



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"  
Hryhorii Skovoroda lane, 10, Sumy,  
40022, Ukraine

[www.businessperspectives.org](http://www.businessperspectives.org)

**Received on:** 1<sup>st</sup> of December, 2017

**Accepted on:** 18<sup>th</sup> of July, 2018

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# EXPLORING THE DEVELOPMENT OF THE ACCOUNTING PROFESSION IN KUWAIT: AN INSTITUTIONAL WORK ANALYSIS

## Abstract

**Purpose** – this paper investigated the development of accounting profession in Kuwait by examining the processes involved in creating, maintaining and disrupting the development of accounting profession in Kuwait.

**Design/methodology/approach** – this paper adopted a qualitative case study to examine the institutional work associated with the development of accounting profession in the State of Kuwait. The study employed semi-structured interviews and analysis of documents to generate insights into the institutional work involved in the development of accounting profession in Kuwait.

**Findings** – the studies revealed political, technical and cultural institutional work engaged by various actors, individually and collectively in the creation, maintenance, and disruption of the development of accounting profession in Kuwait. The British imperialists, the Asians, Egyptians, other Arabs, the state actors, professional accountants in foreign accounting firms, and local actors in the Kuwait Accounting and Auditing Association, all engaged in various institutional work in the creation and transformation of the accounting profession in Kuwait.

**Practical implications** – this paper demonstrates how different types of institutional work influence the development of institutions. Also, it brings to the table how some forms of institutional work could be deployed to counteract others in “creating”, “maintaining”, and “disrupting” the institutions.

**Originality/value** – the paper adds to extant literature on institutional work, in which it has been realized that “denial” of training could be construed as an institutional work, in which theorization and rhetorical appeals are used to privilege one group of actors over others; and how “political” institutional work seemed to dominate the creation, maintenance and disruption of institutions within a wider social setting in Kuwait.

**Keywords** accounting profession, institutional work, Kuwait

**JEL Classification** M41

## INTRODUCTION

Several developing countries have strived to develop their accounting professions to regulate their accounting practices (see Bakre, 2005a for the case of Jamaica; Annisette, 2000 for the case of Trinidad and Tobago; Dyball et al., 2007 for the Philippines). Many researchers have studied the development of accounting professions in different countries, using a cultural imperialism theoretical framework (see Bakre, 2005a; Annisette, 2000; Dyball et al., 2007) and contend that colonial and imperial powers have contributed significantly to the development of accounting professions, especially in the former colonies (see Bakre, 2005a; Annisette, 2000). They assert that through imperialism, local initiatives to develop accounting professions based on local context were thwarted by imperial powers (Annisette, 2000; Bakre, 2005a). For instance, Annisette (2000) argued that the local initiatives for developing accounting profession in Trinidad and Tobago meant

conflict and resistance from the British-based accountancy bodies and their local collaborators who acted in support of maintaining and sustaining the imperialist order (see also Dyball et al., 2007).

Also, Bakre (2005a) revealed that although the Jamaican government passed a Public Accountancy Law in 1968 to enable the localization of the accounting profession through the Institute of Chartered Accountants of Jamaica (ICAJ), the efforts were foiled by self-interests of “global capitalist” elites within the Jamaican accounting society. Although Bakre (2005a) used an imperialist theoretical strand (see also Annisette, 2000), the efforts of the actors in the Jamaican accounting profession deployed institutional work to justify and maintain the status quo by legitimizing the foreign-based accounting qualifications. Meanwhile, Dyball et al. (2007) observed that the local initiative to form a local accountancy profession in the Philippines was conceived as a native resistance to the imperialist-based bodies. In essence, the resistance of some actors in the Philippines local accountancy body could constitute institutional work, as they tried to disrupt the institution in an attempt to create “new” order (Lawrence et al., 2013; Lawrence & Suddaby, 2006).

In all the above studies, the authors argue that the politics and the delays in the development of accounting profession in former colonies were attributed to the influence of imperialist powers (see Annisette, 2000; Bakre, 2005a; Dyball et al., 2007). All these authors contended that the imperialist powers were responsible for the trend that the accounting professions, especially in developing countries, took, especially in the post-independence era. This assumes that the “sovereign” states of developing countries simply replicate “rationalized” practices of their former colonial masters without making “strategic” choices (see Kasumba, 2013). For instance, the imperialist studies on the development of accounting profession in former colonies do not take cognizance of the role of institutional work in informing the development of accounting profession (see Albu, 2013; Lawrence & Suddaby, 2006; Lawrence et al., 2013).

Kasumba (2013) revealed that the adoption of rationalized budget reforms in local governments in Uganda was a result of an institutional process of the need to maintain and sustain legitimacy with international development partners to secure development finance from resourceful organizations in the institutional field (see also DiMaggio & Powell, 1983). Specifically, the government of Uganda intentionally imitated the “best practices” of the Danish local government to create the required legitimacy in order to access the generous funding from the Danish International Development Agency (DANIDA) (Kasumba, 2013).

This study, therefore, investigated the development of accounting profession in Kuwait. Specifically, this study explored the processes involved in creating, maintaining and disrupting of the accounting profession in Kuwait.

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## 1. THEORETICAL INSIGHTS AND PRIOR STUDIES

### 1.1. Institutional work in general

The concept of institutional work provides rich theoretical analysis of the micro and macro processes involved in institutions (Lawrence & Suddaby, 2006; Mihret et al., 2017; Richardson, 2017; Canning & O’Dwyer, 2016). Institutional work concept focuses on “purposive action of individuals and organizations aimed at creating,

maintaining or disrupting institutions” (Lawrence & Suddaby, 2006, p. 215; Perkmann & Spicer, 2008). Lawrence et al. (2011, p. 52) define institutional work as: “The practices of individuals and collective actors aimed at creating, maintaining, and disrupting institutions”. Hence, institutional work provides a deeper analysis of “how institutions and strategic action [of actors] affect each other” (see also Rojas, 2010, p. 1266).

Institutional work analysis integrates the role of reflexive agency in analyzing sources and implementation of institutional changes (Scott, 2001; Mihret

et al., 2017). Agents can strategically make choices that can influence changes in organizational practices and institutions (Kasumba, 2013; Richardson, 2017; Canning & O'Dwyer, 2016). Thus, the concept of institutional work further develops the institutional theory in recognizing the active agency in influencing micro processes involved in the institutional practices (see Lawrence et al., 2011; Lawrence & Suddaby, 2006; Thornton et al., 2012; Rojas, 2010; Zietsma & Lawrence, 2010; Muzio et al., 2013).

Lawrence and Suddaby (2006) identify three broad categories of institutional work aimed at creating institutions, such as professional accounting bodies, including: (i) vesting, defining and advocacy, which involve the political work by actors in reconstructing rules, rights and boundaries for members for accessing material resources (Perkmann & Spicer, 2008); (ii) constructing identities, changing norms and constructing networks, as mechanisms through which actors' belief systems are reconfigured (Lawrence & Suddaby, 2006); and (iii) mimicry, theorizing and education, as processes through which actors undertake to change the "abstract categorization upon which meaning systems depend", such as accounting standards (Thornton & Ocasio, 1999).

Lawrence and Suddaby (2006) categorized institutional work into three groups, namely political, technical, and cultural work. Political work is concerned with the legislative mechanisms directed towards establishing rules for establishing the institution and its boundaries (Perkmann & Spicer, 2008). Technical work involves crafting categorization for members and prescribing "accepted" course of action and practice (Perkmann & Spicer, 2008). It is generally a process that gives an institution the *modus operandi*. It involves theorization, which is intended to give the institution "some degree of rigour" (see also Greenwood et al., 2002). Cultural work sets out the common beliefs and values to relate to accepted practice and discourse (Perkmann & Spicer, 2008). It involves, mainly, establishing the professional networks, in which "new" members are recruited and through which the common beliefs are propagated and enforced (Lawrence et al., 2013).

Lawrence and Suddaby (2006) identify three broad categories of institutional work: "creating",

"maintaining", and "disrupting" the institutions. There is a growing body of research that has examined how actors create organizations through the use of institutional work (Humphrey et al., 2017; Chiwamit et al., 2014). For instance, Humphrey et al. (2017) revealed that through the use of rhetoric appeals and lobbying various stakeholders, reflexive actors could create institutions. Chiwamit et al. (2014) observed that actors could create new institutions through theorization, rhetoric, myths, development of professional bodies and networks; and training members (Greenwood & Suddaby, 2006).

## 1.2. Institutional work in the formation of professions

Institutions, such as professional bodies, are maintained through other forms of institutional work (Thornton et al., 2012; Lawrence & Suddaby, 2006; Perkmann & Spicer, 2008). For instance, the formation of professional accounting bodies by reflexive actors is in itself an institutional work to preserve the "trade practices" of the members (Lawrence & Suddaby, 2006) who develop rules, rights for engaging members of the profession (Rojas, 2010; Zietsma & Lawrence, 2010). They draw boundaries for the membership to reflect those who are within and those to be excluded/locked out of the accounting profession (Greenwood & Suddaby, 2006). In addition, the actors identify their members using norms and networks they create to regulate what their members believe in as accepted rules of engagement and disengagement (Thornton et al., 2012).

On the other hand, through imitation, continuous education and training of their members, actors can "alter meaning systems", thereby disrupting the institutions or beliefs which they subscribe to (Lawrence & Suddaby, 2006; Perkmann & Spicer, 2008). For instance, Bakre (2005b) observed how accountants with foreign-based qualifications in former British colony of Jamaica engaged in institutional work to undermine the localization of the accounting profession (see also Annisette, 2000 for Trinidad and Tobago; Dyball et al., 2007 for the case of Philippines). Using their already existing professional networks with the foreign-based accounting bodies, the accountants disrupt the local professional accounting body in Jamaica.

Professions and their networks are critical in creating, maintaining and disruption of institutions (Greenwood et al., 2002; Lawrence & Suddaby, 2006; Lawrence et al., 2013). It is argued that through the formation of professions, institutions are created, maintained and disrupted (Suddaby, 2011; Suddaby & Viale, 2011). For instance, Suddaby and Viale (2011) observed four dynamics, in which professionals reconfigure institutions and organizational fields, including their expertise and legitimacy; their inherent “social capital” and tact which they deploy to increase their members in the organizational field; introduction of rules and regulations to bind their members; and using and reproducing their social capital to maintain order in the organizational field (see also Lawrence & Suddaby, 2006; Perkmann & Spicer, 2008).

Similarly, Suddaby and Viale (2011) argue that projects of institutionalization and embedded in the professionalization projects. There are reflexive professionals that engage in institutional work to create, maintain or change institutions (Lawrence & Suddaby, 2006; Lawrence et al., 2013). They also identify four strategies which professionals deploy to influence institutional change: using their expertise and legitimacy to challenge the status quo and describe a new accepted order; recruiting and training the new members and given new identities; crafting new rules of engagement of members to demarcate the field of operation; and creating a “new status” of their members within the wider social setting (Perkmann & Spicer, 2008; Lawrence et al., 2013).

Professionals, when their “trade” is threatened by intrusion or extinction, engage in institutional work to protect and maintain their position in the social setting (Currie et al., 2012). This manifests in the response to the threat, through institutional work, to maintain the status quo. Drawing from their study about the UK’s NHS, Currie et al. (2012) observed that the medical professionals challenged the delegation of some of the tasks that had been traditionally the domain of medical actors to professional managers and engaged other professionals to support them in the maintenance of existing order. They further extend Lawrence and Suddaby’s topology of institutional work to include how different types of institutional work

interact with each other in creating or maintaining institutions; how the social position of actors enhanced their engagement in institutional work in the maintenance of the status quo amidst arguments for transforming the professional activities and boundaries; and the “theorization” of professionals, especially by the rhetoric appeals of “risk” was critical in challenging the institutional change (see also Greenwood et al., 2002; Lawrence & Suddaby, 2006; Lawrence et al., 2013).

### 1.3. Institutional work and accounting professions

There is an emerging body of research on the development of accounting profession informed by institutional work (Humphrey et al., 2017; Canning & O’Dwyer, 2016; Adamson et al., 2015; Chiwamit et al., 2014; Yapa, 2014; Albu, 2013). For instance, Humphrey et al. (2017) have studied the emergence of the International Integrated Reporting Council (IIRC) and the institutional work undertaken to institutionalize integrated reporting as a best practice of corporate reporting. They reveal how professionals in IIRC, through their technical institutional work, managed to solicit support from various stakeholders to ensure the adoption and implementation of integrated reporting practices and deal with the associated policy challenges.

Canning and O’Dwyer (2016) revealed institutional work undertaken by actors in Ireland to achieve regulatory change in accounting profession. They deployed the concept of institutional work to theories the interrelated nature of the forms of institutional work these individuals engaged in as they sought to realize regulatory change. They observed specific forms of institutional work, which were used to support each other and at times contradict one another as regulators sought to preserve power and legitimacy in the accounting profession in Ireland (see also Albu, 2013). For instance, Albu (2013) studied the factors that influenced the evolution of the accounting profession in Romania. He revealed that actors within the Romania accounting profession crafted its “rules and regulations” based on international practices, as well as blending it with local needs. Although, Albu’s paper was based on a generic institutional theory as advanced by DiMaggio and Powell (1984), the underlying analysis suggests that institutional work

was undertaken by the actors in the Body of Expert and Licensed Accountants of Romania (Corpul Expertilor Contabili Si Contabililor Autorizati din Romania, CECCAR). Through cultural institutional work, they sought to associate themselves with global accounting institutions, such as IFAC, as vital networks to legitimize their role as “expert” actors in the accounting field and to recruit new members in order to claim more privileged positions as consultants, analysts and business partners in Romania (see also Perkmann & Spicer, 2008; Greenwood et al., 2002).

Similarly, Yapa (2014) examined the development of accounting profession in Asia. He revealed institutional work of the actors in ASEAN Federation of Accountants (AFA). Through reconfiguring the institution of accounting using cultural institutional work, they sought to create and maintain the demand for internationally “recognized” accounting regulation and the supply of a distinct identity of members (accounting professionals), through education and training within the ASEAN region. In addition, he observed technical institutional work, in which the actors in AFA crafted the new institution of accounting based on international standards rather than regional standards (Perkmann & Spicer, 2008; Currie et al., 2012).

Adamson et al. (2015) examined the processes and dynamics of the executive remuneration consultancy (ERC) project in the UK. They observed institutional work within the ERC project and how it was contested in an attempt to “create” and “maintain” the institutionalization of the executive pay systems in the UK (see also Lawrence & Suddaby, 2006). They argue that institutional work provides a plausible theoretical mapping to conceptualize the development of professions, including accounting. Similarly, Chiwamit et al. (2014) studied the institutionalization of Economic Value Added (EVA) in Chinese and Thai state-owned enterprises. They revealed different kinds of institutional work that supported and others that resisted the institutionalization of EVA (Lawrence et al., 2013). Hayne and Free (2014) examined the emergence and diffusion of Enterprise Risk Management – Integrated Framework published by the Committee of Sponsoring Organizations (COSO) in 2004. Among the types of institutional work, there were observed included theorization,

rhetorical speeches, creating myths around the institution and recruiting, training and retraining of members (see also Suddaby & Viale, 2011).

Therefore, this study uses institutional work to provide a detailed analysis of the multifaceted macro dynamics and complex internal processes involved in the creation and transformation of the accounting profession in Kuwait.

## 2. RESEARCH DESIGN AND METHODS

A qualitative case study of the various aspects of institution work involved in the development of accounting professions in Kuwait was undertaken. Drawing from the recent concept of institutional work, this study analyzed how “reflexive” individuals were able to create, maintain or disrupt the accounting profession in Kuwait (see Lawrence et al., 2011). In addition, the study investigated the various forms of institutional work that different actors deployed in the maintenance and transformation of the accounting space in Kuwait.

The data for this study were collected from two sources: archival documents and semi-structured interviews. A number of archival documents were accessed and analyzed. These included: Parliamentary Hansards, which provided proceedings of the coercive actions of “reflexive” agents in the state of Kuwait who influenced the formation of accounting professions using legislative institutional work involving Acts of Parliament. In addition, documentary evidence from the national accounting bodies: “The archival records of the Kuwait Association of Accountants and Auditors (KAAA) was accessed and analyzed to generate insights into the micro processes that created, maintained or disrupted the formation of accounting professions in Kuwait. In this respect, the roles of “reflexive” and power-wielding agents, individually and collectively were explored to analyses how they influenced the development of accounting profession in Kuwait”.

Furthermore, semi-structured interviews were conducted with officials of KAAA to document the micro processes involved in the creation, maintenance or even disruption of the account-

ing profession in Kuwait. The role of these officials was examined to determine the extent to which their actions assisted in the creation, maintenance or disruption of the formation of accounting profession in Kuwait. This enabled the authors to generate a deeper understanding of how institutions and the strategic action of actors in them affected each other; and the nature of institutional work they engaged during the process of the developing the accounting profession in Kuwait.

## 2.1. Historical context of Kuwait

The State of Kuwait was founded in 1761 by a tribe known as Bani Utub from North Arabia and settled in a place known as Al Kut. At the end of the 18<sup>th</sup> century and at the beginning of the 19<sup>th</sup> century, Kuwait was a small sheikdom devoid of any natural resources, except its strategic location at the top of the Persian Gulf with a natural harbor (Altaher et al., 2014). The main source of income to the small sheikdom of Kuwait was trade, fishing and pearl diving. In the 19<sup>th</sup> century, the British imperialists started appearing in the Persian Gulf and signed several treaties with the rulers of the coastal cities in the Gulf. In 1899, Kuwait became a British Protectorate after signing a treaty with the Kuwait leader.

During the British Protectorate, Kuwaitis were not exposed to any formal education. During the rule of Sheikh Mubarak's rule, neither the Kuwait's authorities nor the British agents had interest in promoting education, because it could undermine the whole social structure on which the British power rested (Rumaihi, 1982). In 1912, the merchants founded Mubarakiyya School, the first non-governmental elementary school in the country, and in 1920, another elementary school, Ahmadiyya school, was established (Al. Musailim, 1987). The establishment of the Education Council in 1936 came as a result of the pressure placed on local government to establish a formal education system in Kuwait. The discovery of oil in 1938 had a significant impact on the socio-economic development of Kuwait (Kuwait Oil Company, 2014). This attracted a number of multinational corporations (MNC) to invest in Kuwait, which, in essence, contributed to the development of accounting in Kuwait as elucidated below.

## 2.2. The development of accounting profession in Kuwait between 1940 and 1960

The demand for accounting services in Kuwait emerged from around 1940s. During the 1940s and the 1950s, foreign investment flowed into the country. This flow of investment increased the demands for accounting and promoted the role of foreign accounting companies. Malallah (1983) argues that MNCs and international accounting firms influenced the accounting development process in Kuwait after the discovery of oil. Thus, one could argue that the UK period witnessed the establishment of formal Anglo-Saxon accounting and auditing systems to assist Western companies and businesses established in Kuwait. For the British, their legal system and accounting practices followed their capital into Kuwait as institutional work directed towards creating and maintaining their colonial institution.

The international accounting firms opened offices in Kuwait in 1946 following the arrival of the MNCs. One of the interviewees noted that: "There were huge investments coming into the country during the 1940s and 1950s and although this increased the demand for accounting services, the Kuwaitis did not respond to this demand" (field data).

In an interview with a partner from a big accounting firm, the point was made that: "In the early 1930s the British accounting systems which regulated operations in the foreign companies worked effectively in Kuwait. During this period, the local public accountancy profession was not existed" (field data).

These international accounting firms employed qualified accountants from overseas, as there were no Kuwaiti accountants at that time. Kuwaitis therefore were not eligible to work with these international firms. Local accounting firms were not established until after independence. Accounting and auditing businesses were managed by UK or US accountants who had qualified in their own countries. For instance, the UK and the Kuwait Oil Company (KOC) continued to import educated foreigners, especially from colonized territories, such as India and Egypt, to fill the admin-

istrative and accounting positions in Western companies operating in Kuwait in a way to “maintain” their institutions (for instance, see Altaher et al., 2014). The country was seen as a source of oil that was needed in UK and was easily re-exported if required. There was an overwhelming need for Western people, especially UK nationals, who could help to accomplish the goal of exploiting the resource. Bakre (2000) argued that the UK Government encouraged UK citizens to leave England and relocate to remote areas of the world as a deliberate institutional work to craft boundaries for creating, maintaining and disrupting of new institutions, including accounting professions. Bakre claimed that: “The King promised prospective migrants, particularly British business people that, regardless of whether they lived in England or emigrated to a distant corner of His Majesty’s Empire in the New World, their lives and conditions of living would remain the same” (p. 141).

This situation suggests that UK would have given their support to opportunities, which would ensure that Anglo-Saxon accounting bodies and firms would remain in control of the accounting market after independence. This was done to “create and maintain their control of their colonial and post-colonial institution in Kuwait and to disrupt any other form of dissenting views that sought to “create” newly localized accounting profession.

### 2.3. The development of accounting profession in post-independence Kuwait from 1961 until now

During the era of UK colonial rule, the auditing market was limited, because there were very few companies in the country and, at that time, the members of the 34 Anglo-Saxon professional bodies dominated the accounting and auditing professional services in Kuwait. An academic who was interviewed argued that in the 1940s: “One of the partners of Ernst & Whinney came all the way from Basra in Iraq to audit the financial reports of some of the oil companies in Kuwait” (Chiwamit, Modell, & Yang, 2014).

A partner from one of the big accounting firms had this to say: “The demand for expertise in the accounting field is associated with the discovery of

oil and capitalistic development such as the emergence of publicly held and limited liability companies. This is the economic environment of Kuwait in the post-independence era” (field data).

In 1961, Kuwait became an independent country and the 1899 Protectorate Agreement transformed into a Friendship Agreement between Kuwait and the UK (Altaher et al., 2014). The number of government employees grew tremendously, especially in ministries, which provided social services. The discovery of oil changed the social, political, and economic environment in the country. It became the major source of income and the government’s traditional role rapidly increased in scope. The government was heavily involved in economic development and controlled nearly all of the public utilities as an institutional work to support the creation and transformation of newly independent Kuwait.

In 1962, the Kuwaiti Government officially recognized 36 foreign accounting and auditing bodies: 24 of these accounting bodies were from the US, 7 from Canada, two from the UK, 1 from Australia, 1 from India, and 1 from Egypt. Within this context, one could therefore argue that the shortage of local professionals was due to the late establishment of a national system of higher education, but could also be construed as a strategic institutional work to “maintain” the domination of foreign-based accounting professionals.

During the 1960s, all qualified accountants were drawn from 36 auditing and accounting firms, all of which were based outside the country. As one academic observed: “The foreign accountants, because of the nature of the profession, were permitted to conduct audits in their countries, as well as in Kuwait even though their firms were incorporated as legal entities under the laws of their countries” (field data).

It is interesting to note, however, that the Anglo-Saxon accounting firms, which had dominated the profession during the UK colonial era, through various institutional work involving actors in the Kuwaiti government, retained their dominant position after independence. For instance, members of the Anglo-Saxon professional accounting bodies were given immediate recognition as qualified

auditors in the country even though the Kuwaiti government had the authority to issue practice certificates after independence.

Also, the newly established local accounting and auditing firms encouraged interchange and cooperation with international accounting firms and associations, because, during the 1960s, there was no local professional body in the country. This was indeed a strategy on the part of the actors in local accounting and auditing firms to construct identities and networks to reconfigure the belief and legitimacy of the actors in the local firms. These global connections and networks were intended to create and maintain the accounting profession, as an institution, in Kuwait. It is also important to record that the desire to participate in the global economy, which is controlled by Western countries served to strengthen the cooperation with international accounting firms. The seemingly unexpected, but perhaps inevitable outcome, however, was that the influence of the global economy led the publicly-held Kuwaiti companies to express openly their preference for accounting services provided by the international accounting firms. One of the partners of a small accounting firm noted that: "The international accounting firms monopolised the auditing and accounting services in the country. They were particularly involved in auditing the large local companies and in providing consultation services to government departments" (field data).

Government influence was an important factor in determining a professional group's ability to achieve its objectives and the shaping of the accounting and auditing regulations had not been an exception, as the government was fully involved in this process through various political institutional work. This is evidenced by the number of Acts and Decrees that the Government of Kuwait enacted to create, maintain and disrupt the accounting profession. For instance, the Government of Kuwait issued various legislations relating to accounting, such as Law 3/1965 "The Registration of Public Auditors", which stipulates that only those who hold a Bachelor's degree in Commercial Studies can officially use the title of auditor and accountant. In this way, the government sought to establish "new" boundaries to support the creation, maintenance and disruption

of the accounting space in Kuwait. However, the Law was applicable to only Kuwaitis and it did not target the Anglo-Saxon professional accounting bodies, whose domination of the accounting profession in Kuwait was insurmountable. One of the government officers interviewed claimed that: "These (new set of regulations) were considered important in the thrust to improve the local economic environment" (field data).

Further, the Government introduced a degree program with an accounting major at Kuwait University, but the recommended accounting textbooks for this program were initially written for developed countries, mainly the US, and were subsequently translated into Arabic. Thus, training in accounting sought to create and transform the accounting profession in Kuwait based on the rationalized and theorized US curriculum and Arabic culture. The situation became even graver, as the institutions of learning not only adopted the American education system with English becoming the language of instruction, but also most instructors in these institutions held PhDs from Western countries, mainly the US and the UK. This suggests that the Western education system, which was introduced in the post-independence period, facilitated the maintenance of the Western accounting practices in Kuwait.

The social and economic development led inevitably to the establishment of public companies during the 1960s and 1970s and this required the expansion of accounting and auditing services in the country to control the flow of capital.

The UK involvement in the period following independence led to the creation of a modern legal system with structured Regulations and Acts such as the laws governing the operation of companies and commercial practices. The theorization and the rhetoric processes of various actors within the UK and the independent Kuwait helped to support the creation and maintenance of socio-economic and political "order" in the post-independence era. Although these new Regulations did not deal with accounting in a comprehensive manner, they required all public and limited liabilities companies to submit to the Ministry of Commerce their annual accounts audited by qualified auditors, which would be interpreted as technical institutional work.



In Kuwait, it is the international accounting firms, which control the lion's share of the accounting market and their significant impact on the Kuwaiti environment, which may have been responsible for the slow pace in the growth of the local accounting firms. As the number of shareholding companies in Kuwait increased, so did the complexity of the business issues and problems. This tremendous growth led to the expansion of accounting services and the development of regulation. The government recognized the need for regulation, which would protect the public and benefit the economy. One could contend that the emergence of government regulation was linked to major reforms in Kuwaiti society, especially the theorization and rhetorics, mainly linked to global networks, that public sector reforms were critical for socio-economic and political development (see World Bank, 1998, 2000) and of its role in advocacy and in reconstructing boundaries for institutions, through political institutional work. The government of the day had to undertake the responsibility of regulating accounting practice, as there was no local professional accounting organization in Kuwait at that time. As a partner in one of the big accounting firms mentioned: "The absence of an active professional accounting organization during the 1960s obliged the government to undertake the full responsibility of regulating accounting issues" (field data).

However, international accounting firms are no longer allowed to open branches in the country, since direct foreign investment in Kuwait has been prohibited since the 1970s. So, in order to overcome this hurdle, well-known local accounting firms now act as representatives of international accounting firms. The influence of Anglo-Saxon countries in conceptualizing accounting and auditing procedures in developing countries is abundantly clear.

The establishment of local shareholding companies increased the number of people investing in those companies and increased the need for information and financial reporting. This demand for accounting and auditing came as a result of the world-shared belief that accounting provides reliable information, which is critical in decision making. International accounting firms were important, as they were needed to audit the MNCs oper-

ating in Kuwait. The presence of these international accounting firms influenced the development of local accounting firms and the local economy in numerous ways. Some local firms adopted the accounting and auditing practices and standards, which the international firms had brought from their homelands, which in a way would be construed to mean the creation and transformation of institutions in a social setting. The adoption of the Anglo-Saxon accounting system continues to link the country with developed countries and diffuse their practices and ideas in Kuwaiti society, which are usually transmitted through various institutional work, including cultural institutional work through common beliefs and values related to accounting are promoted and enforced.

The localization of the profession in Kuwait came as a consequence of the nationalist ideology. Just before and immediately after independence, like it happened to many formerly colonies countries, "voices" for localization of institutions started to be heard. The struggle between the government and the nationalists to protect local accountants became evident in the 1960s and resulted in the establishment of the local professional society in Kuwait in 1973 and the objective of this society was to dominate in the local market. The local professional accounting project was disrupted by the power of international accounting firms, whose institutional work was directed towards maintaining the institutional order. Paradoxically, however, this raises the concern that in accounting circles the image portrayed by the international accounting firms continues to be influential. The government also continued to use Western technologies as guidelines for developing accounting regulations and Kuwait's adoption of IASs in 1990 highlighted the ongoing influence of Western accounting practices and procedures. According to the Government, the adoption of these standards was used as a "rhetoric appeal" to justify the flow of capital to Kuwait's economy.

The failure of the local people to respond adequately to the increasing demand for accounting services was probably due to the low educational level of Kuwaitis at that time. The state education system in Kuwait started in 1930s when the first elementary school was established. However, a secondary and high school system did not follow until 1954.

One academic summed up the situation as follows: “Business expansion created the need for accounting services to manage the changing economic environment. Prior to the 1950s, there were no local professional public accountants and auditors, but there were also no external markets demanding accounting services. The foreign companies existed, but they brought their auditors with them” (field data).

As a result of the financial crisis in the late 1970s in Kuwait, the Government reformed the accounting regulation in the country. This reform resulted in the emergence of local professional elites motivated by self-interest. These elite who were partners in big international accounting firms, dominated the decisions of the Accounting Committee established to overcome the crisis. Through technical institutional work, they criticized the accounting and auditing regulations and proposed regulations similar to those of the Anglo-Saxon countries such as the adoption of the IASs, as an institution work to “create, maintain and disrupt” the accounting profession in Kuwait. Thus, the technocrats with a Western mind set, who dominated the key positions in the professional accounting market, were largely the ones most willing to follow the Anglo-Saxon model in the development of the accounting profession in order to maintain the status quo. The government also supported the adoption of Anglo-Saxon accounting practices in the country because of its close ties with those countries.

In Kuwait, nationalists continued to pressure the Kuwaiti Government to nationalize the economic sector, particularly the oil industry, and to localize the accounting profession. The second reason was that prior to 1961, these international firms interfaced mainly with the British Agent Authority. However, after independence, these firms started to face some barriers such as language and communications with government departments and other newly established local companies. For example, financial reporting and other forms of correspondence to the Kuwaiti Government had to be written in Arabic. This constitutes technical institutional work undertaken by the actors in the Kuwaiti government to set “rules and regulations”

intended to create and transform the accounting space from Anglo-Saxon model based on English to a more indigenous institution on pivoted on Arabic language and culture. In response to the “disruption” in their trade and to maintain the status quo, the international firms sought affiliation with influential local firms as a national cover<sup>1</sup>.

#### 2.4. Institutional work of Abu-Ghazaleh

Central to the development of accounting in Kuwait, as well as the rest of the Middle East, is HE Dr Talal Abu-Ghazaleh. Abu-Ghazaleh was born in Palestine in 1938. He fled to Lebanon in 1948 due to occupation. He later went to Kuwait looking for employment after his university education. During the Iraqi invasion to Kuwait, he fled to Jordan. In 1982, Abu-Ghazaleh was one of the three figures who influenced the development of accounting and auditing profession in Kuwait (The International Arab Society of Certified Accountants (IASCA)). In 1972, Abu-Ghazaleh launched the Talal Abu-Ghazaleh & International Co. (TAGI) to contribute to the development of professional accounting, auditing and financial services and to create trust with the international community that business is conducted in the Middle East with high professional standards (TAGI.org). Through the political and technical institutional work of Abu-Ghazaleh, the Arab accountants gained educational and professional recognition within the global accounting community. This was particularly important in creating an assurance that the small Arab community could do business according to international standards, including accounting standards (TAGI.org).

On January 12, 1984, Abu-Ghazaleh formed the International Arab Society of Certified Accountants (IASCA) as a non-profit professional accounting association in London, UK, which was formally registered in Amman, Jordan, on February 24, 1994. IASCA was established to champion the profession of accounting, auditing and other related disciplines internationally, with the aim of maintaining the professional independence of accountants and their protection as well as the application of professional supervisory measures as a way to elevate the professions of account-

1 Foreign companies used local firms and individuals as local representatives for their activities in Kuwait.

ing and auditing (The International Arab Society of Certified Accountants (IASCA)).

In an attempt to consolidate the need to create assurance with international community and using his global linkages, Abu-Ghazaleh established the Talal Abu-Ghazaleh Center for Business Research in 1987 at Canisius College in Buffalo, New York (TAG.org). This was part of the efforts of Abu-Ghazaleh to support international accounting education. The Center provides accounting and economic studies on request of Abu-Ghazaleh, to provide opportunity to Arab students studying at Canisius College (TAG.org). There are number of initiatives undertaken by the Center to develop the accounting profession in the Middle East, including Kuwait. For instance, the Center was instrumental in conducting a number of studies on accounting and business in relation to the education of accountants in the Arab world. In addition, the Center carried out a comprehensive study on the accounting curriculum of many Arab universities with the intent of making recommendations for the improvement and development of accounting education in the Arab world (TAG.org). All of these initiatives have been solely undertaken and supported financially and otherwise by Abu-Ghazaleh.

With the support and sponsorship of Abu-Ghazaleh, the International Arab Society of Certified Accountants (IASCA) was established as the accredited professional body responsible for raising accounting standards through training programs and interaction with international bodies (tag-foundation.org). For instance, IASCA signed an agreement with Cambridge International Examinations (CIE) of Cambridge University. The purpose for the agreement was for [CIE] to approve the Arab Certified Professional Accountant (ACPA) to help in providing Arab accountants with a recognized qualification without the need to sit for international licensing exams that may not be relevant to rules and regulations in the Arab world (tag-foundation.org).

Abu-Ghazaleh has served on a number of international bodies and committees, which have given him an edge to influence the development of accounting in the Middle East, including Kuwait. For instance, between 1995 and 1998, Abu-Ghazaleh served on the United Nations Committee of

Experts on Professional Qualifications, Standards, Geneva, Switzerland. At the same time, he served on the UN Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting between 1995 and 1996. In addition, between 1989 and 1992, he served on The Committee for the Newly Industrialized and Developing Countries Affairs, the International Accounting Standards Committee (IASC). From 1985 to present, Abu-Ghazaleh has been serving as a Chairman of the Arab Society of Certified Accountants (ASCA), London, UK (tag-foundation.org).

In addition to committees and societies, Abu-Ghazaleh has served on several international boards as a member. Between 2003 and 2006, he was a member of the Public Sector Consultative Group, International Federation of Accountants (IFAC), New York, USA. Secondly, in 1992, he was a member of the Board of International Federation of Accountants, New York, USA. He is also a member of the Arab Thought Forum from 1988 to date. He was a member of the Board, International Auditing Practices Committee (IAPC) of IFAC, New York, USA (tag-foundation.org).

All the above committees, societies and boards gave Abu-Ghazaleh significant power to influence the development of accounting not only internationally, but also within the Middle East region. For instance, The Accountant Newsletter observed that: "Talal Abu-Ghazaleh has built a professional services empire from scratch and devoted much of his life to developing the accountancy profession in the Middle East" (www.worldaccountingintelligence.com).

During the 5th Professional Conference for Accounting and Auditing held in Kuwait in 2017, Abu-Ghazaleh observed that: "Kuwait offered me great favors. I was first recruited in Kuwait, obtained first professional license in accounting, established the International Arab Society of Certified Accountants (IASCA), elected as a member in all international accounting councils, established all companies of Talal Abu-Ghazaleh Organization (TAG.org), chaired United Nations Team for International Accounting and Reporting Standards and received the first Certified Accounting Shield in 1983" (National News Agency of Lebanon).

In sum, Abu-Ghazaleh played a significant role in developing the accountancy profession in Kuwait through a number of strategic interventions aimed at popularizing accounting in the Middle East, including Kuwait. Through his international connections and institutional work, Abu-Ghazaleh is credited for “creating”, “maintaining” and even “disrupting” the accounting profession in the Middle East, including Kuwait. However, the State of Kuwait plays a significant role in the development of accounting profession, as illuminated in the following subsection.

## 2.5. Local professional accounting body in Kuwait

The quest for indigenizing professional accounting in Kuwait did not surface until the immediate post-colonial era of the early 1960s. After gaining political independence in 1961, voices calling for the indigenizing of the accounting profession were heard. Regarding his observation of the local professional development, one of the academic interviewees had this to say: “With the movement towards independence, indigenizing the accounting profession in Kuwait became possible. However, the accounting profession in Kuwait lagged behind most other professions, as many social and professional unions and associations were founded in the 1960s” (field data).

Two possible causes could explain why the accounting profession found itself lagging behind other professions. The first was, as previously mentioned, accounting and business education was not readily available in the country during the 1950s and early 1960s. The second was that non-Kuwaiti immigrants dominated the Kuwaiti market environment during the 1960s. Foreign accountants saw no advantage in setting up a professional accounting body in Kuwait that would bring all the professional accountants together in one professional body. Although local accountants sought to establish a local accounting body, the approval of their proposal to establish this entity remained in the hands of the government. They recognized how important it was for Government to monitor the accounting profession through regulation.

Whilst pressure on the Kuwaiti government continued to encourage local accounting development, foreigners continued to control entry into the pro-

feSSION. The foreign professionals maintained their dominant positions in accounting and auditing services, because the recognition given to Anglo-Saxon professional bodies continued after independence. The government’s desire to develop the local profession was not one of their top priorities, as, during that period, the Government was still influenced by its strong economic relationship with Anglo-Saxon countries. This concept was in direct conflict to the proposal being made by local accountants who were pressuring government to localize accounting professional bodies and allow local people to assume the dominant roles in the accounting and auditing markets. Furthermore, eventually Anglo-Saxon experts, contracted as advisors for government development projects, were significant in encouraging the government to continue giving special recognition to the Anglo-Saxon accounting bodies.

Notwithstanding, the Kuwaiti government did not offer overt support to the formation of a local professional body to compete with the international one, but it was aware that it would not have been politically expedient for them to refuse to accept Kuwaitis into the profession. This government’s desire to discourage the formation of a local professional body resulted from their clear preference for foreign accounting professionals, particularly the Anglo-Saxon ones, during the 1960s and up until about 1981. The formation of a local professional body would possibly have restricted the privileged position of the foreign professionals and that was not in keeping with the vision of the government of the day. Although Kuwaiti business graduates were allowed to call themselves accountants, they had little opportunity to compete with professionally qualified Anglo-Saxon expatriates.

Due to this situation, in the 1960s and 1970s, there were different accounting and auditing standards in Kuwait, mainly from the US and the UK. As one academic observed: “As a result of the lack of regulations at that time, there were differences in the application of accounting standards among local companies” (field data).

Even though the government’s introduction of Law 6/1962 “The Audit Practices” and Law 3/1965 “Registration of Public Auditors” allowed Kuwaitis to practice accounting in the country without requiring them to be member of an Anglo-Saxon profes-

sional accounting body, the local professional association did not come into being until 1973.

However, the new laws did not pave the way for indigenous people to become qualified professional accountants, even though it encouraged them to establish a local professional accounting association. The Anglo-Saxons were the only organized group of accounting professionals that were recognized in the country.

The local accountants suffered marginalization even after the political changes noted earlier. At that time, none was admitted into the Anglo-Saxon professional bodies. As a partner of one of the small accounting firms stated: "Local accountants were there during the 1960s, but they did not have the power to compete with the foreign accounting firms. The foreign accounting firms audited the multinational companies and a small number of local companies" (field data).

Due to their long history of providing professional services for the MNCs in Kuwait, it could be argued that the experience of international accounting firms in the local market considerably overshadowed that of the local firms. Kuwaiti accountants were subject to some degree of exclusion at the professional level, as they were not eligible to become members of the recognized professional bodies. Similar patterns of exclusion in accountancy were evident in other former colonies such as Trinidad and Tobago, and Jamaica, but the perspectives differed (Annisette, 2000; Bakre, 2005a).

The political debate that ensued in the 1970s about the need for indigenous institutions increased the importance of localizing and organizing the accounting profession. This was a deliberate institutional work to "disrupt" the status quo and champion the "creation" of a local accounting institution. As a result of the political debate, 15 Kuwaitis applied to the Ministry of Social Affairs and Labor (MSAL) to establish KAAA (Al-Muhasiboon, 1994). Malallah (1983) states that: "The accountants' dissatisfaction with government performance led to the establishment of the Kuwaiti Association of Accountants and Auditors (KAAA) in 1973" (p. 90).

The MSAL declared the establishment of KAAA on February 11, 1973 under No. 57 Clubs and public interest associations, in accordance with the provisions of Law No. 23/1962. The objectives of the newly established organization were outlined as follows:

- to improve the vocational, ethical and educational standards of members;
- to provide the members with the current information and knowledge in the accounting field;
- to promote accounting research;
- to participate in the development of accounting and auditing practices;
- to participate in local economic development (KAAA Archives, 1973).

It can, therefore, be argued that the establishment of KAAA under Clubs and public interest associations could be attributed to the strategic institutional work by actors in the government at the time to create and maintain a weak institution in form of accounting and auditing association so as to retain control over the "trade" in a highly-centralized state of Kuwait. Indeed, according to the International Federation of Accountants (IFAC), KAAA has limited responsibility over the development of accounting profession in Kuwait (ifac.org: accessed on July 4, 2017)<sup>2</sup>. The regulation of accounting profession is still a preserve of the state through the Ministry of Commerce. The role of KAAA is still a collaborative one with the Ministry of Commerce, Capital Market Authority, with regard to the development of accounting and auditing in Kuwait (ifac.org: accessed on July 4, 2017)<sup>3</sup>.

As a result, the KAAA was unable to develop any training or examination programs through which its members could become qualified and its activities were akin to those of a group lobbying to manipulate the accounting market. However, in the 1980s, the government recognized the KAAA as the sole accounting professional body. A strategy of local professionalisation was implemented and competition between the local and international profession-

2 <https://www.ifac.org/about-ifac/membership/members/kuwait-association-accountants-and-auditors> (accessed on July 4, 2017).

3 <https://www.ifac.org/about-ifac/membership/members/kuwait-association-accountants-and-auditors> (accessed on July 4, 2017).

al bodies grew. However, holders of Anglo-Saxon qualifications such as the ACCA and the CPA were perceived as having a higher status than local practitioners, and therefore enjoyed a certain competitive advantage. As a partner in one of the big accounting firms argued: "Prior to the 1980s, foreign companies gave the highest level of recognition to the UK institutions, especially the ACCA and their accounting and auditing work in Kuwait was readily accepted. However, the AICPA [American Institute of Certified Public Accountants] membership became attractive after the 1990s and it still is today" (field data).

Since the early 1970s, membership of the only local professional accounting organization, the KAAA, has grown. Like many other professional accounting bodies in developing countries, the

KAAA did not have the institutional arrangements or sufficient funding to set accounting standards for the whole country. The observation must, however, be made that KAAA may not be the typical professional body, which exists in Western societies, but rather could be likened to a trade association or a lobby group whose members are constrained by the institutional work of actors in the government whose rhetoric is that such a local professional accounting body could not be able to regulate itself in the interest of the general public.

In sum, the organizing role of the Kuwait local accounting body (KAAA) has been deflated by institutional work of other power-wielding actors, especially from foreign-based accounting professions, as well as their agents in the national government.

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## DISCUSSION AND CONCLUSION

This study investigated the development of accounting profession in Kuwait using an institutional work theoretical lens (see Lawrence & Suddaby, 2006). It specifically explored the processes involved in creating, maintaining and disrupting the development of accounting profession in Kuwait (Lawrence et al., 2013). The study revealed various stakeholders whose institutional work created, maintained and disrupted the development of accounting profession in Kuwait (Lawrence & Suddaby, 2006; Lawrence et al., 2013).

In the first instance, the British imperialists did not have a deliberate policy of educating the locals for fear of losing control of colonial territory in the pursuit of their political institutional work (Lawrence et al., 2013). However, they believed that the foreign accounting professionals would be loyal to their imperial rule and would support the maintenance of the accounting institution in Kuwait. Thus, unlike other studies that have documented evidence of educating members as a cultural institutional work for the creation and transformation of institutions (see Lawrence & Suddaby, 2006; Lawrence et al., 2013), this study has revealed that lack of training was used by the British imperialists as a "rhetoric" to maintain the status quo of foreign accountants to provide accounting services and to regulate the accounting profession in Kuwait (Perkmann & Spicer, 2008; Greenwood et al., 2002; Lawrence & Suddaby, 2006; Lawrence et al., 2013).

The development of local accounting profession in Kuwait was delayed, as the foreign accounting firms, through institutional work, sought to maintain the domination in the "trade" (Perkmann & Spicer, 2008; Lawrence & Suddaby, 2006). Although there were "voices" that sought to champion the localization of the accounting profession in the post-independent Kuwait, the foreign accounting professionals maintained their critical role in the "trade" (Lawrence & Suddaby, 2006; Lawrence et al., 2013). This was achieved through "theorization" and "mythological" stances that foreign-based qualifications were "superior" to the local ones (Perkmann & Spicer, 2008).

It has been revealed that the attempts to localize accounting profession in the post-independent Kuwait through the establishment of KAAA were mainly dominated by the technical institutional work of actors who possessed foreign-based accounting qualifications (Perkmann & Spicer, 2008; Bakre, 2005a).

They influenced the localization of accounting profession in Kuwait by drawing from their vast international experience; global networks and legitimacy; the pressure to create an indigenous accounting workspace (Lawrence & Suddaby, 2006) through “mimicry and education” (Thornton & Ocasio, 1999; Kasumba, 2013). However, their efforts were undermined by the political institutional work of state actors who had inclination towards foreign-based accounting bodies (Bakre, 2005a) and resisted the self-regulation model of accounting profession in Kuwait, which the local professional accountants were “theorizing”, and preferred the state-regulation model of the accounting profession in a highly legislative and centralized Arab state (Perkmann & Spicer, 2008; Chiwamit et al., 2014). The actors used “rhetorics”, “theorization”, “myths” that the local accounting association (KAAA) was ill-equipped and ill-prepared to undertake the regulation of accounting in Kuwait (Mihret et al., 2017; Richardson, 2017; Canning & O’Dwyer, 2016; Chiwamit et al., 2014; Suddaby & Viale, 2011), and reduced it to a collaborative rather than a regulatory role.

Institutional work could be deployed by an individual, particularly in top leadership, to create and transform institutions (Rojas, 2010). For instance, this study revealed that Dr. Abu Ghazaleh, a Palestine borne, who sought his first accounting practice license in Kuwait, was instrumental in creating and maintaining the accounting profession in the Arab world in general and in Kuwait in particular (Lawrence & Suddaby, 2006; Lawrence et al., 2013). Using cultural institutional work, Abu Ghazaleh used the International Arab Society of Accountants (ISCA) to influence the development of accounting through recruitment and training of Arab accountants in the UK and US and translated all international accounting standards in Arabic (Chiwamit et al., 2014 for cultural institutional work; Greenwood & Suddaby, 2006; Perkmann & Spicer, 2008). This was an attempt to seek legitimacy within the Arab world and a rhetoric that developing the accounting profession based on the Arab culture was necessary (Chiwamit et al., 2014; Lawrence & Suddaby, 2006; Lawrence et al., 2013).

The use of rhetorical appeals of creating an institution based on Arabic culture enabled the development of accounting in the Arab world, including Kuwait (Perkmann & Spicer, 2008; Suddaby & Viale, 2011; Chiwamit et al., 2014). Having served on many international accounting bodies, Abu Ghazaleh managed to create and maintain the accounting profession in the Arab work through international networks, such as the International Federation of Accountants (IFAC), provided legitimacy for the newly created accounting “trade” in the Arab region (Lawrence & Suddaby, 2006; Suddaby & Viale, 2011; Perkmann & Spicer, 2008) through cultural institutional work. This exposure to the international community not only helped to create and maintain the isomorphic nature of accounting profession (Lawrence et al., 2013; Mihret et al., 2017; Richardson, 2017; Canning & O’Dwyer, 2016), but also sought to increase the number of accountants with Arab culture in the Arab world, including Kuwait (Suddaby & Viale, 2011; Lawrence & Suddaby, 2006).

Due to pressures from other institutional work, mainly technical from local accountants with foreign qualifications, the State of Kuwait did not support the localization of accounting profession. Although the state legislated to deter foreign accounting firms from operating in Kuwait, this did not stop their dominance in the accounting “trade” through their “theorization” schema (Perkmann & Spicer, 2008; Chiwamit et al., 2014), and continued with the reconstructing rules, rights and creating and redefining boundaries for members (Lawrence & Suddaby, 2006), especially following the Arab culture and norms. The foreign-based accounting firms, mainly from Anglo-Saxon countries, used the local accounting firms as their representatives in Kuwait to further their domination through “theorization” and “rhetorical appeals” that promote international standards as critical for globalization (Humphrey et al., 2017; Greenwood & Suddaby, 2006; Suddaby & Viale, 2011; Bakre, 2005a). Besides, using cultural institutional work, the Indian accounting community residing in Kuwait launched an Institute of Chartered Accountants of India (ICAI) Kuwait Chapter. The purpose of launching the ICAI Kuwait Chapter was construed as a strategic move to create and maintain the accounting profession of Indians who were working in Kuwait and to pay their allegiance to their mother country’s professional body

(ICAI) (Lawrence & Suddaby, 2006; Lawrence et al., 2013), through which they would undertake continuous professional development, thus engaging in cultural institutional work (Perkmann & Spicer, 2008; Greenwood & Suddaby, 2006) to recruit and increase their membership in Kuwait (Lawrence et al., 2013; Lawrence & Suddaby, 2006).

It is worth noting that state actors in Kuwait used political institutional work to constrain others (technical and cultural institutional work) in order to create and maintain the accounting institution, thus disrupting the technical institutional work of the local accounting professionals with foreign-based qualifications who wanted a self-regulated institution (Perkmann & Spicer, 2008). This adds to the institutional work framework, in which actors may use one type of institutional work, to constrain or restrain others in an attempt to create and transform institutions. For instance, unlike in other countries where professional bodies have full authority over the accounting profession, the State of Kuwait, through political institutional work, maintained tight control over the regulation of accounting practice (see also Dyball et al., 2007), and assumed the role of creating “boundaries” for the accounting fraternity (Lawrence & Suddaby, 2006).

In sum, the development of accounting in Kuwait was influenced by a number of actors, whose institutional work created, maintained and disrupted the accounting profession. In addition, various institutional works reinforced and also contradicted each other in the change and transformation of accounting profession in Kuwait.

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