency, find areas of performance, and distribute resources efficiently (Saviano et al., 2024). When used adequately, GL data turns into a strategic competence since it is unique to a firm and is hard to replicate by competitors and is directly related to value creation. Within the Saudi Arabian environment, where companies are experiencing pressure to become more competitive due to Vision 2030, GL-based knowledge could serve as a distinguishing power,

allowing companies to redesign operations and strategies faster to counter changes in the market (Al-Rahman Al-Qadi et al., 2025).

In addition to RBV, the Strategic Management Accounting concept (SMA) is a concept that emphasises the necessity to offer managers with the financial and non-financial information that is relevant in making strategic decisions (Nik Abdullah et al., 2022). SMA goes beyond conventional financial reporting to include competitor analysis, customer profitability, cost driver analysis and long-term value creation. Multiple SMA methods, including activity-based costing, life-cycle costing and strategic variance analysis, use transaction-level data, which is best obtained through the GL (Duçi, 2021). SMA is unable to achieve its full potential without the use of GL data as FS aggregates hides cost behaviours at any given level of activity, product or process. The incorporation of GL insights into strategic considerations therefore, helps to bridge the gap between conventional financial accounting and the requirement of managers to have forward-looking, granular information (Duçi, 2021).

However, the Decision-Usefulness Theory (DUT), which has been the foundation of much accounting research, states that the major role of financial reporting is to use the information to make decisions that are of interest to internal and external stakeholders (Qizam, 2021). Although traditionally DUT has been concerned with external users, the same logic applies to internal decision-makers, since information must be timely, relevant and detailed enough to inform decisions concerning the allocation of resources, performance management, and mitigating risk (Soyinka et al., 2017).

Financial Statements fulfil part of these demands, but they are often not able to provide disaggregated and actionable information. GL data also helps to overcome this weakness by offering a more detailed and complete, and real-time representation of the financial events, thereby increasing the usefulness of decisions.

These theories highlight the need for the integration of GL in theory. RBV defines GL data as a strategic resource, SMA points out its importance for the alignment of finance and strategy, and DUT points out its importance in the quality of decision-making. These theoretical aspects give the study a rationale for why it seeks to research the perceived need, barriers, and possible value of GL-based insights in Saudi corporate decision-making, which gives academic and practical explanations to the study.

## Ethical Considerations

The study ensured that participation was voluntary and that the identity and company details of the respondents would not be disclosed. Questionnaires do not gather personally identifiable information without specific need and acceptance by the respondent. Data was kept safe and utilised only for academic and research purposes. This ethical procedure is necessary to provide open answers, particularly because the participants might be presenting important observations about the internal operations of their company.

## Method & Analysis

A qualitative and descriptive research design was utilised to conduct

systematic research on the perceived need and value of General Ledger (GL) integration as the overall internal environment research in Saudi Arabian organisations. The descriptive methodology records, narrates and explains the perceptions of financial decision-makers concerning the perceived benefits, constraints, and obstacles of GL integration. This approach to research, based on perceptions and existing practices, guarantees that the study is grounded in the experience of practitioners and compliant with practical limitations of the inability to access GL data directly.

The target population includes financial decision-makers and employees working in about 325 Saudi companies (medium-to-large organisations) within manufacturing, retail, agri-food, logistics, government and non-profit sectors. The larger sampling frame included finance and strategy professionals. In the interview phase, a purposive subsample was employed, with the actual population achieved being 25 finance and strategy professionals (one respondent per company) who were then interviewed in depth. Particularly, the research targets Chief Financial Officers (CFOs), strategic planning managers, finance managers, and employees of the finance department. These respondents are identified since they are most directly involved with financial statements (FS) strategic analysis and would be the primary users of GL-based insights in the case of such integration. The purposive sampling method is adopted to ensure that the respondents have the relevant knowledge and experience in decision-making. This method will enable the study to create rich, suitable, and experiential data that captures the realities of internal environment analysis in Saudi

corporate contexts. The interviews were conducted up to the point of thematic saturation, and they offered the main qualitative information to be used in the thematic analysis.

A structured interview questionnaire was used to collect primary data based on the five key sections of the research questions, containing open-ended questions to accept only quantitative trends (e.g. perceived importance ratings) and qualitative evidence (e.g. perceived barriers, examples of hindered decisions). The questions address the following sections: (1) existing approaches to internal strategic and operational evaluation, (2) perceived constraints of FS data, (3) the potential granular information derived with the help of GL analysis, (4) obstacles to integration, and (5) the perceived value of using both GL and FS analysis. The researcher personally administered the questionnaire to respondents, which contributed to maximise the response rates and also helped ensure that the approaches offer the desired decision-making level within each company.

Since the research is descriptive, the main purpose of data analysis was to summarise and interpret response patterns. The thematic analysis of qualitative responses to open-ended questions was used to identify common themes, as shown in Table 1, including the types of decisions that should not be made with the help of FS-only analysis, additional insights that should be obtained with the help of GL integration, and the most critical barriers in organisations. Such a quantitative-qualitative interpretation offers detailed insight into the apparent need and actual need of GL integration.

Table 1: Thematic Analysis

| Key Response from Respondent | Sub-Themes | Main Theme |
|---|---|---|
| "Our company uses financial statements as the primary internal assessment tool in strategic planning." | •Reliance on FS for planning<br>•FS as baseline for performance tracking<br>•FS perceived as objective and reliable | Use of Financial Statements in Strategic Planning |
| "Financial statements do not address goods and types of sales," "legal expense was non-recurring but inflated operating costs." | •Lack of detail at the product level<br>•One-off expenses distort trends<br>•Insufficient operational breakdown<br>•FS is backwards-looking rather than predictive | Limitations of Financial Statements for Operational Insight |
| "The general ledger shows cost-centre/department performance better than financial statements." | •Visibility of departmental costs<br>•Identifying underperforming units<br>•Supports accountability<br>•Enables internal benchmarking | Value of General Ledger for Granular Insights |
| "GL reveals root causes behind budget variances," "transportation cost rose by %40, identified through GL." | •Root cause analysis<br>•Cost-driver identification<br>•Detecting anomalies early<br>•Improving cost control | |
| "GL enables profitability analysis by customer, product, or service." | •Customer profitability analysis<br>•Product-level contribution margin<br>•Service-line costing<br>•Informed pricing strategies | |

| Key Response from Respondent | Sub-Themes | Main Theme |
|---|---|---|
| "Integrating FS and GL improves strategic decision accuracy, cost efficiency, and competitive advantage." | •Improved decision quality<br>•Reduced operational risks<br>•Greater transparency<br>•Alignment with strategy<br>•Competitive positioning | Integration of FS and GL for Strategic Alignment |
| "Better integration of analytics is achieved through ERP systems, BI dashboards, and training the finance team." | •Technology enablement (ERP, BI)<br>•Data visualisation<br>•Staff capability development<br>•Collaboration with departments | Recommendations for Effective Integration |
| "Challenges: lack of tools, lack of training, organisational silos, management resistance." | •Skills gap<br>•Limited system capability<br>•Cultural barriers<br>•Time/resource constraints<br>•Leadership buy-in issues | Organisational and Technical Barriers |
| "Performance improvement expected >%20 with FS+GL integration." | •High perceived ROI<br>•Expectation of better cost control<br>•Operational performance improvement<br>•Strategic clarity | Business Case for Integration |
| "Closing a product line would have hurt reputation despite FS showing losses, GL and market insights changed the decision." | •Risk of misleading decisions based on FS alone<br>•Need for complementary data (market, customer loyalty)<br>•Importance of qualitative context | Consequences of Solely Relying on Financial Statements |

| Key Response from Respondent | Sub-Themes | Main Theme |
|---|---|---|
| "Integrating FS + GL supports Vision 2030 goals, especially operational excellence." | •National policy alignment<br>•Contribution to efficiency goals<br>•Supporting digital transformation mandates<br>•Stakeholder confidence building | Strategic Relevance to Vision 2030 |

## Results & Discussion

### Financial Statements Strategic Planning

The respondents indicated that financial statements (FS) are a key instrument in strategic planning, with general or strong consent. One of them said,

"In the strategic planning process, our company relies on financial statements as the main internal evaluation tool, which demonstrates that FS are strongly integrated into decision-making and monitoring processes. However, the robustness of this dependence also emerges within what respondents believe is a normal practise and not a distinguishing factor because many indicated that FS help is good in the process of identifying risk/opportunity but may not always offer adequate depth.

In literature, FS are conventionally considered as the sources of strategic planning since they present the data of historical performance, liquidity, and profitability (Silviu-Ionel, 2024). The research on strategic planning (applied to financial industries) focuses on the formal use of FS to set a mission, vision, and conduct environmental scanning (e.g., the studies of strategic planning in Tanzania). Indicatively, a financial research study in Tanzania

revealed that the formal strategic planning process involved FS-based evaluation, metrics and planning control. However, FS do not necessarily enable the managers to identify forward-seeing trends or operational levers according to Macha et al. (2023).

Based on the Decision-Usefulness and Strategic Management Accounting literatures, FS are essential yet inadequate. They perform well in terms of financial health status, investment potential and compliance, yet when it comes to agile strategic and operational decision making, companies require more detailed and forward-looking internal data (Sihotang et al., 2024). These trends are represented in your data: high consensus on Q1 (FS as primary tool), Q3 (FS helps identify strategic risks), reduced confidence in the capability of FS to capture operational performance in its entirety (Q2) or to correlate with non-financial indicators (Q4) in most responses. This indicates that although FS are relied upon and are commonly applied to Saudi firms, practitioners are cognizant of the shortcomings of FS in strategic planning.

Thus, this theme supports what the literature claims that FS are strategic elements that have to be supplemented. FS offer legitimacy, baseline comparison and risk/opportunity horizon. However, does not offer enough to make accurate planning, particularly when a quick response, volatility, or operational change is required. This preconditions the need to incorporate GL data (or other inner granularity) to improve the quality of strategic planning.

## Limitations of Financial Statements for Operational Insight

Respondents mentioned that “financial statements (FS) offer

a high-level or aggregate perspective, which does not reflect product-level performance, single off-the-sheet costs, or process inefficiencies". The respondent further stated that,

"Goods and forms of sales were not covered by the financial statements; however, another observed that

"The increase in expenses was trackable through the General Ledger (GL) to non-recurring legal costs, and this information was concealed by the FS".

This relates to literature that FS has a weakness in determining internal cost drivers or operational inefficiencies; FS are effective in external reporting, but it tends to sum up across cost centres, product lines, or departments, losing actuality (Olayinka, 2022).

The Strategic Management Accounting (SMA) concept in the literature highlights that managers require disaggregated and relevant information (e.g., activity-based costing, variance analysis) that cannot be provided by FS alone (Seal, Garrison, and Noreen) (Rashid, 2024). In numerous works (e.g., in the manufacturing industries worldwide), the companies that used FS only showed worse performance in cost control and pricing, as they could not see the costs specific to the processes. Indicatively, a study conducted by Liu et al (2022) observed that use of the conventional financial statements alone did not allow managers to identify cost inefficiencies, which would have been apparent had more detailed data be available.

This was confirmed by respondents as several responses to Q-5Q8 demonstrate high scores in agreement that FS restrain proper pricing, impede cost reduction, and are deficient in capital

investment decision making. Statistically, in previous studies in developing countries, more than %60 of managers say that FS does not give sufficient operational information to make decisions regarding process enhancement. Consequently, this theme lends the theoretical need of GL integration: FS alone cannot provide operational insight, which is in line with Resource-Based View (RBV) and Decision-Usefulness Theory that support disaggregated, internally concerned data.

## Value of General Ledger for Granular Insights

The findings indicate a strong consensus among respondents regarding the superior analytical depth of GL compared to FS. Participants underscored that the GL is a more effective tool for evaluating cost-centre and departmental performance, uncovering the root causes of budget variances, and conducting profitability analysis across customers, products, and services. A notable example provided by one respondent illustrated this distinction: “FS recorded an increment in expenses, but GL declared that it was not a recurrent operation but a different “contract or department.

Another respondent explained that:

“There was an increase in transportation costs that GL assisted in following, which paths/providers/contract terms were to blame”

The literature on SMA and managerial accounting has a long-standing belief that granular internal information (cost centres, product lines, departments) is essential to narrow the decisions (Salomao et al., 2025). Research has indicated that when cost centre data and product margin data are combined, the accuracy

of strategic decisions is amplified. As an example, global research suggests that companies that apply activity-based costing (that is, detailed internal costs, such as those found in a GL) tend to gain 15-10 % in their cost control and profitability (Alahmari, 2023). Empirical studies about value relevance after the implementation of the IFRS in Saudi Arabia show that the quality of financial reporting has increased in certain aspects (recognition of balance sheets, the classification of liabilities and assets), and it lacks internal details that can be used by the managers (Tlemsani et al., 2024). Thus, the results of research showed a substantial consensus among practitioners that GL provides deeper, actionable insights, align with what the existing literature indicates: that GL is needed to facilitate operational efficiency, improved variance analysis and profitability segmentation, which are essential to strategic alignment (Alomair, 2022).

## Organisational and Technical Barriers

Many respondents were optimistic about the potential of GL + FS integration, but they also identified barriers, technical issues (lack of tools, systems, ERP capabilities), skills/training/training, organisational silos, time/resource constraints, and management resistance. Indicatively, one respondent mentioned that:

“It is challenging and might be resisted, and another respondent also quoted that “it requires better charts of accounts and technology tools”

Literature supports the fact that the integration of detailed internal financial systems is usually met with non-technical

barriers. Management accounting research indicates that despite organisational systems (e.g., ERP) typically being in place, the insufficient skills of the staff, resistance to organisational change, and the silos of organisational structure often delay the use of internal detailed data (see Burns & Vaivio, 2001; Granlund and Malmi, 2002). In developing markets and especially Saudi Arabia, constraints like inadequate financial analyst capacity and lagging technologies are often mentioned (Guizani & Ajmi, 2021).

In terms of technical capacity, a study related to IFRS adoption in Saudi Arabia (Tlemsani et al., 2024) suggests that external reporting tools have been enhanced, but internally, managers continue to report the challenges of systems adaptation and classification problems. Consequently, the journey to the implementation of GL on the internal strategic decisions is blocked not only by technology but also by human, organisational, and cultural factors. The recommendations should encompass capacity building, leadership, better systems, and cross-functional coordination.

## Integration of FS + GL into Strategic Alignment and Business Case.

Respondents anticipated significant performance gains (typically >20) with the integration of GL and FS increase in the accuracy of strategic decision-making, cost performance, competitive advantage, risk mitigation and congruence with Vision 2030. One stated,

“FS + GL helps to achieve Vision 2030 (e.g. operational excellence)”

The literature on the theory of the usefulness of decisions

provides evidence that financial information should be relevant, timely and disaggregated to support strategic decisions. Decision usefulness is improved through disaggregation (GL-level detail) (IASB Conceptual Framework). Additionally, the Resource-Based View can use internal data systems as a strategic resource: the ability to react to competitive forces is faster in a firm that employs granular data. In a study of the application of balanced scorecard, established that organisations that incorporated both internal financial and non-financial data, enhanced their strategic performance and competitiveness greatly (Madhani, 2021).

The Saudi Arabian companies focus on the external reporting (IFRS adoption), relevance of values, and adhere that there is not much research that measures the internal improvements. As an illustration, the adoption of IFRS in nonfinancial listed firms in Saudi Arabia did not significantly increase the quality of financial reporting in most firms, according to Guizani & Ajmi (2021) limited internal adoption and the likelihood of symbolic compliance. Allied Business Academies. Therefore, expectations of the respondents lead to a strong business case: comparable literature that disaggregates and integrates financial data leads to better strategic alignment, national goals (such as Vision 2030), and performance increases that can be measured.

## Implications of Relying on Financial Statements

Respondents presented situations in which FS itself was misleading or restricting decisions. One of them detailed an instance where FS proposed to shut one of their product lines as sales were



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low during a particular period, but a high profit loss, facilitated by market loyalty or any other non-FS information, would have worked against the reputation. The other reported

“FS reflected increasing expenses, but GL indicated that the reason was that it was a non-recurring legal expense, implying that the problem was not persistent”

These reactions demonstrate that the risk of strategy choices relying solely on FS may result in sub-optimal or even detrimental results. The available literature also raises the danger of excessive dependence on FS, which leads to problematic decisions. Strategic Management Accounting scholars, such as (Drury, 2018), argue that because FS are inherently aggregated an often lack a result-oriented focus, they can lead to the misallocation of resources or the misinterpretation of market volatility. Research indicates that firms relying exclusively on FS as a stand-alone-tool without the support of cost-centre data or activity-based costing- exhibit a delayed response to shifts in cost drivers. This lack of visibility ultimately results in persistent operational inefficiencies and a diminished capacity for proactive decision-making. Empirical studies in the emerging market also tend to record the occurrence of firm investment or closure decisions made without inquiring into the underlying variances or product-profitability lead to unfavourable competition performances.

The respondents also emphasised the risks of unique or single-time experiences being misunderstood as continuing issues (legal costs, high transportation costs), or long-term choices being taken without full information, e.g. reputation, customer retention. Moreover,

high performance increases (>-20percent) are estimated by many respondents should FS + GL be integrated, which suggests that they perceive costs or opportunity costs related to the FS-only decision-making.

This theme records the perceptions of practitioners regarding FS limitations and demonstrates actual costs: reputation, misplaced closures, and cost overruns. It confirms the literature that strategic effectiveness is impaired by the misuse of FS as operating performance proxies, and that more granular data (GL) should be integrated to avert such effects.

## Strategic Relevance to Vision 2030

Most of the respondents think that FS + GL is highly compatible with the national strategy, especially the Vision 2030 of Saudi Arabia, which focuses on digital transformation, operational excellence and high efficiency. One of the respondents simply stated,

FS + GL can help achieve Vision 2030 objectives (e.g., operational excellence). The integration is also viewed by others as not merely an internal performance concern but as being part of meeting external/regulatory/strategic requirements.

The evidence of a high level of governmental encouragement of digitalisation of services and the enhancement of institutional performance can be found in the literature on Saudi Vision 2030. Indicatively, the Grant Thornton report shows that more than 80 % of government services are completely digitised. The 2023 Annual Report of the Vision 2030 indicates an increase in non-oil GDP, SME growth, regulation reforms and better key performance

indicators in the pillars. These are indicative of a landscape in which businesses are supposed to enhance internal systems, transparency, and efficiency, often obligatory (Madhani, 2021). According to academic research, Saudi Arabian companies are under mounting pressure due to state policy, regulatory expectations, and market competition to show operational excellence and performance. However, a gap is observed by many studies as well as external reporting and compliance are improved (IFRS, disclosures), but internal management reporting, internal analytics, cost-centre visibility, or detailed profitability analysis are less reported in the literature. This gap implies that practitioners have found the need, although empirical evidence is still developing.

The respondents anticipate that internal decisions made with the help of FS + GL integration will be better, and will help organisations to make contributions to the national goals, more efficient, more competitive, and more transparent. This theme emphasises the fact that to Saudi companies, integrating GL is a matter of best practise, but is strategically pertinent in the current policy environment, thus making it more probable to get adopted, provided the obstacles are overcome.

To synthesize these findings, corporates and practitioners can integrate the results into a cohesive conceptual framework for integrated financial intelligence, which maps the transition form descriptive reporting to prescriptive strategy. This framework would position Financial Statements as the foundational layer for baseline health and legitimacy, while the General Ledger serves as the analytical engine that translates these aggregates

into actionable operation levers. By categorizing the identified barriers -technical, organizational, and cultural-as “moderating variables,” the framework can illustrate how institutional capacity-building directly influences the effectiveness of data integration. Ultimately, the framework should demonstrate a causal link where the fusion of “compliance data” financial statements and general ledger data drives the strategic alignment, resulting in measurable performance gains and direct contributions to Saudi Vision 2030 objectives like operational excellence and transparency.

## Conclusion

The present research examined this requirement and the concludes that the integration of the General Ledger (GL) and financial statement (FS) analysis in Saudi-based companies is a strategic imperative, offering a significant scientific contribution by bridging the empirical gap between high-level compliance and internal operational intelligence. Theoretically, the study extends Decision-Usefulness Theory and the Resource-Based view by demonstrating that while (FS) provide a necessary baseline for external legitimacy, they are insufficient for precise internal steering; thus, the “disaggregation” of data via the (GL) becomes a critical strategic resource. Practically, the findings reveal that despite technical and organizational barriers such as departmental silos and management resistance, the systematic fusion of these data layers is perceived to yield performance gains exceeding %20, practically in pricing, cost control, and root-cause analysis. Contextually, this research provides a vital roadmap for aligning corporate accounting with Saudi Vision 2030, transforming the finance function from a descriptive reporter into a prescriptive engine of operational excellence and national competitiveness. However, it is essential to acknowledge certain research limitations; because this study concentrates on perception and demand, the results are based on the subjective insights of practitioners rather than access to (GL) Data. Furthermore, the complexity of full system integration, potential data security risks, and high implementation costs-particularly for smaller enterprises- may limit the immediate

generalizability of these qualitative findings to all business scales in the region.

## Recommendations

According to the results, corporate managers, leaders of finance departments, and policy-makers are offered several concrete recommendations on making FS + GL integration maximally effective in Saudi firms:

- **Implement Unified financial systems (ERP + BI Tools)**
  - Invest in ERP solutions and business intelligence dashboards which can seamlessly merge FS and GL data to allow for real-time cost-centre performance monitoring, variance analysis and product-level profitability information.
- **Acquire Critical Thinking and Inter-functional Teamwork**
  - Carry out specific training for finance, operations, and strategy teams to enhance data interpretation and decision-making under GL. Create cross-functional performance review meetings to minimise silos and encourage mutual responsibility for strategic outcomes.
- **Establish Management Buy-In**
  - Communicate the strategic value of integrated solution to top management, specifically focusing on improved decision making, cost reduction and alignment to the Saudi Vision 2030, to overcome cultural resistance and secure budget approval.
- **Pilot Integration Project**
  - Begin integration within a single business unit or cost centre to illustrate “quick wins”, quantify performance improvement

(>%20 as estimated by respondents) and develop a data-backed business case for company-wide implemetation.

- **National Digital Transformation Agenda**
  - Align corporate upgrades with national digitisation and operational excellence programmes to leverage government incentives, which can help justify the initial investment and increase the speed of the system adoption.
- **Future Comparative Research**
  - It is recommended that future studies conduct a “comparative analysis between public and private companies” regarding the implementation of (FS)+(GL) integration to identify sector specific best practices.
- **Quantitative Technical Assessment**
  - Future research should more prominently highlight technical constraints through quantitative measures, such as determining the percentage of firms lacking integrated ERP Systems, Cost-to- Insights ROI, Human capital literacy, and Sector specific infrastructure gap.

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