

# An Exploration of Determinants of Corporate Social Innovation: Insights into Organizational Capabilities

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**Abstract.** Most large enterprises are self-disciplined in various aspects of corporate social responsibility (CSR), such as employee, customer, and partnership, promoting and implementing CSR standards according to their internal needs. Looking into the future, corporate social innovation will become the main axis of CSR activities. The research model identifies the pre-factors of corporate social innovation, setting enterprise organizational capability (including grassroots learning capability, narrative change capability and network ties capability) as the independent variable, corporate social innovation (including product-based innovation, process-based innovation, socially transformative innovation) as the intermediary variable, and performance (including market performance and business performance) as the dependent variable. A questionnaire survey (samples from 192 companies are collected). The findings show that narrative change capability and business ties capability positively and significantly determine enterprises' socially transformative CSI, product-based CSI, and process-based CSI. Further, product-based CSI affects firms' market performance, while process-based CSI influences firms' operational performance. Meanwhile, socially transformative CSI has no effect on firms' performance. These findings can be provided to corporate managers as a reference for organizational capability planning and direction of corporate social innovation and offer suggestions for the government's industrial innovation promotion plan.

**Keywords.** corporation social innovation, grassroot learning, narrative of change, network ties capability

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