

Improving Financial Transparency and Regulatory Compliance in The US Organisations Through SAP FI Systems

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Abstract- This study examined the influence of SAP FI systems on financial transparency and regulatory compliance in organizations in the United States. The specific objectives were to determine the extent to which SAP FI systems influence financial transparency through real time reporting and data accuracy and to analyze how they influence adherence to regulatory requirements such as GAAP. A descriptive survey research design was adopted, while the population consisted of SAP FI users, SAP FI functional consultants, and ERP support analysts, from which a sample size of 200 respondents was selected using snowball sampling. Data were collected using a structured electronic questionnaire administered through Google Forms and measured on a five point Likert scale. The hypotheses were tested using Spearman Rank Order Correlation. The findings revealed that: SAP FI systems positively and significantly influence financial transparency in U.S. organizations ($\rho = 0.660, p = 0.000$); SAP FI systems positively and significantly influence regulatory compliance in U.S. organizations ($\rho = 0.399, p = 0.000$). The study concluded that effective use of SAP FI systems enhances financial reporting quality and strengthens compliance practices. Thus, Chief Financial Officers and Enterprise Data Governance Teams embed SAP FI outputs into a unified enterprise financial visibility framework that consolidates real time transactional data with predictive reporting dashboards for executive decision making. This would shift financial transparency from periodic reporting to continuous financial monitoring, allowing leadership to detect anomalies, trace transaction patterns across subsidiaries, and evaluate financial consistency at enterprise level rather than departmental level.

Keywords: Financial Transparency, Regulatory Compliance, US organisations, SAP FI Systems

I. INTRODUCTION

Financial management has become more complex as organizations expand across borders, operate in real time markets, and respond to increasing demands for accountability. In the United States, businesses

function within a highly regulated environment where accurate financial reporting is not only expected but required by law (Ihimoyan et al., 2024). Stakeholders such as investors, regulators, and the public rely on financial information to make informed decisions, placing pressure on organizations to maintain reliable and transparent reporting systems (Mesioye & Bakare, 2024). Over time, traditional accounting methods have struggled to keep pace with the scale and speed of modern business activities. Manual processes, fragmented data systems, and delayed reporting have often created gaps in financial visibility and control, as highlighted in discussions on enterprise financial transparency challenges (Daksheen, 2023). These challenges have pushed organizations to adopt advanced digital solutions that can integrate financial data and support timely decision making. According to Chao et al. (2026), Enterprise Resource Planning systems have emerged as a response to these challenges by offering a unified platform for managing business operations. Among these, SAP Financial Accounting systems have gained widespread use due to their ability to handle complex financial processes in large organizations, with ERP adoption being widely linked to improved financial visibility and operational coordination (Finch & Byrne, 2025). As companies continue to embrace digital transformation, understanding how such systems shape financial practices has become increasingly important.

Financial transparency and regulatory compliance have become essential elements of corporate governance in today's business environment (Efunniyi et al., 2024). Organizations are expected to provide clear, accurate, and timely financial information that reflects their true performance. This expectation has been reinforced by regulatory frameworks such as the Sarbanes Oxley Act and

Generally Accepted Accounting Principles in the United States (Davalos & Feroz, 2022). Failure to meet these standards can result in legal penalties, reputational damage, and loss of investor confidence. At the same time, Eynade et al. (2022) argued that stakeholders demand greater visibility into financial activities, making transparency a critical factor in maintaining trust. In response to these expectations, many organizations have turned to SAP FI systems to strengthen their financial management processes. SAP FI systems support the recording, processing, and reporting of financial transactions in a structured and consistent manner (Chima et al., 2021). They enable organizations to maintain standardized accounting practices across different departments and locations. In addition, these systems provide real time access to financial data, which helps management monitor performance and identify issues promptly. The integration capabilities of SAP FI systems also allow organizations to connect financial data with other business functions, improving overall coordination. Studies on ERP based financial systems have shown that such integration strengthens compliance structures and improves reporting reliability in regulated environments (Khatri et al., 2024). Similarly, digital transformation in finance has been associated with improved accuracy and decision support capabilities (Sharma & Sharma, 2025). As a result, SAP FI systems have become a key tool for organizations seeking to meet regulatory requirements while maintaining a high level of financial transparency.

SAP FI systems influence financial transparency and regulatory compliance in several important ways. One of the main contributions lies in their ability to automate financial processes, which reduces the likelihood of human error and ensures consistency in data handling (Chima et al., 2021). Automated postings, reconciliations, and reporting functions allow organizations to produce accurate financial statements within shorter timeframes. This supports transparency by providing stakeholders with reliable information when it is needed. Another important aspect is the system's ability to maintain detailed audit trails (Singh & Best, 2015). Every financial transaction recorded in SAP FI can be traced, making it easier for auditors and regulators to verify compliance with established standards. This

traceability strengthens internal controls and reduces the risk of fraudulent activities. SAP FI systems also support compliance by incorporating regulatory requirements into their configuration (Chukwuma-Eke et al., 2022). Organizations can align their financial processes with specific accounting standards, ensuring that reports meet legal expectations. Furthermore, the system's real time processing capability allows organizations to monitor financial activities continuously rather than relying on periodic reviews. This helps in identifying discrepancies early and taking corrective action. Research on SAP based financial systems has shown that integration of financial data improves transparency, accuracy, and compliance readiness across organizations (Tyas & Abidin, 2024; Shiwakoti, 2025). By integrating financial data across different functions, SAP FI systems provide a comprehensive view of organizational performance, which enhances decision making and accountability. Through these features, SAP FI systems play a significant role in shaping how organizations achieve transparency and comply with regulatory standards. With the use of integrated systems such as SAP FI, financial processes are streamlined, data is centralized, and reporting becomes more transparent and consistent across all departments (Chukwuma-Eke et al., 2022). However, despite the adoption of SAP FI systems, issues such as improper system configuration, inconsistent data entry, and limited user expertise often reduce the effectiveness of these systems. Challenges associated with ERP implementation and system usability have also been noted in prior studies on enterprise systems (Finch & Byrne, 2025; Hermawan et al., 2025). In some cases, organizations rely on partial system usage or maintain parallel manual processes, which leads to fragmented financial information. Delays in data processing and reporting still occur, and gaps in system integration can limit the visibility of financial activities across departments. As a result, the potential of SAP FI systems to support accurate reporting and regulatory adherence is not always fully realized.

These challenges create significant consequences for organizations. Inaccurate or delayed financial information can affect decision making and weaken managerial control over operations (Nworie &

Oguejiofor, 2023). Weak transparency may reduce stakeholder confidence, particularly among investors and regulators who rely on credible financial disclosures. Non-compliance with regulatory standards can lead to penalties, legal actions, and reputational damage, which may have long term effects on organizational performance (Jahidi et al., 2024). In addition, inefficiencies in financial processes can increase operational costs and reduce overall productivity. When SAP FI systems are not effectively utilized, organizations miss the opportunity to strengthen accountability and improve financial management, making it more difficult to operate successfully in a highly regulated business environment. Similar risks of compliance failure and reduced financial control in ERP environments have been noted in studies on complex organizational systems (Chima et al., 2021; Chukwuma-Eke et al., 2022).

Despite extensive evidence on SAP ERP and SAP FICO systems, a clear gap persists in empirical understanding of how SAP FI specifically drives financial transparency and regulatory compliance in the United States context. Studies by Finch and Byrne et al. (2025), Sharma and Sharma et al. (2025), Shiwakoti et al. (2025), Hermawan et al. (2025), Khatri et al. (2024), Tyas and Abidin et al. (2024), Daksheen et al. (2023), Aroba and Abayomi et al. (2023), Chukwuma-Eke et al. (2022), Kinnunen et al. (2022), Chima et al. (2021), and Mohammed et al. (2021) largely emphasize ERP adoption, system integration, operational efficiency, and general compliance outcomes, often within non US or sector specific settings. However, most of these works focus on qualitative insights, conceptual frameworks, or mixed ERP modules rather than isolating SAP FI functions. Furthermore, limited attention is given to real time reporting accuracy and adherence to GAAP within a quantitative, correlation based analysis. Existing literature also underexplores user centered perceptions from SAP FI practitioners. This creates a methodological and contextual gap that this study addresses by empirically examining SAP FI influence on transparency and regulatory compliance using survey data and statistical correlation analysis in the US organizational environment. Thus, the main objective of the study is to examine the influence of SAP FI systems on financial transparency and

regulatory compliance in organizations in the United States. The specific objectives are:

- i. To determine the extent to which SAP FI systems influence financial transparency in U.S. organizations through real-time reporting and data accuracy.
- ii. To analyze how SAP FI systems influence adherence to regulatory requirements, including GAAP, within U.S. organizations.

II. LITERATURE REVIEW

2.1 Synthesis of Existing Empirical Studies

Across the empirical literature, SAP FI systems are consistently positioned as central tools for improving financial transparency and regulatory compliance in complex organizational environments. Finch and Byrne (2025) showed that SAP FICO adoption in large organizations was largely driven by regulatory pressure, the need for standardized processes, and improved financial visibility, although they also noted that high costs, customization challenges, and resistance to change often reduced implementation success. In a similar direction, Hermawan et al. (2025) confirmed that SAP ERP systems generally improve financial efficiency, decision making, and accuracy, but also warned that implementation costs and system complexity can limit outcomes, especially where organizational readiness is weak. These findings collectively suggest that SAP FI systems offer strong potential, but their effectiveness is shaped by implementation conditions rather than technology alone.

Evidence from multiple studies shows that SAP systems significantly enhance financial transparency through automation, integration, and improved data quality. Tyas and Abidin (2024) demonstrated that even partial SAP adoption improved financial reporting transparency and reduced fraud risks through more reliable disclosure processes. Chima et al. (2021) further supported this by showing that SAP FI/CO integration in the energy sector improved audit readiness, cost traceability, and compliance through real time financial control systems. Chukwuma-Eke et al. (2022) added that SAP based financial frameworks strengthened transparency by automating cost allocation and reducing manual errors in financial reporting. Mohammed (2021) also

confirmed that SAP integration with treasury systems improved financial control and reduced processing errors, leading to more accurate financial outcomes. However, Kinnunen (2022) presented a more cautious view, showing that transparency gains may be limited when organizations only partially use SAP systems or fail to fully optimize system capabilities. This indicates that transparency improvements depend not only on system availability but also on depth of usage and operational alignment.

Regulatory compliance is another area where SAP FI systems demonstrate strong influence across different contexts. Khatri et al. (2024) found that SAP FI and CO modules support compliance with US GAAP and IFRS by enabling structured reporting, parallel accounting, and consistent financial data processing. Similarly, Chukwuma-Eke et al. (2022) showed that SAP systems improved compliance with international reporting standards through automation and reduced human error. Chima et al. (2021) expanded this discussion by highlighting that SAP FI/CO systems enhance compliance in multinational environments by supporting centralized financial governance and real time processing, although they also noted challenges related to legacy systems and regulatory differences across jurisdictions. Aroba and Abayomi (2023) provided additional evidence from the taxation sector, showing that ERP systems improved compliance and operational coordination by eliminating departmental silos and enabling centralized financial access. These studies collectively indicate that SAP FI systems strengthen compliance mechanisms by embedding regulatory requirements into financial processes, although structural and organizational barriers can still limit effectiveness.

More recent studies highlight that the influence of SAP FI systems is increasingly shaped by integration with advanced analytics and data-driven technologies. Shiwakoti (2025) found that combining SAP FICO with business analytics improved financial transparency, decision making, and forecasting accuracy, although challenges remained in converting large data sets into usable insights. Daksheen (2023) similarly argued that traditional SAP reporting systems alone were insufficient for full transparency, and that data-centric AI pipelines

improved compliance monitoring, anomaly detection, and real time reporting. Sharma and Sharma (2025) further showed that SAP driven financial transformation improved efficiency and accuracy while reshaping traditional financial management practices. These findings suggest that SAP FI systems are becoming more effective when combined with analytical and intelligent technologies that enhance data interpretation and responsiveness.

Finally, broader ERP implementation studies provide context for understanding both the strengths and limitations of SAP FI systems. Kinnunen (2022) highlighted practical implementation gaps such as limited module usage and user challenges that reduced system benefits in real organizational settings. Hermawan et al. (2025) confirmed similar constraints, noting that while SAP systems improve operational performance and scalability, issues such as usability concerns and high costs can restrict full adoption. Finch and Byrne (2025) also emphasized that successful outcomes depend on strategic alignment and change management support.

2.2 Theoretical Framework and Development of Research Hypotheses

The study was underpinned by Technology Acceptance Model was introduced by Fred Davis in 1986 as a way of explaining how users come to accept and use new information systems (Nworie & Okafor, 2023). It was later developed further in his 1989 work, where it became widely recognized in information systems research. The theory was built to understand why people choose to accept or reject technology, especially in organizational settings where new systems are introduced to improve work processes (Hancerliogullari & Damar, 2022). Over time, it has become one of the most commonly used frameworks for studying user behavior in relation to technology adoption across different fields, including accounting and enterprise systems.

The model is based on the idea that two main factors shape how users respond to a new technology. The first is perceived usefulness, which refers to the extent to which a person believes that using a system will improve their job performance (Beselga & Alturas, 2019). The second is perceived ease of use, which refers to how easy the system is to learn and

operate. According to the theory, when users believe that a system is useful and not difficult to use, they are more likely to accept it and use it consistently (Andila & Oetama, 2023). These beliefs influence their attitude toward the system, which then affects their actual usage behavior. The model also suggests that external factors such as training, system design, and organizational support can shape these perceptions.

In relation to the topic of SAP FI systems and financial transparency and regulatory compliance in United States organizations, the Technology Acceptance Model provides a useful explanation of user behavior. SAP FI systems can only improve transparency and compliance when employees accept and effectively use them in their daily financial activities. If users perceive the system as useful for producing accurate financial reports and supporting compliance with regulations such as GAAP, they are more likely to rely on it. Similarly, if the system is easy to navigate and integrates smoothly into existing financial processes, adoption becomes stronger. However, if users find it complex or difficult to operate, they may resist using it fully, which can reduce its effectiveness (Zamanbekov et al., 2022). This makes user perception a key factor in determining whether SAP FI systems actually achieve their purpose of improving financial transparency and regulatory compliance within organizations. The study therefore hypothesised the following in line with the theory above:

H1: SAP FI systems positively influence financial transparency in U.S. organizations.

H2: SAP FI systems positively influence regulatory compliance in U.S. organizations.

III. METHODOLOGY

The study adopted a survey research design that was descriptive in nature. This design was considered appropriate because it allowed for the collection of standardized data from respondents in order to describe and explain the influence of SAP FI systems on financial transparency and regulatory compliance in organizations in the United States (Oyewole, 2026; Nworie et al., 2026). The design also enabled the researcher to gather opinions and experiences from

relevant users of SAP FI systems without manipulating any variables. It was suitable for examining patterns in responses from individuals directly involved in financial processes supported by SAP FI systems.

The population of the study consisted of SAP FI users and functional consultants working in United States organizations. This included SAP FI end users, SAP FI functional consultants, and ERP support analysts. These groups were selected because they are directly involved in the implementation, operation, and support of SAP FI systems within organizational financial processes. Their experience and interaction with the system made them appropriate respondents for providing reliable information on how SAP FI influences financial transparency and regulatory compliance.

A total sample size of 200 respondents was drawn from the population. The sample size was considered adequate for obtaining meaningful statistical analysis and ensuring representation of the target population. The study adopted a snowball sampling technique, where initial respondents who met the inclusion criteria were identified and used to refer other qualified participants within the SAP FI user community. This approach was suitable because SAP FI professionals are often distributed across different organizations, making it difficult to access a complete sampling frame. Snowball sampling therefore helped in reaching respondents who had relevant experience with SAP FI systems in practice.

The method of data collection used in the study was a structured electronic questionnaire, which was administered using Google Forms. The questionnaire was designed to capture responses related to the influence of SAP FI systems on financial transparency and regulatory compliance. It consisted of closed ended questions structured around a five point Likert scale. The scale included very high degree, high degree, neutral, low degree, and very low degree. This scaling system allowed respondents to indicate the extent of their agreement or experience with each statement in a consistent and measurable manner. The use of an electronic questionnaire also made data collection efficient and

allowed respondents to participate conveniently regardless of their location within the United States.

The research instrument was structured into sections aligned with the study objectives. One section focused on financial transparency indicators such as accuracy of financial reporting and availability of real time data. Another section focused on regulatory compliance, particularly adherence to standards such as GAAP and internal control requirements. Demographic information of respondents was also included to provide background characteristics relevant to the analysis.

Data collected from the questionnaire were analyzed using both descriptive and inferential statistical methods. The research questions were analyzed using frequency distribution and mean scores. The mean scores were used to determine the level of influence of SAP FI systems on financial transparency and regulatory compliance, while frequency distributions helped in summarizing the pattern of responses across the Likert scale.

The hypotheses formulated for the study were tested using Spearman's Rank Order Correlation Coefficient. This non-parametric statistical tool was chosen because the data collected were ordinal in nature due to the Likert scale measurement. The hypotheses were tested at a 5 percent level of significance, which was used as the basis for determining whether the observed relationships were statistically significant. A positive and significant correlation indicated that SAP FI systems had a meaningful influence on the variables under study, while a weak or non-significant relationship indicated limited influence.

IV. DATA ANALYSES

4.1 Descriptive Analysis

The table below presents the frequency distribution and mean scores of responses on a five point Likert scale used in Table 4.1 to analyse the research questions. The acronyms used are VLD which means Very Low Degree, LD which means Low Degree, N which means Neutral, HD which means High Degree, and VHD which means Very High Degree. These categories reflect the extent to which respondents

agreed or disagreed with each statement related to SAP FI systems, financial transparency, and regulatory compliance. The mean values provide a summary measure of central tendency, showing the overall level of agreement for each item, while the frequencies show how respondents were distributed across the response options.

Table 4.1 Analysis of Research Questions

SAP FI Systems	VLD	LD	N	HD	VHD	Mean
1. SAP FI systems are actively used in my organization for financial processing.	2	30	42	85	41	3.67
2. SAP FI systems provide real time financial data for decision making in my organization.	2	25	38	94	41	3.74
3. SAP FI systems are well integrated with other financial management processes in my organization.	2	44	49	74	31	3.44
4. SAP FI systems are easy to use for daily accounting and reporting activities.	0	35	55	89	21	3.48
5. SAP FI systems improve the efficiency of financial record keeping in my organization.	6	40	60	71	23	3.33
Financial Transparency in U.S. Organizations	VLD	LD	N	HD	VHD	Mean
6. SAP FI	4	35	51	80	30	3.49

systems improve the accuracy of financial reporting in my organization.						
7. Financial information is easily accessible to authorized users due to SAP FI systems.	8	24	47	90	31	3.56
8. SAP FI systems reduce errors in financial records and reporting.	2	27	46	88	37	3.65
9. Financial reports generated through SAP FI systems are clear and reliable.	2	26	45	99	28	3.62
10. SAP FI systems enhance visibility of financial transactions across departments.	4	58	39	79	20	3.26
Regulatory Compliance in U.S. Organizations	VLD	LD	N	HD	VHD	Mean
11. SAP FI systems support compliance with financial regulations such as GAAP.	6	42	51	83	18	3.33
12. SAP FI systems help ensure timely submission of financial reports to regulators.	2	24	28	106	40	3.79
13. Audit requirements	0	21	30	108	41	3.85

are easier to meet using SAP FI systems in my organization.						
14. SAP FI systems reduce the risk of non compliance with financial reporting standards.	0	21	40	105	34	3.76
15. SAP FI systems improve the accuracy of regulatory reporting processes.	25	50	34	53	38	3.15

As shown in Table 4.1 above, for the first item, SAP FI systems are actively used in my organization for financial processing, Table 4.1 shows that only 2 respondents indicated very low degree and 30 indicated low degree, while 42 remained neutral. A larger proportion of 85 respondents indicated high degree and 41 indicated very high degree. This distribution shows that most respondents acknowledged active use of SAP FI systems in their organizations, with a strong lean towards high and very high agreement. The mean score of 3.67 further supports this pattern, indicating a generally positive perception of system usage.

For the second item, SAP FI systems provide real time financial data for decision making in my organization, the frequencies show that 2 respondents selected very low degree, 25 selected low degree, and 38 were neutral. A significantly higher number of 94 respondents selected high degree and 41 selected very high degree. This indicates that most respondents believed SAP FI systems provide real time financial data that supports decision making. The mean of 3.74 reinforces this strong positive perception, showing that real time functionality is widely acknowledged.

For the third item, SAP FI systems are well integrated with other financial management processes in my organization, the responses show 2 in very low

degree, 44 in low degree, 49 neutral, 74 in high degree, and 31 in very high degree. Although the majority still leaned towards positive responses, the relatively higher number of neutral and low degree responses suggests that integration is perceived less strongly compared to usage and real time reporting. The mean value of 3.44 reflects a moderate but positive level of agreement, indicating that integration exists but is not uniformly strong across all organizations.

For the fourth item, SAP FI systems are easy to use for daily accounting and reporting activities, the table shows no respondents in very low degree, 35 in low degree, 55 neutral, 89 high degree, and 21 very high degree. This distribution indicates that while many respondents viewed the system as easy to use, a substantial number remained neutral or slightly less convinced. The concentration in high degree responses suggests general usability acceptance. The mean score of 3.48 confirms a moderately positive perception of system ease of use.

For the fifth item, SAP FI systems improve the efficiency of financial record keeping in my organization, 6 respondents selected very low degree, 40 selected low degree, 60 were neutral, 71 selected high degree, and 23 selected very high degree. This shows a more balanced distribution, with a noticeable number of neutral and low responses compared to other items. While efficiency improvement is acknowledged, it is not as strongly perceived as other aspects. The mean of 3.33 reflects this moderate agreement level.

For financial transparency, item six shows that SAP FI systems improve the accuracy of financial reporting in my organization. The frequencies indicate 4 very low degree, 35 low degree, 51 neutral, 80 high degree, and 30 very high degree responses. The majority lean toward high agreement, suggesting that respondents generally perceive improved accuracy. The mean score of 3.49 supports this interpretation of a positive but moderate influence.

For item seven, financial information is easily accessible to authorized users due to SAP FI systems, Table 4.1 shows 8 respondents in very low degree, 24 in low degree, 47 neutral, 90 high degree, and 31

very high degree. The strong clustering in high degree responses indicates that accessibility of financial information is widely supported. The mean of 3.56 confirms that respondents generally agree that SAP FI systems enhance access to financial data.

For item eight, SAP FI systems reduce errors in financial records and reporting, the frequencies show 2 very low degree, 27 low degree, 46 neutral, 88 high degree, and 37 very high degree responses. The dominance of high and very high responses suggests strong agreement that SAP FI systems reduce errors. The mean of 3.65 further strengthens this conclusion, indicating a relatively strong perceived benefit in error reduction.

For item nine, financial reports generated through SAP FI systems are clear and reliable, the table shows 2 very low degree, 26 low degree, 45 neutral, 99 high degree, and 28 very high degree responses. The high concentration in the high degree category indicates strong agreement on clarity and reliability of reports. The mean of 3.62 confirms that respondents generally view SAP FI generated reports as dependable.

For item ten, SAP FI systems enhance visibility of financial transactions across departments, the responses show 4 very low degree, 58 low degree, 39 neutral, 79 high degree, and 20 very high degree. Although positive responses are still dominant, the relatively high number of low degree responses suggests some inconsistency in perceived visibility. The mean of 3.26 reflects a weaker level of agreement compared to other transparency indicators. For regulatory compliance, item eleven shows SAP FI systems support compliance with financial regulations such as GAAP. The frequencies include 6 very low degree, 42 low degree, 51 neutral, 83 high degree, and 18 very high degree. While most respondents leaned towards agreement, a significant number remained neutral or disagreed slightly. The mean of 3.33 indicates moderate perceived support for regulatory compliance.

For item twelve, SAP FI systems help ensure timely submission of financial reports to regulators, the data show 2 very low degree, 24 low degree, 28 neutral, 106 high degree, and 40 very high degree responses. This item shows one of the strongest positive skews,

with most respondents selecting high degree. The mean of 3.79 confirms that SAP FI systems are strongly associated with timely regulatory reporting. For item thirteen, audit requirements are easier to meet using SAP FI systems in my organization, the frequencies show no very low responses, 21 low degree, 30 neutral, 108 high degree, and 41 very high degree. This indicates very strong agreement among respondents. The mean of 3.85 is the highest in the table, showing that audit compliance is one of the most strongly supported benefits of SAP FI systems. For item fourteen, SAP FI systems reduce the risk of non compliance with financial reporting standards, the responses show no very low degree, 21 low degree, 40 neutral, 105 high degree, and 34 very high degree. The dominance of high agreement responses suggests that SAP FI systems are perceived as effective in reducing compliance risks. The mean of 3.76 confirms a strong positive perception.

For item fifteen, SAP FI systems improve the accuracy of regulatory reporting processes, the frequencies show 25 very low degree, 50 low degree, 34 neutral, 53 high degree, and 38 very high degree. Unlike previous items, this distribution is more balanced and shows relatively higher disagreement levels. The mean of 3.15 is the lowest in the table, indicating that respondents are less confident about improvements in regulatory reporting accuracy compared to other compliance indicators.

4.2 Test of Hypotheses

Table 4.2 and Table 4.3 present the results of the hypotheses tested using Spearman's Rank Order Correlation Coefficient at a 5 percent significance level. The purpose of the test was to determine whether SAP FI systems influence financial transparency and regulatory compliance in U.S. organizations.

Test of Hypothesis I

H1: SAP FI systems positively influence financial transparency in U.S. organizations.

Table 4.2 Test of Hypothesis I

		Financial Transparency in U.S. Organizations
Spearman's rho	SAP FI Systems	.660**
	Correlation Coefficient	
	Sig. (2-tailed)	.000
N		200

In Table 4.2, the first hypothesis tested whether SAP FI systems influence financial transparency in U.S. organizations. The result shows a correlation coefficient of 0.660 with a p value of 0.000. Since the p value is less than 0.05, the result is statistically significant at the 5 percent level. The positive coefficient of 0.660 indicates a strong positive influence of SAP FI systems on financial transparency. This means that as the use of SAP FI systems increases, financial transparency in U.S. organizations tends to improve in a meaningful and consistent way. The strength of 0.660 also suggests a substantial level of association, not a weak or marginal one, indicating that SAP FI systems play a considerable role in supporting transparent financial reporting practices.

Test of Hypothesis II

H2: SAP FI systems positively influence regulatory compliance in U.S. organizations

Table 4.3 Test of Hypothesis II

		Regulatory Compliance in U.S. Organizations
Spearman's rho	SAP FI Systems	.399**
	Correlation Coefficient	
	Sig. (2-tailed)	.000
N		200

In Table 4.3, the second hypothesis examined whether SAP FI systems influence regulatory compliance in U.S. organizations. The correlation coefficient is 0.399 with a p value of 0.000. Since the p value is also below 0.05, the result is statistically significant at the 5 percent level. However, the strength of 0.399 indicates a moderate positive influence, which is weaker compared to financial transparency. This implies that while SAP FI systems do contribute to regulatory compliance, the level of influence is not as strong or pronounced. It suggests

that compliance is supported by SAP FI systems, but other organizational or regulatory factors may also play a significant role in determining compliance outcomes.

4.3 Discussion of Findings

The finding that SAP FI systems positively and significantly influence financial transparency in U.S. organizations ($\rho = 0.660$, $p = 0.000$) reflects the strong capacity of integrated financial systems to improve visibility, accuracy, and consistency of financial data across organizational structures. This outcome can be explained by the way SAP FI centralizes financial information and reduces fragmentation, allowing organizations to maintain a single source of truth for reporting. Studies such as Tyas and Abidin (2024) confirmed that even partial use of SAP modules improved financial disclosure quality and reduced fraud risk, which aligns with the high transparency observed in this study. Similarly, Shiwakoti (2025) demonstrated that integrating SAP FICO with business analytics improved financial transparency by enabling faster and more accurate data-driven reporting. Daksheen (2023) further supported this result by showing that SAP systems enhanced transparency when supported by structured data pipelines that reduced delays and errors in reporting. Chima et al. (2021) also found that SAP FI/CO improved audit readiness and transparency in complex organizational structures through real-time processing and integrated reporting. Collectively, these studies explain the relatively strong coefficient by showing that SAP FI systems reduce informational gaps, strengthen data reliability, and enhance visibility across departments, which is central to financial transparency in regulated environments such as the United States.

The finding that SAP FI systems positively and significantly influence regulatory compliance in U.S. organizations ($\rho = 0.399$, $p = 0.000$) suggests a moderate but statistically meaningful alignment between system usage and adherence to financial regulations such as GAAP. This result may be explained by the structured compliance features embedded in SAP FI systems, including automated reporting, audit trails, and standardized accounting processes. Khatri et al. (2024) strongly supported this outcome by showing that SAP FI and CO modules

enable real-time compliance with US GAAP and IFRS through parallel accounting and automated regulatory reporting. Chukwuma-Eke et al. (2022) similarly found that SAP-based systems improved compliance with international reporting standards by reducing manual errors and strengthening internal controls. Finch and Byrne (2025) also highlighted regulatory requirements as a key driver of SAP FICO adoption, reinforcing the idea that compliance needs shape system utilization, although they also noted challenges such as system complexity and resistance that may limit full compliance benefits. Mohammed (2021) added that integration of SAP with treasury systems improved adherence to global banking standards through automation and standardized workflows. The moderate strength of this finding may therefore reflect the reality that while SAP FI systems provide strong technical support for compliance, organizational, operational, and user-related constraints sometimes limit full regulatory optimization, resulting in a weaker coefficient compared to financial transparency.

V. CONCLUSION AND RECOMMENDATION

The results suggest that SAP FI systems play an important role in shaping how financial information is managed, interpreted, and relied upon within organizations in the United States. The strong and statistically significant positive association with financial transparency indicates that organizations using SAP FI systems are more likely to experience clearer, more consistent, and more accessible financial reporting structures. This points to a shift toward more structured financial environments where data is less fragmented and more readily available for internal and external users. The moderate but significant association with regulatory compliance further indicates that SAP FI systems also contribute to how organizations align their financial processes with established standards such as GAAP. This reflects a movement toward more standardized financial practices where compliance requirements are embedded within routine financial operations rather than treated as separate administrative tasks. The presence of statistically significant relationships at the 5 percent level also highlights that these observed patterns are not random but are consistently present across the sampled organizations. It also

reflects how integrated financial systems can shape organizational behaviour around accountability and reporting discipline. In practical terms, the findings point to a business environment where digital financial systems are increasingly central to how organizations structure their financial governance.

Based on the first finding that SAP FI systems positively influence financial transparency in U.S. organizations, it is recommended that Chief Financial Officers and Enterprise Data Governance Teams embed SAP FI outputs into a unified enterprise financial visibility framework that consolidates real time transactional data with predictive reporting dashboards for executive decision making. This would shift financial transparency from periodic reporting to continuous financial monitoring, allowing leadership to detect anomalies, trace transaction patterns across subsidiaries, and evaluate financial consistency at enterprise level rather than departmental level.

Based on the second finding that SAP FI systems positively influence regulatory compliance in U.S. organizations, it is recommended that Regulatory Compliance Directors and SAP System Architects configure rule based compliance intelligence within SAP FI that automatically maps evolving GAAP requirements into system embedded validation controls and exception triggers. This would reduce reliance on manual interpretation of regulatory updates and enable the system itself to flag potential compliance deviations in real time before financial reports are finalized, strengthening proactive compliance enforcement rather than post reporting correction.

5.1 Contribution to Knowledge

This study contributes to the literature by providing empirical evidence on the specific role of SAP FI systems in enhancing financial transparency and regulatory compliance within organizations in the United States. While prior studies by Finch and Byrne et al. (2025), Sharma and Sharma et al. (2025), Shiwakoti et al. (2025), Hermawan et al. (2025), Khatri et al. (2024), Tyas and Abidin et al. (2024), Daksheen et al. (2023), Aroba and Abayomi et al. (2023), Chukwuma Eke et al. (2022), Kinnunen et al. (2022), Chima et al. (2021), and Mohammed et al.

(2021) have focused mainly on broader ERP and SAP FICO systems, often through conceptual, qualitative, or mixed approaches, this research narrows the focus to SAP FI functionality. It goes further by examining real time reporting accuracy and data quality as drivers of transparency, as well as compliance with GAAP standards using a quantitative survey design. By applying Spearman Rank Order Correlation on data from SAP FI users, consultants, and support analysts, the study offers user based evidence that has been limited in prior research. It also extends the existing body of knowledge by situating SAP FI performance within a United States regulatory environment, which has received relatively little attention in earlier studies.

5.2 Limitations of the Study and Suggestion for Further Studies

The study has some limits that should be noted. The use of snowball sampling may affect how well the results represent all SAP FI users in the United States since the sample depends on referrals rather than random selection. The study also relies on self reported answers from questionnaires, which can lead to personal bias or inaccurate responses. The use of a five point Likert scale may not fully capture the depth of opinions on SAP FI systems. In addition, the study focuses only on SAP FI users, consultants, and support analysts, so views from top management or external auditors were not included, which may limit the overall understanding of the topic.

Future studies can improve on this work by using a larger and more randomly selected sample so that results can better represent all organizations using SAP FI systems. Researchers can also include other groups such as top management, auditors, and regulatory bodies to get a wider view of the system. It would be helpful to use mixed methods by combining questionnaires with interviews to get deeper explanations of user experiences. Future research can also compare SAP FI performance across different countries or industries to see if results are the same. Longitudinal studies can be carried out to observe changes over time and provide stronger evidence.

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