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The Impact on, and the Required Financial Transformations for a firm operating in the Saudi Arabia Oil and Gas Sector: A Case Study of Response to Industrial National Economic Transition

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Abstract

As Saudi Arabia adopts strategies to transition into a non-oil economy, the fate of the affected companies remains unclear. The present research utilized a mixed method to explore the impact of economic restructuring and the necessary financial adjustments that firms in the Saudi Arabian oil sector can adopt. The existing literature uncovered several economic restructuring initiatives, including the government vision, renewable energy, and expansion of non-oil sectors. While most of the existing literature focused on the general implications of the transition to a non-oil sector, few studies concentrated on the actual impact on the oil sector. Therefore, the present study explored the impact of this transition on the business sustainability and business strategy of firms in the Saudi oil and gas sector and the financial strategies they can adopt to maneuver the changing economic landscape. This is significant as it delves into the necessity for firms within the Saudi Arabian oil sector to adjust their operational strategies and financial frameworks amid transformative shifts in the oil sector, safeguarding their future resilience and market relevance. The main findings show that economic restructuring initiatives, such as the government's 2030 vision and renewable energy, negatively impact the firms' strategy and sustainability capabilities. Hence, some financial initiatives required include additional investments, technology and innovation, and financial diversification. The study makes significant contributions by revealing practical strategies that firms, policymakers, and stakeholders in the Saudi Arabian oil sector and other sectors facing similar challenges can integrate into their business operations.

Keywords: Economic restructuring, economic transition, Saudi Arabian Oil and Gas Sector, renewable energy, Government vision, financial transformations, financial diversification, business strategy, business sustainability.

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1. Introduction

1.1. Background of the Study

As volatility in oil prices and the use of renewable world energy has increased, more attention is being placed on oil-rich developing countries to find lasting economic answers. Mohammed et al. (2021) noted that economies that mainly generate income from oil exports tend to be more vulnerable, and finding other industrial and economic opportunities is often challenging. As a result, Saudi Arabia created Vision 2030 in 2016, a plan to adjust their economy and rely less on oil by expanding tourism and clean energy sectors (Blazquez et al., 2021). They aim to raise the proportion of non-oil GDP from 16% in 2016 to 50% by 2030 (Hasanov & Razek, 2023).

These changes seek to protect the economy from the adverse effects of falling oil prices, which caused government incomes to decline and revealed the shortcomings of having a resource-based economy (Aldhubaib, 2022; Abdelsalam, 2020). Experts say that oil will run out by 2050 if we maintain today's consumption, and we need to act quickly to reform these industries (Mohammed et al., 2021). In addition, the renewable energy industry has posed a further challenge to the oil sector's income (Aldhubaib, 2022). To be more stable, countries should transform their reliance on oil and support other areas of their economy.

Waheed et al. (2020) believe that sustained economic growth and increased investment in renewables can be achieved by exporting more goods and excluding oil products. With these changes, oil companies are required to update their strategies and try out new methods. However, these new developments also mean more uncertainty for businesses that rely on oil. While analyses of Vision 2030's national economic impact are standard, few focus on changes happening within companies (Uniacke, 2022). This study examines how Saudi oil companies are developing their financial plans to achieve the targets outlined in Vision 2030. It will contribute to the body of knowledge by providing empirical data on how firms are restructuring

to align with national economic goals, offering relevant insights for business leaders, policymakers, and scholars seeking to understand the broader implications of economic diversification in resource-dependent economies.

1.2. Problem Statement

Firms operating in the Saudi Arabian oil sector encounter several specific financial challenges due to economic restructuring. Changes in oil prices make it difficult to predict future earnings, making it difficult for companies to plan. Companies must make costly investments in new technologies to comply with sustainability initiatives and ensure compliance (Al-Saidi, 2022). In addition, implementing carbon reduction goals often decreases profit levels (Alajmi, 2021). Traditional income sources are being undermined as renewables gain more market share. Still, there is little research on companies' concrete actions to manage their finances in trying times. This analysis looks into how oil firms can adjust their financial plans during these changes, highlighting innovation, sustainability, and diversification as primary tools for survival.

1.3. Objectives of the Study

The following is a list of research objectives based on the research problem.

1. To explore how the ongoing economic transition impacts firms in Saudi Arabia’s oil and gas sector.
2. To identify the necessary financial adjustments these firms should adopt, to navigate the economic transition.
3. To determine the primary challenges and opportunities for firms in the Saudi Arabian oil sector as they restructure financially to align with the shift toward a diversified, non-oil economy.

1.4. Research Questions

The following research questions are designed to address the purpose of the study:

RQ1: How have fluctuations in oil prices and new government policies under Vision 2030 impacted the financial sustainability and profitability of oil firms in Saudi Arabia?

RQ2: What specific financial strategies are firms adopting in the Saudi Arabian oil sector to manage the economic transition driven by Vision 2030?

1.5. Research Hypotheses

The study hypothesizes the following.

- $H_0$1: There is no significant relationship between national economic transition factors and business sustainability of firms in the Saudi Arabian oil Sector.
- H_a2: There is no significant relationship between national economic transition factors and the business strategy of firms in the Saudi Arabian oil Sector.
- H_a3: There is no significant difference in the mean financial outcome exposure (FIN) among firms of varying sizes within the Saudi Arabian oil sector.
- $H_0$4: There is no statistically significant difference in the mean financial outcome exposure (FIN) between firms within the Saudi Arabian oil sector that have undertaken restructuring initiatives and those that have not.

1.6 Significance of the Study

Research findings will play a crucial role in helping policymakers, business executives and experts as Saudi Arabia moves toward a different economy. Policymakers can recognize the financial pressures experienced by different sectors and use this understanding to create better policies. Through the insights from the study, business leaders can ensure their companies are financially stable and sustainable. It further enables companies to understand and oversee risks while seizing opportunities that arise in the energy sector. The research is significant for scientists since it analyzes the economic effects of relying on resources for a country.

2. Literature Review

2.1. Introduction

This chapter looks at how Saudi Arabia changed its economic structure from being mainly oil-based to relying on different sources, focusing on the financial effects this had on oil companies. It relies on advice from experts in finance and business to design a plan for adjusting organizational financial systems under these circumstances. The Vision 2030 plan also involves reforms in the country's economy, sustainability and business operations which detail how oil companies should manage their finances in a changing market, indicating that the original material doesn't fully consider this area. It notes how businesses must balance innovation, reaching profit, and adhering to national diversification goals.

2.2. Theoretical Frameworks

2.2.1. Rogers's Innovation Diffusion Theory

The foundation of Rogers's IDT lies in examining how social systems adopt and spread new inventions. It points out that when an idea spreads, it passes through stages such as awareness, persuasion, making a choice, implementation and confirmation. A technology's usefulness, compatibility with existing systems and ease of use are important factors in choosing whether to adopt it. Saudi businesses adopting solar power are considered pioneers and share the same vision as Vision 2030 (Menzli et al., 2022). Alternatively, nations that only recently switch to alternative fuels face issues as a result of the sizable oil-related facilities they own (Smith et al., 2018). Before introducing innovations like hedging and blockchain on a large scale, firms test them out on a small scale (Hamed & Bohari, 2022).

2.2.2. The Cyclic Innovation Model

With the help of CIM, Saudi Arabian oil companies deal with the economic shifts that come with the country's industrial and national changes. According to the CIM, innovation involves repeating stages in a cycle, making it easy to adjust and learn new things. CIM, as

proposed by Van der Duin (2007), involves coming up with new ideas, implementing them, embracing change and always seeking better results. They are carrying out pilot projects in renewable energy and moving forward with those that are tested and successful, like green hydrogen at NEOM (Alnaim & Kouaib, 2023). When companies partner with universities and governments, knowledge exchange is encouraged. At the same time, rewarding and motivating employees to be creative improves organizations' flexibility (Yusuf & Lytras, 2023).

2.3. Review of Previous Research

This section gathers information from earlier studies that are relevant to the topic being explored for the current study. Through reviewing prior studies, this section points out the notable themes, disagreements and discoveries that influenced our knowledge of innovation and changes in finance and different industries, mainly in the oil and gas industry.

2.3.1. Historical Development of the Saudi Arabian Oil Sector

The oil sector has long been vital to Saudi Arabia's economy, providing 45% of its GDP and 90% of its export income (Shehri et al., 2023). However, the country is now changing course, prioritizing the move away from oil despite resistance (Ahmed & Robinson, 2021) and needing to make significant investments in renewables. Being the country with the second largest oil reserve in the world (265 billion barrels) and the top oil exporter (Alswedani et al., 2022), Saudi Arabia is now under pressure from changing prices and worldwide efforts to decrease carbon emissions. This has led to plans to upgrade their energy sector by developing carbon capture and solar power projects (Abdelkareem et al., 2023). Sectors like tourism and technology have expanded due to Vision 2030, causing oil companies to differ in their earnings as they deal with changes in the energy market (Komarova et al., 2022). Nonetheless, obstacles like retraining the workforce, the high price of green technology, and governmental inertia make it more complicated for smaller companies, especially those not supported by Saudi Aramco (El-Chaarani, 2019), to keep up with the economic transition.

2.3.2 Sustainable Strategies

Saudi Arabia aims to reach net-zero emissions by 2060 through the Saudi Green Initiative, a pledge that has faced criticism as it grows oil production (Alqahtany & Aravindakshan, 2022). Likewise, Vision 2030 promotes diversifying the economy through private investment and opening up to foreign investment (Alam et al., 2023). Still, it strives for petrochemical progress and to reduce emissions (Almulhim, 2022). While the program supports saving energy, it struggles with getting people to follow the rules and face higher energy costs (Belaïd & Massié, 2023). Although Dumat Al Jandal is an important part of Saudi Arabia's renewable energy program, there are still challenges when getting energy onto the grid and providing the needed investments (Alghamdi & Holland, 2020). These efforts underline the Kingdom's support for old industries while promoting positive change.

2.3.3. Financial Diversification and Restructuring

Organizations are managing challenges caused by carbon taxes and ESG-focused investors by implementing new organizational strategies (Abid et al., 2022). Saudi Aramco started producing blue ammonia, showing a commitment to using hydrocarbons and low-carbon technologies (Komarova et al., 2022). AI-assisted efficiency schemes are another major way companies manage their budgets and follow environment-friendly practices. Still, small businesses often face high fees and complicated regulations when adopting innovative technologies (El-Chaarani, 2019). While it reduces risk, the fact that some companies cannot access the same capital or technology leads to unequal results. These developments point to the difficulty of balancing robust financials and the shift to low-carbon growth in the Saudi economy.

2.4. Gaps in Literature

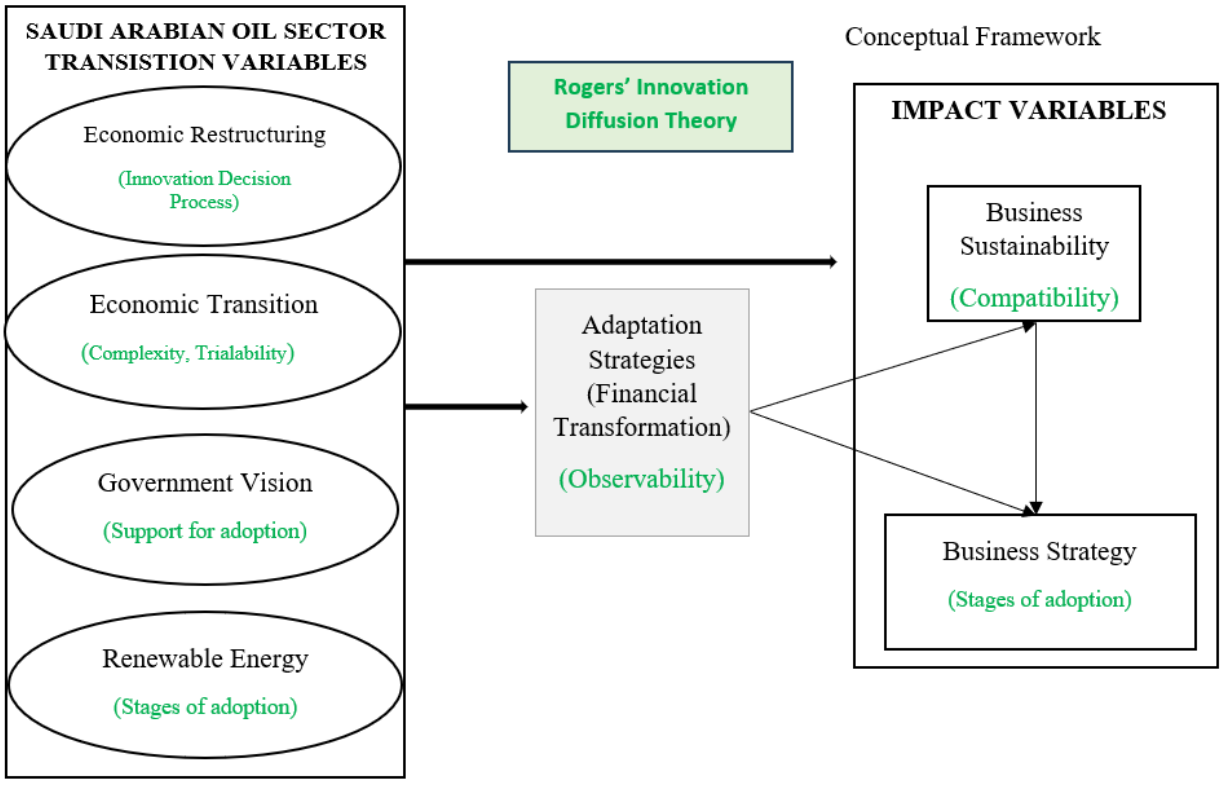
Current research misses how companies in the sector adapt to economic and environmental changes by reorganizing their finances. There is also a noticeable gap in

exploring how oil companies update their finances when the economy adjusts. Although Vision 2030 is thoroughly analyzed, more studies are needed on the money management practices, such as shifting finance and risk handling, that businesses use to handle reduced oil reliance. It is common for academic research not to examine how oil companies adapt and innovate in light of economic issues. It is important to research how Saudi businesses are adopting technology, finding new sources of income, and using innovative ideas to accord with Vision 2030's ambitions.

2.5. Conceptual Framework

The theory suggests that implementing Vision 2030 policies (the independent variable) leads to financial restoration (the mediating variable), which influences sustainability and strategy (the dependent variable). Using more renewable energy helps reduce the link between energy consumption and economic growth.

Figure 1: *Conceptual Framework*



(Source: Author's diagram, 2024)

The conceptual framework (see Figure 1) links the independent variables—economic transition, government vision, and renewable energy with dependent variables, such as business sustainability and strategy. By mapping these relationships, the framework helps explain how firms can adapt their financial plan to navigate the challenges posed by economic restructuring.

2.6. Summary and Conclusions

Saudi Arabia has made progress in diversifying its economy, although companies still face financial setbacks. While theoretical frameworks (IDT, CIM) explain how firms take up innovations, real-world financial implementations have some research gaps. Researchers should focus on studying individual oil companies as they move to renewable energy. Furthermore, the review emphasizes that businesses should seek financial diversity, promote innovation, and strive to fulfill nationwide goals to remain sturdy. Despite comprehensive research, understanding how firms respond to economic changes is still limited. This study aims to find out how oil sector companies handle their finances and work towards sustainability as the economy continues to evolve.

3. Methodology

3.1. Introduction

The chapter highlights how the impact of Saudi Arabia's economic restructuring on oil sector firms was studied, emphasizing the required changes within companies. Combining qualitative and quantitative methods allowed for a well-rounded exploration in this study (Borgstede & Scholz, 2021).

3.2. Research Design

Decisions about economic transition were guided by various economic data, both qualitative and quantitative. Revenue and profit analysis, along with other financial data, were used to assess the company's financial performance (Barroga & Matanguihan, 2022). Applying these approaches allowed England to uncover trends and understand what caused shifts in oil companies' finances (2021). Focus groups and interviews are used to understand how industry professionals operate and react to the introduction of new policies (Busetto et al., 2020; Aspers and Corte, 2019). Results from qualitative research helped them learn about the major economic shifts and how these influenced public reactions to money-related issues (Pilcher & Cortazzi, 2023).

3.3. Sampling Techniques

The method of purposive sampling was used to select the participants and a total of 154 individuals from the Saudi oil industry took part in the study. I conducted a survey among 100 people, interviewed 30 others and continued with a follow-up survey involving 24 respondents. Since the experts had financial and management experience, the meetings were kept on track and valuable (Ames et al., 2019; Campbell et al., 2020). Although researchers might have personal opinions, they carefully selected people and revealed all the information to avoid bias (Borgstede & Scholz, 2021). Applying this strategy, you could easily reach out to very busy and high-profile leaders.

3.4. Data Collection Methods

Semi-structured interviews were used since they offer flexibility and still maintain a degree of structure. Asking open questions allowed respondents to talk about their financial experiences, helping gather information on how companies handled changes in the economy (Busetto et al., 2020). To prevent observer effects and social desirability, all interviewers were taught to keep a neutral stance and confidentiality was guaranteed. The interviews took around 25 minutes each and were conducted in Arabic and the results were then translated to English to make sure they were fair and the same (Barroga & Matanguihan, 2022). By using Google Surveys, we were able to see how the opinions of our students changed from one semester to another. Using different approaches, the team conducted interviews and sent out surveys to gather different types of data.

3.5. Inclusion and Exclusion Criteria

Only participants with at least three years of oil exploration were considered in Archibald et al.'s (2019) study. This method allows researchers to understand who joins in fights. Still, the outcomes were important as they only involved people who had experience with the platform (Sardana et al., 2023).

3.6. Data Analysis Techniques

With SPSS 21 and Excel 2016, I could analyze a lot of data and get the answers needed fast. In addition, England (2021) noted that data analysis was used by England to gain insight into the influence of policies on the financial sector. They used ANOVA to examine various companies, Cronbach's α to confirm the questionnaire's consistency, and factor analysis to discover additional elements in the questionnaire (Sardana et. al, 2023). On the qualitative data, Yin's five-step approach which uses gathering information, grouping it, reorganizing, finding meaning and drawing conclusions, was applied. After creating codes from the interview transcripts, I analyzed them to identify themes related to oil company

finance management. Researchers use this method to collect information that is systematic and focused on their goals.

3.7. Ethical Considerations

Ethical standards were upheld throughout the study. Individuals involved were explained the details of the research and informed about any possible risks before they agreed to be part of the study (Cacciattolo, 2015). People were encouraged to join only if they wanted and could withdraw whenever they felt like it without facing any issues (Arifin, 2018; Husband, 2020). Participants' confidentiality and right to anonymity were kept by encrypting the data and using fake identifiers for research (Miller et al., 2023; McGregor, 2023). According to the institution's guidelines, all data were destroyed adequately after the project (Taquette & Souza, 2022). Hasan et al. (2021) and Pietilä et al. (2020) showed that the research supported SDGs 3, 5, 8, 9, 10, and 16, proving it was ethical and relevant globally.

3.8. Summary and Conclusions

Chapter 3 demonstrated that the study was carefully carried out and followed ethical principles. Data and strategies were recorded using the mixed-methods approach, making the analysis more thorough. While quantitative tools gave general observations, qualitative analysis gave more insight and details. Ethical guidelines for research, along with strict sampling and analysis, allowed for credible and appropriate studies on Saudi Arabia's economic developments and their effect on the oil industry.

4. Results and Interpratation

4.1. Introduction

This chapter harmonizes methods from both quantitative and qualitative analysis. Descriptive statistics comes first and next is factor analysis, then one-way ANOVA, after which comes correlation and regression analysis. Yin suggests using a five-step thematic approach: compile, disassemble, reassemble, interpret and reach a final conclusion (Castleberry & Nolen, 2018). The goal is to assess if the type of model used (ECR, GOV, RENE, BST, BSUS, and FIN) can be effective when applied to a Saudi Arabian oil company.

4.2. Hypothesis Testing

4.2.1. Testing Hypotheses $H_0$1 to $H_0$6 Using Pearson Correlation

Pearson correlation was conducted to determine whether a significant association exists between the independent variables (ECR, GOV, RENE) and the dependent variables (BST and BSUS). The results show a strong positive correlation between ECR and BST and between GOV and BSUS, a moderate positive correlation between ECR and BSUS, GOV and BST, and RENE and BSUS. Finally, there is a weak positive correlation between RENE and BST. The findings revealed that all the economic transition factors, namely, ECR, RENE, and GOV, were positively related to the firm factors, BSUS and BST. The findings imply that the need to change business strategy and business sustainability initiatives increases as economic transition efforts increase.

The strong positive relationship between ECR and BSUS implies that the increase in economic restructuring efforts has no impact on the business sustainability initiatives. The positive relationship between ECR and BST implies that as the changes in economic restructuring efforts continue to increase, the changes in business strategies for firms operating in the Saudi Arabian oil sector also increase. Firms with a different business model need to

shift their business strategy for the sake of the transition, which comes with additional costs that negatively impact the business's financial and productivity capacities.

The positive relationship between GOV and BSUS implies that as the changes in government vision requirements continue to increase, the changes in business sustainability needs for firms in Saudi Arabia's oil and gas sector also increase. The strong positive relationship between GOV and BST implies that as the oil firms continue to increase efforts to align with the government's Vision 2030 objectives and requirements, it does not affect the need to modify the existing business strategy to fit the new changes, which also increases.

The significant positive relationship between RENE and BSUS implies that as the changes in renewable energy initiatives continue to increase, the changes in business sustainability needs for firms in Saudi Arabia's oil and gas sector also increase. Finally, the findings show a positive relationship between RENE and BST; however, the correlation is insignificant. The results imply that the increased renewable initiatives in response to the economic transition have no impact on the firm's strategy.

4.2.2. Testing Hypothesis $H_0$7 Using ANOVA

ANOVA (Analysis of Variance) was employed to determine whether the average financial outcomes differ significantly between firms categorized by size. ANOVA is particularly suited for this analysis as it compares means across multiple groups and identifies whether any observed differences are statistically significant. The ANOVA results show no significant differences in the industrial national restructuring factors across firms of different sizes. Specifically, the financial exposure does differ significantly in small, medium, and large-sized firms F (2,97) = 1.090, p=.340) in the Saudi Arabian oil sector. These findings indicate that firms of varying sizes share a similar financial outcome exposure concerning economic conditions and government policies.

4.2.3. Testing Hypothesis $H_0$8 Using Independent Samples Test

An independent t-test was conducted to compare the mean financial exposure of firms that have and have not undertaken restructuring. The findings showed that while there were differences in mean ECR, GOV, RENE, and FIN between firms that have and have not started economic restructuring initiatives, the differences are not significant.

4.3. Case Background and Methodology

Significant changes in governance, the adoption of renewable energy, and the firm's finances make it appropriate to use the research for this example. I collected data by conducting structured surveys and analyzing the results with descriptive statistics, regression, and correlation. Study findings align with the main study's results, suggesting strong positive links between the main variables and problems related to money challenges due to transformation efforts. To test the reliability of their earlier findings, the authors used data from 24 respondents who were chosen intentionally and investigated what solutions can be used for future changes in the economy.

4.4. Case Study Findings

The SPSS software was also used to analyze the data, where the researcher conducted a Pearson's correlation and regression analysis (one-way ANOVA). The analysis helped to determine the relationship and the strength of the relationship, if it exists, of the study variables. After presenting the findings, the researcher compared them to the main study. A Pearson correlation revealed a positive correlation between ECR, GOV, and RENE and both BST and BSUS. These findings were similar to those of the main study.

4.5. Thematic Analysis

The thematic analysis showed that the predominant financial adjustments that firms could utilize to reinforce their business sustainability and strategies were financial diversification, technology and innovation, and additional investments.

The central strategy involves diversifying the sources of income from conventional oil-based activities, such as industrial and agricultural sectors. Alongside the penetration into the non-oil industries, participants repeatedly emphasized renewable energy and strategic alliances as a part of financial diversification. This move is not only a response to the market challenges but also a proactive behavior toward compliance with national economic policies, thereby enabling the interdependency between the industry and the government's vision of economics.

A salient strategy that takes the stage for Saudi Arabian firms operating in the oil sector is technology and innovation as a means of survival. Participants consistently underscored the importance of acquiring digitalization tools and persistent innovation as essential in diversity practices. The participants specified the significant adoption of digital technologies, including artificial intelligence, blockchain, and IoT, for market expansion and additional revenue generation. These digitalization tools can bring great operational efficiency and form a strategic direction toward staying competitive in the globalized market.

It is a key strategy that helps Saudi Arabian oil sector firms address unanticipated shocks in the ongoing economic transformation. The participants highlighted the importance of additional financial investments to curb the risks of a changing economic picture. The respondents stressed that investments in new technologies and partnerships should be considered an added value. This dynamic approach reveals the perception of the ever-changing technological field and cooperation possibilities.

4.6. Discussion of Findings

4.6.1. Social Transformation and New Strategic Planning

The research indicates that companies in the oil sector have had to adapt or transform their business strategies due to ECR. Survey participants mentioned that fluctuations in oil prices and new rules based on Vision 2030 encouraged companies to act more decisively and adapt quickly. This indicates that both H02 is false and Ha2 is true: there is a significant link

between national changes in the economy and business strategy (Mati & Rehman, 2023). This matches with previous works that explained that changes in the macroeconomy prompt adaptations from traditional sectors (Al-Sarihi, 2019; Fattouh & Sen, 2021). As hydrocarbons play less of a role, companies are changing their strategies and seeking out new partnerships across industries (Mohammed et al., 2021).

4.6.2. Vision 2030 as a Foundation for Increasing Growth

Individuals repeatedly noted that the Saudi government's Vision 2030 policy was the main force behind the transformation. Organizations are adjusting their strategies according to national policies, so they are prepared for any future changes and can make use of incentives and reforms. It proves that Ha1 and Ha2 are supported, making it clear that a business's strategy and its environmental sustainability depend on its government's vision. Almulhim (2022) believe that Vision 2030 acts as both a blueprint and a catalyst for change in the private sector. Based on their responses, aligning with Vision 2030's goals such as not relying on oil and caring about the environment, is necessary for continued access to licensing, funds and a good reputation.

4.6.3. Renewable Energy is Changing How the Economy Works

These findings reveal that shifting to renewable energy (RENE) is challenging the oil industry's business practices. Firms recognized that solar and wind energy projects supported by the government could result in both negative and positive outcomes (El Anshasy & Khalid, 2023). Thus, it becomes clear that adopting renewables plays a major role in shaping the organization's sustainability and strategies. Alqahtany and Aravindakshan (2022) pointed out that there is a conflict between needing more renewables and still relying on oil. Many participants also mentioned this tension. Similarly, as Liu et al. (2022) argue, while renewables might lower oil firm profits, they also open doors for rethinking businesses and finding

additional revenue. Such changes lead companies to revise their strategic plans and increase research efforts in cleaner technology.

4.6.4. Diversifying Your Financial Portfolio is a Key Business Goal

The change in the economy has highlighted why people should not keep all their money in one place. Respondents highlighted an increase in attention toward exploring sectors other than oil, using digital finance and partnering with foreign investors. This backs up the study's second question and aligns with research stressing the importance of diversification in supporting a firm's survival (Alnaim & Kouaib, 2023; Yusuf & Lytras, 2023). Firms actively involved in innovation and diversification fall under the early adopters of Rogers' Innovation Diffusion Theory since they openly accept and adopt economic and technological advancements (Rogers, 2003; Frei-Landau et al., 2022). By taking these actions, businesses can handle unpredictable changes in both market conditions and the rules.

4.6.5. Financial Outcome Exposure and the Size of a Firm

According to Xiao and Su (2022), the financial risk faced by a firm increases with its size during times of restructuring activities. Larger companies are said to be better equipped with risk management tools and financial resources, enabling them to adjust to nationwide moves faster. Therefore, we can reject H03 and accept Ha3, concluding that the correlation between firm size and financial outcome exposure is highly probable. Many small businesses mentioned facing financial difficulties and unclear strategies while working towards Vision 2030 or investing in renewable energy (Al-Homoud & Krarti, 2021). As Belaïd & Massié (2023) suggest, since big companies usually have better resources, they drive innovation, while smaller companies struggle without extra help.

4.7. Implications and Contributions

Companies must respect the country's rules and create strategies that fit their specific situation (Belaïd & Massié, 2023). This study expands our understanding of finance by

showing how macro-level changes have micro-level effects and how a focus on sustainability and strategic collaborations is essential (Ghaemi-Zadeh & Eghbali-Zarch, 2024). Policymakers should support new ideas and cooperation across different sectors to help make the economy more resilient (Samargandi et al., 2023).

4.8. Limitations and Future Research

Future research should analyze the functioning of oil economies from several countries, as the previous example focused only on Saudi Arabia (Abid & Alotaibi, 2020). A longitudinal research style could provide a series of updates on the impact of restructuring, while combining qualitative and quantitative methods may give more detailed insight into the unique problems companies encounter (England, 2021). Experts stress that companies and countries must be agile financially and strategically during economic change. Respondents explained that digital technologies such as AI, IoT, blockchain, and e-commerce platforms allow businesses to grow across borders conveniently (Al-Khalidi Al-Maliki, 2021; Xiao & Su, 2022). Incorporating various assets, digital strategies, and effective leadership helps companies manage after-oil economies, supporting the growth and stability of Saudi Arabia (Porath, 2023).

5. Conclusion

The study reviewed how the shift in Saudi Arabia's economy, especially as a result of Vision 2030, is influencing the business strategies and financial affairs of companies operating in the oil and gas sector. Economic changes, political decisions, and renewable energy developments are shown to greatly affect both the sustainability and strategies of companies. The hypotheses H01, H02, and H03 were not accepted, confirming that national transition factors are strongly connected to a business's success and its ability to remain financially healthy. Vision 2030, led by the government, exerted considerable influence on businesses, driving them to change their structure to meet national aims. Businesses that embraced changes in finance, technology, and sustainability were able to respond quickly to shifting circumstances. Compared to larger firms, smaller firms had greater exposure to risks because they lacked enough resources, suggesting that firm size plays a role in financial risk. The study indicates that Saudi oil firms must adopt meaningful long-term changes. Embracing new ideas and complying with government rules can help businesses stay strong and competitive in the energy sector as it changes.

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