

The cost of communication breakdowns in the workplace



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Introduction

“Sorry for the miscommunication.”

How many times have you uttered that phrase, typed it in an email, or heard it around the office?

Probably far too often. 86% of senior executives, managers, and junior staff at U.S. companies experience communication breakdowns that lead to losses in productivity, missed project deadlines, and sales deals that don't close.

We see it all the time in the workplace—everyone thinks someone else is following up on that agenda item. You get halfway through a project when new information changes the entire direction. A colleague explains in an email what can really only be conveyed in person. A manager mistakenly assumes her team understands the benefits of a changed process... and so on and so forth.

When you stop and think about it, these communication breakdowns often occur between people who sit across from each other or eat lunch together everyday. They run rampant despite the fact that in the modern workplace, we have an arsenal of tools available solely designed for communication.

We wanted to understand why.



86%

**of workers experience
communication breakdowns**

At Lucidchart, we're passionate about clarity and efficiency at work. We partnered with the Economist Intelligence Unit (EIU) to conduct a primary research study on the current state of workplace communication, diving into the perceived causes and effects of these communication breakdowns. The survey included 403 senior executives, managers, and junior staff at U.S. companies divided equally based on revenues of less than \$10 million, between \$10 million and \$1 billion, and more than \$1 billion.

Take a look at what the report revealed about communication in the workplace—including the biggest causes of breakdowns and the effects they have on individuals and organizations—and learn how you can combat them.

Three significant causes of communication breakdowns

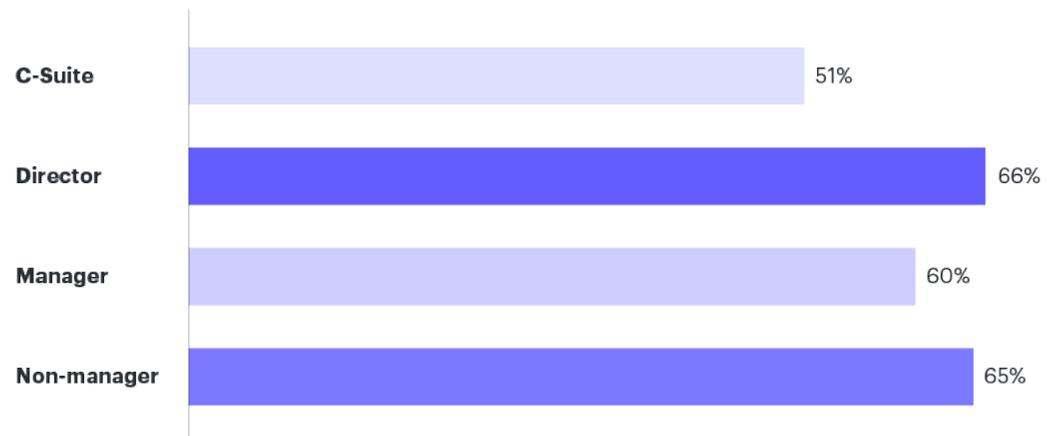
You could write a book about all the different causes of communication breakdowns. But which are the biggest culprits? The research reveals three major causes of miscommunication:

1. Unclear instructions and missing information

The data shows that much of the miscommunication in the workplace can be attributed to employees not receiving the right information when they need it. 61% of respondents report unclear instructions from a manager or senior colleague causing stress in the workplace, and 54% say waiting on information to do their job makes them somewhat or very stressed.

Unclear instructions are a stressor at work for 51% of executives, 66% of directors, 60% of managers, and 65% of individual contributors (Fig. 1). Clearly, this barrier to communication is an issue at all levels of an organization.

Fig. 1: Levels of stress caused by unclear instructions



2. Different communication styles among employees

42% of respondents cite different communication styles as a top cause of miscommunication at work. The survey asked people to self-identify as one of four communication styles (Table 1).

You might assume that people in similar job functions would communicate in similar ways. For

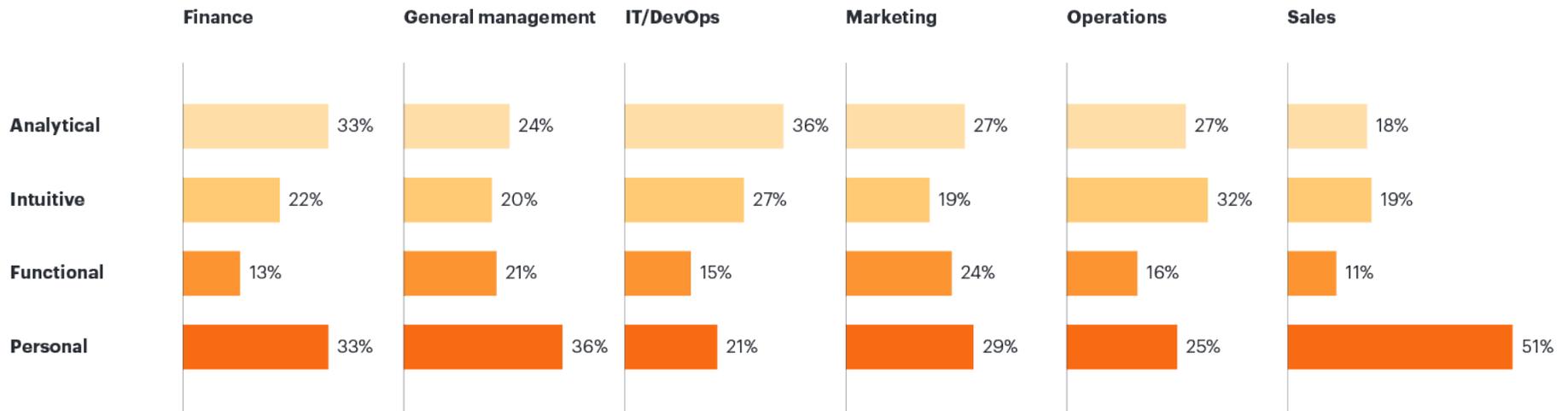
example, you may think that all those finance number crunchers would be analytical. But according to the data (Fig. 2), only 33% of finance chose that communication style.

This pattern repeats itself across every department. We tend to stereotype different professions, but in actuality, the preferred communication styles are spread pretty evenly (except for sales—it’s no surprise that 51% of sales professionals identify as personal communicators when the position depends on making phone calls and interacting with prospects). Even people in the same functional area are not wired the same way when it comes to communicating.

Table 1: Workplace communication styles

Analytical	You prefer to have data and facts to support what you say and tend to use precise and specific language.
Intuitive	You prefer to get the big picture, getting to the point and avoid getting bogged down in too much detail.
Functional	You prefer to focus on process and carefully thinking through plans step-by-step so nothing gets missed.
Personal	You prefer to place an emphasis on relationships and establishing personal connections to understand what others are thinking.

Fig. 2: Communication styles by role



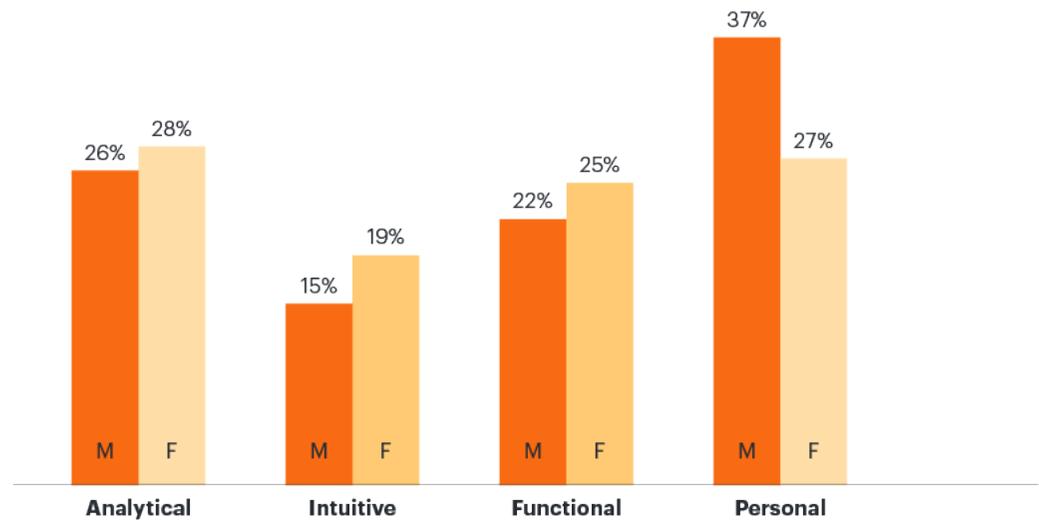
The study revealed interesting insights regarding the breakdown of communication styles by gender as well (Fig. 3). Women are often categorized as more personal or intuitive communicators. However, the spread is fairly even. In fact, more men (37%) than women (27%) identified as personal communicators.

This barrier to communication is amplified by generational differences in communication preferences (Fig. 4). Nearly half of millennials define themselves as functional communicators, but members of Generation X more often self-identify as personal communicators, and baby boomers tend to lean toward intuitive communication.

Susan Cain, author of *Quiet: The Power of Introverts in a World That Can't Stop Talking*, says, "We need to be more mindful in general about what format people use to get together and communicate." People are always communicating, but when they don't take into account what mode works for a specific individual, communication isn't effective.

What's important to note is that people aren't just trying to make it their way or the highway: 54% report actively enjoying communicating with people of different styles. People want to be able to communicate across styles and between generations—they're just not sure how to do so successfully.

Fig. 3: Communication styles by gender



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3. Ineffective tools

EIU data shows that there’s an alarming discrepancy between the tools or methods people believe are most effective and the ones they regularly use (Fig. 5). For example, 64% say that face-to-face meetings are very effective, but only 22% hold these meetings daily. Only 39% say email is a very effective means of communication, yet 60% say they use it every day.

The data begs the question: Why are people frequently using the tools they rate as ineffective and not using the ones they see as effective? Employees want better communication tools—63% believe a wider range of communication tools would have an impact on improving communication at work—yet here we are, slogging through old methods.

And once again, generational gaps complicate the issue. Nearly a third of millennials use instant messaging at work, but only 12% of baby boomers do. Art Markman, Professor of Psychology and Marketing at the University of Texas at Austin, believes that millennials looking to rise to leadership positions need to work on their ability to communicate clearly in person in order to reach the older generations. Older generations will need to adapt to new communication tools as they evolve.

Fig. 4: Communication styles by generation

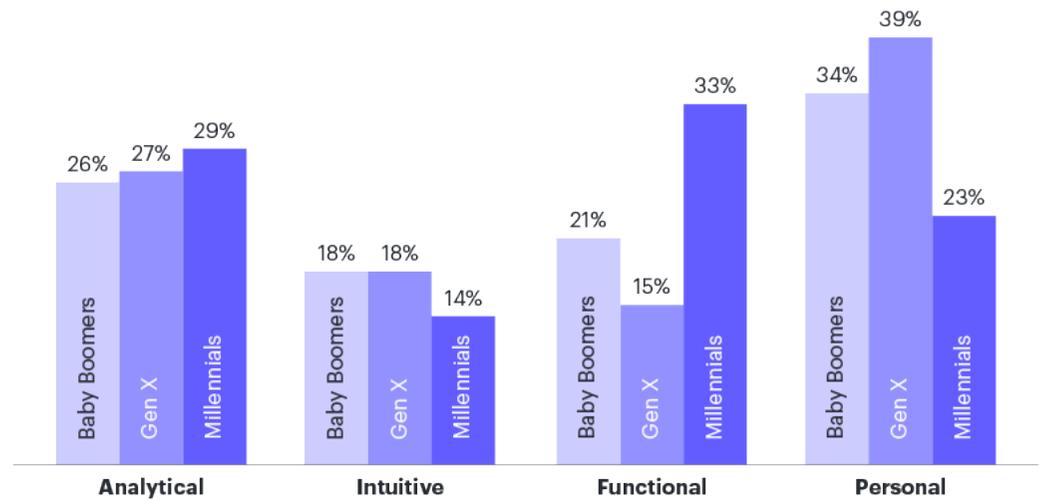
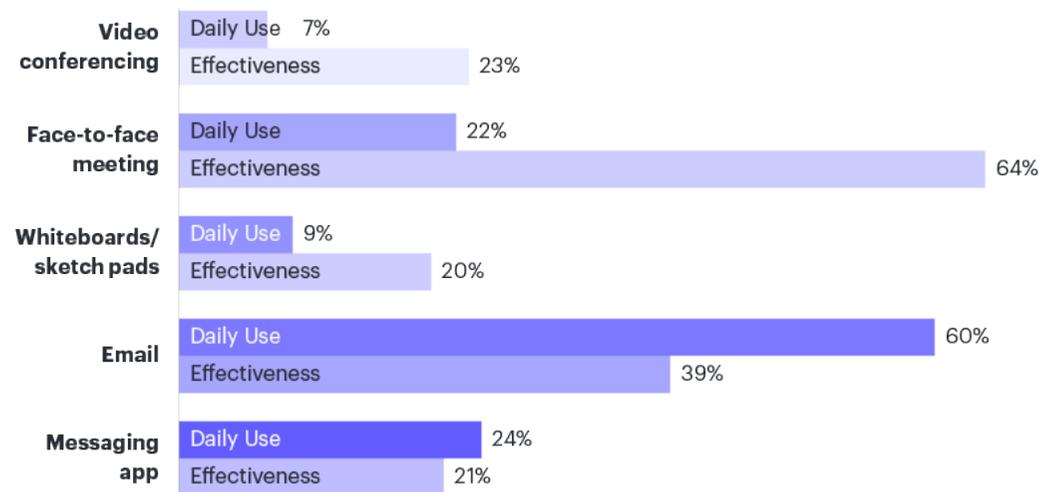


Fig. 5: Most used tools vs. most effective tools



Impact of communication breakdowns on the workplace

With three of the most common communication breakdowns in mind, we examined the data to understand their impact on an organization at an individual, manager, and company level. Breakdowns clearly had a negative impact on issues ranging from individual stress levels to the bottom line.

Individuals suffer from increased stress and lower productivity

Communication breakdowns almost inevitably result in increased stress. A whopping 82% of respondents say poor communication is a significant contributor to the stress they feel at work.

When broken down by gender, the survey shows that women can be more sensitive to certain workplace stressors. 51% are stressed by critical feedback from authority, as compared to 41% of men (Fig. 6), and 45% are stressed by challenging performance goals, as compared to 36% of men (Fig. 7). Regardless of gender, workplace stress comes with additional consequences.

Communication breakdowns can also have a significant impact on productivity: 44% of respondents say that communication breakdowns cause delay or

Fig. 6: Levels of stress caused by critical feedback from authority

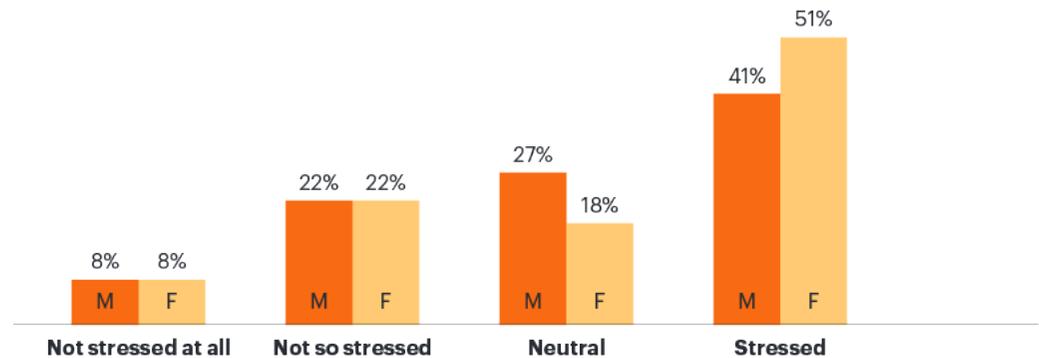
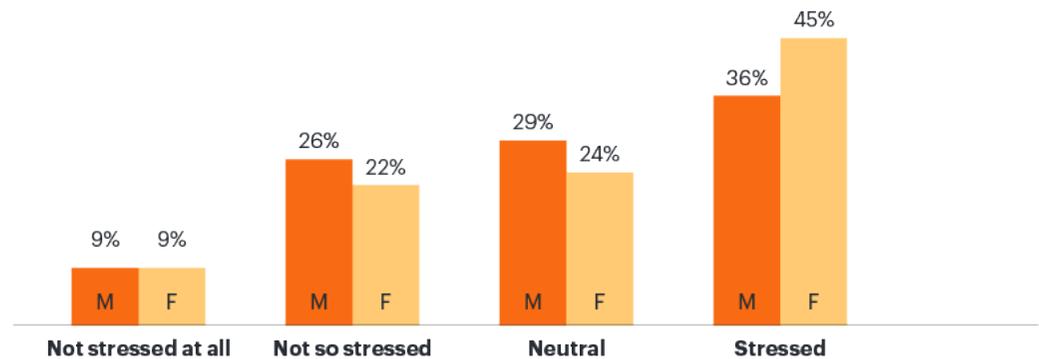
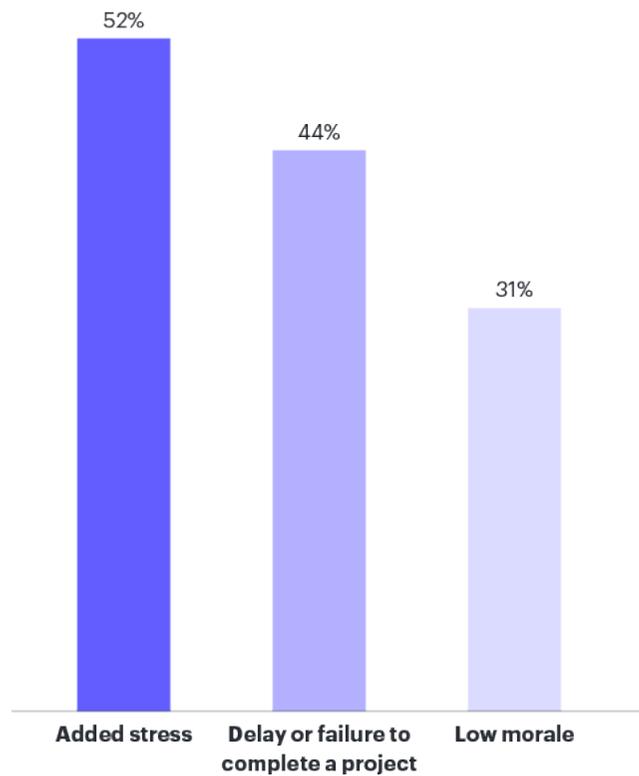


Fig. 7: Levels of stress caused by challenging performance goals



failure to complete projects (Fig. 8). When projects get delayed or can't be taken across the finish line, it affects morale. 31% of respondents say that communication breakdowns contribute to low morale, with an especially strong response from the sales org (51%, see Fig. 9). Poor communication is clearly a trigger for a downward spiral in productivity.

Fig. 8: Consequences of poor communication



Managers spend hours every week solving communication breakdowns

The data shows that a majority of people spend a few hours every day solving problems due to miscommunication, but breaking this information down by team roles, the hardest hit are clearly the middle managers (Fig. 10).

Fig. 9: Low morale caused by poor communication

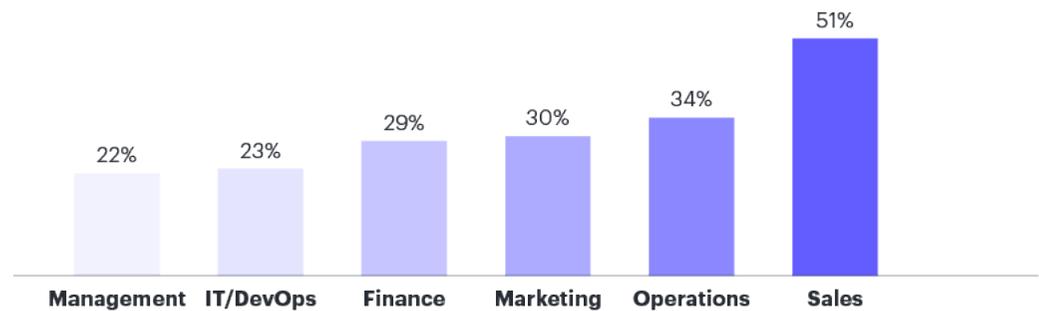


Fig. 10: Time spent on communication breakdowns



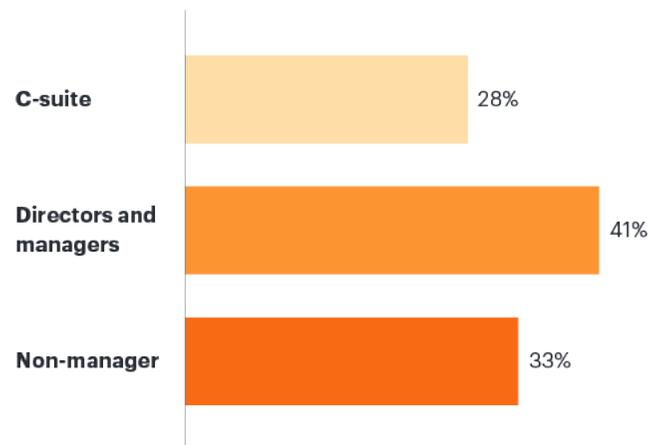
On average, 79% of managers and directors spend significant time solving communication breakdowns, with an average 21% of managers and directors who spend a day or more per week dealing with communication breakdowns. Why is that the case? Art Markman, Professor of Psychology and Marketing at the University of Texas at Austin, sheds some light on the subject:

“Middle managers have the worst of all worlds... communication is one of the most significant parts of their job because they’re dealing with the widest variety of people.”

The data clearly supports Markman’s statement: On average, 41% of managers and directors say that the consequences of poor communication occur frequently, a significantly higher percentage than the 28% of C-suite executives who felt the effects of breakdowns frequently (Fig. 11). Forming the bridge between individual contributors and upper management, middle managers need to make sure that communication is effective. When managers struggle, the whole team feels the effects.

On average, 79% of managers and directors spend significant time solving communication breakdowns.

Fig. 11: Frequency of consequences caused by poor communication



What would a typical middle-management communication breakdown look like, and why would it take so long to solve?

Sally is a middle manager in the marketing department. The CMO asks her to start working on a campaign plan to promote a new product feature, but the campaign objectives and success metrics are somewhat unclear. At the same time, the deadline is tight, so Sally’s team needs to start working right away. Sally can either start working with the expectation that her team may need to pivot based on new information, or she can wait for clarification. Either way, delay—and wasted time and resources—are almost inevitable.

Poor communication affects the bottom line

No matter what their functional role or seniority within the company, 86% of respondents from the EIU study agree that poor communication hurts the bottom line, whether it's through project delay/failure (45%), lower morale (31%), missed performance goals (25%), or sales losses (18%). When communication breakdowns strike in the sales organization, the consequences can be especially devastating because companies miss out on large deals. 66% of the deals lost due to communication breakdowns ranged from \$10,000 to \$999,000 in revenue.

With performance expectations always on the rise, it's essential to find ways to prevent communication breakdowns throughout an organization. Whether you look at the success of individual contributors or the bottom line, preventing communication breakdowns can pay off in increased productivity, better morale, and increased revenue.



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Increase clarity and efficiency with Lucidchart

You know poor communication is hurting your bottom line. You know you need better tools in place to fix this problem—63% of survey respondents agreed that their companies could significantly improve communication if they had and used a wider range of communication tools.

But which tools could really make an impact?

Rather than completely replacing heavily used modes of communication, such as email, survey results suggest that organizations should use these tools in tandem with visual-based platforms. Many respondents find visual tools to be effective; they just don't use them as often. For example, 61% see presentation decks and 50% see whiteboards and sketchpads as somewhat or very effective, but in both cases, only 9% use these solutions daily.

At Lucidchart, we're passionate about solving communication breakdowns. We've seen visual communication promote the collaboration, clarity, and transparency necessary to strengthen communication in the workplace.

Over 15 million people, including 99% of the Fortune 500, use Lucidchart to collaborate in real time as they build flowcharts, org charts, mind

maps, mockups, UML diagrams, and other visuals. Take a look at one of these Fortune 500 companies—Delta Airlines.

Clarifying roles and responsibilities

When Steve Groff started as a process engineer at Delta, he noticed that employees were unable to find the aircraft parts they needed. No one had communicated or reinforced the processes for using and storing these materials.

To clearly define the team's processes, Steve built a comprehensive process map in Lucidchart. Visuals made it faster for Steve to gather feedback—he



63%

of survey respondents agreed that a wider range of communication tools could improve communication

could pull up his diagram for co-workers, and they could see where they'd make changes without Steve having to explain his proposed process over and over. Steve put the finished map up in the warehouse where everyone could see it. If anyone had questions about their responsibilities, they could quickly turn to the map instead of waiting on more information to perform their jobs—an issue that caused stress for 54% of the EIU survey respondents. Steve added:

“You could say that getting people to understand a process just by looking at a diagram rather than searching through written-out instructions has saved us hundreds, thousands, tens of thousands, hundreds of thousands of dollars.”

51% of Lucidchart users agree that transparency has increased in their organizations—at an average of 43%—since they had adopted Lucidchart. Greater transparency through defined processes improves handoffs and reduces turnaround time to bring in more revenue.

Bridging communication styles

Lucidchart allows anyone to collaborate, no matter the style of communication they prefer, because seeing is understanding. For example, functional communicators can build out detailed step-by-step processes that are easier for others to digest, and intuitive communicators can create high-level overviews to simplify their ideas.

Jack Kosakowski leads the U.S. division of Creation Agency, an innovative B2B marketing agency, and he explains that he and the company's founder use Lucidchart after a phone call to confirm that they understood one another:

“We'll have all these grander ideas, and sometimes what we realize is that we weren't actually both on the same page... [so] we map it out. We both have something concrete that comes out of that meeting.”

Rather than spending valuable time trying to get their point across, Lucidchart users work visually and communicate quickly to set their ideas in motion. 91% of Lucidchart users agree that Lucidchart improves efficiency—in fact, on average, it has made companies 43% more efficient as these professionals map their processes.



The majority of Lucidchart users say transparency at their companies increased by

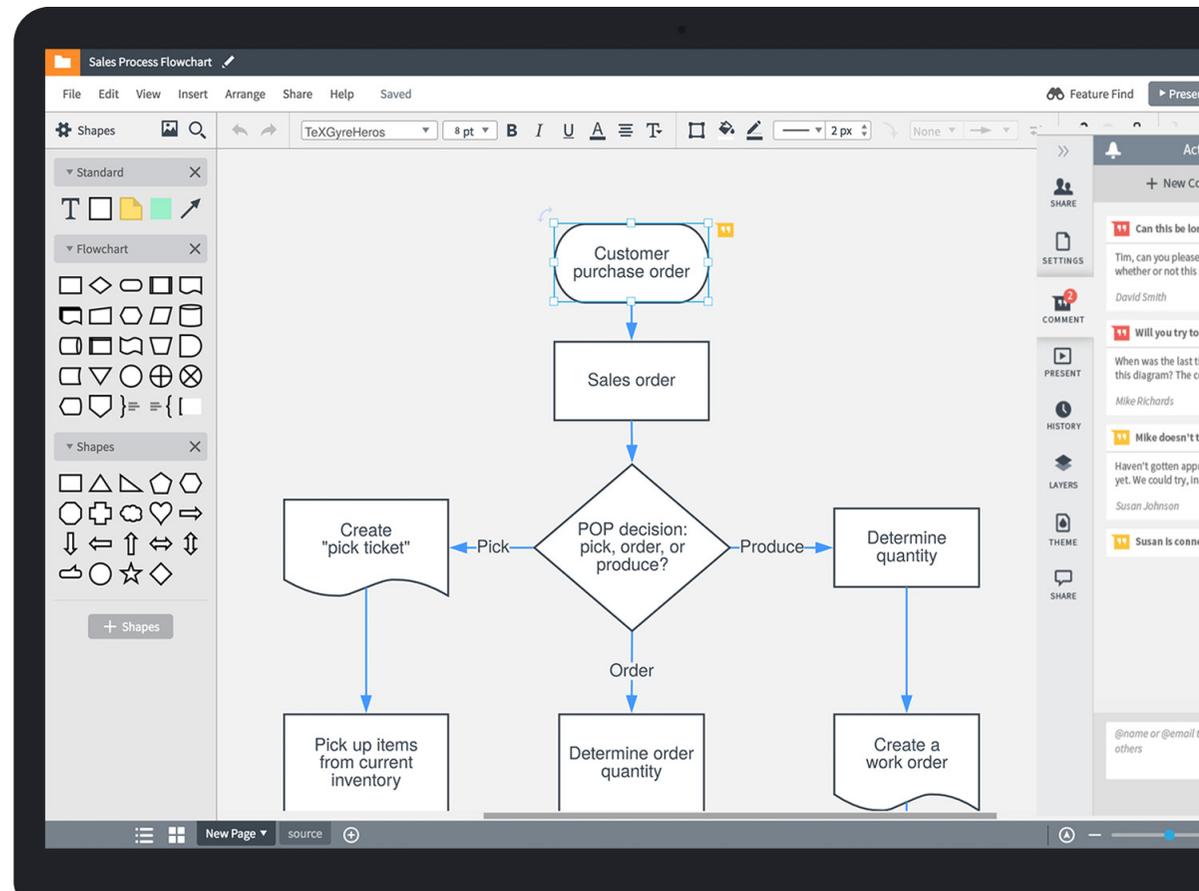
43%

Conclusion

In the modern workplace, it's not a question of whether your business experiences breakdowns in communication—most businesses do. Instead, you have to ask yourself what you can do to improve communication so it doesn't affect your bottom line. How can you help your employees work with people who prefer different communication styles? How can you provide enough information for them to perform their jobs well?

Platforms like Lucidchart can provide clarity and transparency where email and phone calls just add to the noise. When you work visually, you can solve communication breakdowns in your organization today.

Learn how companies use Lucidchart to improve collaboration and communicate clearly.





Lucidchart is a visual workspace that combines diagramming, data visualization, and collaboration to accelerate understanding and drive innovation. With this intuitive, cloud-based solution, everyone can work visually and collaborate in real time while building flowcharts, mockups, UML diagrams, and more. Lucidchart is utilized in over 180 countries by more than 15 million users, from sales managers mapping out target organizations to IT directors visualizing their network infrastructure. Ninety-nine percent of the Fortune 500 use Lucidchart, and customers include Google, GE, NBC Universal and Johnson & Johnson. Since the Utah-based company's founding in 2010, it has received numerous awards for its product, business and workplace culture.

**For more information,
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Data pulled from the 2018 Economist Intelligence Unit Report, "Communication Barriers in the Modern Workplace"