Reviewing the Implications of Corporate Governance, Corporate Social Responsibility on Corporate Failure in the Literature: Developing Countries

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Abstract
This study seeks to examine the implications of Corporate Social Responsibility (CSR) and Corporate Governance (CG) measures on Corporate Failure. The paper reviews the literature considering accounting variables such as firm size, leverage, liquidity, and profitability. In addition, it reviews the literature on the relationship between CG measures, CSR, and corporate failure. In addition, there has been an ongoing debate and conflict on whether the existence of CSR and CG together enhance company performance and reduce its likelihood to fail. Therefore, from one hand this study aims to survey the accounting literature concluding whether accounting variables, CSR, impact CG and from the other hand, the effects of CSR and CG on corporate failure. The analysis of literature finds a significant association between the accounting variables (i.e. firm size, leverage, liquidity, and profitability) and CG. The results indicate that there is a significant relationship between accounting variables and CSR. However, the review of literature found the relationship between CSR and CG to be contradictory; some studies found a significant association and other studies found no relationship. Finally, the paper finds a gap in the literature examining CSR, CG and corporate failure; which is the lack of researches studying the effect of accounting variables, CG measures, and CSR on corporate failure. To the best of the authors' knowledge, this is the first study to look at this issue for developing countries. The findings from this paper may provide a critical analysis of the practices of CSR with CG on firm value especially for developing countries concerning the needed amendments of CG and CSR guidelines to be more effective.

Keywords: corporate governance, accounting variables, corporate social responsibility, corporate failure and developing countries.

INTRODUCTION
There has been a considerable debate about the association between CSR and CG; but in recent years the term CSR has gained prominence in business and in public interest for many reasons (Crowther et al., 2004). CSR is a voluntary activity rather than an enforced regulation. Aras and Crowther (2007) argue that there are three basic principles which together comprise all CSR activities. They include sustainability, accountability, and transparency. Therefore, the concept of CSR extends the accountability of firms beyond financial accountability to their shareholders and to other stakeholders (Yip et.al, 2011). Rizk et al., (2008) defined CSR as "The process of communicating social and environmental effects of organizations’ economic actions to particular interest groups within society and to society at large".

Freeman et al., (2010) makes a distinction between the residual and the integrated concept of CSR. The residual concept focused on returning profits to society and the integrated approach regards CSR as a part of the corporate competitive strategy. Moreover, Badia et al., (2013) differ between responsive and strategic CSR. The former is addressed to returning profits to society. The latter is addressed to identify society problems that the firms can contribute to solve, and, as a result, create value simultaneously for society and shareholders.

Organization for Economic Cooperation and Development (OECD) defined CG as "the system by which business corporations are directed and controlled, with respect to the distribution of rights and responsibilities among the board, management, shareholders and other stakeholders". Good CG is not simply about minimizing the risk of corporate failure and dealing with those guilty of fraud. Also, it is a fundamental prerequisite for improving economic performance, facilitating corporate access to capital,
increasing volatility in retirement savings and improving the general investment climate. However, recent corporate scandals and failures have redirected attention to issues of good governance, ethics, trust, and accountability.

Many economists attribute the business failure to diverse factors e.g., high interest rates, recession-squeezed profits and inability to repay their debt and interest obligations, i.e. lack of sufficient cash flows from operating activities. Also, industry specific characteristics such as government regulations and the nature of operations can generate financial problems. Prevention of corporate failure was not the only reason that led to the adoption of the CG principles (Mulili et al., 2011).

The paper is organized as follows; in the first section the paper will review main developments of CG and CSR. The second section of the study will discuss the literature review on CG. The third section states studies focus on the causal relationship between CG and Corporate failure. The fourth section of the paper will discuss the literature review of CG and CSR. Finally, the research conclusions and recommendations for further research.

CSR and CG Developments
CSR has become a more common term among firms and authorities. Ditlev Simonsen (2011) states that non-financial reports of companies known as environmentally then changed to sustainability and at last responsibility. Moreover, there are other terms used simultaneously as corporate citizenship, corporate social performance, corporate accountability and business ethics. Porter & Kramer (2006) states that firms become socially responsible, as this will improve a company’s image, strengthen its brand and raise the value of its stock.

Recently, the issue of CG became the centre of business discussions due to the modern trend of ownership separation from management (Effiong et al., 2012). Francis (2000) states that the concept of CG gained prominence in the 1980s because this period was characterized by stock market crashes in different parts of the world and failure of some corporations due to poor governance practices. Corporate collapse was the predominant driver for change to CG codes. Specifically, insolvency is becoming a permanent risk for many firms regardless of their size and operations. Evidence shows that in the last two decades, the frequency of business failures is higher than any time since the early 1930s (Rees, 1995).

Egypt is chosen as an example of a developing country for a number of reasons. During the past few years there has been a growing public and media awareness of the social and environmental responsibility. Egypt has been modifying its laws and regulations and listing additional CG provisions since 2000. On 23rd March 2010, Egypt has launched a new index for listed companies called Standard and Poor’s/Egypt Stock Exchange Economic Social and Governance Index (known as S&P-EGX ESG). The new index reflects the interest of the government to apply CSR (UNDP, 2010). UNDP considers the index another step that compliments Egypt’s efforts in improving practices of CG and CSR.

PROBLEM STATEMENT
The study focuses on reviewing the accounting literature to find out if accounting variables, CG measures, and CG impact the company failure or not, and the effect of CSR on CG from on hand. From the other hand investigates the impact of CG on CSR and whether there is a two way relationship between CSR and CG. Finally, the implications of CSR separately on corporate failure and effect of CG separately on corporate failure.

LITERATURE REVIEW
Lei and Song (2004) Study
The researchers study to what extent the CG standards affect firm value and whether shareholders in emerging markets are willing to pay a premium for higher governance standards. The study constructs a CG index and ranks the listed companies according to this index. The research investigates 17 variables measuring 5 governance mechanisms such as board structure, executive compensation, ownership structure, executives’ conflict of interest, and transparency standards. The results show that CG mechanisms affect firm value and investors are willing to pay premium for better governance standards. Also, the research states that firms with better rating in the CG model have higher firm value.

Hongxia & Ainian (2008) Study
This study investigates the impact of CG structure on voluntary disclosure in 100 non-financial Chinese listed firms in both Shenzhen and Shanghai stock market from 2003-2005. This paper uses the entropy\(^1\) theory assessment method and found out that (1) Firms with high managerial ownership have high level of voluntary disclosure because managers consider the benefits of shareholders and also, stock options have incentives to contribute to the firm. Therefore, this results in decreasing agency costs and increasing the voluntary

\(^1\) Entropy is a measure of unpredictability of information content.
disclosure. (2) There is a significant correlation between ownership concentration and voluntary disclosure. This is because most shareholders have a strong interest in firm performance enhancing the repayment level of managers and they have high ability to increase voluntary disclosure.

Lee & Park (2008) Study
The study examines the determinants of the CG for the listed firms on the Korea Stock Exchange (KSE) over the period of 2001 through 2003. The study examines whether the controlling shareholders manipulate CG structure to their advantage. The research found out that controlling shareholders of a firm with a concentrated ownership structure is difficult to be monitored for their manipulations and has a negative effect on the CG of their firms. The negative effects are more significant on the board structure and the managerial transparency of the sample firms. Moreover, institutional or foreign shareholders practices have a positive and limited effect on the CG.

The empirical results show that controlling shareholders strongly refuse the introduction of new governance schemes that will improve the monitoring of their behavior. However, the outside shareholders and regulatory authorities imply a lot of effort to strengthen the monitoring system. Finally, an active market for control as a complement to the internal governance mechanism is needed.

Mullili & Wong (2011) Study
This research studies the concept of CG from a historical perspective and how the agency theory and stewardship theory affect CG practices. This study has reviewed the CG practices adopted by public universities in Kenya. First, there is very little research done in the area of CG in developing economies especially those in Africa. The Kenyan government is trying to improve ethics and governance in public and private enterprises in an effort to attract Foreign Direct Investment (FDI).

Second, Kenyan public universities are faced with challenges that need to be expressed. Poor governance structures have been associated with disorder academic life. Moreover, Kenyan public universities should consider governance and guide their council and university board members on its application and importance. Third, the CG practices used in developed countries are not directly applicable in developing economies because of political, economic, technological and cultural differences.

From the above discussion of the first group of the literature, the results show that CG have significant relation and affect firm value, CG and concentrated ownership increase voluntary disclosure level. Moreover, institutional or foreign shareholders practices have positive and limited effect on CG and controlling shareholders have negative association with CG. Finally, CG practices used in developed countries are not directly applicable for developing countries.

Studies Focus on the Causal Relationship between CG and Corporate Failure
Lee et al., (2015) Study
The research examines the Enterprise Risk Management (ERM) adoption practices of 316 Australian companies that were listed in the Top 400 Australian Securities Exchange (ASX) for 2006, 2007 and 2008 based on market capitalization. The study investigates the role of CG in determining the extent to which ERM practices adopted comply with ASX risk management recommendations.

The finding states that each CG variable exhibits a significant positive effect on the ERM compliance when variables separately examined. Moreover, the results show the existence and independence of the audit committee as well as its meeting frequency to be the dominant factors determining ERM compliance. ASX should mandate the establishment of effective audit committees for all listed companies. The high level of ownership held by executive directors shows a positive impact on ERM although the long tenure of CEO exerts a negative influence. In addition, firms with strong governance and higher ERM compliance show better future performance measured by ROA compared to firms without ERM schemes. Overall, the study provides empirical evidence that firms with good governance do manage corporate risk better at the enterprise level than firms with poor CG.

Finally, the sample period covers the Global Financial Crisis period of 2007 and 2008, the research found that those firms with strong CG who have adopted more compliant ERM suffered less from the downturn of the crisis compared to those firms with weak governance and less compliant ERM.

Cruz, et al., (2015) Study
The study examines the impact of CG mechanisms on the probability of financial distress of the Spanish listed

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2 The controlling shareholders of Korean firms actively participate in the management of their companies as well as dominating the board of directors, and so are properly called ‘owner-managers’.

3 Financial distress is a situation where cash flows from
firms from 2007 to 2012 using a matched-pairs research design. The research examines 118 financially and non-financially distressed firms then matched each of the firms with a control firm that is in the same industry and total assets then applied a conditional logistic regression approach.

The results show that ownership structure and board structure impact financial distress situations. The findings show that total ownership concentration is not between one to be effective the Causal Relationships and the lack between dilution. Enterprises are regularly involved in socially responsible CSR activity and 62% of the interviewees were actively involved in CSR activity and 62% of the enterprises are regularly involved in socially responsible activities. The results found that obstacles facing the companies to implement CSR was 61% the lack and severe time pressure, 54% the lack of human resources, the lack of financial resources and cost constraints 38.4%, and finally 30.7% little awareness of CSR.

This study examines the association between CG and CSR from the perspective of practicing managers. The researcher’s analyze CG as a pillar for CSR, CSR as an extended model of CG, and finally CG and CSR as a part of continuum. The study examined five medium and large service companies operating in Lebanon.

The researchers conduct interviews with top managers and distributed a questionnaire including questions relating to CG, CSR, in addition to CG-CSR association. The majority of the respondents support the view that there is a strong association between CG and CSR. Moreover, the study states that the companies without an efficient long-term view of leadership, effective internal control mechanisms, and a strong sense of responsibility vice-versa internal stakeholders cannot have CSR. Conversely, CG cannot be effective without a sustainable CSR drive; because a company has to respond to all its stakeholders’ needs in order to be profitable and adds value for its shareholders. This proves that the link between CG and CSR is obviously a significant two-way relationship.

**Samaha & Dahawy (2011) Study**
The research investigates the impact of CG variables (i.e. ownership structure, board composition and audit committee presence) on the voluntary disclosure practices of the largest 100 firms listed on the EGX. The study was cross-sectional in nature and only the reporting practices for the financial year ended 2006 were examined. The findings indicate that overall voluntary disclosure was very low at 13.43%. The low disclosure levels may be an indicator of less transparency. This low percentage place Egypt at a lower level than other emerging capital markets (e.g. Singapore, Hong Kong and Malaysia). Multivariate results show that audit committee presence is the most important variable influence voluntary disclosure.

Moreover, companies with a higher ratio of independent nonexecutive directors have a higher extent of voluntary disclosure. It was also evidenced that voluntary disclosure increases with decreases in block holder ownership. Also, there is no association between voluntary disclosure with managerial and government ownership. Finally, the analysis states that profitability and internationality considerably impact voluntary disclosure. The number of shareholders, type of audit,
size, liquidity, leverage and industry type of the firm do not affect the extent of voluntary disclosure.

Mahadeo et al., (2011) Study
The researchers study Social and Environmental Reporting (SER) practices of listed companies in Mauritius. The study relies on content analysis to identify, classify and quantify changes in the SER disclosures of listed companies over a four-year period (2004–2007). The results show that 95% of companies provide information related to their social activities in 2004. In addition to, (8%) of information related to the environment and health and safety (15%), although 30% of companies disclosed information related to ethical behavior. However, an increase in non-social SER was observed from 2005 which is the first year of the adoption of the CG code.

Also, commercial companies provide an average more disclosure than other sectors because companies that are closer to the individual consumer provide more SER. More specifically, the increase in ethical disclosures reflects challenge at gaining procedural legitimacy in response to criticisms of corruption and unethical business practices. Over the period of analysis, the researchers also detect a major qualitative and quantitative transfer in the nature of social disclosures in terms of (i) the use of a combination of declarative, monetary and quantitative good news information rather than purely financial information and (ii) increased declared of social projects and beneficiaries supported by the company. Moreover, higher leverage levels reflect financial risk, and this tends to catch the attention of markets and lenders. The highly leveraged companies use more SER to provide reassurances to their non-economic stakeholders.

Hussainey et al., (2011) Study
This study examines the factors affecting companies' decisions to disclose or not CSR information in the annual reports using a sample of 111 Egyptian listed companies from 2005–2010. The research investigates the degree to which firm characteristics (i.e., company size, profitability, liquidity, gearing, ownership type and audit type) affect CSR disclosure.

This paper introduces new explanatory variables (i.e., different types of audit quality and different types of ownership) and measure CSR by content analysis using the number of sentences that contains CSR information. The study focused on five themes of CSR (i.e., the

environment, human resource, community involvement, energy, and customer/product).

The findings show that 66% of the Egyptian listed companies disclose on average from 10–50 CSR statements. Also, product/customer information is used extensively by Egyptian listed companies compared with other types of CSR information. Moreover, profitability is the main important driver to disclose CSR information in Egypt. The results show a negative association between community and audit type. Finally, other variables (i.e., ownership structure, company size, gearing, liquidity) do not impact CSR reporting decision in Egypt.

Hoje Jo & Harjoto, (2012) Study
The researchers examine the empirical association between American firms CG and CSR by investigating their causal effects. The paper analyzes how CSR associations affect CFP measured by firm value and operating performance. The research examines the causal impact of CG on CSR as well as the causal impact of CSR on CG and finally the impact of CSR on CFP.

The researchers use the Kinder, Lydenberg, and Domini's (KLD's) database during the periods 1993–2004. Using combined sample of 12,527 firms year (2,952 firms) observations including both CSR and no-CSR firms. The findings show that the lag of CSR does not affect CG variables, but the lag of CG variables positively affects firm CSR association. Moreover, CSR has a positive impact on CFP and American firms which overinvest in CSR are valued added.

Salewski & Zulch (2012) Study
This study examines the impact of CSR on financial reporting quality using Adjusted Modified Jones Model. The researchers investigate European sample of 1,653 firms from 46 countries applying International Financial Reporting Standards (IFRS) and the study measures CSR using Kirchhoff Consult AG.

The researchers investigate financial reporting quality using the degree of accrual based earnings management and the IFRS variation of this model considering amortizable intangible assets. In addition, the researchers utilize the degree of accounting conservatism using a variation of earnings return regression used by Khan and Watts (2009). Finally, the study uses the quality of accruals in predicting operating cash flows.

The researchers found that there is a positive association between CSR and earning management; also, there is a

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4 A SER disclosure pattern one year (2004) prior to the implementation of the code and over the next three years (2005–2007) is investigated.
negative association between CSR and the degree of accounting conservatism. Finally, the researchers conclude that managers may invest in CSR activities to cover up irresponsible behavior and earnings management. To sum up investing more in CSR activities and reporting do not mean real changes in corporation behavior.

Effiong et al. (2012) Study
The study examines the interrelationship between CG and CSR and the impact of CG on CSR, and how social responsibility accounting can help enterprises to achieve good corporate image. The paper studies the correlation between social responsibility accounting and shareholders’ wealth manifested in good CG using Pearson Product Moment Correlation Coefficient model.

The research conducts pilot study on the Nigerian financial sector by investigating published annual reports and records of eleven Nigerian banks for 2007. These banks were selected on the strength of their shareholders’ fund and their international branch network.

The study finds that changes in profit attributable to shareholders result from changes in corporate social contributions. Companies investing in societal activities rapidly create wealth, image and good social status for the shareholders. CSR is a necessary element for good CG. Achieving the social obligations therefore, is an indication that the firm is efficient, profitable and socially responsible. Therefore, CSR have a significant positive impact on CG and corporate image.

Beddewela & Hezig (2013) Study
The researchers study the pressures and barriers which subsidiaries of Multinational Companies (MNCs) face in reporting CSR within a developing country. The researchers conducted in-depth interviews with 18 national managers all Sri Lankan working for MNCs across 11 subsidiaries during the period October 2008 to January 2009. The research investigates why companies in developing countries do not voluntarily publish social and environmental issues and often disclose very little.

The findings show that only three out of ten subsidiaries investigated had actually published an external, stand-alone CSR report. Nine subsidiaries provided information related to their social and environmental activities within Sri Lanka to their head offices.

The data analysis finds that CSR in Sri Lanka is still at an early stage because there is no legal requirement in Sri Lanka for public-listed companies to engage in CSR. Moreover, there is a tension between the use of reporting guidelines and the adoption of MNC internal reporting requirement. Also, explaining accountability to wide range of stakeholders act as a barrier against publishing separate CSR reports in Sri Lanka. Finally, the researchers suggest that the government of Sri Lanka should make changes in legislative policy.

Torea & Feijoo (2015) Study
The study investigates the association between the Board Effectiveness (BE) based on the shareholder perspective of CG and transparency of CSR reporting. Also, address the question whether BE based on the shareholder perspective of CG is also suitable or not for a wider range of stakeholders. The research indicators are: board size, presence of outsiders, CEO duality, presence of women on boards, experience of the board, frequency of board meetings and the institution of specific board committees. The researchers use Structural Equation Model (SEM) estimated by a Partial Least Squares (PLS) regression to an international sample of 2366 companies from 17 countries from year 2009 to 2012.

The findings show that BE has a positive effect on transparency of CSR reports and expected to increase corporate performance. Also, the industry, firm size and the CG system of the country have significant impacts on CSR reports. The large size firms and firms operating in environmental sensitive industries are more likely to publish more transparent CSR reports. Moreover, firms from stakeholder’s oriented countries provide higher levels of transparency of CSR reporting than those from shareholder-oriented country. In addition, the study states that there is overlapping association between CG and CSR. Finally, the results show that three boards’ characteristics i.e., size, composition and internal functioning impact the three outcomes of BE i.e., monitoring, strategic advisory and corporate performance.

Velte (2015) Study
The research examines three independent variables the supervisory board independence, sustainable expertise and gender diversity in two European two tier countries and their effect on sustainability reporting quality according to the standards of the Global Reporting Initiative (GRI). The sample of 188 German and Australian firms listed at the Prime Standard of the Frankfurt and Vienna Stock Exchange from 2012-2013 were investigated.

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5 The researchers choose year 2007 because the concept of CG becomes essential in Nigeria in this year.
Descriptive results show that CSR reporting quality is still low in both countries. Furthermore, multiple regressions state that independent female members in the supervisory board have a positive impact on CSR reporting quality in Germany and Australia. However, the existence of sustainable experts in the supervisory board both in Germany and Australia shows a positive but insignificant impact on CSR reporting quality. Moreover, findings suggest that the current European CG regulations can be used to increase the quality of modern CSR reporting for the stakeholders.

To sum up, the above studies state that obstacles facing companies to implement CSR was lack and severe time pressure, the lack of human resources, and finally cost constraints. Some researches show that there is a strong association between CG and CSR, companies without CG cannot have CSR. Moreover, CG cannot be effective without sustainable CSR driver. Egyptian companies' disclosure of CSR is very low because profit is the main driver to disclose CSR information.

Some papers show that the lag of CSR does not affect CG but the lag of CG has a positive effect on CSR. Although, some studies state that CSR is a necessary element for good CG and CSR have a positive impact on CG and Corporate image. CSR in developing countries is still at an early stage because there is no legal requirement to adopt CSR. Also, industry type, firm size, and CG system can have a positive effect on CSR reporting.

Studies Focus on the Association between CSR and Corporate Failure

Zeitun (2009) Study

The research examines the impact of ownership structure (mix and concentrated) on the firm's performance and failure for 167 Jordanian companies from 1989-2006. The empirical results show that ownership structure and concentration play a vital role in the performance and value of Jordanian firms. The study findings show that inefficiency is related to ownership concentration and institutional ownership. A negative correlation between ownership concentration and firm performance both ROA and Tobin’s Q is found while there is a positive impact on firm performance MBVBR.

The research shows that there is a significant negative association between government ownership and firm's accounting performance. The ownership structure mixes have a significant coefficient only in Tobin’s Q. The results also show that firm profitability ROA has negative and significant correlation with the fraction of institutional ownership, and positive and significant relation with the market performance measure, MBVBR. The results of this study are, to some extent, inconsistent with previous findings. Therefore, the researchers suggest that in order to increase the firm performance and reduce failure it is reasonable to limit government ownership to some extent. Furthermore, a certain degree of ownership concentration is needed to increase the firm performance and decrease the chance of default. It is expected that firms with high debt ratio will have a high corporate failure and firms with a high profit ratio will have a lower corporate failure. Moreover, it is argued that larger and older firms have a lower corporate failure.

To sum up, results from cross-sectional and panel data analysis provide evidence of the effect of ownership structure on corporate failure. The results show that ownership concentration affects corporate performance negatively and participates in corporate failure. The findings also, show that government ownership decrease firm failure. In other words, when a firm has a high concentration in its ownership structure it will have a higher risk of failure, no matter what the ownership mix (government or foreign or intuitional) is.

Dhaliwal et al., (2012) Study

The research investigates the association between disclosure of nonfinancial information and the accuracy of the earnings forecasts of financial analysts. The study uses the issuance of stand-alone CSR reports to proxy for disclosure of nonfinancial information.

The study identifies 7,108 standalone CSR reports published by 1,297 unique commercial companies from 49 countries during the period 1994–2007. The researchers measure the degree of stakeholder orientation and other country-level control variables results in a final sample of 31 countries. The study main variables include the analyst forecast accuracy, country-level stakeholder orientation, and financial forecast.

The findings show that the issuance of CSR reports is associated with lower analyst forecast error. This association is stronger in countries that are more stakeholder-oriented i.e., in countries where CSR performance is more likely to affect firm financial performance. Also, the stand-alone CSR reports are complementary to financial disclosure by reducing the negative effect of financial opacity on forecast accuracy. In addition, CSR disclosure has an impact on capital allocation worldwide. CSR activities can affect financial performance through various channels, i.e., sales, costs, operational efficiency, financing, and litigation risk. Effective CSR performance can improve the brand value and reputation of firms, which in turn enhances
CONCLUSIONS AND RECOMMENDATIONS

The academic accounting literature on CSR has extended just as CSR become important in practice in recent decades. Accounting researchers have recognized important findings about the relation between CSR and financial performance, CSR disclosure, and impact of CG on CSR. Reviewing the literature show that there is a gap investigating the implications of applying CSR and CG on the firms default to have financial distress i.e., corporate failure. Moreover, examining the impact of accounting variables (firm size, profitability, leverage, liquidity) on applying CG and CSR is not enough.

Most of researches examine the impact of CG on CSR and vice versa found that CG affects CSR but most of them have contradictory results concerning the effect of CSR on CG. Moreover, there is a few papers examine the impact of CSR and CG on reducing corporate failure. Reviewing the accounting literature show that developing countries need to improve the CG laws and CSR need to be obligatory not voluntary because CSR disclosure in developing countries i.e., Egypt still very low. Companies in developing countries face obstacles to apply CSR e.g., lack of human resource, lack of financial resources, cost constraints, and finally lack of CSR awareness. There is a strong association between CG and CSR, companies without CG cannot have CSR, also CG cannot be effective without sustainable CSR i.e., CSR and CG two way relationship. Applying strong CG and effective CSR can improve financial performance therefore; reducing corporate failure to some extent.

RESEARCH LIMITATION

Notwithstanding the limitations of this study future research may consider looking at quantitative data to support the findings. This paper reviews the literature theoretically but in the near future need to be applied empirically concerning accounting variables, CG measures i.e., (board independence, ownership structure and audit type), CSR for developing countries e.g., Egypt. Also, the research did not focus on firm performance as major of papers but it analyzes firm failure to find solutions to reduce firm’s financial distress.

FURTHER RESEARCH

CSR is a relatively new field in accounting research need to develop to reflect the expansion of CSR in practice. The implications of accounting variables, CG measures and CSR on corporate failure need to be examined empirically. The analysis of the most profitable companies practices concerning CG and CSR.

Moreover, examine how CSR differ from voluntarily disclosed financial information. Investigate how the information provided by CSR disclosure may affect financial performance in several future accounting periods. Finally, studying how to assured the CSR report because the data used to measure CSR performance must be of high quality to be reliable and relevant for decision making. Accounting researchers need to investigate how to measure CSR activities costs and how to reduce its expenditures.

REFERENCES


