

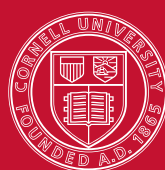


## The Future of Meetings: The Case for Face-to-Face

### Cornell Hospitality Industry Perspectives

No. 6, September 2010

by Christine Duffy, Maritz Travel Company, and Mary Beth McEuen, The Maritz Institute



Cornell University  
School of Hotel Administration

## Advisory Board

**Ra'anan Ben-Zur**, *Chief Executive Officer*, French Quarter Holdings, Inc.

**Scott Berman**, *Principal, Industry Leader, Hospitality & Leisure Practice*, PricewaterhouseCoopers

**Raymond Bickson**, *Managing Director and Chief Executive Officer*, Taj Group of Hotels, Resorts, and Palaces

**Stephen C. Brandman**, *Co-Owner*, Thompson Hotels, Inc.

**Raj Chandnani**, *Vice President, Director of Strategy*, WATG

**Rod Clough**, *Managing Director*, HVS

**Benjamin J. "Patrick" Denihan**, *Chief Executive Officer*, Denihan Hospitality Group

**Kurt Ekert**, *Chief Commercial Officer*, Travelport GDS

**Brian Ferguson**, *Vice President, Supply Strategy and Analysis*, Expedia North America

**Chuck Floyd**, *Chief Operating Officer–North America*, Hyatt

**Anthony Gentile**, *Vice President–Systems & Control*, Schneider Electric/Square D Company

**Gregg Gilman**, *Partner, Co-Chair, Employment Practices*, Davis & Gilbert LLP

**Susan Helstab**, *EVP Corporate Marketing*, Four Seasons Hotels and Resorts

**Jeffrey A. Horwitz**, *Chair, Lodging + Gaming, and Co-Head, Mergers + Acquisitions*, Proskauer

**Kevin J. Jacobs**, *Senior Vice President, Corporate Strategy & Treasurer*, Hilton Worldwide

**Kenneth Kahn**, *President/Owner*, LRP Publications

**Kirk Kinsell**, *President of Europe, Middle East, and Africa*, InterContinental Hotels Group

**Radhika Kulkarni**, Ph.D., *VP of Advanced Analytics R&D*, SAS Institute

**Gerald Lawless**, *Executive Chairman*, Jumeirah Group

**Mark V. Lomanno**, *President*, Smith Travel Research

**David Meltzer**, *Vice President of Global Business Development*, Sabre Hospitality Solutions

**William F. Minnock III**, *Senior Vice President, Global Operations Deployment and Program Management*, Marriott International, Inc.

**Shane O'Flaherty**, *President and CEO*, Forbes Travel Guide

**Thomas Parham**, *Senior Vice President and General Manager*, Philips Hospitality Americas

**Chris Proulx**, *CEO*, eCornell & Executive Education

**Carolyn D. Richmond**, *Partner, Hospitality Practice*, Fox Rothschild LLP

**Steve Russell**, *Chief People Officer, Senior VP, Human Resources*, McDonald's USA

**Michele Sarkisian**, *Senior Vice President*, Maritz

**Janice L. Schnabel**, *Managing Director and Gaming Practice Leader*, Marsh's Hospitality and Gaming Practice

**Trip Schneck**, *President and Co-Founder*, TIG Global LLC

**Adam Weissenberg**, *Vice Chairman, and U.S. Tourism, Hospitality & Leisure Leader*, Deloitte & Touche USA LLP



*The Robert A. and Jan M. Beck Center at Cornell University*  
Back cover photo by permission of *The Cornellian* and Jeff Wang.

Cornell Hospitality Industry Perspectives,  
No. 6 (September 2010)

© 2010 Cornell University

Cornell Hospitality Report is produced for  
the benefit of the hospitality industry by  
The Center for Hospitality Research at  
Cornell University

Rohit Verma, *Executive Director*  
Jennifer Macera, *Associate Director*  
Glenn Withiam, *Director of Publications*

Center for Hospitality Research  
Cornell University  
School of Hotel Administration  
489 Statler Hall  
Ithaca, NY 14853

Phone: 607-255-9780  
Fax: 607-254-2922  
[www.chr.cornell.edu](http://www.chr.cornell.edu)

# The Center for Hospitality Research

Hospitality Leadership Through Learning

## Thank you to our generous Corporate Members

### Senior Partners

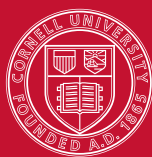
Hilton Worldwide  
McDonald's USA  
Philips Hospitality  
SAS  
STR  
Taj Hotels Resorts and Palaces  
TIG Global

### Partners

Davis & Gilbert LLP  
Deloitte & Touche USA LLP  
Denihan Hospitality Group  
eCornell & Executive Education  
Expedia, Inc.  
Forbes Travel Guide  
Four Seasons Hotels and Resorts  
Fox Rothschild LLP  
French Quarter Holdings, Inc.  
HVS  
Hyatt  
InterContinental Hotels Group  
Jumeirah Group  
LRP Publications  
Marriott International, Inc.  
Marsh's Hospitality Practice  
Maritz  
PricewaterhouseCoopers  
Proskauer  
Sabre Hospitality Solutions  
Schneider Electric  
Southern Wine and Spirits of America  
Thayer Lodging Group  
Thompson Hotels  
Travelport  
WATG

### Friends

American Tescor, LLC • Argyle Executive Forum • Berkshire Healthcare • Center for Advanced Retail Technology  
• Cody Kramer Imports • Cruise Industry News • DK Shifflet & Associates • ehotelier.com • EyeforTravel •  
4Hoteliers.com • Gerencia de Hoteles & Restaurantes • Global Hospitality Resources • Hospitality Financial and  
Technological Professionals • hospitalityInside.com • hospitalitynet.org • Hospitality Technology Magazine •  
Hotel Asia Pacific • Hotel China • HotelExecutive.com • Hotel Interactive • Hotel Resource • International CHRIE  
• International Hotel Conference • International Society of Hospitality Consultants • iPerceptions • JDA Software  
Group, Inc. • J.D. Power and Associates • The Lodging Conference • Lodging Hospitality • Lodging Magazine •  
LRA Worldwide, Inc. • Milestone Internet Marketing • MindFolio • Mindshare Technologies • PhoCusWright Inc.  
• PKF Hospitality Research • RealShare Hotel Investment & Finance Summit • Resort and Recreation Magazine •  
The Resort Trades • RestaurantEdge.com • Shibata Publishing Co. • Synovate • The TravelCom Network • Travel +  
Hospitality Group • UniFocus • USA Today • WageWatch, Inc. • The Wall Street Journal • WIWIH.COM



Cornell University  
School of Hotel Administration

# The Future of Meetings:

# The Case for Face-to-Face

by Christine Duffy and Mary Beth McEuen

---

## ABOUT THE AUTHORS

**Christine Duffy** is President and CEO of Maritz Travel Company, a global leader in helping companies achieve business results through the effective use of meetings, events, and travel incentive programs. She is also an executive council member of two Maritz Holdings subsidiaries, Quality Reward Travel and Maritz Journeys. Christine has been recognized by numerous publications and organizations as one of the most influential people in the hospitality industry. She has served on the Meeting Professionals International (MPI) board of directors for six years, including 2005-2006 as chairwoman of the board and founder of MPI's Women's Leadership Initiative. She currently serves on the executive committees of the Philadelphia Convention and Visitors Bureau and the U. S. Travel Association ([Christine.Duffy@Maritz.com](mailto:Christine.Duffy@Maritz.com)).



**Mary Beth McEuen**, is Vice President and Executive Director for The Maritz Institute. The Maritz Institute is focused on underpinning Maritz people philosophy with the most current discoveries from the human sciences and neuroscience. The role of The Maritz Institute is to help create better business and better lives by bringing a deeper understanding of people to business solutions that help companies achieve their strategic business goals. During Mary Beth's 20+-year career at Maritz, she has held senior leadership roles in marketing, strategy, organizational development and the launch of Brand Alignment, a new business venture. Mary Beth holds a Master's degree in Organizational Leadership and is active in professional futures organizations ([MaryBeth.McEuen@Maritz.com](mailto:MaryBeth.McEuen@Maritz.com)).

---

## EXECUTIVE SUMMARY

**W**ith the advent of virtual-meeting technology, the issue of how to format group meetings and events has become remarkably complex. Meetings can be completely virtual, completely face-to-face, or a hybrid of the two. Leading companies are using all three formats. The challenge for meeting planners is to decide which format is most effective for important business outcomes. Rather than rely on personal preferences or currently popular approaches, the decision regarding meeting type is a strategic one that should rest on specific, scientific criteria. This paper examines those science-based decision criteria to help executives determine when face-to-face is the most effective approach to large-group meetings or events. This decision is important because face-to-face meetings require the greatest investment of all meeting types, and thus carry the greatest expectations for a strong return on investment. Face-to-face is most likely to be the best approach in the following three business situations:

- (1) **To capture attention**, particularly when you want to initiate something new or different;
- (2) **To inspire a positive emotional climate**, as a way to catalyze collaboration, innovation, and performance; and
- (3) **To build human networks and relationships**, realizing that information can increasingly be shared virtually whereas the greater value is in people networks and relationships.

The research presented in this paper provides a discerning approach to determining when an investment in large-group face-to-face meetings and events will have the greatest impact.



The Future of Meetings:

# The Case for Face-to-Face

by Christine Duffy and Mary Beth McEuen

**T**he recent economic crisis has created a maelstrom of inquiry about effective business practices with regard to business meetings and travel. With travel budgets slashed due both to the economy and concerns over the public perception of corporate spending, business leaders are trying to determine when any business travel, let alone large-group meetings and events, constitute a good investment of their limited time and resources. Virtual technologies have expanded the choices available for large-group meetings and events. Our goal is to simplify the decision-making process by proposing a set of decision criteria for when an investment in large-group face-to-face meetings and events will have the greatest impact.

We are aware of several studies that focused on the ROI of travel and meeting expenses and also looked at business leaders' perceptions about the benefits or drawbacks of face-to-face meetings. Here are two of them:

In 2009, Oxford Economics USA and its partner company, Tourism Economics, conducted a study, *The Return on Investment of U.S. Business Travel*, to explore the potential business impact of that reduction in business travel. Using an econometric model, the study looked at the \$206 billion spent on domestic business travel in 2008. Their research demonstrated that investment in business travel generates a sales return of \$10.00–\$14.99 for each dollar of investment.<sup>1</sup>

Also in 2009, *Forbes Insights* surveyed 760 business executives to measure their perceptions about face-to-face and virtual meetings.<sup>2</sup> The study revealed that while many companies are turning to technology to provide an alternative to face-to-face meetings, an overwhelming majority of executives expressed a preference for face-to-face meetings, with more than eight out of ten saying they prefer in-person contact to virtual. The executives who preferred face-to-face meetings were then asked why they preferred them. The most frequently cited responses included building stronger, more meaningful business relationships (85%), ability to read body

language and facial expressions (77%), and more social interaction and an ability to bond with co-workers and clients (75%).

While these studies provide a broad case for travel and face-to-face meetings, our purpose here is to narrow the scope of inquiry to focus on a strategic decision framework for large-group meetings and events. Key business outcomes of large-group meetings include aligning people around key messages and direction, sharing information and knowledge, enabling collaboration and innovation, and building an inspired culture and climate.

Both virtual and face-to-face approaches play a role in a large-group meeting and event strategy. We know, for instance, that virtual meetings can be a powerful way to share information and knowledge while containing costs and minimizing the carbon footprint.<sup>3</sup> Because we have seen few studies that examine the objective case for face-to-face meetings, we decided that the most important contribution we could make was to develop science-based decision criteria for when face-to-face is the best medium for achieving business outcomes. We decided to focus here because large-group face-to-face meetings require the greatest investment and, correspondingly, involve the greatest expectation for a return on that investment. Our approach to uncovering decision criteria for face-to-face meetings was to examine the human dynamics that are best

---

<sup>1</sup> Oxford Economics USA, "The Return on Investment of U.S. Business Travel," [http://www.ustravel.org/sites/default/files/09-10-09\\_Oxford%20Economics.pdf](http://www.ustravel.org/sites/default/files/09-10-09_Oxford%20Economics.pdf) (as viewed on November 24, 2009).

<sup>2</sup> "Business Meetings—The Case for Face-to-Face," *Forbes Insights*, [http://images.forbes.com/forbesinsights/StudyPDFs/Business\\_Meetings\\_FaceTo-Face.pdf](http://images.forbes.com/forbesinsights/StudyPDFs/Business_Meetings_FaceTo-Face.pdf) (as viewed on November 24, 2009), pp. 2–3.

<sup>3</sup> For a discussion of purposes of virtual meetings, see: Howard Lock and James Macaulay, *Hospitality Business Models Confront the Future of Meetings*, *Cornell Hotel Industry Perspectives*, 4 (2010).

Face-to-face meetings support three strategic business needs: capturing attention, inspiring and positive emotion, and building personal networks and relationships.

enabled in a face-to-face environment. Our inquiry began with this question, “When are large-group face-to-face meetings and events the *best option* to achieving business and interpersonal goals?”

### The Human Science of Face-to-Face

We culled through social psychology and neuroscience studies that could shed light on the benefits of face-to-face interactions that are compromised or just can't be accomplished when people are not face-to-face. We narrowed a vast array of studies to the following five focal points: attention, mirroring, emotional contagion, empathy and trust, and social networks. We explored the same question from another angle by digging into the data and experiences of Maritz Travel Company. We wanted to know what our clients and participants had to say regarding when face-to-face meetings are the best way to go and why. We conducted a discovery lab where we made interpretations based on the scientific data, feedback from our clients and participants, and our own personal experiences of face-to-face meetings.

Based on this research, we propose that there are, broadly, three business needs that call for face-to-face meetings:

- (1) **To capture attention.** People's full attention is needed when you want to initiate something new or different. When you want to initiate a new or different relationship, culture, strategy, or product, face-to-face is best.
- (2) **To inspire a positive emotional climate.** Do not underestimate the power of inspiration and positive emotional climate as a real currency of business. When you want to energize and inspire, face-to-face is best.
- (3) **To build human networks and relationships.** Information and resources are not the only things needed for work to get done effectively. Increasingly, information is being commoditized, while there is much greater value in “people networks and relationships.” To power up human networks and relationships, face-to-face is best.

### To Capture Attention

In Maritz Travel Company's experience delivering virtual meetings, we are seeing a recurring theme from participant research assessing their virtual meeting experience. Participants stated that the significant temptation to multi-task during virtual meetings was distracting and had an impact on the meeting objectives being achieved. While this may not be a significant problem when the goal is to share information to which people can refer later, it is a real problem when the goal is to initiate something new, whether that is new learning or a new set of priorities that require a shift in attitude and action.



We propose that face-to-face is the most effective vehicle when you need to capture an audience's full attention and focus so that they will learn and do something differently. Of course, capturing full attention and focus is no small statement. Amidst the phenomenon of ever-increasing information overload and ever-decreasing speed cycles, attention is scarce and fleeting. In this environment, the lack of a focused and attentive human mind is one of the greatest limiting factors in effectively executing business strategy.

**“Switch-tasking.”** We need to dispel the widespread myth that humans are capable of multitasking—a term that has entered the common vernacular as shorthand for our attempts to do as many things as possible, as quickly as possible, all at the same time (preferably marshalling the power of as many technologies as possible, as well). In many quarters, we have, in fact, embraced multitasking as the key to productivity.

In reality, attention is a limited resource. When we attempt to perform multiple tasks at the same time, the result is more accurately called “switch-tasking,” as the brain is forced to toggle back and forth between tasks. Despite the brain's impressive complexity and processing power, it is limited in its capacity to absorb new information. This means switch-tasking is an inefficient process that wastes valuable time and energy during the back-and-forth switching.<sup>4</sup> Furthermore, memories acquired when multitasking use a part of the brain that is poorly suited to long-term memory and understanding. People use an entirely different part of their brain to really learn something, the hippocampus. This is considered to be a “gateway” to memory formation, as it is responsible for the elaborative encoding and effortful retrieval processes that allow for information to make its way into long-term memory. The hippocampus is sensitive to distraction.<sup>5</sup> Indeed, people with a damaged hippocampus have difficulty forming new memories. The bottom line is that learning that happens when someone is multitasking cannot be extrapolated and applied back at the job.

In addition to having limitations on its capacity for attention and information processing, the brain also seems designed for maximum long-term efficiency. The brain relies heavily on existing “archived” information and patterns to filter and interpret new information and situations. While this practice allows the brain to work quickly with limited resources, it can also lead to overdependence on or attachment to expectations and habitual patterns rooted in

the past. Indeed, the brain often interprets new information and new experiences in ways that confirm or fit into existing expectations. Over time, this phenomenon is something like being on “autopilot.” We move through our routines without actually engaging with what is happening in the moment. We filter out new information that does not fit the old patterns.

**Switching off autopilot.** Face-to-face business meetings are a way to break through autopilot. A new environment offers the opportunity to introduce novel experiences and situations to wake up our brains and open them to see things from a new perspective. Don't underestimate the power of novelty and multi-sensory experience. Research conducted by Richard Mayer demonstrates that when people are engaged with information in multi-sensory environments, they are more likely to remember the information (compared to single-sense experiences) and creatively come up with solutions. In fact, John Medina includes stimulating more of the senses all at the same time as one of a dozen key guidelines in his book *Brain Rules: 12 Principles for Surviving and Thriving at Work, Home, and School*.<sup>6</sup>

A case in point involves Starbucks, where CEO Howard Schultz saw how important it was to capture the full attention of his managers in a large-group face-to-face meeting. In a recent *Harvard Business Review* article, Schultz shared his biggest leadership moment during the recent Starbucks turnaround. In a controversial decision, Schultz decided to spend the money for 10,000 of his store managers to meet in person in New Orleans. He did this because he knew that if he could galvanize the entire leadership of the company to adopt the changes needed, the company would be well on its way. In fact, he boldly declared that had he not had the face-to-face meeting in New Orleans, he would not have turned things around at Starbucks.<sup>7</sup>

When you need to initiate something new or different, face-to-face is the best approach. Face-to-face meetings allow for more focused attention, effective and engaged learning, and a novel, multisensory experience that is difficult to achieve in the virtual environment.

## To Inspire Positive Emotional Climate

Perhaps the most compelling argument in favor of personal meetings is their ability to generate emotions in support of learning and collaboration. Consider the fact that people who work in the fields of virtual technology and social media still meet face-to-face at annual conferences. This wouldn't make sense if personal meetings are completely outmoded. Whether it is the SXSW Interactive Festival or

<sup>4</sup> Paul E. Dux *et al.*, “Isolation of a Central Bottleneck of Information Processing with Time-Resolved fMRI,” [sciencedirect.com](http://www.sciencedirect.com), 2006 (as viewed on November 24, 2009).

<sup>5</sup> Karin Foerde, Barbara J. Knowlton, and Russell A. Poldrack, “Modulation of Competing Memory Systems by Distraction,” PNAS, <http://www.pnas.org/content/103/31/11778.abstract> (as viewed on November 24, 2009).

<sup>6</sup> John Medina, *Brain Rules: 12 Principles for Surviving and Thriving at Work, Home, and School* (Seattle: Pear Press, 2008), p. 219.

<sup>7</sup> Adi Ignatius, “We Had to Own the Mistakes,” *Harvard Business Review*, Vol. 88, No. 7/8 (July-August 2010), p. 112.

the Virtualization Conference & Expo, the virtual community still gathers face-to-face. The people who attend are the same people who create and evangelize the tools that (theoretically) make face-to-face attendance totally unnecessary. Sure, the side conversations and hallway meetings are helpful. But there has to be something more compelling about these personal meetings, something that could be termed irrational, something that just can't be replicated even with the highest-resolution video conferencing tools. This added element exerts a powerful pull on our brain, which still considers human contact and social face-to-face interaction as key to our survival. This key element is *inspiration*.<sup>8</sup>

Face-to-face is the most effective vehicle when we want to inspire people and energize a positive emotional climate. This positive emotional climate enhances everything, including collaboration, relationship-building, creativity, and performance.

While business seems to pride itself on rationality, the reality is that humans want to be inspired and motivated, and it's important to appeal to their emotions. As a recent virtual meeting participant bemoaned, "Human beings do need to meet face-to-face on occasion to become 'infected' with enthusiasm around key messages."

An emotional climate pervades every level of human interaction inside an organization or community. This emotional climate affects every aspect of the business from realities as concrete and tangible as decision making and the bottom line to broader organizational dynamics like idea generation and creativity, readiness and adaptability to change, and the facilitation of learning processes.<sup>9</sup> Managing the individual and collective emotions that make up a company's emotional climate is a significant aspect of effective knowledge work. It is a powerful hidden resource just as real as money or knowledge or physical labor. Business leaders need to foster positive emotions while also managing the underbelly of negative emotions. Great businesses understand this intuitively. Now there is also research to help business leaders understand and manage the emotional climate of their organization.

**Emotional contagion.** In this regard, two exciting areas of research have sprung up recently. One is the study of "emotional contagion." In a nutshell, people tend to express and feel emotions that are similar to and influenced by the emotions of others. Research has confirmed that emotions, attitudes, and moods do, in fact, ripple out from individuals and, in the process, influence not only other individuals' emotions, thoughts, attitudes, and behaviors,

but also the dynamics of the entire group.<sup>10</sup> People seem to copy emotionally relevant actions, particularly facial expressions, seen in others. People can "catch" emotional states they observe in others over time frames ranging from seconds to weeks. Within seconds, there can be emotional contagion between strangers, even those in ephemeral contact. This has been documented by the effects of "service with a smile" on customer satisfaction and tipping. Longer-term emotional contagion has been studied where students who were randomly assigned to a mildly depressed roommate became increasingly depressed over a three-month period.<sup>11</sup>

**Mirror neurons.** The other new area of study is mirror neuron research. In 1992, a group of Italian neuroscientists led by Giacomo Rizzolatti discovered what are now called "mirror neurons," so named because they seem to be the mechanism by which humans are able to "mirror" each other's experience. Mirror neurons react or "fire" in response to intentional and visible actions or cues. In a conversation, for example, the speaker's physical body language causes the stimulation of mirror neurons in the brain of the listener—the same neurons that would be firing in the speaker's own mind to make the action happen in the first place. In a sense, the listener's brain is mimicking the brain of the person doing the action—if the other person scratches their head, swats a fly, or wipes away a tear, the listener's brain experiences similar neural activity as if they were taking that action. This mimicking or mirroring happens below the level of conscious, explicit recognition. At the same time, the mirror neurons are also sending signals to the emotional centers of the brain that allow us to feel the emotions of another person—the happiness of another's smile or the sadness of their frown—leading to a deeper sense of shared connection.<sup>12</sup>

In large-group face-to-face meetings, we can hypothesize that emotional contagion and mirror neuron activity is activated more effectively because we are able to experience all facets of language and communication: body language, facial expressions, and gestures all add to the words and verbal cues that can remain one-dimensional in virtual settings. The executives in the *Forbes Insights* study mentioned above understood this at an intuitive level, citing the "ability to read body language and facial expressions" as the second most important benefit (77%) of face-to-face meetings. Ongoing research into the role and activity of emotional contagion

<sup>8</sup> Kathy Sierra, Creating Passionate Users Blog Post, [http://headrush.typepad.com/creating\\_passionate\\_users/2007/03/sxsw\\_interactiv.html](http://headrush.typepad.com/creating_passionate_users/2007/03/sxsw_interactiv.html) (as viewed on November 24, 2009).

<sup>9</sup> Véronique Tran, "The Role of Emotional Climate in Learning Organizations," *The Learning Organization*, Vol. 5, No. 2 (1998), p. 99-103.

<sup>10</sup> Sigal G. Barsade, "The Ripple Effect: Emotional Contagion and Its Influence on Group Behavior," *Administrative Science Quarterly*, Vol. 47, No. 4, (December 2002), pp. 644-675.

<sup>11</sup> James H. Fowler and Nicholas A. Christakis, "Dynamic spread of happiness in a large social network: Longitudinal analysis over 20 years in the Framingham Heart Study," [http://www.bmj.com/cgi/content/full/337/dec04\\_2/a2338](http://www.bmj.com/cgi/content/full/337/dec04_2/a2338) (as viewed on November 24, 2009).

<sup>12</sup> Marci Iacoboni, *Mirroring People: The Science of Empathy and How We Connect with Others* (New York: Picador, 2009), pp. 110-111.

and mirror neurons seems to offer a scientific explanation of why and how this is true.

Large-group meetings are a powerful tool to inspire and motivate people while also strengthening a positive emotional climate that has a ripple effect way beyond the meeting. The untapped resource of a company's emotional climate calls for greater and more conscious attention. As such, meetings can be understood as mission-critical, culture-shaping events requiring not only the skills of meeting planners and communications specialists, but also the input and direction of human resources experts.

There are many examples of companies that strategically use face-to-face meetings to create and encourage a positive emotional climate. Disney's fun fest strategy includes festivals where over 40,000 people gather. These festivals are a magnet for people to convene and experience "the wonderful world of Disney" in an experiential and emotionally engaging manner. Likewise, Richard Branson emphasizes positive emotions in his Virgin Group and heavily promotes Virgin as a "fun" organization.<sup>13</sup> Mary Kay Cosmetics focuses on the transfer of enthusiasm and uses songs, recognition dinners, and national meetings in which positive emotions are intentionally shared across the organization.<sup>14</sup> Even Jack Welch, whom many would perceive as a highly rational executive, promoted the power of meetings and utilized them extensively in his well-publicized change processes at General Electric. The powerful emotional ripple effect within these companies is well-known to anyone who has interacted with their employees.

### To Build Human Networks and Relationships

Relationship-building matters to people. Recently, Meetings Professionals International (MPI), a 24,000-person global association, made the decision to offer "virtual access passes" so that people who could not attend their annual meeting would have access to the content and information. This was a good idea, and people did sign up for the virtual passes. At the same time, though, attendance at the MPI conference did not wane. As Bruce MacMillan, the CEO of MPI said, "People don't attend meetings just to hear the speakers in the room. The real value is what happens outside the room." Relationship-building and feeling a part of a bigger community matters within businesses as well. While virtual meetings are excellent for information sharing purposes, Maritz Travel Company's experience reviewing feedback from participants can be illustrated in the following comments from virtual meeting attendees:

---

<sup>13</sup> Ronald H. Humphrey, *Affect and Emotion: New Directions in Management Theory and Research* (Charlotte, NC: Information Age Publishing, Inc., 2008).

<sup>14</sup> Mary Kay Ash, *Mary Kay* (New York: Harper and Row, 1981).

The ripple effects of positive emotional contagion generated in a face-to-face meeting can be felt throughout an organization.

- Information and resources are not the only things you need to do a good job. Relationships and networks are more important to get things done.
- We need in-person events at least once a year as a kick-off for better relationship-building and sharing to occur.

Regular face-to-face meetings are critical to effective networking and relationship-building that can then be augmented with virtual collaboration approaches. The executives surveyed by *Forbes Insights* clearly understood the importance of this human dimension of business, citing the opportunity to “build stronger, more meaningful business relationships” as the most important benefit of face-to-face meetings (85%), and “more social interaction and ability to bond” as the third most important benefit (75%).<sup>15</sup>

Let’s consider why it is that face-to-face meetings facilitate better networking and relationship-building. We intuitively understand that the real power of organizations is in the myriad of social connections and relationships that make up the organizations’ social fabric. Knowledge-sharing, collaboration, and interpersonal relationships happen in many directions. Experts advocate that post-recession success in the emerging new normal will require a focus on the informal aspects of an organization over the more traditional hierarchical mechanisms.<sup>16</sup> Informal networks are a powerful informal lever! Face-to-face meetings provide the best environment for the chaotic process of networking, reconnecting, story-telling, and relationship-building to occur. Informal exchanges of ideas, “bumping into old friends,” striking up a conversation with someone you’ve never met before, or being introduced to someone a colleague just knew you had to meet ...all in the context of the buzz of energized conversation all around you...just cannot be replicated virtually. As a virtual participant so eloquently stated, “Virtual facilities improve interaction and help develop virtual teams across countries and geographies, *but* are not a substitute for lively human-to-human interaction.”

**Instinct to imitate.** The mystery and complexity of human relationship-building is considerable; however, science can shed some light on what may be happening in a face-to-face environment that can’t be replicated virtually. Given the human tendency to automatically imitate and mimic expressions, vocalizations, postures, and movements of others, the cognitive and emotional convergence happening internally at the level of mirror neurons is reinforced and deepened. This instinct to imitate seems to

open the door to a deeper level of bonding and emotional convergence between individuals.<sup>17</sup>

In addition to helping develop stronger bonds and empathic connections with others, according to additional research done by Chartrand and Bargh, our tendency to imitate others’ external, non-verbal cues also seems to increase the likelihood that two people will like each other. In quite simple terms, when someone imitates us, we like them more.<sup>18</sup> This finding runs contrary to the Spock-like rationality of the business world, where we are more likely to hear “you don’t need to like each other, you just need to work together.” The topic of people liking each other isn’t discussed much. Meeting the challenges that face companies in today’s world requires a much more comprehensive understanding of human dynamics. Much research has been published on the value of friendships or camaraderie relative to creating engagement. Now, neuroscience helps us understand why this is so important, and business meetings provide a vehicle for this camaraderie to be developed.

Face-to-face meetings make possible all of this external imitation and its effects on building stronger relationships as individuals interact not only during focused exchanges, discussions, and presentations, but also during all of the surrounding activities. As relationships and networks are strengthened, the company has a chance to move forward in pursuing its shared goals, because while people in strained or non-existent relationships are more likely to see ways they differ, people in great relationships are more likely to see and share what they have in common.<sup>19</sup>

**Social capital.** These networks and relationships become the social capital of the organization. Just as the well-established concepts of physical capital and human capital refer to aspects of an organization that facilitate productive activity, the concept of social capital captures the value of human relationships, communities, and social networks within organizations. It is the quality of the relationships between the individuals in an organization that provides the collective resilience, agility and will to succeed that is necessary for business success.<sup>20</sup>

<sup>15</sup> *Forbes Insights*, p. 3.

<sup>16</sup> Jon Katzenbach and Zia Khan, “Fast Track to Recovery,” *strategy+business*, April 26, 2010, <http://www.strategy-business.com/article/00032?pg=all> (as viewed on June 21, 2010).

<sup>17</sup> Jean Decety and Claus Lamm, “Human Empathy through the Lens of Social Neuroscience,” *TheScientificWorldJOURNAL*, Vol. 6, (September 20, 2006), pp 1146-1163 ([http://home.uchicago.edu/~decety/publications/Decety\\_SWJ06.pdf](http://home.uchicago.edu/~decety/publications/Decety_SWJ06.pdf)).

<sup>18</sup> Iacoboni, p. 119.

<sup>19</sup> Daniel Goleman, *Social Intelligence: The Revolutionary New Science of Human Relationships* (New York: Random House, 2006), p. 109.

<sup>20</sup> James S. Coleman, “Social Capital in the Creation of Human Capital,” *The American Journal of Sociology*, Vol. 94, Supplement: *Organizations and Institutions: Sociological and Economic Approaches to the analysis of Social Structure* (1988), pp. S95-S120.

**EXHIBIT 1****Strategic purposes of face-to-face meetings**

Broad Business Need	Examples of Specific Business Needs
Capture Attention for Change	<ul style="list-style-type: none"> <li>• Initiate a new strategic direction for the organization.</li> <li>• Launch a new product or suite of products.</li> <li>• Merge two cultures into a new culture.</li> <li>• Renew focus and attention on an existing strategy.</li> </ul>
Inspire a Positive Emotional Climate	<ul style="list-style-type: none"> <li>• Annual or semi-annual meetings to energize people around company goals, values, and priorities.</li> <li>• Inspirational events to build community and cohesion toward a shared interest or goal.</li> <li>• Recognition events to celebrate top performing individuals and teams.</li> <li>• Celebration events that mark important milestones.</li> </ul>
Build Human Networks and Relationships	<ul style="list-style-type: none"> <li>• Annual or semi-annual meetings to enable cultural cohesion and relationship-building.</li> <li>• For dispersed workforces, a regular rhythm of face-to-face meetings to build trust and effective working relationships.</li> <li>• Practitioner, user group, and professional community conferences.</li> <li>• Dynamic knowledge-sharing and innovation summits.</li> </ul>

The three strategic business needs that are best met via large-group face-to-face meetings can be translated into specific examples, as shown in the table in Exhibit 1.

Typically, a large-group face-to-face meeting will address several of these needs during a single event. At times, a business situation calls for a large-group face-to-face meeting to be initiated to capture attention needed for a change. Most of the time, large-group face-to-face meetings should be a part of the regular rhythm of communications that also incorporate information-sharing through virtual media. It is through regular large-group face-to-face forums that people are able to connect to one another and to the organization or community in such a way that a sense of collective identification and energized commitment to shared purposes and goals is instilled. These intangibles go a long way toward creating cultural and business success.

## Conclusion

We know from the research done by Oxford Economics USA<sup>21</sup> and *Forbes Insights*<sup>22</sup> that there is an excellent ROI for face-to-face meetings and that executives prefer them to virtual meetings. We have gone through a period of expense-

cutting and intense public scrutiny. We are emerging into a focus on growth and innovation where large-group meetings and events play a key role in setting the conditions for growth and innovation. At the same time, we must be much more discerning on when various media should be utilized for the greatest value and ROI. It is important, then, to build a science-informed decision-making model that can be used to decide when to utilize virtual, hybrid, or face-to-face approaches. This paper focused on the distinct advantages of face-to-face meetings, primarily because determining whether to meet in person involves the greatest investments and the greatest expectations for a return on that investment.

In summary, large-group face-to-face meetings and events are the best option when a business or organization needs to capture attention necessary for a new or different strategy, relationship, or product. They are the best option for inspiring people and building a positive emotional climate that influences decision-making and performance at every level. They are the best option for building the strong relationships and community that form powerful, informal levers for success in our post-recession business world. Finally, face-to-face is the only option for celebration and recognition rituals that enliven the human spirit and shape the cultural norms of the organization. ■

<sup>21</sup> Oxford Economics USA, *op.cit.*

<sup>22</sup> *Forbes Insights*, *loc.cit.*



# Cornell Hospitality Reports Index

[www.chr.cornell.edu](http://www.chr.cornell.edu)

## 2010 Reports

Vol. 10, No. 13 Making the Most of Priceline's Name-Your-Own-Price Channel, by Chris Anderson, Ph.D., and Radium Yan, D.B.A

Vol. 10, No. 12 Cases in Innovative Practices in Hospitality and Related Services, Set 4, by Cathy A. Enz, Ph.D., Rohit Verma, Ph.D., Kate Walsh, Ph.D., Sheryl E. Kimes, Ph.D., and Judy A. Siguaw, D.B.A

Vol. 10, No. 11 Who's Next? An Analysis of Lodging Industry Acquisitions, by Qingzhong Ma, Ph.D. and Peng Liu, Ph.D.

Vol. 10, No. 10 Cases in Innovative Practices in Hospitality and Related Services, Set 3: Cayuga Sustainable Hospitality, Chic & Basic, JetBlue Airlines Jumeirah Essex House, The Ritz-Carlton Hotel Company, Runtriz, The Seaport Hotel, Thayer Lodging, TripTelevision, and Xsense Experiential Design Consulting, by Cathy A. Enz, Ph.D., Rohit Verma, Ph.D., Kate Walsh, Ph.D., Sheryl E. Kimes, Ph.D., and Judy A. Siguaw, D.B.A.

Vol. 10, No. 9 Building Customer Loyalty: Ten Principles for Designing an Effective Customer Reward Program, by Michael McCall, Ph.D., Clay Voorhees, Ph.D., and Roger Calantone, Ph.D.

Vol. 10, No. 8 Developing Measures for Environmental Sustainability in Hotels: An Exploratory Study, by Jie J. Zhang, Nitin Joglekar, Ph.D., and Rohit Verma, Ph.D.

Vol. 10, No. 7 Successful Tactics for Surviving an Economic Downturn: Results of an International Study, by Sheryl E. Kimes, Ph.D.

Vol. 10, No. 6 Integrating Self-service Kiosks in a Customer-service System, by Tsz-Wai (Iris) Lui, Ph.D., and Gabriele Piccoli, Ph.D.

Vol. 10, No. 5 Strategic Pricing in European Hotels, 2006–2009, by Cathy A. Enz, Ph.D., Linda Canina, Ph.D., and Mark Lomanno

Vol. 10, No. 4 Cases in Innovative Practices in Hospitality and Related Services, Set 2: Brewerkz, ComfortDelgro Taxi, DinnerBroker.com, Iggy's, Jumbo Seafood, OpenTable.com, PriceYourMeal.com, Sakae Sushi, Shangri-La Singapore, and Stevens Pass, by Sheryl E. Kimes, Ph.D., Cathy A. Enz, Ph.D., Judy A. Siguaw, D.B.A., Rohit Verma, Ph.D., and Kate Walsh, Ph.D.

Vol. 10, No. 3 Customer Preferences for Restaurant Brands, Cuisine, and Food Court Configurations in Shopping Centers, by Wayne J. Taylor and Rohit Verma, Ph.D.

Vol. 10, No. 2 How Hotel Guests Perceive the Fairness of Differential Room Pricing, by Wayne J. Taylor and Sheryl E. Kimes, Ph.D.

Vol. 10, No. 1 [Compendium 2010](#)

## 2010 Roundtable Retrospectives

Vol. 2, No. 1 Sustainability Roundtable 2009: The Hotel Industry Seeks the Elusive "Green Bullet."

## 2010 Industry Perspectives

No. 5 Making Customer Satisfaction Pay: Connecting Survey Data to Financial Outcomes in the Hotel Industry, by Gina Pingitore, Ph.D., Dan Seldin, Ph.D., and Arianne Walker, Ph.D.

No. 4 Hospitality Business Models Confront the Future of Meetings, by Howard Lock and James Macaulay

## 2009 Reports

Vol. 9, No. 18 Hospitality Managers and Communication Technologies: Challenges and Solutions, by Judi Brownell, Ph.D., and Amy Newman

Vol. 9, No. 17 Cases in Innovative Practices in Hospitality and Related Services, Set 1: Aqua by Grandstand, Brand Karma, Capella Hotels & Resorts, EnTrip, Hotels.com Visualiser, Luggage Club, Royal Plaza on Scotts, Tastings, Tune Hotels, and VisitBritain.com, by Judy A. Siguaw, D.B.A., Cathy A. Enz, Ph.D., Sheryl E. Kimes, Ph.D., Rohit Verma, Ph.D., and Kate Walsh, Ph.D.

Vol 9 No 16 The Billboard Effect: Online Travel Agent Impact on Non-OTA Reservation Volume, by Chris K. Anderson, Ph.D.

Vol 9 No 15 Operational Hedging and Exchange Rate Risk: A Cross-sectional Examination of Canada's Hotel Industry, by Charles Chang, Ph.D., and Liya Ma

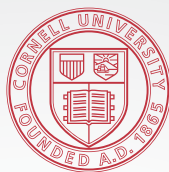
Vol 9 No 14 Product Tiers and ADR Clusters: Integrating Two Methods for Determining Hotel Competitive Sets, by Jin-Young Kim and Linda Canina, Ph.D.

Vol 9, No. 13 Safety and Security in U.S. Hotels, by Cathy A. Enz, Ph.D.

Vol 9, No. 12 Hotel Revenue Management in an Economic Downturn: Results of an International Study, by Sheryl E. Kimes, Ph.D.

Vol 9, No. 11 Wine-list Characteristics Associated with Greater Wine Sales, by Sybil S. Yang and Michael Lynn, Ph.D.





Cornell University  
School of Hotel Administration

# Advancing Business and Personal Success

*Explore, develop and apply ideas with  
global hospitality leaders and  
expert Cornell professors.*

Professionals from around the world are invited to attend 3-day, 10-day or online courses at the world's leading institute for hospitality management education in:

- Strategic Leadership
- Finance
- Foodservice
- Human Resources
- Marketing
- Operations
- Real Estate

Visit our website to apply.

## The Executive Path

Hospitality Leadership Through Learning

Complete program information and applications available online:

[www.hotelschool.cornell.edu/execed](http://www.hotelschool.cornell.edu/execed)

Phone + 1 607 255 4919 Email [exec\\_ed\\_hotel@cornell.edu](mailto:exec_ed_hotel@cornell.edu)



[www.chr.cornell.edu](http://www.chr.cornell.edu)