A Mixed-Methods Framework for Assessing SDG Alignment Authenticity in Global South Corporations

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Abstract

The integration of Sustainable Development Goals (SDGs) into corporate purpose statements has become a dominant legitimating practice, yet mounting evidence suggests that such alignment often functions as a neocolonial mechanism that privileges Global North epistemic frameworks while obscuring substantive developmental impact. This study addresses the absence of validated diagnostic tools capable of distinguishing performative SDG alignment from authentic corporate purpose transformation. Drawing on a mixed-methods design combining computational text analysis of 312 corporate purpose statements from firms operating in Global South economies (2019–2024) with qualitative case analysis of twelve multinational subsidiaries, the research develops and validates the SDG-Purpose Authenticity Index (SPAI). Findings demonstrate that 89.4% of firms exhibit significant divergence between stated SDG commitments and observable resource allocation patterns, with performative alignment predicting elevated ESG disclosure scores ($\beta = 0.41$, $p < 0.001$) but null effects on community-level development outcomes. The proposed framework offers researchers and policymakers a replicable diagnostic instrument for interrogating corporate purpose claims, while advancing postcolonial theory by empirically substantiating the discursive mechanisms through which SDG rhetoric reproduces centre-periphery asymmetries. Implications extend to regulatory design, corporate governance reform, and the decolonisation of sustainability metrics.

Keywords: corporate purpose, Sustainable Development Goals, neocolonialism, SDG-washing, authenticity assessment, postcolonial theory

1. Introduction

1.1 Background

The past decade has witnessed an unprecedented convergence of corporate purpose discourse and the global sustainable development agenda. Following the United Nations' adoption of the 2030 Agenda in 2015, firms across the globe have increasingly positioned their organisational missions as contributions to the seventeen Sustainable Development Goals (SDGs), a rhetorical move that ostensibly signals commitment to addressing poverty, inequality, and ecological degradation . By 2024, more than 70% of Fortune Global 500 companies referenced at least one SDG in their corporate purpose statements or mission disclosures, a figure that has risen steadily from approximately 30% in 2016.

This rhetorical convergence has not escaped scholarly scrutiny. A growing body of critical management scholarship interrogates the ideological dimensions of corporate sustainability frameworks, arguing that instruments such as CSR, ESG, and the SDGs function not as neutral governance mechanisms but as "Sustainability Ideological State Apparatuses" that reproduce hegemonic narratives aligning Global South development with Global North interests . From this perspective, the incorporation of SDG language into corporate purpose statements may represent less a transformation of corporate behaviour than a sophisticated rebranding of extractive relationships under the legitimating vocabulary of sustainable development.

The theoretical foundations for this critique draw upon postcolonial and decolonial thought, particularly the observation that development discourse has historically served to normalise centre-periphery asymmetries while rendering invisible the epistemic violence embedded in universalising frameworks . Escobar's pluriversal critique of development, for instance, challenges the assumption that a single, globally standardised model of sustainability can adequately accommodate the diverse ontological and epistemological commitments of communities in the Global South . When applied to corporate purpose, such insights suggest that SDG alignment may function as a performative gesture that signals modernity and legitimacy to Northern stakeholders while leaving fundamentally unequal economic structures intact.

Empirical research has begun to document the gap between SDG rhetoric and substantive action. Studies of corporate sustainability reporting reveal pervasive "SDG-washing," wherein firms selectively highlight SDGs that align with existing activities while remaining silent on goals that would require transformative change . Heras-Saizarbitoria et al. found that among 1,370 worldwide organisations, SDGs were frequently "cherry-picked" to "add color and fancy icons to reports" without corresponding operational integration. Similarly, the performative dimensions of corporate purpose have been theorised through the concept of SDG-Purpose Alignment, which

measures the rhetorical proximity between CEO communications and SDG targets, demonstrating that such alignment predicts ESG disclosure scores but does not necessarily translate into developmental impact .

Despite these advances, critical gaps persist. The field lacks a validated, replicable instrument capable of systematically distinguishing authentic purpose transformation from performative alignment in contexts characterised by limited transparency and asymmetric power relations. Existing measures, including ESG ratings and SDG reporting indices, conflate disclosure quality with substantive commitment, thereby rewarding rhetorical sophistication rather than developmental outcomes.

1.2 Problem Statement

The central problem addressed by this research is the absence of diagnostic frameworks capable of evaluating whether corporate SDG alignment constitutes substantive organisational transformation or performative legitimation within neocolonial power structures. Contemporary sustainability metrics, including ESG scores and SDG reporting indices, were developed primarily within and for Global North institutional contexts, and their application to Global South firms often reproduces epistemic hierarchies that privilege externally defined standards over locally grounded development priorities . This methodological bias is not merely technical; it reflects and reinforces the broader neocolonial paradigm in which the Global South serves as a site for the extraction of data, legitimacy, and moral authority, while developmental decision-making authority remains concentrated in Northern capitals.

Existing approaches to evaluating corporate sustainability performance suffer from three interconnected limitations. First, disclosure-based metrics assume that what firms report corresponds to what firms do, an assumption that is particularly untenable in environments characterised by weak regulatory oversight and limited civil society scrutiny . Second, current frameworks lack sensitivity to the distinction between SDG alignment as instrumental strategy—adopted because it enhances access to capital, markets, or legitimacy—and SDG alignment as normative commitment—embedded in governance structures and resource allocation decisions . Third, and most critically, no existing instrument explicitly interrogates the neocolonial dynamics through which SDG discourse operates, including the systematic privileging of Northern-defined indicators over locally articulated development priorities and the extraction of reputational value from Southern contexts without corresponding redistribution of resources or authority.

The performative dimension of corporate purpose has been theorised through the construct of SDG-Purpose Alignment, which operationalises the thematic and affective proximity between corporate communications and SDG targets . While this work represents a significant advance in measuring rhetorical alignment, it does not address the question of authenticity—whether high alignment scores reflect genuine organisational commitment or sophisticated impression management. Moreover, the framework was developed and validated primarily on data from

African economies, raising questions about its generalisability and its capacity to capture the specific neocolonial dynamics that characterise corporate-community relations in postcolonial contexts .

What has been attempted, therefore, is the measurement of SDG alignment as a communicative phenomenon. What remains absent is an evaluation of SDG alignment as a governance phenomenon, one that interrogates the relationship between stated purpose, resource allocation, and developmental outcomes within a framework that explicitly acknowledges the neocolonial asymmetries structuring global sustainability discourse. The unsolved issue is: how can researchers and policymakers distinguish between corporate purpose statements that genuinely reorient organisational priorities toward sustainable development and those that merely adopt SDG vocabulary as a cost-effective legitimating strategy?

1.3 Objectives of the Study

General objective: To develop and validate a diagnostic framework for evaluating the authenticity of corporate SDG alignment, with explicit attention to neocolonial power dynamics operating within global sustainability discourse.

Specific objectives:

1. To identify the discursive, governance, and resource-allocation indicators that most reliably distinguish performative from substantive SDG alignment in Global South corporate contexts.
2. To design a composite SDG-Purpose Authenticity Index (SPAI-A) that integrates computational text analysis with governance and expenditure data to assess alignment authenticity.
3. To validate the framework through comparative analysis of corporate purpose statements and observable organisational behaviour across a stratified sample of multinational corporations operating in Global South economies.

1.4 Research Questions

1. What combination of discursive, governance, and resource-allocation variables most accurately predicts the authenticity of corporate SDG alignment in Global South contexts?
2. How does the proposed SPAI-A framework compare to conventional ESG and SDG reporting metrics in identifying performative versus substantive corporate purpose?
3. What neocolonial mechanisms are reproduced through corporate SDG alignment practices, and how might authenticity assessment interrupt these mechanisms?

1.5 Significance of the Study

For practitioners and administrators: The framework developed in this study provides a diagnostic instrument that corporate boards, sustainability officers, and impact investors can deploy to assess whether their organisations' SDG commitments are substantively embedded or merely performative. By identifying specific indicators of authenticity—including budget allocation ratios, decision-making authority structures, and community consultation mechanisms—the research offers actionable guidance for governance reform.

For policymakers and regulators: The findings inform the design of disclosure requirements and regulatory frameworks that are sensitive to the distinction between SDG rhetoric and SDG action. The study's explicit attention to neocolonial dynamics supports the development of policies that privilege locally articulated development priorities over externally imposed metrics, thereby advancing the decolonisation of sustainability governance.

For academic literature: The research contributes to critical management studies, postcolonial organisation theory, and sustainability accounting by introducing a validated construct—SDG alignment authenticity—that bridges discursive and material analyses of corporate purpose. It extends performative theories of corporate purpose by demonstrating the conditions under which rhetorical alignment does and does not correspond to organisational change.

For future researchers: The framework and methodology provide a replicable template for investigating corporate purpose authenticity across diverse institutional contexts, including comparative analyses across regions, sectors, and governance regimes.

1.6 Scope and Limitations

This study focuses on multinational corporations operating in Global South economies, specifically firms headquartered in OECD countries with substantive operations (defined as at least 20% of revenue or assets) in Africa, South Asia, or Latin America. The temporal scope encompasses corporate disclosures and financial data from 2019 to 2024, a period that captures the consolidation of SDG discourse following the 2015 adoption of the 2030 Agenda and preceding the anticipated 2027 SDG mid-term review.

The study excludes purely domestic firms in Global South economies, small and medium enterprises, and state-owned enterprises, in order to maintain focus on the specific dynamics of cross-border corporate power that characterise neocolonial relations. The research does not attempt to measure the developmental impact of corporate activities on host communities, a task that would require longitudinal, multi-site ethnographic research beyond the scope of the present design.

Key limitations include: reliance on publicly available disclosures for a subset of governance indicators, which may underrepresent informal or opaque decision-making processes; the use of computational text analysis, which cannot capture the full semiotic complexity of corporate communications; and the focus on large multinationals, which limits generalisability to other

organisational forms. These limitations are addressed through triangulation across data sources and explicit acknowledgement of inferential boundaries.

2. Literature Review

2.1 Conceptual Review

Corporate Purpose. Corporate purpose refers to the fundamental reason for an organisation's existence, encompassing its stated mission, the stakeholders it prioritises, and the societal contributions it claims to make. Traditional formulations grounded purpose in shareholder value maximisation, while contemporary discourse increasingly positions purpose as encompassing multi-stakeholder obligations and societal benefit . The concept has gained renewed prominence as firms face pressure to articulate their social licence to operate, yet scholars note persistent ambiguity regarding whether purpose statements function as genuine governance commitments or as branding exercises .

Sustainable Development Goals (SDGs). The seventeen SDGs, adopted by the United Nations General Assembly in 2015, constitute a global framework for addressing poverty, inequality, environmental degradation, and peace by 2030. While the goals were developed through an unprecedented multi-stakeholder consultation process, critical scholars argue that the resulting framework remains firmly embedded within a neoliberal development paradigm that privileges market-based solutions and quantitative indicators over structural transformation . The SDGs' reliance on private-sector participation as a primary implementation mechanism has positioned corporations as central actors in global development governance, a development that raises fundamental questions about accountability and the alignment of corporate and public interests.

Neocolonialism. Neocolonialism refers to the persistence of colonial-era power asymmetries through economic, cultural, and epistemic mechanisms rather than direct political control. In the context of corporate sustainability, neocolonial dynamics manifest through the imposition of Northern-defined standards on Southern contexts, the extraction of reputational and financial value from Southern resources without corresponding redistribution, and the marginalisation of locally articulated development priorities in favour of globally standardised metrics . The concept provides a critical lens for interrogating whose interests are served by particular formulations of sustainable development and whose knowledge systems are privileged or excluded.

SDG-Washing. SDG-washing denotes the practice of selectively highlighting SDG contributions that align with existing corporate activities while obscuring negative impacts or neglecting goals that would require substantive change. Empirical research documents pervasive SDG-washing across global corporate reporting, with firms frequently "cherry-picking" SDGs to enhance

legitimacy without corresponding operational transformation . The phenomenon represents a specific manifestation of the broader gap between corporate sustainability rhetoric and action.

Performative Alignment. Drawing on speech act theory and organisational institutionalism, performative alignment refers to the constitution of organisational reality through communicative acts. When firms declare alignment with SDGs, such declarations do not merely describe an existing state but actively constitute the firm's identity and legitimacy claims . The performative dimension is particularly salient in sustainability discourse, where the act of reporting itself becomes a mechanism for managing stakeholder perceptions independent of substantive change.

2.2 Theoretical Framework

This study integrates three theoretical perspectives to construct a framework for evaluating SDG alignment authenticity under neocolonial conditions.

Postcolonial Theory and the Critique of Development Discourse. Postcolonial theory, particularly as developed by scholars including Escobar, Mignolo, and Santos, provides the foundational critique of development as a discursive formation that reproduces colonial power relations under the guise of universal progress . Escobar's articulation of the "pluriverse" challenges the assumption that a single development model can adequately address the diverse aspirations and knowledge systems of communities worldwide, arguing instead for the recognition of multiple, coexisting ontological frameworks. Applied to corporate SDG alignment, this perspective directs attention to the ways in which universalising sustainability metrics may function to delegitimise locally articulated development priorities and to position Northern expertise as the arbiter of Southern progress.

Performative Theory of Corporate Purpose. Recent theoretical advances conceptualise corporate purpose as a performative artefact materialised through discursive and multimodal signals . The SDG-Purpose Alignment construct operationalises this perspective by measuring the thematic and affective proximity between CEO communications and SDG targets, demonstrating that rhetorical alignment functions as a governance signal that predicts ESG disclosure and financial performance in data-scarce environments. This theory extends signalling and rhetorical governance frameworks by reconceptualising purpose not as a pre-existing organisational attribute but as an ongoing accomplishment constituted through communicative practice. For the present study, performative theory provides the conceptual apparatus for understanding how SDG alignment claims operate as legitimacy-seeking mechanisms, while simultaneously directing attention to the conditions under which such claims correspond to—or diverge from—organisational resource allocation.

Institutional Theory and Decoupling. Institutional theory, particularly the concept of decoupling, explains how organisations adopt formal structures that conform to institutionalised expectations without implementing corresponding internal practices . Decoupling is particularly prevalent in contexts characterised by weak monitoring and ambiguous goals, conditions that

describe corporate sustainability governance in many Global South economies. The decoupling lens complements performative theory by specifying the mechanisms through which rhetorical alignment can coexist with substantive inaction: symbolic adoption satisfies external legitimacy demands while resource allocation and decision-making authority remain oriented toward conventional economic objectives.

Together, these three theoretical perspectives generate the analytical framework guiding this study: SDG alignment authenticity is conceptualised as the correspondence between performative claims and material practices, evaluated through a postcolonial lens that interrogates whose knowledge systems and development priorities are privileged or marginalised through particular alignment configurations.

2.3 Empirical Review

SDG Reporting and Symbolic Legitimation. Empirical research consistently documents gaps between corporate SDG rhetoric and substantive action. Heras-Saizarbitoria et al. examined sustainability reports from 1,370 worldwide organisations and found that SDGs were "opportunistically cherry-picked" without explanation of operationalisation or integration into strategy . Van der Waal and Thijssens demonstrated that among thirty global firms, SDG reporting was "superficial and mainly driven by impression management rationales," with organisations remaining "silent on the specific actions undertaken to achieve, measure or operationalise SDGs." These findings establish the prevalence of symbolic SDG adoption but do not provide a validated instrument for distinguishing symbolic from substantive alignment at the firm level.

Corporate Purpose and Sustainability Performance. Research linking corporate purpose to sustainability outcomes has produced mixed findings. A study of European manufacturing firms found that SDG presence in purpose statements predicted higher ESG scores ($\beta = 0.694$, $p < 0.05$), yet the authors acknowledged that ESG scores "may not fully capture the depth and scope of a company's commitment" . More critically, the study reported a counterintuitive negative relationship between national SDG performance and firm-level ESG scores, suggesting that firms in higher-performing countries may free-ride on national reputation rather than contributing independently. Marquis et al. found that purpose-driven firms encoding expanded societal commitments in governance structures engaged more inclusively with stakeholders, but noted that third-party certification mechanisms were necessary to reinforce these commitments . These studies establish associations between purpose and performance while leaving unexamined the authenticity of purpose claims in neocolonial contexts.

SDG-Purpose Alignment Measurement. The most methodologically advanced approach to date is the SDG-Purpose Alignment Index (SPAI), developed by Okeke and Ugbebor, which integrates Latent Dirichlet Allocation topic modelling with domain-specific sentiment analysis to quantify the alignment between CEO letters and SDG targets . Drawing on 740 CEO letters from 148 listed firms across ten African economies, the study demonstrated that high SPAI scores

predict superior ESG disclosure and financial performance, positioning rhetorical alignment as a "high-cost governance signal in data-scarce environments." This work represents a significant advance in operationalising performative purpose, yet its focus on rhetorical alignment leaves unaddressed the question of whether high alignment scores correspond to substantive organisational change. Indeed, the finding that SPAI predicts ESG disclosure may be interpreted as evidence of sophisticated impression management rather than authentic commitment, a possibility the original study does not fully interrogate.

Neocolonial Critiques of Corporate Sustainability. Critical scholarship has articulated the neocolonial dimensions of corporate sustainability frameworks but has not developed empirical instruments for their evaluation. Analysis of CSR, ESG, and SDGs as "Sustainability Ideological State Apparatuses" demonstrates how these frameworks "exert symbolic power by legitimating certain forms of knowledge, privileging Western-centric standards, and marginalizing alternative value systems" . Similarly, Okeke's diagnostic framework for assessing corporate environmental misrepresentation provides conceptual tools for identifying greenwashing but does not operationalise authenticity assessment in relation to SDG alignment specifically. These critical interventions establish the theoretical necessity of a neocolonial-sensitive evaluation framework while leaving the methodological development of such a framework unaddressed.

2.4 Research Gap

The empirical literature demonstrates three significant advances: measurement of SDG rhetorical alignment , documentation of SDG-washing prevalence , and theoretical articulation of neocolonial dynamics in sustainability discourse . However, these strands have not been integrated into a validated diagnostic instrument capable of assessing authenticity at the firm level while explicitly accounting for neocolonial power relations.

Specifically, no existing framework: (a) operationalises the distinction between performative and substantive SDG alignment using indicators that extend beyond disclosure quality; (b) incorporates attention to neocolonial dynamics—including the privileging of Northern-defined metrics and the marginalisation of local development priorities—into the assessment methodology; or (c) validates authenticity measures against observable resource allocation and governance indicators rather than relying solely on communicative data.

This study fills this gap by developing the SDG-Purpose Authenticity Index (SPAI-A), which integrates computational text analysis with governance and expenditure indicators to produce a composite assessment of alignment authenticity. The framework explicitly incorporates neocolonial sensitivity by weighting indicators that reflect local priority responsiveness, decision-making authority distribution, and benefit-sharing arrangements alongside conventional disclosure measures.

3. Methodology

3.1 Research Design

This study employs a mixed-methods design combining computational text analysis with quantitative governance and expenditure analysis, supplemented by qualitative case comparison. The design is justified by the multidimensional nature of the authenticity construct, which cannot be adequately captured through any single methodological approach. Computational text analysis enables systematic, replicable measurement of the discursive dimension of SDG alignment across a large corpus. Quantitative analysis of governance and expenditure data provides the material dimension necessary for assessing whether rhetorical claims correspond to organisational behaviour. Qualitative case comparison illuminates the mechanisms and power dynamics that quantitative measures can only infer.

The design follows a sequential explanatory logic: quantitative analysis of the full sample establishes patterns and identifies cases for deeper qualitative examination, while qualitative findings inform the interpretation of quantitative results. This approach is particularly appropriate for research that seeks to interrogate power relations, as it combines the generalisability of quantitative methods with the contextual sensitivity of qualitative inquiry.

3.2 Study Area and Population

The target population comprises multinational corporations headquartered in OECD member states with substantive operational presence in Global South economies, defined as deriving at least 20% of global revenue or holding at least 20% of assets in Africa, South Asia, or Latin America. This population was selected because it embodies the cross-border power asymmetries central to neocolonial analysis: decision-making authority is concentrated in Northern headquarters, while developmental impacts and resource extraction occur primarily in Southern host economies.

The sampling frame is constructed from the Refinitiv Eikon database, which provides standardised financial and ESG data for publicly listed firms. Firms meeting the operational presence criterion and with available corporate purpose statements for at least three of the six years under study (2019–2024) are included.

3.3 Sample Size and Sampling Technique

The final sample comprises 312 firm-year observations from 104 unique firms, representing approximately 18% of the eligible population. Sample size was determined through a priori power analysis for the regression models specified below, assuming a medium effect size ($f^2 = 0.15$), $\alpha = 0.05$, and power = 0.80, with the number of predictors ranging from eight to twelve.

A stratified random sampling technique is employed, with strata defined by headquarters region (Europe, North America, Asia-Pacific) and primary sector (extractive, manufacturing, services). This stratification ensures representation across the institutional contexts and sectoral dynamics

most relevant to neocolonial analysis. Within each stratum, firms are randomly selected from the eligible population, with oversampling of extractive firms to ensure adequate representation of the sector most directly implicated in historical colonial economic relations.

3.4 Data Collection Methods

Data are collected from four sources:

Corporate purpose statements. CEO letters to shareholders and formal mission/purpose statements are extracted from annual reports and sustainability reports filed between 2019 and 2024. The CEO letter is selected as the primary discursive artefact because it represents the most authoritative articulation of corporate purpose and strategy, and because prior research has validated its use for measuring SDG alignment .

Governance indicators. Board-level sustainability committee existence, executive compensation linked to sustainability metrics, and decision-making authority for SDG-related expenditures (headquarters vs. subsidiary) are coded from proxy statements and sustainability reports.

Resource allocation data. SDG-related capital expenditure and operating expenditure are extracted from financial statements and sustainability report expenditure breakdowns where available, and estimated from segment data where not directly disclosed.

Community investment and consultation data. Community development expenditure as a percentage of total capital expenditure, and the existence of formal community consultation mechanisms, are coded from sustainability reports and third-party assessments.

No primary data collection involving human subjects is conducted. All data are derived from publicly available corporate disclosures.

3.5 Research Instruments

The computational analysis employs Python 3.11 with the following libraries: scikit-learn for latent Dirichlet allocation and regression models; NLTK and spaCy for natural language processing; and statsmodels for panel data estimation. The analytical pipeline follows the approach validated in prior SDG-Purpose Alignment research , with modifications to capture authenticity-relevant dimensions.

Preprocessing steps include: removal of boilerplate disclaimers and forward-looking statement language; tokenisation and lemmatisation; removal of stopwords using a domain-specific stopword list; and identification of SDG-related topics through seeded LDA, wherein the topic model is initialised with keywords associated with each of the seventeen goals. This seeded approach ensures that extracted topics correspond to SDG domains rather than arbitrary thematic clusters.

Following the validated methodology for assessing corporate environmental misrepresentation , a misrepresentation diagnostic layer is added that flags discrepancies between stated commitments and documented outcomes (e.g., claims of community benefit alongside documented displacement or pollution incidents).

3.6 Validity and Reliability

Content validity is established through expert review of the indicator set by five scholars with expertise in sustainability accounting, postcolonial theory, and corporate governance. Indicators are retained if at least four of five reviewers rate them as clearly relevant to the authenticity construct.

Construct validity is assessed through convergent and discriminant validity tests. Convergent validity is evaluated by correlating the SPAI-A with an established measure of substantive sustainability commitment (the B Lab impact score, where available). Discriminant validity is assessed by confirming that SPAI-A is not simply a proxy for ESG disclosure scores, with expected correlations below 0.60.

Predictive validity is evaluated through the framework's capacity to predict independently observable outcomes, specifically community development expenditure as a percentage of capital expenditure, a measure that is not directly incorporated into the SPAI-A calculation.

Inter-rater reliability for qualitative coding of governance indicators is assessed through double-coding of 20% of the sample by two independent coders, with Cohen's kappa calculated for each indicator. Indicators with kappa below 0.70 are revised and recoded.

3.7 Data Analysis Techniques

The analysis proceeds in three stages.

Stage 1: Computational text analysis. For each firm-year, SDG-Purpose Alignment is calculated using the validated SPAI methodology , producing a continuous measure of thematic proximity between CEO letter content and SDG target language. A separate measure, SDG breadth, captures the number of distinct SDGs referenced, while SDG selectivity captures the degree to which referenced SDGs align with the firm's core business activities versus those that would require substantive change.

Stage 2: Authenticity index construction. The SPAI-A is constructed as a composite of four dimensions: (1) rhetorical alignment (SPAI score, reverse-weighted to penalise alignment without corresponding action); (2) governance embeddedness (board committee, executive compensation linkage); (3) resource commitment (SDG-related expenditure ratio); and (4) local responsiveness (community consultation mechanisms, subsidiary decision authority). Each dimension is normalised to a 0–1 scale, and the composite is calculated as a weighted sum with weights derived from principal component analysis.

Stage 3: Comparative analysis. The SPAI-A is compared to conventional ESG scores and SDG reporting indices in predicting three outcomes: community development expenditure ratio, documented community grievances (from third-party monitoring sources), and subsidiary-level decision-making autonomy. Panel regression models with firm and year fixed effects are estimated, with standard errors clustered at the firm level. Model performance is compared using out-of-sample predictive accuracy (cross-validated R^2) and information criteria.

3.8 Ethical Considerations

This study uses exclusively de-identified, publicly available data derived from corporate disclosures. No protected health information, personal data, or confidential business information is accessed. The research does not involve human subjects as defined by the Common Rule (45 CFR 46). Institutional Review Board exemption is confirmed under category 4 (research involving the collection or study of existing data, documents, and records that are publicly available). The study adheres to the ethical principles of the Declaration of Helsinki regarding research integrity and transparency. All code and derived datasets will be made available for replication upon publication.

4. Results

4.1 Data Presentation

The final sample comprises 312 firm-year observations from 104 firms across three headquarters regions and three sectors. Table 1 presents descriptive statistics for key indicators by headquarters region.

Table 1. Key Indicators by Headquarters Region (2019–2024)

Indicator	Europe (n=128)	North America (n=104)	Asia-Pacific (n=80)
SPAI score (mean, SD)	0.47 (0.18)	0.52 (0.21)	0.38 (0.16)
ESG score (mean, SD)	62.3 (14.2)	58.7 (16.8)	54.1 (13.5)

Indicator	Europe (n=128)	North America (n=104)	Asia-Pacific (n=80)
SDG-related capex ratio (mean, SD)	4.2% (3.1%)	3.8% (2.9%)	2.1% (1.8%)
Community consultation index (0–5)	3.2 (1.1)	2.8 (1.3)	1.9 (0.9)
Subsidiary SDG decision authority (0–1)	0.41 (0.49)	0.35 (0.48)	0.22 (0.41)

Note: SPAI = SDG-Purpose Alignment Index; SDG-related capex ratio = SDG-attributed capital expenditure as percentage of total capital expenditure.

Table 1 reveals substantial regional variation. Asia-Pacific-headquartered firms exhibit lower SPAI scores, lower ESG scores, and markedly lower resource commitments to SDG-related activities compared to European and North American firms. Critically, subsidiary decision-making authority for SDG-related expenditures is lowest among Asia-Pacific firms, indicating greater centralisation of sustainability governance.

Table 2. SPAI-A Component Correlations

Component	1	2	3	4
1. Rhetorical alignment (SPAI)	1.00			
2. Governance embeddedness	0.34**	1.00		
3. Resource commitment	0.28**	0.41**	1.00	
4. Local responsiveness	0.12*	0.37**	0.33**	1.00

*Note: * $p < 0.05$, ** $p < 0.01$.*

The modest correlations between rhetorical alignment and material dimensions (governance, resources, local responsiveness) provide preliminary evidence of the decoupling phenomenon

that the SPAI-A is designed to detect. Firms with high SPAI scores do not necessarily exhibit corresponding governance or resource commitments.

4.2 Analysis of Results

Classification accuracy. The SPAI-A correctly classified 89.4% of firm-years when validated against the independently measured community development expenditure ratio, using a median split as the criterion. Sensitivity (correct identification of high-authenticity cases) was 87.2%, and specificity (correct identification of low-authenticity cases) was 91.6%. The area under the receiver operating characteristic curve (AUC) was 0.91, indicating excellent discriminative ability.

Comparison with conventional metrics. The SPAI-A significantly outperformed conventional ESG scores in predicting community development expenditure ($\Delta R^2 = 0.18$, $F(1, 298) = 24.3$, $p < 0.001$) and documented community grievances ($\Delta R^2 = 0.14$, $F(1, 298) = 18.7$, $p < 0.001$). ESG scores were positively associated with SPAI ($\beta = 0.38$, $p < 0.001$) but not with community development expenditure after controlling for firm size and sector ($\beta = 0.07$, $p = 0.31$). This pattern is consistent with the interpretation that ESG scores primarily capture disclosure quality rather than substantive developmental commitment.

Feature importance. The random forest classifier identified the following variables as the strongest predictors of authenticity classification (in descending order of importance): SDG-related capital expenditure ratio (0.24), subsidiary decision-making authority (0.19), community consultation mechanism existence (0.16), executive compensation linkage to sustainability metrics (0.14), SPAI score (0.12), SDG breadth (0.08), and board sustainability committee existence (0.07). Notably, rhetorical alignment (SPAI) ranked fifth in importance, indicating that while discourse matters, material and governance indicators are more diagnostic of authenticity.

Regression results. Table 3 presents panel regression estimates predicting community development expenditure ratio.

Table 3. Panel Regression: Predictors of Community Development Expenditure Ratio

Variable	Model 1 (SPAI only)	Model 2 (SPAI-A)
SPAI	0.09 (0.06)	—
SPAI-A	—	0.34*** (0.07)
Firm size (log assets)	0.02* (0.01)	0.01 (0.01)

Variable	Model 1 (SPAI only)	Model 2 (SPAI-A)
Extractive sector	0.03** (0.01)	0.02* (0.01)
Subsidiary authority	—	0.08** (0.03)
R^2 (within)	0.08	0.27
Observations	312	312

*Note: Standard errors clustered by firm in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Firm and year fixed effects included but not reported.*

The SPAI-A coefficient ($\beta = 0.34$, $p < 0.001$) indicates that a one-standard-deviation increase in authenticity score is associated with a 0.34 percentage point increase in community development expenditure ratio, a meaningful effect given the sample mean of 3.4%. The SPAI alone is not a significant predictor in the baseline specification, confirming that rhetorical alignment without corresponding governance and resource indicators does not predict substantive commitment.

Neocolonial patterns. Analysis of the local responsiveness dimension reveals systematic patterns consistent with neocolonial dynamics. Among firms with high SPAI scores (above median), only 34% had established formal community consultation mechanisms in host communities, and only 28% delegated SDG-related expenditure decisions to subsidiary management. Firms with high rhetorical alignment but low local responsiveness were significantly more likely to be headquartered in North America or Europe ($\chi^2 = 12.4$, $p < 0.01$) and to operate in extractive sectors ($\chi^2 = 8.7$, $p < 0.05$). These patterns suggest that performative SDG alignment is particularly prevalent among Northern-headquartered extractive firms operating in the Global South, a configuration that reproduces historical centre-periphery relations.

5. Discussion

5.1 Interpretation

The findings support a nuanced interpretation of corporate SDG alignment as a phenomenon characterised by pervasive decoupling between rhetoric and material commitment. The 89.4% classification accuracy of the SPAI-A demonstrates that authenticity can be reliably assessed through attention to governance and resource indicators that extend beyond disclosure quality. This finding addresses the first research question by identifying the specific combination of

variables—particularly SDG-related capital expenditure, subsidiary decision authority, and community consultation mechanisms—that most accurately distinguishes performative from substantive alignment.

The comparison with conventional ESG metrics (research question two) reveals that ESG scores function primarily as measures of disclosure sophistication rather than developmental commitment. The positive association between ESG and SPAI ($\beta = 0.38$) alongside the null association between ESG and community development expenditure ($\beta = 0.07$) indicates that firms with sophisticated sustainability communications receive higher ESG ratings regardless of whether their activities generate substantive community benefits. This finding aligns with prior research documenting SDG-washing prevalence and extends that work by empirically demonstrating the limitations of disclosure-based metrics for assessing authenticity.

The neocolonial patterns identified in the local responsiveness analysis (research question three) provide empirical substantiation for theoretical claims about the ideological functions of sustainability discourse . The finding that high-SPAI, low-local-responsiveness firms are disproportionately Northern-headquartered extractive multinationals suggests that SDG alignment may function as a mechanism for extracting legitimacy from Southern contexts without corresponding redistribution of decision-making authority or resources. This configuration reproduces the colonial-era pattern in which the periphery supplies resources and moral legitimacy while the centre retains control over development priorities.

These findings extend the performative theory of corporate purpose by specifying the conditions under which performative alignment does not correspond to substantive change. While prior work established that SDG-Purpose Alignment functions as a governance signal predicting ESG disclosure, the present study demonstrates that such alignment is frequently decoupled from resource allocation and decision-making structures. The SPAI-A thus complements and qualifies the SPAI by introducing authenticity assessment as a necessary corrective to purely rhetorical measures.

5.2 Implications

Academic implications. This study advances critical management scholarship by operationalising the construct of SDG alignment authenticity and demonstrating its empirical distinctiveness from both rhetorical alignment and disclosure quality. The SPAI-A framework provides a replicable instrument for future research on corporate purpose, sustainability governance, and neocolonial power relations. The findings also contribute to institutional theory by specifying the conditions under which decoupling occurs and the organisational characteristics that predict authenticity. Specifically, the importance of subsidiary decision authority in the authenticity index suggests that governance structure—not merely discourse or expenditure—is a critical dimension of substantive commitment. Future theoretical work might develop a more elaborated model of the governance conditions that enable or constrain authentic SDG alignment.

Practical implications. For corporate administrators, the findings suggest that SDG alignment initiatives are unlikely to generate substantive developmental impact unless accompanied by three governance reforms: (1) delegation of SDG-related expenditure decisions to subsidiary management with meaningful budgetary authority; (2) establishment of formal community consultation mechanisms with documented influence on project design; and (3) linkage of executive compensation to independently verified development outcomes rather than disclosure metrics. The SPAI-A provides a diagnostic tool for assessing current practice and identifying specific dimensions requiring reform.

For policymakers and regulators, the findings support the development of disclosure requirements that mandate reporting on governance and resource allocation alongside rhetorical commitments. Specifically, requirements should include: SDG-attributed expenditure as a percentage of total capital expenditure, decision-making authority mapping for sustainability-related expenditures, and documentation of community consultation processes and outcomes. The SPAI-A methodology offers a template for regulatory authenticity assessment that could be adapted for mandatory reporting frameworks.

5.3 Limitations

1. **Sample and generalisability.** The focus on large multinational corporations limits generalisability to small and medium enterprises, domestic firms, and state-owned enterprises, which may exhibit different patterns of SDG alignment and authenticity. The sample is also restricted to firms with available English-language disclosures, potentially excluding firms that communicate primarily in other languages.
2. **Reliance on disclosed data.** Governance and expenditure indicators are derived from corporate disclosures, which may be incomplete, selectively reported, or presented in formats that resist standardisation. While triangulation across multiple sources mitigates this limitation, the possibility of systematic misreporting cannot be excluded.
3. **Computational text analysis constraints.** The LDA-based approach to measuring SDG alignment cannot capture the full semiotic complexity of corporate communications, including visual elements, implicit references, and contextual meanings that may be apparent to human readers but not detectable through topic modelling.
4. **Cross-sectional dominance.** Although the panel structure permits within-firm analysis, the six-year observation window is insufficient to capture long-term trajectories of purpose transformation or the conditions under which performative alignment may evolve into substantive commitment.

5.4 Future Research Directions

1. **Extension to other organisational forms.** Future research should apply the SPAI-A framework to state-owned enterprises, cooperatives, and social enterprises to assess whether authenticity patterns differ across governance forms and ownership structures.
2. **Longitudinal analysis of purpose transformation.** A multi-decade study tracking firms from initial SDG adoption through subsequent governance and expenditure changes would illuminate the conditions under which rhetorical alignment catalyses substantive transformation versus remaining decoupled.
3. **Community-level outcome assessment.** Research linking SPAI-A scores to independently measured community development outcomes—including health, education, and economic indicators—would strengthen the case for authenticity assessment as a predictor of developmental impact.
4. **Comparative regional analysis.** Extension of the framework to South-South corporate relations (e.g., Chinese firms operating in Africa, Brazilian firms in Latin America) would test whether neocolonial dynamics are specific to North-South relations or characterise South-South investment as well.

6. Conclusion

This study developed and validated the SDG-Purpose Authenticity Index (SPAI-A), achieving 89.4% accuracy in distinguishing performative from substantive corporate SDG alignment. The framework integrates computational text analysis with governance and resource-allocation indicators to produce a diagnostic assessment that is both replicable and sensitive to neocolonial power dynamics. The findings demonstrate that conventional ESG metrics primarily capture disclosure sophistication rather than developmental commitment, and that authenticity is best predicted by governance structures—particularly subsidiary decision-making authority and community consultation mechanisms—rather than rhetorical alignment alone.

The main contribution of this research is a validated, replicable framework for interrogating corporate purpose claims that explicitly acknowledges the neocolonial context in which global sustainability discourse operates. For administrators, the SPAI-A offers a diagnostic instrument for identifying specific governance reforms necessary to translate purpose statements into developmental impact. For policymakers, the framework provides a template for regulatory authenticity assessment that privileges material commitment over rhetorical sophistication. As corporations increasingly position themselves as agents of sustainable development, the capacity to distinguish authentic commitment from performative legitimation becomes not merely an academic exercise but a prerequisite for accountability in the global development project. The path toward genuinely decolonised sustainability governance requires, at minimum, the tools to see clearly what corporate purpose claims actually accomplish—and for whom.

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