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Analysis: Business Travel And In-Person Meetings To Provide Post-Pandemic Boost

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by

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EXECUTIVE SUMMARY

COVID-19 has led to many changes in traditional workplace operations, one of the most acute being drastic reductions in the amount of business trips and related travel in favor of virtual meetings and other remote options.

While the negative economic impacts of reduced business travel have made [headlines](#), losses in productivity, collaboration and workplace culture associated with those reductions have been just as severe, while garnering less attention. What's more, the overwhelming reliance on virtual meetings – and the isolation it has caused among many employees – has created an even greater need for in-person connectivity than what existed prior to the pandemic.

The American Hotel & Lodging Association (AHLA) commissioned the San Diego State University School of Hospitality & Tourism Management to examine the importance and impact of face-to-face business meetings and travel on organizations, their employees and customers as America emerges from the pandemic.

As a result of this analysis, we assert that in-person business travel and meetings have undeniable advantages over virtual options, and that businesses and organizations that resume business travel and meetings more quickly are likely to have a competitive edge over those that do not.

Other key takeaways from this report include:

- Business travel and in-person meetings facilitate productivity in a way virtual interactions cannot.
- Business travel and in-person meetings build organizational strength and foster collaboration in a way virtual interactions cannot.
- COVID-19 has created a greater need for face-to-face connection that virtual-only meetings simply cannot satisfy.
- Increased reliance on virtual meetings negatively impacts workplace culture and team building, while also hurting productivity.
- Among millennials, the largest population in the workforce, 80% say they prefer in-person communication with their colleagues—suggesting a potential advantage in employee recruitment, retention and client relations for companies that foster face-to-face connections with coworkers and clients.

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INTRODUCTION

The importance of business travel and meetings is reflected clearly throughout history. Since the beginning of time, people have flocked to marketplaces, traded goods and met together for commerce, social and religious reasons. Modernity and technology have only made these things easier and more accessible, and business travel more important and valuable for workplaces.

There has been ample talk about 'the new normal,' 'recalibration' and 'a return to normalcy.' But after more than two years of COVID-19, getting together in person is of utmost importance from a psychological and sociological perspective.

In fact, studies have long demonstrated that our well-being and mental health are directly linked to the quality of our personal, work and social relationships. This paper will outline how organizations that resume business travel more quickly during this time of transition will enable employees to improve on those relationships, leading to organizational growth and competitive advantages.

BUSINESS TRAVEL AND IN-PERSON MEETINGS FACILITATE PRODUCTIVITY IN A WAY VIRTUAL INTERACTIONS CANNOT.

The pandemic accelerated technology adaptations as many people across the globe were forced to leverage virtual technology to continue operations and remain connected to their colleagues and clients. Thus, the negative impact of COVID-19 on business travel and meetings has been far-reaching, leading to dramatic changes in traditional workplace operations, such as remote work and conducting business and meetings virtually.

Remote work will undeniably become a permanent part of many organizations. But while remote is effective for day-to-day operations, many employees and their organizations actually thrive with face-to-face "check-ins." These "check-ins" will likely increase levels of business travel and meetings, creating an enhanced company culture with greater engagement and improved client relations.

For instance, a [recent survey](#) conducted by Morning Consult on behalf of AHLA found 80% of employed Americans and 86% of business travelers say face-to-face interactions are important for maximizing company success. According to another [survey](#), nearly half of people (49%) say in-person meetings allow for more complex strategic thinking, and 44% say in person is a better environment for tough, timely decision-making.

There is a time and place for using and leveraging virtual meeting platforms, but history has demonstrated that face-to-face meetings generate more positive outcomes for the individual, the organization and its clientele in a way that may just be irreplaceable. In fact, [nearly two-thirds](#) of business travelers say the increased reliance on virtual work that has become common during the pandemic is negatively impacting both productivity (64%) and workplace culture (65%).

[Virtual platforms are also rife with hiccups](#), including confusion about how to share screens, muted participants and nonresponsive or absent participants due to technical difficulties. There is also ample room for distractions when individuals are operating from the home, including family obligations, doorbells ringing, phone calls and myriad other distractions that are controlled for when meeting in person. Face-to-face meetings also help to establish the trust and meaningful relationships that are the cornerstones of high-functioning teams and deal-making.

Does this mean all virtual business meetings are going away in a post-pandemic world? No, not at all. Recent history provides clues of what to expect. Just as email, the internet and social media all became powerful complements to face-to-face business meetings prior to the pandemic, virtual meeting technologies that saw near-universal use for the last two years will become complements as well. There are several important reasons why.

BUSINESS TRAVEL AND IN-PERSON MEETINGS BUILD ORGANIZATIONAL STRENGTH AND FOSTER COLLABORATION IN A WAY VIRTUAL INTERACTIONS CANNOT.

EMPLOYEE BENEFITS

Business meetings play a pivotal role in fostering employee growth and personal benefits as they facilitate training and development and cultivate stronger relationships, which leads to greater employee well-being and a greater likelihood of employee retention.

Studies have shown that the best way to improve employee engagement, commitment, concentration and focus is through strong organizational networks. These networks help foster greater sharing of ideas, information, knowledge and job performance. According to a recent [study](#), face-to-face conversations tend to be more positive, and perceived as more credible, in comparison to interactions in virtual settings. Entering the third year of the COVID-19 pandemic, [84% of people](#) still say they prefer in-person meetings.

When it comes to in-person meetings and business travel, [57% of adults](#) and 76% of business travelers agree they facilitate productivity in a way virtual interactions cannot.

What's more, [59% of adults](#) and 77% of business travelers agree that in-person meetings and business travel foster collaboration in a way virtual interactions cannot.

[Research has also demonstrated](#) the social capital in an organization – resources inherent in an individual that are fostered by the relationships in a given social unit – is used to identify effective business strategies. Social capital enhances employee commitment and productivity, and is comprised of networks, trust and a shared vision, [according to scholars](#).

One of the key purposes of face-to-face events has always been to break up the status quo. Before the pandemic, individuals would come into an office daily. Organizations would put together team-building events, conferences and incentive travel events to help with creating greater networks, instilling trust and building shared visions. For many companies, these team-building events have been missing for the last two years and attempts to replace them with virtual options have not achieved the same result that in-person events typically produce. In fact, [61% of adults](#) and 74% of business travelers agree that in-person meetings and business travel build organizational strength in a way virtual interactions cannot.

Because digital communication and remote work have now become the status quo, it is even more important to offer face-to-face events to help cultivate a more engaged employee-organization relationship and foster positive social capital. [Eighty percent](#) of employed Americans and 83% of business travelers say face-to-face interactions are important for keeping morale high.

Networks are established and cultivated through strong and frequent interactions between the individuals of an organization. Trust and trustworthiness are similarly established through interactions over time. These occur through frequent and close social interactions. [Body language is important in establishing trust](#), as we rely on things like eye contact, smiles and other physical cues. Virtual platforms shroud many of these important characteristics and may inhibit our ability to form integral trust relationships. Trustworthy relationships among individuals help foster an environment conducive to upholding the shared visions of an organization. This all serves to foster stronger relationships among colleagues, supervisors and clients of the organization.

Companies should also budget for and hold in-person meetings and events to assist with training and development. There is ample research showing that face-to-face training and development not only leads to a more informed, competent and capable worker but also increases employee well-being, fosters their motivation to perform and increases their dedication to the organization. [Eighty-two percent](#) of employed Americans and 89% of business travelers say face-to-face interactions are important for professional trainings.

What is more, incentive travel has been and continues to be one of the most effective means by which an organization can increase employee engagement, cultivate important relationships and reward top performers. At a time when sitting in front of a screen for all things has become the norm, incentive travel taps into the human desire to escape the mundane of the day-to-day and foster human connections that have eluded us for nearly two years. It can also serve as the ultimate reward to combat the negative mental health implications brought on by remote work and the pandemic. [According to a 2017 study by the Incentive Travel Federation](#), total business travel comprised some \$30 billion annually in the United States – a truly substantial investment reflecting the evidence that face-to-face interactions work better than virtual.

ORGANIZATIONAL BENEFITS

In addition to helping employees and key stakeholders like suppliers and customers, there are a myriad of organizational benefits to having in-person business meetings. Due to the staggering amount of employee turnover in the last year and a half, it is important to cultivate networks through in-person interactions because, as mentioned previously, this is how meaningful relationships are best established.

In fact, regarding face-to-face interactions, [86% of employed Americans](#) and 89% of business travelers say they are important for establishing and maintaining relationships with coworkers, while [80% of employed Americans](#) and 86% of business travelers say they are important for maximizing company success.

In addition to facilitating reduced turnover and higher performing employees, in-person meetings are best for fostering team building, new-idea generation and brainstorming business and operations strategies. Among millennials, the largest population in the workforce, [80% say](#) they prefer in-person communication with their colleagues—suggesting a potential advantage in employee recruitment, retention and client relations for companies that promote face-to-face connections with coworkers and clients.

CUSTOMER BENEFITS

Face-to-face meetings help establish relationships and trust among employees and clients. Research has shown that competition and organizational growth needs will require businesses to resume travel for meeting purposes.

There are several '[personalities](#)' with whom organizations do business (e.g. decision-makers, skeptics, early adopters), and cultivating relationships with these personalities via

video-conferencing platforms poses various challenges. For example, it is often difficult to identify the decision-maker via remote conference, particularly if the client is new. When meeting in person, body language and other cues may be used to identify the person who has the authority and confidence to make key decisions. In a virtual setting, they may be muted or represented by a picture rather than as an active participant.

Similarly, it is harder to engage the skeptic in the group. According to a recent piece published by [American Express](#), “No matter how good of a presenter you are, when it’s a virtual environment, it’s hard for you to gauge people’s reactions and if what you’re saying is resonating – to understand if you’re going too deep, too shallow, or if it’s time to move on. There’s even a study that says staring at your co-workers’ faces on Zoom is triggering a fight-or-flight response in us.” They may not be on board with some of the ideas pitched, but the body language offered is limited in a virtual platform. The ability to identify these individuals, and then meet with them one-on-one as you would at an in-person event or meeting, has all but dissipated, making it much harder to get them ‘on board.’

Lastly, the early adopters, or innovators, may not be as important to the client side of the equation as is, say, the decision-maker, but they are likely to be the ones to get the pitch your organization is making, and they are likely to champion the partnership down the road. These individuals are often pulled aside in the hallway and engaged over a coffee. These sidebar engagements do not have a virtual substitute.

It will be incumbent on organizations to offer transparency in terms of safety and sanitation protocols that have been established to provide safe business travel. The [Deloitte Insight report](#) from August 2021 revealed that corporate managers are looking at five key indicators to determine when it will be safe to incorporate travel back into the budget for their respective organizations. These include 1) the reopening of their own offices, 2) the reopening of their clients’ offices, 3) infection rates that are low and stable over time, 4) a large percentage of the general population having been vaccinated against the virus and 5) the easing of quarantine restrictions.

When done correctly, the relationships formed from face-to-face meetings will be much stronger, because different players can be brought together to connect and build on ideas, and ultimately create opportunities for both organizations and constituents. When it comes to face-to-face interactions, [85% of employed Americans](#) and 88% of business travelers say they are important for establishing and maintaining relationships with clients. The lack of interaction associated with mostly virtual meeting protocols at some organizations has, in many instances, resulted in missed opportunities for growth and sales, as well as the ‘ah ha’ moments that in-person sessions generate.

COVID-19 HAS CREATED A GREATER NEED FOR FACE-TO-FACE CONNECTION THAT VIRTUAL-ONLY MEETINGS SIMPLY CANNOT SATISFY.

There have been notable past occurrences that have reduced business travel and meetings. Even recent history suggests these occurrences are temporary but often deemed “permanent” at the time. Fortunately, human nature and the desire to grow resulted in organizations resuming business travel and meetings *every time* following a health emergency, natural disaster or economic crisis.

For example, the invention of email and the internet were first thought to bring structural declines in business travel and meetings/conferences. This did not prove to be the case. In fact, email and the internet facilitated an increase in travel. This manifested itself in several ways such as the rise of online travel agencies, social media and better information about why and where to travel.

Similarly, the invention of video conferencing, and later Skype, were tools that were initially thought to threaten business travel levels. Video conferencing started in the 1960s and only became common in the late 1990s and early 2000s. These tools were adopted in select situations and were often deemed “clunky” at the time. It really was not until COVID-19 that video and virtual platforms were widely used. [Steve Jobs even touted the importance](#) of face-to-face meetings during the rise of the iPhone and Facetime technologies. Thus, even the creators of virtual platforms have recognized that it is better to meet face to face.

Moreover, those coveted activities in which businesses are able to engage their clients, generate sales or new client acquisitions and engage in project work, relationship building and networking are all listed as those activities that are not readily replicable with technology and are important for a business to thrive ([Deloitte, 2021](#)). This is underscored by the fact that a [recent survey](#) found that 56% of adults and 71% of business travelers agree that COVID-19 has created a greater need for face-to-face connection that virtual-only meetings cannot satisfy.

INCREASED RELIANCE ON VIRTUAL MEETINGS NEGATIVELY IMPACTS WORKPLACE CULTURE AND TEAM BUILDING, WHILE ALSO HURTING PRODUCTIVITY.

Networking is very limited in a digital format. In fact, when it comes to increased reliance on virtual work, [46% of adults](#) and 65% of business travelers say it negatively impacts

workplace culture. Also, [44% of adults](#) and 64% of business travelers agree that an increased reliance on virtual work negatively impacts productivity. Face-to-face networking is a vital and proven method of business development and a way to grow organizational results. Notably, this has been lacking amid a switch to remote and virtual work and events.

With corporate travel policies still in flux, it may take years for business travel to recover and reach 2019 levels again. Meaning companies, employees and clients could continue to face the unintended consequences of this slow return.

According to [AHLA's 2022 State of the Industry report](#), "Business travel overall is expected to increase in 2022 compared to last year, and, according to an analysis by Kalibri Labs, by Q3, it is projected to reach 80% of 2019 figures. While a full recovery isn't expected until 2024, global business travel is projected to increase by 14% in 2022."

A recent study by [The Royal Society](#) found, "While it is possible to directly gain useful feedback on the successes and failures of online meetings such as the results presented here, it is not straightforward to quantify the networking and information flow in an online meeting compared with an in-person meeting. For example, it is difficult to survey all of the in-person interactions, ad hoc meetings, chats over coffee, and casual dinner invitations, etc. that a week-long in-person conference creates, many of which may be critical to a person's career."

Further supporting these claims, studies have demonstrated that online meetings do not aptly capture human interaction the way that in-person meetings do, and they often come at a cognitive, physical and emotional price.

[A study](#) by Stanford professor Jeremy Bailenson in the university's Virtual Human Interaction Lab demonstrated there are several personal negative impacts of too many video calls ranging from reduced mobility (due to sitting in front of a screen rather than being able to move about), to increased cognitive load as a result of the loss of interpersonal interactions (e.g. body language cues) off of which we make informed decisions. He also noted how unnatural it is to constantly see ourselves while we speak, and to focus so intensely, straining our eyes to maintain eye contact, for extended periods of time, resulting in exhaustion and fatigue. Further, a recent [study](#) found "60% of people regularly misread tone or message when communicating via email or phone."

And according to a survey conducted by the [American Psychiatric Association](#), the majority of 1,000 employees who were working remotely reported experiencing negative mental health issues associated with this mode of working. The results indicated that isolation,

Loneliness and difficulty “unplugging” when the workday had ended were among the top reasons for these issues. According to technology journalist Andy Patrizio in an August 2021 article in [Tech Target](#), there are some clear drawbacks to virtual meetings (charted below).

Organizations will be balancing these as the pandemic wanes. Ultimately, the onus is going to be on the organization to take care of its employees by providing in-person gatherings to help mitigate these negative impacts remote work has created.

CONS OF VIRTUAL MEETINGS
Not as Personal
Connectivity Issues
Meeting Security
Compliance Issues
Confusing Policy Landscape

CONCLUSION

Much speculation has centered around the future of business travel and whether corporate policies around events and meetings will be permanently impacted in a post-pandemic world. But the importance of business travel and in-person meetings cannot be overstated. They have a rich, proven history of impact and effectiveness.

Disruptions have occurred in past and recent history and in every case, these have been overcome with time. This integral activity has been shown to not only positively impact the hosting areas from a financial standpoint, but it also positively influences the relationships among the organization, the employees and the clientele who participate in this type of travel.

From an increase in satisfaction with the organization to greater customer relations, business travel positively impacts all key constituents.

COVID-19 has created a greater need for in-person and human-to-human connection in a way that virtual-only meetings simply cannot satisfy. The face-to-face, in-person encounters facilitated by business travel will only serve to strengthen the relationships of employees and clientele and result in organizational benefits in terms of employee engagement, satisfaction and retention, higher performing individuals and more engaged and satisfied clientele. All of these advantages will benefit an organization in terms of a better culture, greater levels of productivity and greater idea generation and growth – giving businesses and organizations that resume business travel and meetings more quickly a competitive edge over those that do not.

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