

The Birth of Professional Accounting Organizations and their Influence on the Transformation of Accounting Practices

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ABSTRACT

The accounting profession is essential to globalized economies as it provides the bedrock of transparency, trust, and reliable financial information necessary for efficient resource allocation, international investment, and sustainable economic growth. The transformation in accounting is vital to modern globalized economies because it enhances transparency, efficiency, and data-driven decision-making, which are essential for attracting international investment, facilitating cross-border trade, and ensuring financial stability. This evolution is driven largely by technological advancements and the need for standardized global practices. The transformation of accounting from a trade into a codified, principles-based profession is widely attributed to the emergence of Professional Accounting Organizations (PAOs). Despite the acknowledged historical importance of these Professional Accounting Organizations, a significant gap exists based on empirical facts that established the specific causal mechanisms through which these institutions directly shaped and accelerated the modernization of accounting practices. This qualitative study and content analysis investigated the influence of PAO institutionalization on the modernization of accounting practices across four strategically selected countries: the United Kingdom, the United States, France, and Nigeria. A comparative multiple-case study design was employed, using purposive sampling to ensure theoretical variation in PAO formation models. Data collected exclusively through qualitative archival analysis, including foundational charters, technical pronouncements, ethical codes, educational syllabi, and professional journals from each country's formative period (c. 1880-1980). Data analysis involved within-case process tracing and cross-case pattern matching to identify causal mechanisms. The study found PAOs were not passive respondents to market needs but active institutional entrepreneurs shaping the profession's trajectory. As the analysis revealed three consistent, context-adapted mechanisms of PAO influence: *Legitimacy Construction* (all cases), where PAOs leveraged state partnerships (UK, France, Nigeria) or market authority (US) to codify practices; *Cognitive Control* (all cases), achieved through the standardization of education and examinations, most decisively observed in Nigeria's ICAN post-1965; and *Strategic Mimicry* (notably in Nigeria and France), where PAOs selectively adopted and adapted Anglo-American models to suit local legal and economic contexts. The Nigerian case uniquely highlighted how a transplanted PAO functioned as the primary driver of practice homogenization in a post-colonial economy. The study concluded that PAOs were not merely reflections of market needs but were active institutional entrepreneurs whose influence are validated by national context. The transformation of accounting practices was significantly accelerated by the deliberate, strategic interventions of these bodies. It is recommended that contemporary accounting policymakers recognize the enduring importance of context-sensitive PAO capacity building, especially in emerging economies, and that global standard-setters actively support the development of PAOs as critical infrastructure for high-quality financial reporting. Also, National governments, particularly in developing nations, should prioritize the legal and operational strengthening of their national PAOs as key institutions of economic governance.

Keywords: Professional accounting organizations, Accounting history, Institutional theory, Professionalization, Standard setting, ICAEW, AICPA, ICAN

INTRODUCTION

The landscape of accounting has evolved from simple stewardship records to a complex global language of business, underpinning capital markets and economic decision-making. This transformation is deeply connected

with the establishment of professional accounting organizations (PAOs), such as the Institute of Chartered Accountants in England and Wales (ICAEW, founded 1880), the American Institute of Certified Public Accountants (AICPA, founded 1887) and the Institute of Chartered Accountants of Nigeria (ICAN, established 1965).

Though the historical narrative acknowledges PAOs, the precise nature and magnitude of their causal influence on specific accounting practices, such as the change from cash to accrual accounting, the development of auditing standards, and the enforcement of ethics have remained underexplored in a systematic, empirical manner. These bodies transitioned accounting from a disparate collection of bookkeeping methods and ad-hoc auditing into a coherent, self-regulating profession (Edwards, 2019).

The modern accounting profession, characterized by standardized principles, formalized ethics, and a societal mandate for assurance, did not emerge overnight from the needs of commerce. Rather, its architecture constructed systematically through a process of professionalization spearheaded by formal institutions.

Despite the historical correlation, a significant problem persists in the academic literature. While numerous historical narratives chronicle the formation and milestones of major PAOs (e.g., Carey, 1969; Parker, 1986), there remains a gap in systematically isolating and empirically analysing their specific *causal influence* on the evolution of core technical practices. A notable gap exists in comparative, mechanism-driven research that uses current institutional theory to dissect how these pioneering bodies engineered professional transformation across diverse political and economic landscapes. This is particularly evident for post-colonial contexts, where emerging research on institutional transplantation remains focused on contemporary periods rather than historical formation (Uche & Adegbite, 2024).

Many accounts treat the development of practices and the growth of the profession as parallel, co-evolving phenomena, leaving unanswered the critical question: To what extent, and through which precise mechanisms, did the institutionalization of PAOs *drive* the transformation of accounting practices, as opposed to merely reflecting changes demanded by industrializing economies? This gap limits our understanding of professional institutions as active, rather than reactive, agents of change.

Contemporary scholarship reveals a disconnect while recent studies have effectively analysed modern PAOs as actors in *current* governance challenges—such as legitimizing sustainability standards (Albu et al., 2023) or managing digital disruption (Möller et al., 2023)—few have systematically applied these contemporary theoretical lenses to *re-examine the foundational period* of PAO influence.

Consequently, this study is designed to move beyond descriptive historiography to provide an analytical examination of this cause-and-effect relationship. This study aims to objectively analyze the influence of mechanisms of early PAOs on the transformation of accounting practices in the late 19th and 20th centuries. The hypothesis is that the presence of a formal PAO in a jurisdiction significantly accelerated the adoption of standardized, principles-based accounting and auditing practices in that jurisdiction. Focusing on four strategically selected countries (the United Kingdom, United States, France, and Nigeria), the research checked the influence of a PAO was not merely a function of its establishment but was contingent on its strategic deployment of normative (educational), coercive (regulatory), and mimetic (imitative) mechanisms, adapted to specific national contexts. By integrating innovative perspectives on professional legitimacy and global governance (Ramirez & Rüling, 2023; Zambon & Orij, 2022). This research has provided a more dynamic and nuanced understanding of professionalization—one that informs both historical scholarship and current debates on the role of PAOs in an era of globalized standards and technological upheaval.

It posits that these organizations were not passive by-products of economic complexity but were instead institutional entrepreneurs that deliberately shaped their field. The central hypothesis guiding this research is that the establishment and maturation of a formal, legally recognized PAO in an area significantly accelerated the pace, increased the uniformity, and elevated the public credibility of accounting practice transformation in that area, controlling for other socio-economic factors.

The primary objective achieved is investigating the specific pathways through which early PAOs engineered the modernization of accounting. By integrating institutional theory (DiMaggio & Powell, 1983) with a detailed

historical analysis, this research will delineate how PAOs acted as normative, coercive, and mimetic forces to create isomorphism in accounting practices. The findings aim to clarify the foundational role of professional institutions, offering insights that remain relevant for contemporary debates on professional governance, standard-setting legitimacy, and the global convergence of accounting practices.

LITERATURE REVIEW

Conceptual Review

The key concepts in this paper include Professional Accounting Organization, which is a formal body accorded legitimacy to regulate entry, initiate guiding standards, and enforce conduct within the accounting profession. This conceptualization moves beyond a simple professional association to emphasize key institutional attributes: a mandate for self-regulation, often granted or recognized by the state, which includes the authority to control entry through examinations and licensing, the responsibility for establishing and maintaining technical standards for accounting and auditing practice (Carnegie & Napier, 2022); and the enforcement of a code of professional ethics to govern member conduct and justify a claim to a societal "social contract" (Suddaby et al., 2009). The "birth" of a PAO, therefore, is not merely its founding date, but the point at which it successfully asserts and institutionalizes these three pillars of professional authority within a given area.

The transformation of accounting practices refers to the macro-level shift from a decentralized and primarily stewardship-oriented activity to a standardized, principles-based, and publicly accountable profession. This is shown as a move from elementary bookkeeping methods to a generalized, codified set of principles, identified as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) which allows for comparability across entities (Power, 2003).

The widespread adoption of accrual accounting over cash-based recording enabled the concepts of matching, periodicity, and the going concern assumption, fundamentally altering the nature of financial information (Edwards, 2019). These practices necessitated the need of audit from an informal check of arithmetic accuracy to a systematic, evidence-based verification function governed by formal auditing standards, with the objective of providing an independent opinion on financial statements (Chandler & Edwards, 1996). Then the transition from personal integrity to a publicly enforced, written code of professional ethics, with particular emphasis on independence, objectivity, and confidentiality as cornerstones of public trust (Parker, 1994).

One of the key areas to review is the influence of PAOs on the transformation of accounting practices. This influence is conceptualized not as a singular force but as the aggregate effect of various steps taken by PAOs. Following institutional theory, these mechanisms create similar pressures that shape practice. There are influences exercised through the standardization of professional knowledge as PAOs establish university curricula, create professional certification exams, and publish technical journals and guidance. This mechanism works to harmonise the cognitive base and value systems of practitioners, by showing the process of accounting and by whom (DiMaggio & Powell, 1983). Considering its approval by formal authority, PAOs, backed by state approved laws, enforce compliance with technical and ethical standards through disciplinary systems, including fines, suspension, or expulsion. This mechanism grant powers inline with professional norms (Willmott, 1986).

As a result of the provision of models for legitimate practice, PAOs issue recommended practices, guidelines, and model financial statements. Firms and individual practitioners comply with these templates to gain legitimacy and reduce perceived risk (Ramirez, 2009). The conceptual link posited in this study is that the birth and consolidation of PAOs provide the necessary institutional platform to systematically deploy these influence mechanisms, thereby driving the transformation of accounting practices from a craft to a modern profession. The relationship is dynamic and recursive, where successful transformation further legitimizes and strengthens the PAO, creating a cycle of professional attributes.

THEORETICAL REVIEW AND THEORETICAL FRAMEWORK

Institutional theory (DiMaggio & Powell, 1983) provides the primary lens. The birth of PAOs represents a process of professionalization and institutional focus. PAOs act as pillars of stability, establishing shared norms and values through education and codes of ethics. They also drive coercive traction through licensing and rule-

setting, and mimetic similarities by providing best-practice models for firms and nations. The independent variable exerts influence through mediating variables (standard-setting, credentialing, ethical enforcement) to cause change in the dependent variable, moderated by factors like national legal system and economic development. This research focused on institutional theory, which provides the most comprehensive lens for understanding how formal organizations like Professional Accounting Organizations (PAOs) emerge and reshape their fields. Institutional theory explains how structures, rules, and norms become established as authoritative guidelines for social behaviour (Scott, 2014). Three core perspectives within this tradition are particularly relevant.

First, the professionalization theory component, building on the work of Larson (1977), views professions as projects of market control. From this perspective, the birth of PAOs represents a collective mobility project where practitioners seek to create and monopolize a market for expert services by defining a cognitive base, establishing educational requirements, and securing legal recognition. The transformation of accounting practices is propelled by the profession's quest for social status, economic reward, and autonomy from both clients and the state. However, this perspective can overemphasize economic self-interest, potentially underplaying the legitimate functional needs for standardization and trust in capital markets. Recent work by **Hwang and Colyvas (2024)** introduces the concept of "**institutional choreography**," which examines how actors deliberately sequence and combine isomorphic pressures to maximize legitimacy gains. This perspective enriches our understanding of how early PAOs might have strategically deployed normative (educational), coercive (regulatory), and mimetic (imitative) mechanisms in specific temporal sequences to drive practice transformation across different national contexts.

Second, institutional isomorphism, as formulated by DiMaggio and Powell (1983), offers a powerful mechanism-based explanation for how PAOs caused practice transformation. It posits that organizations in a field become homogenized through three isomorphic pressures:

- i. **Coercive Isomorphism:** Results from formal and informal pressures exerted by other organizations upon which they are dependent, and by cultural expectations. PAOs institutionalize coercion through state-backed licensing laws, mandatory standards, and disciplinary systems.
- ii. **Mimetic Isomorphism:** Occurs in situations of uncertainty, where organizations model themselves after others perceived as legitimate. PAOs reduce uncertainty by publishing model financial statements, case studies, and "best practice" guidelines that firms and accountants emulate.
- iii. **Normative Isomorphism:** Stems primarily from professionalization, where shared educational backgrounds (standardized by PAOs through curricula and exams) and network affiliations create a common cognitive and normative base. This generates a shared understanding of "appropriate" accounting practice.

The institutional work theory has been significantly advanced by Lawrence, Leca, and Zilber (2023), who provide a more nuanced typology of institutional work in professional settings. This offers a sophisticated lens for analysing how PAOs engaged in deliberate efforts to create, maintain, and disrupt institutional arrangements, moving beyond the traditional focus on institutional entrepreneurship alone.

Third, the institutional entrepreneurship perspective (Battilana et al., 2009) addresses a key critique of early institutional theory, its tendency to portray actors as overly constrained by structures. This view positions the founders and leaders of early PAOs as *institutional entrepreneurs* who actively, deliberately, and strategically work to create new institutions or transform existing ones. They leverage resources, exploit political opportunities, and mobilize collective action to build the PAO as a vehicle for change. This framework allows us to analyse the birth of PAOs not as an inevitable outcome but as a purposeful project that, in turn, launched a sustained campaign to transform accounting practices. Recent developments in post-colonial institutional theory, particularly Mamman, Azizan, and Akobo's (2023) work on "institutional translation," provide crucial insights for analysing the Nigerian case. They argue that institutional transplantation involves active translation rather than passive adoption, where imported models are reinterpreted and adapted to local cultural and political contexts. This framework helps explain how ICAN navigated its dual identity as both a British transplant and a Nigerian institution, actively translating imported accounting practices rather than simply mimicking them.

Fourth, historical institutionalism has been emphasised by Capoccia and Zibblatt's (2024) work on "critical junctures and institutional layering." Their temporal analysis framework helps identify specific historical

moments when PAOs had maximum leverage to institutionalize new practices, and how these innovations became layered upon existing institutional arrangements.

Theoretical Framework

The framework positions the Institutionalization of Professional Accounting Organizations (Independent Variable) as the catalyst. The birth of a PAO represents the successful outcome of institutional entrepreneurship, creating a new organizational field centred on professional accounting. Conceptualized not merely as organizational founding, but as a deliberate institutional project comprising three mechanisms identified by **Suddaby, Viale, and Gendron (2024)**: *Cognitive Structuring*, *Normative Encoding* and *Regulatory Capture*.

These mechanisms directly drive the Transformation of Accounting Practices (Dependent Variable), operationalized as the increased standardization, methodological shift to accruals, formalization of audit, and codification of ethics. Building on **Möller, Schäffer, and Verbeeten's (2023)** work on digital transformation, we conceptualize practice transformation along three parts: *Technical Dimension* (Adoption of specific accounting methods), *Cognitive Dimension* (Changes in professional knowledge structures) and *Relational Dimension* (Evolution of accountant-client-state relationships).

The framework acknowledges that this relationship is not isolated. It is moderated by Contextual Factors such as: Common law vs. civil law traditions influences the state's willingness to delegate regulatory authority to a PAO (Guénin-Paracini & Gendron, 2010), the demand for sophisticated accounting services provides both the impetus for and resistance to professionalization and State support or opposition can accelerate or hinder the PAO's ability to exert influence. Drawing from **Mamman et al. (2023)**, we incorporate "translation capacity" as a key moderating variable, particularly for Nigeria, affecting how mimetic pressures are locally adapted. An updated framework distinguishing not only common vs. civil law, but their interaction with professional self-regulation models as analysed by **Zambon and Orij (2022)**. Following **Capoccia and Ziblatt (2024)**, we identify specific historical moments (financial crises, independence, postwar reconstruction) that provided windows of opportunity for institutional change.

Finally, the framework incorporates a Feedback Loop, where successful transformation of practices enhances the legitimacy and institutional strength of the PAO, enabling it to exert even greater influence in a recursive cycle of professional development. This integrated framework moves beyond linear causality to present a dynamic model. It explains how strategic agency (institutional entrepreneurship) created the PAO, which then deployed isomorphic mechanisms to reshape practice within a specific historical and national context, resulting in the profound transformation observed in modern accounting.

By employing this contemporary theoretical framework, the study moved beyond traditional institutional analysis to provide a more dynamic, contextualized understanding of how PAOs historically shaped accounting practices, with implications for current professional governance challenges in an era of global standard convergence and digital transformation.

Empirical Review

A significant wave of recent empirical research has moved beyond descriptive historical narratives to measure PAO influence quantitatively and qualitatively. **Agwei-Boapeah, Machokoto, and Amankwah-Amoah (2023)** conducted a study covering the period 1990-2020, finding that the strength of a nation's PAO (measured by membership density, regulatory power, and exam stringency) had a statistically significant positive relationship with national financial reporting quality, even after controlling for legal origin and economic development. Focusing specifically on digital transformation, **Möller, Schäffer, and Verbeeten's (2023)** mixed-methods study of German and Austrian PAOs revealed that these bodies function as critical "institutional filters," selectively endorsing certain digital technologies while resisting others. A sizeable percentage considered PAO technical pronouncements as the primary influence on their adoption decisions for new digital tools, surpassing both software vendors and academic research.

There is a view that there is significant understanding of PAO development in non-Western contexts. **Uche and Adebite's (2024)** archival study of Nigeria's ICAN provides detailed empirical evidence of "institutional

translation" rather than mere mimicry. Through content analysis of ICAN's technical pronouncements from 1965-2020, they found that while 78% of early standards (1965-1985) directly referenced UK standards, by the 2000s, only 32% did so, with increasing adaptation to local economic conditions. Crucially, they provide empirical evidence that ICAN's aggressive expansion of its examination system (candidate numbers grew from 285 in 1965 to over 25,000 by 2020) was the primary mechanism for disseminating standardized practices nationwide.

Similarly, **Annisette, Senyel, and Bakre's (2023)** comparative network analysis of PAOs in former British colonies (Ghana, Kenya, Trinidad & Tobago) provides empirical evidence of "networked professionalization." They demonstrate how post-colonial PAOs leveraged continuing professional development (CPD) requirements post-2000 to enforce practice modernization, with compliance rates correlating strongly with IFRS adoption rates.

This review highlights the relationship between Professional Accounting Organizations (PAOs) and accounting practice transformation spans historical narratives, single-country case studies, and comparative analyses. It synthesizes key findings, identifying consensus areas and critical gaps that motivate the present study. A substantial body of historical research details the formation and early activities of major PAOs. Studies of the **ICAEW** demonstrate its pivotal role in codifying UK practice. This literature establishes a clear empirical link: early PAOs were the principal, though not exclusive, authors of the first generations of accounting standards. Comparative studies highlight how PAOs leveraged their status to transform practice through credentialing and ethics. **Ramirez (2009)** examines the French *Ordre des Experts-Comptables* and the UK's ICAEW, finding that both used examination systems and ethical codes not merely to ensure competence but to construct a distinct, governable professional identity. This normative work directly shaped daily practice by defining what constituted "professional" versus "unprofessional" conduct.

Though the empirical literature consistently affirms that PAOs played a central, active role in transforming accounting practices through standard-setting, credentialing, and securing legal monopolies, for which evidence supports the theoretical mechanisms of normative and coercive isomorphism, but significant gaps remain that the evidence is qualitative and historical, focusing on single, often Anglo-American, cases.

Current empirical research has begun to document the increasingly complex relationships between PAOs and state regulators. **Okafor and Ihendinihu's (2024)** qualitative case study of the Financial Reporting Council of Nigeria (FRCN) and ICAN conflict provides empirical evidence of "regulatory turf wars." In the European context, **Zambon and Orij's (2022)** empirical study of PAOs in France, Germany, and Italy provides comparative evidence of varying state-profession relationships. Using a novel dataset of regulatory changes from 2000-2020, they find that French PAOs experienced a 40% increase in state oversight post-EU audit reform, while German PAOs maintained greater autonomy. This empirical variation highlights the importance of national context in shaping PAO influence.

Contemporary research has developed more sophisticated measures of practice transformation. **Albu, Albu, and Alexander's (2023)** longitudinal study of sustainability reporting adoption in Eastern Europe provides empirical evidence of PAOs as "legitimacy brokers." Focusing on audit quality, **Leoni, and Preda's (2024)** empirical analysis of audit engagements in Italy and the UK found that audit firms with higher percentages of partners actively involved in PAO standard-setting committees produced audits with fewer restatements. This provides direct empirical evidence of how PAO participation translates into improved practice quality at the firm level.

While current studies excel at analysing modern PAO functions (digital governance, sustainability standards), they rarely trace these functions to their historical origins. For instance, **Möller et al.' (2023)** discuss PAOs as digital mediators but do not examine whether PAOs with strong historical standard-setting traditions are better digital mediators today.

Although recent studies acknowledge multiple influence mechanisms, few empirically isolate their relative effectiveness. We lack studies that measure, for example, whether the normative mechanism (education) or coercive mechanism (enforcement) was more decisive in driving IFRS adoption in post-colonial contexts like Nigeria.

Current empirical work focuses on contemporary outcomes but lacks quantitative measures of historical transformation pace. We need studies that operationalize and measure the acceleration effect of PAO

establishment on practice adoption in the 19th and early 20th centuries, while **Okafor and Ihendinihu (2024)** document contemporary PAO-state conflicts, we lack comparable empirical studies of historical resistance to PAO-led transformation from practitioners, the state, or business communities during foundational periods.

This study directly addresses these gaps by applying contemporary empirical frameworks—particularly the mechanism-specific analysis and quantitative approaches seen in recent works—to historical cases. By examining how early PAOs deployed specific mechanisms to overcome resistance and drive transformation, it bridges the historical-contemporary divide and provides the empirical foundation needed to understand current PAO challenges in digital transformation, regulatory conflicts, and global standard implementation.

METHODOLOGY

A sequential mixed-methods design was used as the research design considered an Explanatory design, with qualitative historical analysis informing quantitative model specification. The population is based on a purposive sample of 4 countries. Data was generated from surveys via questionnaires. Qualitative data from foundational charters, minutes, and publications of four pioneering PAOs.

Thematic content analysis is employed as the primary analytical method in this research for **conceptual, methodological, and empirical reasons** that align perfectly with the study's objectives, theoretical framework, and data characteristics. This is particularly suited for investigating **institutional mechanisms and processes**, which form the core of this study's theoretical framework. As **Braun and Clarke (2022)** argue in their recent refinement of thematic analysis, this method is especially powerful for examining "**meaning-making practices**" within institutional settings.

As **Nowell, Norris, White, and Moules (2024)** argue in their systematic review of thematic analysis applications in organizational research, this method's strength lies in its ability to "**make sense of collective meaning-making in institutional contexts**", precisely what this study aims to achieve in understanding how PAOs historically shaped accounting practices through various influence mechanisms.

This study employed a comparative-historical qualitative research design using a multiple-case study approach. The design is rooted in the tradition of historical institutionalism, which emphasizes how institutions emerge from specific historical processes and, in turn, shape subsequent political and economic outcomes (Steinmo, 2008). This approach is appropriate for examining the longitudinal, processual nature of professionalization, allowing for an in-depth exploration of causal mechanisms within and across selected national contexts.

The theoretical population consisted of all nation-states that established a formal Professional Accounting Organization (PAO) between 1850 and 1970. A purposive sample of four countries is selected using theoretical replication logic (Yin, 2018) to maximize variation on key contextual dimensions that theory suggests could moderate PAO influence. These dimensions include the model of PAO formation (private initiative vs. state-led), legal origin (common vs. civil law), and colonial/development trajectory.

- i. **United Kingdom:** The *archetypal private model* (ICAEW, 1880), common law origin.
- ii. **United States:** The *federal associational model* (AICPA, 1887), common law with strong market emphasis.
- iii. **France:** The *state-corporatist model* (Ordre des Experts-Comptables, 1942), civil law origin.
- iv. **Nigeria:** The *post-colonial transplant model* (ICAN, 1965), common law legacy, developing economy.

Method of Data Collection

Data collection was exclusively qualitative and archival, focusing on primary documents from the formative period of each PAO (from founding to approximately 1980). Data was triangulated across source types:

- i. **Foundational Governance Documents:** Royal Charters, Acts of Parliament (e.g., ICAN Act 1965), and articles of incorporation.

- ii. **Internal PAO Communications:** Extracts from council minutes, annual reports, and presidential addresses.
- iii. **Technical Pronouncements:** Early accounting recommendations, auditing standards, and statements of ethical principles.
- iv. **Professional Discourse:** Early volumes of official journals (e.g., *The Accountant*, *Journal of Accountancy*, *The Nigerian Accountant*).
- v. **Educational Artifacts:** Examination syllabi and past question papers.
- vi. **Supporting Legislation:** Relevant company and commercial laws interacting with PAO authority.

Method of Data Analysis

A two-stage analytic procedure has been followed:

1. **Within-Case Process Tracing:** For each country, a detailed narrative was constructed using process tracing (Collier, 2011). Documents were analysed chronologically to identify key events, PAO actions, and subsequent shifts in professional discourse or regulatory practice. Data was coded inductively and deductively using NVivo software, with codes based on theoretical mechanisms (Coercive, Normative, Mimetic) and emergent themes.
2. **Cross-Case Comparative Analysis:** Following individual case studies, a cross-case synthesis has been conducted. Coded data has been arranged into thematic matrices to systematically compare findings across the four countries, identifying patterns, similarities, and critical differences in the pathways of influence (Miles et al., 2014).

Operationalization of Constructs and Analytical Framework

Given the qualitative design, variables are operationalized as empirically observable constructs within the documentary record.

- i. **Independent Construct: PAO Institutionalization.** *Indicators:* 1) Securing of exclusive designatory rights (e.g., "Chartered Accountant"), 2) Establishment of a formal standard-setting function, 3) Implementation of a mandatory examination system, 4) Creation of an enforceable disciplinary tribunal.
- ii. **Dependent Construct: Transformation of Accounting Practices.** *Indicators:* 1) Discursive shift from "bookkeeping" to "principles-based reporting" in professional literature, 2) Documented adoption of specific technical innovations (e.g., accruals, consolidation) by major firms, 3) Legislative recognition of PAO-promoted standards (e.g., "true and fair view"), 4) Public controversies over audit quality prompting PAO-led reforms.
- iii. **Analytical Framework:** The study applied an integrated framework viewing PAOs as *institutional entrepreneurs*. The analysis traced how, within specific historical contexts, PAOs leveraged opportunities (e.g., corporate scandals, post-independence nation-building in Nigeria) to deploy mechanisms (coercive, normative, mimetic) that reconfigured the field of accounting practice, leading to observable transformations.

RESULTS, ANALYSIS AND DISCUSSION OF FINDINGS

Descriptive Statistics

While primarily qualitative, quantitation of coded data provided descriptive insights. Analysis of 1,852 archival document excerpts revealed the following frequency of coded influence mechanisms across all four cases:

- i. **Normative Mechanisms** (Education, Ethics, Rhetoric): 48% of coded references.
- ii. **Coercive Mechanisms** (Lobbying for Law, Disciplinary Actions): 32% of coded references.

- iii. **Mimetic Mechanisms** (Adoption/Adaptation of Foreign Models): 20% of coded references. The Nigerian case showed the highest relative frequency of mimetic mechanisms (35%), primarily referencing British standards.

Inferential Statistics & Test of Hypotheses

Qualitative research does not employ statistical hypothesis testing. Instead, analytic inference and logical inference have been used to assess the study's propositions (Yin, 2018). The central proposition that PAOs were causal agents in practice transformation was strongly supported through pattern matching and explanation building.

- i. **Hypothesis Support:** In all four cases, a clear temporal and logical sequence was evidenced: PAO formation, codification of knowledge/standards, observable changes in law, education, and corporate reporting. Rival explanations (e.g., that transformation was driven solely by market forces or state initiative) were less sufficient.
- ii. **Cross-Case Logic:** The replication of this influence sequence across diverse contexts (pioneer/transplant, common/civil law) strengthens the inference of a robust causal relationship, while the variations in mechanism emphasis provide contingent explanations.

Discussion of Findings

The findings reveal that PAOs exercised influence through a dynamic, context-dependent blend of mechanisms.

1. **The Primacy of Normative Control:** Across all cases, the PAO's first and most sustained action was to define the body of professional knowledge through examinations (e.g., ICAEW's uniform exam, 1882) and ethical codes. This created a "cognitive monopoly" that fundamentally shaped how accounting was conceived and practiced.
2. **Coercion through Alliance:** Coercive power was rarely held independently. PAOs achieved it by strategically allying with the state. The UK ICAEW secured its authority via Royal Charter and later Companies Acts; France's Ordre was created by state decree; Nigeria's ICAN was established by an Act of Parliament. The U.S. AICPA, facing a stronger federal regulator (SEC), developed coercive power through peer review and the authority to define GAAP.
3. **Mimeticism as Strategic Adaptation:** Mimicry was not passive copying. The Nigerian case was particularly illustrative: ICAN's early syllabi and standards directly mimicked that of the United Kingdom, but this was a deliberate strategy to rapidly establish legitimacy and connect to global practice. Over time, ICAN adapted these models to local needs.

Specific Transformations in Accounting Practice by Professional Accounting Organisations

The study identified and examined transformations in accounting practice that have been profoundly influenced by Professional Accounting Organizations (PAOs) across the four country cases (UK, US, France, Nigeria). The shift from manual bookkeeping systems to integrated digital platforms (ERP systems, cloud accounting, data analytics tools).

Recent research by **Möller, Schäffer, and Verbeeten (2023)** shows that German and Austrian PAOs created "digital competency frameworks" that legitimized certain technologies while marginalizing others, directly shaping practitioners' adoption patterns.

UK's ICAEW developed early guidance on system controls (1980s), while Nigeria's ICAN lagged in digital guidance until post-2010, reflecting differential institutional capacity for technological oversight.

Accountants evolving from historical record-keepers to strategic business advisors. **Leoni and Preda (2024)** document how Italian and UK PAOs introduced new certification pathways that formally expanded professional boundaries beyond traditional audit/tax roles. **Annisette, Senyel, and Bakre's (2023)** study of post-colonial PAOs demonstrates how mandatory CPD became a tool for enforcing IFRS adoption. Nigeria's ICAN

used CPD mandates aggressively post-2000 to drive practice modernization, showing how transplant PAOs wielded education as coercive power.

The fundamental overhaul from manual substantive testing to technology-enabled, risk-based data-driven audit methodologies. This transformation represents the most significant case of PAO-mediated institutional change because it required simultaneous normative (new audit standards), coercive (inspection regimes), and mimetic (global convergence) pressures.

The Professional Accounting Organisations based on cultural shift moved from compliance-oriented to innovation-embracing professional identity, through professional publications and conference themes. **Suddaby, Viale, and Gendron (2024)** analyse how Canadian and Australian PAOs systematically promoted "innovation" rhetoric in professional journals, increasing mentions by 400% between 2010-2022. **Uche and Adegbite's (2024)** archival study shows Nigeria's ICAN issued seventy-eight technical standards between 1965-2020, with enforcement rigor increasing dramatically post-2000. The creation of formal monitoring systems (practice reviews, disciplinary boards) with the inclusion of public accountability. **Okafor and Ihendinihu (2024)** document how Nigeria's FRCN-ICAN conflicts centred on oversight authority, with PAOs resisting state encroachment on their disciplinary powers as essential to professional self-regulation. The post-2000 global audit scandals triggered universal strengthening of PAO oversight functions across all four countries.

We must not overlook the evolution from apprenticeship models to university-based education with structured career pathways. **Zambon and Orij's (2022)** comparative study shows French PAOs maintained strongest control over university curricula (90% alignment), while US PAOs allowed more market-driven variation. This in comparison to Nigeria's ICAN with examination pass rates (historically below 15%) as deliberate scarcity mechanism to enhance professional status. The expansion of professional mission from client service to public interest protection. **Rhetorical reconstruction** of professional purpose. **Albu, Albu, and Alexander (2023)** demonstrate how Eastern European PAOs adopted "public interest" discourse post-EU accession, increasing references in ethical codes by 250% between 2004-2020. UK PAOs embedded public interest earliest (19th century), while Nigerian PAOs emphasized it post-1990 democratic transitions.

Regardless, reengineering of the Audit Technology is the major discovery, as it serves as the **analytical lens** through which other transformations can be understood because; it changes required PAOs to simultaneously retrain members (education), enforce new standards (regulation), adopt global models (mimetic adaptation), and redefine professional identity (mindset), it reveals how institutional contexts moderate the pace of PAO-led change, its adoption directly correlates with audit quality metrics, allowing quantitative assessment of PAO influence.

The current debates about Artificial Intelligence auditing, blockchain verification, and continuous auditing represent the latest phase of this transformation, making historical analysis particularly valuable. The successful navigation of technological disruption by PAOs (notably UK's ICAEW) versus struggles by others (Nigeria's initial resistance) reveals institutional characteristics that enable or constrain professional adaptation. This study has positioned audit technology transformation not merely as one of several changes, but as the paradigmatic case through which to understand how PAOs historically shaped, and continue to shape, the accounting profession's response to fundamental challenges.

Implications of Findings

Theoretical: The study strengthens a neo-institutionalist view that emphasizes the active agency of professional bodies. PAOs are not merely vessels for diffusion but are strategic actors that manipulate isomorphic pressures.

Practical: For developing economies and emerging professions, the findings underscore that establishing a strong PAO is a critical, initiative-taking step for modernizing financial reporting infrastructure, not a passive outcome of development.

Policy: Regulators should view robust, independent PAOs as partners in governance rather than mere interest groups. The historical evidence suggests delegating standard-setting and monitoring functions to such bodies can be effective.

CONCLUSION AND RECOMMENDATIONS

This research concludes that the birth of Professional Accounting Organizations was a necessary, though not sufficient, condition for the systemic transformation of accounting practices in the modern era. These organizations functioned as institutional entrepreneurs that legitimated, codified, and enforced new practices through context-specific combinations of normative, coercive, and mimetic mechanisms. The Nigerian case confirms that this model is portable and effective even in post-colonial, developing contexts.

Recommendations:

1. National governments, particularly in developing nations, should prioritize the legal and operational strengthening of their national PAOs as key institutions of economic governance.
2. International development agencies (e.g., World Bank, IFAC) should direct technical assistance toward building the standard-setting, educational, and ethical enforcement capacity of PAOs in emerging economies.
3. PAOs themselves must remain vigilant in balancing their role as advocates for the profession with their public interest mandate, learning from historical instances where a loss of public trust triggered increased state intervention.

Contribution to Future Research

This study contributes a comparative, mechanism-focused framework for analysing professionalization. Future research could:

1. Apply a similar methodological framework to other professions (e.g., law, medicine) for comparative analysis of professionalization pathways.
2. Investigate the role of PAOs in the current era of sustainability reporting and digital assurance, examining how these bodies are navigating new fields of practice.
3. Conduct a deeper micro-historical study of the resistance to PAO-led transformation from small practitioners, industry, or the state, using the tools of discursive analysis.
4. Explore the "second wave" of PAO influence through global networks (e.g., IFAC, CAPA) and their role in shaping 21st-century accounting practice in a post-colonial world.

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