

The Pluses of Face-to-Face Business Meetings



The rising costs of airfares and accommodation are forcing many organizations, particularly those with global or regional outreach, to consider reducing travel budgets in order to maximize their corporate efficiency. The electronic communications media are being used more frequently by individuals and organizations in their communications within and between groups. For example, Sony conducted more meetings via conference calls in 2009 than in the previous year. The company claims that through video conferences it can involve more members in meetings while reducing travelling expenses. In addition, a study conducted for Hilton Hotels of 233 business people in Sydney, Tokyo, Singapore, and Shanghai indicated that e-mails and office meetings are the most common forms of communications. Most of these participants (84%) agreed that cost considerations resulted in fewer meetings and more telephone and video conferencing. Another survey conducted by Meetings Professionals International of 2,740 respondents suggested that 11% of meeting professionals expect an increase in technological use to access meetings and content remotely in order to reduce overall costs. These results indicate an increasing tendency towards using computer mediated communications.

However, a study by Straus & McGrath reveals that the type of communication medium tends to affect outcomes, stating that “when there is a need for the expression of emotions, when tasks require coordination and timing among members’ activities, when one is attempting to persuade others, or with tasks requiring consensus on issues that are affected by attitudes or values of the group members, face-to-face communications are likely to be more effective compared to computer mediated devices.” In addition, where intricate social interaction is required, when tasks and decisions are complex and when there is a need to respond rapidly, face-to-face communications are found to be the more effective media channel. The study cited numerous psychological and business reasons. Some compelling psychological reasons for conducting face-to-face meetings are:

- Members can engage in and observe verbal and non-verbal behavioral styles not captured by most computer communication devices e.g. facial expressions, voice quality, etc.
- Meetings occur in ‘real time’ as opposed to non-synchronized time.

- Meetings provide human contact, which is a basic need of human beings. This is confirmed by psychological research.
- Meetings allow participants to develop important exchange relationships amongst themselves, such as business negotiations, promises, understanding and personal favors. Such exchanges cannot be achieved via other forms of communication because of their personal and informal nature.
- Meetings allow opportunities to develop transparency and trust in ways that are not always possible by other communication forms.
- Meetings allow participants to evaluate and consider the integrity, competencies and skills (verbal) of other participants in ways that are not easily done via computer mediated mechanisms.
- Individuals are more capable of developing social 'identities' or how they define themselves in terms of group participation with face-to-face contacts.
- Meetings are strong vehicles for participants to learn the relative 'norms' of the organization as well as its distinctive culture.

In terms of the business perspective, the research demonstrated that business meetings are superior to electronic communication devices in the context of decision-making. A study conducted by Baltes, Dickson, Shereman, Bauer & LaGanke and published in a prestigious journal of organizational behavior, abstracted and summarized statistically the results of 22 published and 5 unpublished studies comparing face-to-face communication groups versus computer mediated groups (those using email, teleconferencing, videoconferencing) in terms of their decision making effectiveness, time to make decisions, and participant satisfaction. Their results show that "...the overall impact of computer-mediated communication indicates that its use is associated with more negative work outcomes than occur in face-to-face groups" (*Baltes, et al., p.167*). The study concludes that "Computer-mediated communication may be an efficient and rapid means of disseminating information, but the research to date suggests that it is not the most effective means of making group decisions... managers must make the decision as to whether the cost savings in travel expenses and time outweigh the potential decrements in quality and decisions reached" (*Baltes, et al., p.175*). The Hilton Report on Business Communications supports these findings, citing that face-to-face business meetings help to:



- Bond teams together
- Make people feel more inspired
- Bring out the best in people
- Result in breakthrough thinking
- Build stronger business relationships

Similar results were echoed by various sources:

- An article in the Business Times - 'Don't scrap face-to-face meetings' on 15 June 2009 stated that 'Eliminating face-to-face meetings from business communications would be a mistake as it would remove the wide variety of positive psychological and general business outcomes they can offer.'
- Findings from Return on Investment of U.S. Business Travel prepared by Oxford Economics USA in September 2009, e.g.
 - Executives and business travelers estimate that 28% of current business would be lost without in-person meetings.
 - By and large, 40% of their prospective customers are converted to new customers with an in-person meeting compared to 16% without such a meeting.
 - The majority of corporate executives (81%) believe a slow economy calls for more contact with clients, not less.
 - According to business travelers across industries, 25% of existing customers and 28% of revenue could be lost to competitors if customers were not met in-person.

In practice, a number of corporate executives still cite the need for face-to-face meetings:

- **OCBC - Ms. Koh Ching Ching**, as head of group corporate communications, said that while the bank uses videoconferencing technology in its operations, "in certain instances such as finalizing the terms of a business agreement, we would prefer to have a face-to-face meeting as it is more effective in achieving an effective discussion".
- **Mr. Mark Melo**, a consultant at recruitment firm Robert Walter, took similar views. He mentioned that conference or video-conference calls should not be used as a replacement for face-to-face meetings as these are very important to build and strengthen relationships, but rather to complement client meetings with follow-ups or to make important preparations for client meetings.

It is worth noting that some companies looking to capitalize on this sentiment have instigated products that may help reduce the financial impact of face-to-face meetings while allowing participating companies to reap the benefits such meetings have on their business relationships. Cited companies are:

- **Hilton in Asia Pacific**, which launched a 'meeting for free' package in April 2009. Guests are eligible to receive a complimentary meetings package including meeting room facilities and refreshments.
- **American Express is working with Starcite**, which provides web-based solutions for corporate meetings and events, to offer an on-line platform for end-to-end meetings management. This aims to help companies cut extra costs incurred through complex and lengthy arrangements with different parties.

Given the existing data and research, it appears that face-to-face meetings are used less frequently, leading to substitution effects through the use of computer-aided communication devices. However, the data indicates that meetings **“matter”** and that the use of face-to-face meetings has a variety of valuable psychological and business benefits. Eliminating face-to-face meetings would be a mistake as the concern is not whether face-to-face meetings are **“better”** than computer mediated communication, but rather the emphasis should be on finding the right combination of the two that serves the best interest of the organization, according to Professor Richard D. Arvey, a respected industrial/organizational psychologist who heads the Department of Management and Organization at the National University of Singapore.

Selecting the right form of business communication for the right kind of meeting is, indeed, critical.

References:

1. *‘Why Face-to-Face Business Meetings Matter’*, a White Paper Prepared by Professor Richard D. Arvey, Ph.D., Business School, National University of Singapore
2. *Asiaone: Conference calls not as good as they sound*, 3 June 2009, The Strait Times
3. *Asiaone: Don’t scrap face-to-face meetings*, 15 June 2009, The Business Times
4. *The Return on Investment of U.S. Business Travel*, prepared by Oxford Economics USA, September 2009