

REPUBLIC OF AZERBAIJAN

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**CONFLICT MANAGEMENT REGULATION ON HOTEL
OPERATIONS**

Specialty: 5311.01 - “Management and organization of enterprises”

Field of science:

Economics

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ABSTRACT OF A THESIS

of the dissertation for the degree of Doctor of Philosophy (Doctor of
Science)

Baku-2021

The work was performed at Azerbaijan Tourism and Management University, Faculty of Management

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İMZANI TƏSDİQ EDİRƏM

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GENERAL DESCRIPTION OF THE RESEARCH

Timeliness of the topic. The tendencies of a decrease in the dependence of the Azerbaijani economy on the oil factor and changes in the world market highlight the development of the non-oil sectors of the economy, especially tourism. The development of the tourism industry as a lucrative alternative sector of the economy is becoming a priority in most countries of the world. Today it is impossible to deny that tourism is a global, economically viable business that requires the attraction and development of qualified personnel with specialized skills.

Tourism management is combination of services formed on the basis of certain quality criteria, which includes accommodation, food, entertainment, transport and a number of other areas for tourists visiting the country. Global trends, the development of science and technology require that all these services, which are part of tourism, meet the same international standards. In today's era of science and technology, the importance of human resources as a key factor in determining quality metrics internationally in terms of customer service, customer satisfaction, service cost and shipping costs.

Hotels that provide a range of value-added services such as food, entertainment and lodging are part of the tourism industry, which comprise of managed operations employing hundreds of employees and offering travel services to their customers. This management system can only be effective if it is properly applied by experienced and specially trained professionals who properly assess human relations. However, sometimes ignoring the problem of conflict management in hospitality operational practice, business leaders incur long-term financial losses and find it difficult to determine the true causes of damage due to lack of awareness.

For a manager who is not sufficiently aware of the concept of conflict, that carry serious risks during the period of intensive operations, can lead to a number of additional costs for the enterprise. Thus, the correct management of conflicts can increase the

profitability of the enterprise and increase its income by reducing costs.

Effective conflict management affects the socio-economic life of our country both directly and indirectly. Thus, in the first place, the settlement of conflicts, which affects the increase in the productivity of employees and the profitability of enterprises, also contributes to an increase in the financial income of enterprises and organizations in various sectors of the economy. In addition, conflict management also increases employee motivation and satisfaction. Thus, the increase in the level of service is accompanied by the satisfaction of guests with their stay at the hotel, which is the most important factor in ensuring their return to Azerbaijan. In other words, the organization of effective conflict management at tourism enterprises can positively affect the development of the tourism brand of our country and can be indirectly used as a tool to increase our international prestige.

The concept of conflict is important for the development of tourism, for increasing the income of enterprises and organizations operating in various sectors of the economy and improving the quality of management. In this regard, the study of conflictology and management problems in the hospitality industry in Azerbaijan is an urgent issue that practical importance nowadays.

The level of research study: Some aspects of the problems of tourism development in Azerbaijan are reflected in the studies of scientists of the country, including Bilalov B.A., Alirzayev A.G., Hasanov Y.L., Hasanov A.N., Huseynova U.Y., Rahmanov F.P., Sultanova R.P., Samadova G.X. and others.

Although the problems of conflict management in enterprises have not been studied by Azerbaijani scientists, several studies have focused on the study of this area in the international arena.

Thus, foreign scientists Afzalur Rahim, Baron R.A., Karsten K.V., Cowen D., Dunnett, M.D. Eiren Leela Ruth, Esquivel M.A., James A. Jr., Jean Hendrik Kombrink, Kleiner B. H., Neshe Chakir, Richard D. Lewis, Sandy. D. Jap, Schwenk S.R., Serpil Kodzhaman, Seyfettin Kochaman, Soner Polat, Spiro L.R., Thomas K. and others investigated various aspects of the issues of conflict management.

It should be noted that the problems of resolving conflicts at tourism enterprises in Azerbaijan have never been studied before. Purely for this reason, there is a need to develop theoretically and practically justified research results and recommendations in this area. The relevance of the problem, which meets the modern needs of the tourism industry, has become the main factor in choosing this dissertation's research topic.

The object of the research is the process of conflict management in hotels as tourism enterprises, in the case study of Pullman Baku hotel, and **the subject of the research** is the relationships arising in the field of conflict management in hospitality and tourism enterprises, and the specific features of conflict management as a process.

The purpose of the research work is to study the theoretical foundations of conflict management in the tourism sphere, hotel enterprises and to identify improvement directions of the conflict management system in hotels in Azerbaijan based on the analysis of the conflict management process.

To achieve the goal specified in the dissertation, the following **research tasks are set:**

- Comprehensive systematic study of the theoretical and methodological foundations of conflict management in the organization of hotel enterprises;
- Clarification of the categorical and conceptual apparatus of the concepts of "organizational conflict" and "conflict management";
- Identification of the socio-economic causes of conflicts;
- Analysis of conflicts between employees with diverse cultural backgrounds and values in the hotels of the country;
- Assessment of the influence of personal relationships on conflicts in tourism enterprises;
- Development of a methodological base for calculating the costs of conflicts at enterprises;
- Identification of areas for effective conflict management in the hotel industry in Azerbaijan.

The theoretical, methodological, and informational base of

the research. Scientific works of domestic and foreign economists dealing with tourism and especially conflict resolution, publications of official state bodies including the State Statistics Committee, the Ministry of Labor and Social Protection, and the Ministry of Foreign Affairs official statistics reports, acts and relevant government orders of the ministries were carefully studied during the process of realization of dissertation.

Also, in the process of research, methods of polling, logical generalization, statistical grouping, comparative analysis, economic and mathematical analysis were widely implemented.

Key Provisions Provided for defense

Provision 1. The scientific works of a number of economists from around the world were studied and the concept of internal conflict which is an integral element of the enterprise was commented on, the theoretical foundations of the conflict were studied, functionality and dysfunctionality of conflict was analyzed.

Provision 2. Modern approaches to the concept of conflict management in the international scientific literature were studied, methods of conflict management were analyzed and the relationship between functionality and decision-making, critical approach and functionality of the conflict was clarified.

Provision 3. The conflict situation and the concept of the conflict have been studied as a process and it was revealed that conflict unites the initial and final stages of a process, starting from the confrontation, continuing until functional or dysfunctional consequences, consisting of several stages, conflicts can arise due to communication problems, intercultural diversity and some other reasons.

Provision 4. Cultural differences of the world population were studied as a form of manifestation of causal factors of conflict, and it was confirmed that conflict may arise due to possible differences in ideas, values, and beliefs. The foundation of the concept of culture is revealed and analyzed in detail, its role as a social phenomenon is determined.

Provision 5. The influence of personal relationships on the conflict process was revealed and a theory that determines intercultural differences in the formation of relationships was investigated.

Provision 6. The causes of conflict in hotel enterprises have been investigated and evaluated.

Provision 7. Based on the survey conducted at the selected tourism accommodation enterprise, Pullman Baku Hotel, the time spent in conflict situation, identification of its participants, the causes, the choice of behavior as the result of the conflict and the possible impact of the conflict on productivity was identified.

Provision 8. As a result of research at the Pullman Baku hotel, the quantity of conflict-related losses was identified, conflict costs were calculated as a percentage of annual salary costs.

Provision 9. An econometric model of the impact of conflicts on the financial and economic activities of hotel enterprises has been proposed, correlation has been determined and characteristics of the model was identified for implementation of it for forecast purposes.

The scientific novelty of the research is based on the study of the theoretical and methodological foundations of conflict management problems, analysis of the features of conflict management in hotels and analysis of the current situation. It consists of the development of recommendations. Here in theoretical, scientific, and practical aspects:

- The conceptual foundations of conflict management problems have been systematized;
- An analysis of the experience of conflict management at enterprises of a number of leading countries of the world was carried out and the possibilities of applying these practices in Azerbaijan were determined;
- Revealed the causes of the conflict, which can be useful in managing the conflict;
- The impact of personal relationships on conflicts at enterprises and organizations was assessed;
- The amount of damage for enterprise caused by dysfunctional

conflicts has been determined;

- Mechanisms for effective conflict management in international chain hotels (Pullman Baku) was determined;
- Proposals and recommendations were developed to improve the conflict management system in hotels in Azerbaijan;
- Based on the research, a correlation was established between the cost factors associated with conflicts and revenue of hotels and hotel-type enterprises in the Republic of Azerbaijan, and the suitability of the model was determined for forecasting purposes.

The theoretical significance of the research: the theoretical materials and methodological provisions set out in the dissertation can be used in the process of resolving conflicts in hotels operating in the field of tourism. It will also be useful in teaching the subjects of principles of management, human resource management, organizational behavior, and conflict management in higher education institutions, as well as for explaining relevant topics related to the concept of conflict and the factors that influence it.

The practical significance of the research: theoretical materials analyzed in the dissertation, results of conducted survey, recommendations made at the conclusion will serve as a valuable resource for middle and senior level manager in the hospitality industry in Azerbaijan. Also, the text of the dissertation and local and foreign scientific sources indicated in the list of literature will be extremely useful in training of hotel employees. Considering the fact that such studies have not been carried out in the field of management of enterprises, especially tourism enterprises in Azerbaijan, this dissertation may serve as an impetus for similar studies in the future.

Application and approbation of study results: Important provisions of the dissertation were approved by the author in speeches at domestic and international scientific and practical conferences. The main content of the dissertation is reflected in 9 published scientific articles.

Name of institutions where dissertation was prepared: Azerbaijan University of Tourism and Management.

Structure and scope of research: The thesis consists of an introduction, three chapters, conclusions and proposals, a list of 143 sources.

The structure and scope of the dissertation:

Dissertation consists of introduction, 3 chapters, conclusion and recommendations, and list of literature.

The first chapter of the study is 40 pages, the second chapter is 33 pages, the third chapter is 46 pages, the results and proposals are 8 pages, and the total capacity of dissertation work is 155 pages, including 20 tables, 10 diagrams and 13 graphs. In general, 233079 characters were used for accomplishment of dissertation.

STRUCTURE OF DISSERTATION WORK

Introduction

I Chapter. Theoretical-methodological foundation of conflict management problems in hospitality industry

- 1.1. Theoretical approach to conflict management issues in hotel operations
- 1.2. Methodological principles of conflict management in organizations
- 1.3. Specifications of conflict situation management in hotels

II Chapter. Analysis and assessment of the current situation of conflict management in hotels

- 2.1. Analysis of conflicts caused by cultural diversity of employees in the hotels of the country.
- 2.2. Evaluation of the impact of personal relationships on conflict
- 2.3. Analysis of the socio-economic causes and consequences of conflicts in hotels

III Chapter. Improvement directions of the conflict management system in Azerbaijan hotels

- 3.1 Conflict Resolution Methods at International Chain Hotel (in the case study of Pullman Baku)
- 3.2. Development of effective mechanisms for managing conflicts in hotels
- 3.3 Econometric assessment of the impact of conflicts on the financial and economic activities of hotels and hotel-type enterprises, in the organization of the hotel business.

Key Provisions Provided for defense

Provision 1.

The scientific works of a number of economists from around the world were studied and the concept of internal conflict which is an integral element of the enterprise was commented on, the theoretical foundations of the conflict were studied, functionality and dysfunctionality of conflict was analyzed.

Considering the fact that, service level is usually dependent on teamwork and organizational behavior, conflict issues need to be investigated as part of day-to-day operational processes. As a result of the study, it was revealed that in some international scientific literature, the conflict is characterized as disagreement, the intersection of the interests of the parties involved in the implementation of activities to achieve certain goals. From this point of view, the conflict can be explained as compatibility, non-coordinated actions, collisions between the parties in the process of communication. However, examining the types of conflict concepts, it becomes clear that if they are supported and managed to a certain extent, target conflicts which establish the basis of the discussions arising during the implementation of certain tasks can produce useful results. It emphasizes the concept of conflict functionality to support impartiality in team development and activities to achieve common organizational goals, create innovation and development trends, overcome stagnation, encourage new ideas generated in team discussions, and foster positive relationships between team members, to have positive advantages as a provider of an effective decision-making process. In other words, it has become clear from research that the concept of conflict does not always lead to dysfunctional consequences.

Provision 2.

Modern approaches to the concept of conflict management in the international scientific literature were studied, methods of

conflict management were analyzed and the relationship between functionality and decision-making, critical approach and functionality of the conflict was clarified.

If we look at an organization as two or more people working for a common goal, then the impact of conflict is inevitable, since this work is related to interpersonal relationships and it is an integral part of them. In the literature, where the traditional approach to the topic is applied, the conflict is perceived as a negative situation and it is recommended to limit it within the existing powers. However, experience shows that the traditional approach is not always the right strategy for teams to achieve productive results in project management.

The traditional approach can often be applied to conflicts based on relationships and processes. In the traditional approach, it is recommended to observe the conflict, find out the reasons and take some urgent preventive measures to improve the efficiency of the organization or enterprise. However, research shows that limiting conflict is not always effective for achieving high results.

Research shows that most modern theoretical models view conflict as a natural phenomenon, emphasizing not only its positivity, but also the need for it leadership and restraint. According to these modern approaches, managers must maintain a minimum level of conflict in the group so that the group's performance can remain at a level that allows it to respond to environmental changes through self-criticism and remain strong in a competitive environment. It is impossible to unequivocally assess the conflict as good or bad, and it is desirable to measure this more accurately by assessing the consequences depending on the type of conflict. Depending on the typology of conflict, it emphasizes that the conflict is useful and must be maintained to some extent until it loses its functionality.

As a result of studying the scientific literature, it turned out that there are ways to resolve the conflict, such as integration, coercion, compromise, advantage, avoidance. Their implementation depends on the degree of application of two main factors. Thus, certain conflict resolution method is applied, intentionally or

accidentally depending on whether a person's personal interests and interest in others are manifested in certain situations.

Provision 3.

The conflict situation and the concept of the conflict have been studied as a process and it was revealed that conflict unites the initial and final stages of a process, starting from the confrontation, continuing until functional or dysfunctional consequences, consisting of several stages, conflicts can arise due to communication problems, intercultural diversity, and some other reasons.

After studying the definition of conflict, its stages were studied in order to evaluate the concept as a process. The model proposed by Stephen P. Robins and Timothy A. Kadk (2013) emphasizes that the initial stage of conflict is confrontation or disagreement. The size of the enterprise is one of the main reasons for the initial stage of conflict.

Subsequent stages of conflict as a process were identified, such as perception and personalization, initiatives, behavior and results. It also became clear that as the final stage of the conflict, one can assume its functionality or dysfunctionality in the results section.

In addition, it was found that the parties to the conflict are working to achieve two important goals in the process of conflict management against the background of relationships. The first is understood as an attempt to strengthen cooperation, to meet the wishes of the other side. The second is to increase self-confidence, which means that one side spends all its resources on pursuing its own interests.

Provision 4.

Cultural differences of the world population were studied as a form of manifestation of causal factors of conflict, and it was confirmed that conflict may arise due to possible differences in ideas, values, and beliefs. The foundation of the concept of culture

is revealed and analyzed in detail, its role as a social phenomenon is determined.

The concept of culture plays an important role in human relations. As a result of the research, the concept of culture associated with the state of the conflict and its assessment have been studied in the international literature.

In general, culture is defined as a complex concept that includes religion, cuisine, clothing style, language, marital status, music, ideas about what is right and what is wrong, how to behave at the table, how to greet guests, how to treat loved ones and millions of other details.

As a result of the research, it becomes clear that one of the key words in the definition of the concept of culture is “collective programming”, and that a person feels this process at every stage of his life from birth.

From the moment of birth, each person acquires certain patterns of thinking, feelings and potential behavior, gaining experience and based on what he or she is studying. Research shows that most of these acquired traits appear during childhood, when the person is more sensitive to learning. Gradually, as a person grows up, regional, national concepts, instilled by his parents, turn into beliefs that are later difficult, and often impossible to change. We accept the beliefs and characteristics of people from other cultures as strange and unusual simply because they are not like us. For this reason, certain conflicts are inevitable and natural, especially in an environment rich in cross-cultural differences such as the tourism industry.

Provision 5.

The influence of personal relationships on the conflict process was revealed and a theory that determines intercultural differences in the formation of relationships was investigated.

The positive influence of relationships on the effectiveness of decision-making has been proved by a number of studies. Discussing the future positive and negative effects of the proposed alternatives in addressing problems increases the probability that a conclusion will be

reached which will benefit not only employees but the entire organization. The study showed that it is necessary to create a transparent environment for group members for discussion of ideas and strategic decisions so that everyone has the freedom to express their opinion.

Because of the fact that it directly affects organizational culture, misunderstandings in relationships also create a negative environment. These types of conflicts directly or indirectly affect the work environment and the achievement of effective results.

In personal relationships, the concept of interdependence has been defined as the result of the interaction of people. Interdependence can be described in various ways, depending on factors originating from the nature of the effect mentioned above. Regardless of the position in social relations arising in the course of a certain organizational task related activity, each individual depends on the other in this or another way. During the social transactions, relationships between people are characterized by the degree to which each person defends his or the other parties' interests. In other words, interdependence is a process of interaction in human relations, characterized by the fact that each person takes steps that meet his own interests or the interests of the other side, and the logical consequence of this process.

A contextual, situational explanation of interact of people in relation to each other, could be considered as more useful. The situational interpretation of relationships is based on the analysis of the relationship between the needs, consciousness and desires of each person and the context in which the interaction takes place. Thus, the situation itself forms the real structure of human relations.

There are a number of theories about culture that are of great practical importance in assessing the relationship between people of different cultures in the work environment. For comparison, the fact that the number of officially recognized countries in the world is many times less than the number of cultures representing them shows the magnitude of cultural differences. In his book called as "When Cultures Collide: Leading Across Cultures" Richard Lewis classified

cultures of world nations into 3 main categories: a. Linear active; b. Multi-active; c. Reactive.

Representatives of nations with linear active culture are people who are more task-oriented and strive for a high level of organization. On the other hand, representatives of multi-active culture prefer oral communication and self-expression aimed at worshipping the individual. The reactive culture representatives are people who prefer being introverted, develop listening skills at all stages of their lives, and emphasize politeness and respect.

Provision 6.

The causes of conflict in hotel enterprises have been investigated and evaluated.

It was revealed that disagreement in defining organizational goals and identifying strategies for achieving them, performing any task with limited resources, differences in values and beliefs, organizational structure and other uncertainties can play a role of obstacles in the provision of high-quality and standardized services by tourism enterprises.

The existing models for calculating the cost of the conflict were studied and adapted to Azerbaijan, and 5 main factors causing the conflict were identified among the many cost parameters: 1. Costs associated with wasted time; 2. Costs associated with turnover; 3. Costs related to sabotage and damage; 4. Costs associated with reduced motivation; 5. Absenteeism expenses.

The most appropriate conflict cost model developed by “John Ford and Associates” for determining conflict costs and “Dana model for measuring financial conflict costs” were examined, and appropriate calculation mechanisms were defined.

Provision 7.

Based on the survey conducted at the selected tourism accommodation enterprise, Pullman Baku Hotel, the time spent in conflict situation, identification of its participants, the causes, the

choice of behavior as the result of the conflict and the possible impact of the conflict on productivity was identified.

During the study, the following goals were achieved:

- The causes of the conflict were identified based on the behavior selected in accordance with the conflict;
- Behavioral preferences of employees were revealed in accordance with the main causes of conflicts between employees of Pullman Baku hotel;
- A methodology for calculating the costs of conflicts at enterprises were developed;
- The directions of effective conflicts management have been determined at hospitality enterprises of Azerbaijan.

Since the main task of the study is to find a solution to the problem of effective conflict management, it is necessary to first investigate the conflict according to certain indicators.

The parameters like, the time is spent on a conflict on monthly base, parties involved in the conflict process, factors playing vital role in intragroup and intergroup conflicts, the effects of conflict on employee productivity are all important for this research. It is also important for this study to know what steps conflict participants took in response and what they decided as a result. During the compilation of the questionnaire, a question was added about assessing the impact of the conflict on the level of productivity (as the respondent could imagine) based on the recommendations of the experts.

Provision 8.

As a result of research at the Pullman Baku hotel, the quantity of conflict-related losses was identified, conflict costs were calculated as a percentage of annual salary costs.

According to the “Dana Measure of the Financial Cost of Conflict” and “John Ford and Associates (2007)” financial conflict cost models, it is possible to calculate costs by 5 categories, expressed as a percentage of annual salary expenses of the selected tourism institution.

1. Costs incurred due to lost time.

This is a category of wasted time that exists both in “Dana Measure of the Financial Cost of Conflict” and “John Ford and Associates (2007)” financial conflict cost models. If we consider that the total amount of available productive working time for 105 employees at the surveyed enterprise is equal to 201495 hours, then it can be determined as a result of the calculation that cost of lost time is 2.45% of the total annual salary expenses of 989,400 AZN.

2. Costs incurred due to resignation.

In the course of the survey, 14.5% of respondents said that they resigned from their previous workplace because of the conflict. It was determined that the total enterprise costs of those who quit as a result of the conflict were 1.6% (rounded up) of the total annual salaries of selected tourism accommodation enterprise.

3. Costs of sabotage and damage.

This category is also a common element of both “Dana Measure of the Financial Cost of Conflict” and “John Ford and Associates (2007)” financial conflict cost models. According to our survey, 17% of respondents indicated that they choose “causing material damage to an existing system or process in an enterprise” as a step that they decided to make as result of the conflict. It turned out that the total amount of harm and sabotage covered 1% of the financial resources spent by the enterprise on wages.

4. Costs associated with reduced motivation.

The expenses of hotel enterprise are directly inversely proportional to changes in productivity levels. Thus, the costs calculated based on the average hourly wages and the result of the reduction in productive hours out of total productive hours for each employee, multiplied by the number of employees facing motivation problems, will help us to quantify the costs of reduced motivation cost of conflict.

During the survey, respondents were asked to provide information about the decline in their level of productivity occurred due to participation in conflict processes. Consecutively, it was

determined that the decrease in the motivation of hotel employees in connection with the conflicts caused the enterprise financial damage in the amount of 3.35% of the total annual salary.

5. Costs associated with absenteeism.

We can use the “John Ford and Associates (2007)” financial conflict cost models and survey results to determine the number of hours lost due to absenteeism during the year. As we have seen, if an enterprise hires an employee with an average cost of 4.8 AZN per person on hourly base, it is forced to spend an additional 768 AZN on lost working time yearly. Thus, the percentage of absenteeism on the total annual salary is 0.08%.

According to the Dana Measure of the Financial Cost of Conflict” and “John Ford and Associates (2007)” conflict cost structure expressed as the percentage of overall annual salary expenses of tourism enterprise, based on 5 main parameters was determined, and it was revealed that 8.48% of overall annual salary expenses are lost due to dysfunctional conflicts and their negative financial impacts.

Table 1

Conflict Costs expressed as the percentage of overall annual salary expenses of tourism enterprise.

	Parameters	Results	
1.	Costs incurred due to lost time.	2.45	%
2.	Costs incurred due to resignation	1.6	%
3.	Costs of sabotage and damage	1	%
4.	Costs associated with reduced motivation	3.35	%
5.	Costs associated with absenteeism	0.08	%
Costs of Conflict (Conflict Costs expressed as the percentage of overall annual salary expenses of tourism enterprise)		8.48	%

Provision 9.

An econometric model of the impact of conflicts on the financial and economic activities of hotel enterprises has been proposed, correlation has been determined and characteristics of

the model was identified for implementation of it for forecast purposes.

The result of evaluation of relationship between the one-time capacity of hotels and hotel-type enterprises in the Republic of Azerbaijan and the total cost of conflict and the profit of hotel enterprises according to the EViews application package is as following:

Table 2

Dependent Variable: Y
 Method: Least Squares
 Date: 05/13/21 Time: 13:12
 Sample: 2006 2019
 Included observations: 14

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X2	4.890244	3.557499	1.374630	0.1966
X1	-2.577622	11.35971	-0.226909	0.8247
C	-124233.1	87892.52	-1.413466	0.1852
R-squared	0.713869	Mean dependent var		38229.59
Adjusted R-squared	0.661845	S.D. dependent var		36415.86
S.E. of regression	21176.22	Akaike info criterion		22.94656
Sum squared resid	4.93E+09	Schwarz criterion		23.08350
Log likelihood	-157.6259	Hannan-Quinn criter.		22.93388
F-statistic	13.72196	Durbin-Watson stat		0.983934
Prob(F-statistic)	0.001026			

Source. Prepared by the author based on EViews software application report.

According to the result obtained using the EViews application package, there is a high correlation ($R^2=0.714$). between the variables Y and X1, X2, expressed by the model:

$$Y = 4.89 * X2 - 2.58 * X1 - 124233.079$$

Thus, the degree of dependence between the indicators on the Chedok scale, the fact that the quantitative value of the density of the compound is in the range of 0.7-0.9, means that the qualitative characteristic of the strength of the dependence is high. Based on this relationship equation, it can be concluded that a one-time increase in total conflict-related costs in the Republic of Azerbaijan (including costs incurred due to lost time, resignation, sabotage and damage, reduced motivation, absenteeism) leads to 2.58 point decrease in revenue of hotel enterprises and additionally an increase in the one-time capacity unit of hotels and hotel-type enterprises leads to an increase in profits by 4.89 points.

Considering the fact that evaluation of the adequacy of the constructed model is important, then this adequacy can be determined using the F-Fisher criterion as one of the traditional methods. Comparing F-Fisher criterion with the value of

$$F_{table} (a; m; n - m - 1)$$

it's obvious that,

$$F\text{-Fisher criterion} > F_{table} (13,722 > 3,98).$$

This means that the overall regression equation is statistically significant.

The autocorrelation result in the model can be determined according to Darbon-Watson statistics based on the EViews application package. In this case, for the explanatory variables $m=2$ and $n=14$ and for the significance level $\alpha = 0,05$ Darbon-Watson crisis points for observation are $d_l = 0,905$, $d_u = 1,551$.

$$d_l = 0,905 < DW = 0,984 < d_u = 1,551$$

As the result of the above indicated, it can be mentioned that no conclusions were drawn about the existence of autocorrelation. This means that the regression equation is statistically significant as a whole, and the constructed model:

$$Y = -2.58 * X1 + 4.89 * X2 - 124233.08$$

is adequate.

The main content of the research is described in the following published scientific works of the author:

1. Həsənov H.M. Konflikt menecmentinin mahiyyəti və mehmanxana fəaliyyətində konfliktlərin funksionallığı // - Bakı: “AMEA-nın Xəbərləri (İqtisadiyyat Seriyası)”, - 2017. №4, - s. 126-131.
2. Sultanova R.P., Həsənov H.M. Ölkə mehmanxanalarında işçilərin mədəniyyət fərqlərinin yaratdığı konfliktlər // - Bakı: Azərbaycan Turizm və Menecment Universitetinin “Turizm və qonaqpərvərlik tədqiqatları”, - 2018. №7(3), - s. 24-32.
3. Sultanova R.P., Həsənov H.M. Konfliktin yaranmasının sosial-iqtisadi səbəbləri // - Bakı: “Azərbaycan Dövlət İqtisad Universitetinin Elmi Xəbərləri”, - 2018. №6(6), - s. 15-23.
4. Həsənov H.M. Müəssisə fəaliyyətinin idarə olunmasında təşkilati konflikt – idarəetmənin əsası kimi // -Bakı: “GEO Strategiya”, - 2018. №01(43), - s. 50-53.
5. Sultanova R.P., Hasanov H.M. Influence of personal relationships to conflict // - Kiyev, Ukrayna: ECONOMIC HERALD OF THE DONBAS, quarterly scientific journal. - 2018. №4(54), - s.126-130.
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The defense will be held on 22 June 2021 at 13:00, at the meeting of the Dissertation council FD 2.22 of Supreme Attestation Commission under the President of the Republic of Azerbaijan operating at Azerbaijan State Oil and Industry University (ASOIU)

Address: Az 1001, Baku city, 16/21 Azadliq Avenue, Azerbaijan State Oil and Industry University (ASOIU)

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Abstract was sent to the required addresses on 21 May 2021.

Signed for print: 20.05.2021
Paper format: A5
Volume: 33.830
Number of hard copies: 20