

# **Mission Narcissism: Failure Flaw in Nonprofit Organizations**

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## **Abstract**

Successful nonprofits have long touted an adherence to a mission-driven model—a strategic marketing approach which uses an organization’s core mission as the foundation and focus of its brand and marketing communications. Fundamentally this is different from a marketing orientation in that market factors and key constituents are taken into account—but the core principles of the mission underlie and subsume all other elements of the business. Competitors and consumers are secondary to the mission.

Although this mission-driven marketing philosophy is particularly well-suited to philanthropies in the startup and growth phases, we contend this model is significantly damaging to nonprofits and social organizations as they mature. Additionally, significant market forces negatively impacting funding are poorly dealt with by organizations that strongly adhere to mission. We hypothesize that a “mission narcissism” exists in many nonprofit organizations that blinds them to market forces and funding threats while simultaneously diminishing their ability to respond with key collaborative and organizationally sustaining activities. The financial and economic aspects of mission narcissism are a focus of the model. Economic theories related to Relationship Specific Investment and Bureaucracy Theory are also forwarded as key factors impacting mission driven organizations in terms of unrestricted (fungible) funds and giving and the allocation of resources that result.

Through a roundtable collaboration event and subsequent in-depth interviews, the researchers have begun to develop a theory of mission narcissism that threatens a significant sector of the economy, especially in these turbulent economic times. Key components of the theory are proposed, and practical solutions to the problem are suggested.