

**PSYCHOLOGICAL CONTRACT FACTORS IN
LABOUR RELATIONS IN CASE OF LM
IN SAINT PETERSBURG**

Research dissertation presented in partial fulfilment of the requirements
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MSc in International Business Management

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06/09/2024

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submitted for the degree of: MSc in International Business Management is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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DEDICATION

I dedicate this dissertation to everyone who supported me at every step of my studying in Griffith College Dublin, including all my relatives, friends, the staff of the Graduate Business school of Griffith College Dublin as well as some course mates who invigorated me when I was anxious because of living and studying outside of my habitual conditions.

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ABSTRACT
PSYCHOLOGICAL CONTRACT FACTORS IN LABOUR RELATIONS
IN CASE OF LM IN SAINT PETERSBURG

Nikita Sorokin

This dissertation is aimed at critical evaluation of the key enabling factors and barriers that impact psychological contract fulfilment of LM employees in Saint Petersburg. Such purpose is reached due to comparison of our primary research findings with the secondary data results.

The primary research encompasses 13 semi-structured interviews, including 4 interviews with managers and 9 interviews with Gen Z employees.

We infer that classification of psychological contract types suggested in the literature (relational, transactional, balanced, ideologically charged contracts) is applicable for examination of the employee's engagement, but insufficient to comprise special employee's expectations toward the company. Therefore, within the primary research we found four special employees' expectations, each of which form particular psychological contract type as the employee is ready to give something in return for meeting his/her expectation by the company: expectation regarding team composition; expectation regarding schedule flexibility; expectation regarding promotion opportunity inside of the company or support in such opportunity outside of the company; expectation regarding technical characteristics of the workplace. The research findings provide critical evaluation of appropriate leadership styles that impact psychological contract fulfilment. At the same time, the leadership style, as well as the types of leader's behavior, which act as the key barriers for psychological contract fulfilment, are also evaluated.

Overall, we conclude that the key enabling factors that impact psychological contract fulfilment are the following: definite material and non-material factors, which impact Gen Z employees' engagement; satisfied employees' expectations, which form definite psychological contract type; appropriate leadership styles, which are able to align employees' expectations with the company's expectations, ensuing from the company culture and strategy. The key barriers that negatively impact the psychological contract fulfilment of LM employees in Saint Petersburg are the following: unmet or only somewhat met employees' expectations; inappropriate leadership style, as well as the types of leader's behavior that were revealed in details; some other conditions that would foster employee either to leave the job or to lower the effort, found within the primary research.

Key words: psychological contract in labour relations; psychological contract fulfilment; leadership; leadership style; Gen Z employees.

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1. INTRODUCTION

1. Research overview

Psychological contract in labour relations includes a set of mutual expectations between employees and employer or manager regarding a wide range of actions, which cannot be stipulated in an employment contract. At the same time, a psychological contract, unlike an employment contract, is not compulsory; it is flexible as it is not enshrined in the written form (Rousseau, 1995; George, 2009).

Psychological contract is based on reciprocal social exchange of promises and duties between labour relations' parties. Reciprocal exchange assumes mutual beliefs regarding expected actions. Therefore, psychological contract includes labour relations party's expectations regarding not only what another party owes to him/her, but also what he/she owes in return (Robinson and Rousseau, 1994). Thus, employee believes that he/she owes the employer certain contributions such as loyalty, readiness to greater discretionary effort etc. in return for certain inducements that he/she expects from the employer. Employer, in turn, believes that he/she owes the inducements expected by the employee in return for certain types of employee's behavior (Rousseau, 1995; Atkinson, 2002; Tomprou and Nikolaou, 2011). Therefore, it is essential to define the inducements expected by employee and align them with the company's interests that eventually provides the psychological contract fulfilment.

Alongside with the term "fulfilment", the terms "breach" and "violation" are also applied within the evaluation of psychological contract implementation. Researchers apply the term "breach" if one of the labour relations party perceives that his/her expectations are failed to be fulfilled by another party. Psychological contract breach also comprises the situation where one of the parties perceives that he/she gives to another party more than receives in return from him/her. The term "violation" is applied in case of response to psychological contract breach pronounced in definite actions, for instance, in such employee's actions as leaving the job or lowering the effort (Robinson and Rousseau, 1994; Paillé and Dufour, 2013). At the same time, we also use such interim term as the extent of psychological contract fulfilment, because there are enough situations where the labour relations party's expectations are somewhat met.

The name of the company chosen for our primary research is swapped to LM in accordance with the ethical issues. LM is an international retail company that has headquarters in France. The company has subsidiaries in Russian cities, including a subsidiary in Saint Petersburg, that adhere some Western standards of corporate culture. Despite LM changed brand name in Russia in order to proceed working in this country,

it does not affect the organizational culture as well as the company staff in Saint Petersburg. Employees born since 1995 and later (Gen Z employees) prevail in LM.

The research overview let us define research question and research purpose interrelated with it.

1.2. Research question and research purpose

The research question is the following:

What are the key enabling factors and barriers that impact psychological contract fulfilment of LM Gen Z employees in Saint Petersburg?

The research purpose is to evaluate critically the key enabling factors and barriers that impact psychological contract fulfilment of LM Gen Z employees in Saint Petersburg.

1.3. Significance of the study

Staff is the key resource of competitive advantage of any business company, to which LM is also related. The success of the company is mostly defined by the employees' contribution to the company's activity (Rousseau, 2004). There are many types of employee's actions that are not obliged by employment contract but depends on his/her engagement as the emotional commitment to the company. Employees who are satisfied with the extent their expectations are met by the company are more likely to be aimed at long-term employment and exert greater discretionary effort (Rousseau, 2004; Soares and Mosquera, 2019). Therefore, psychological contract has an essential role in employee's engagement that is also relevant for Russian companies (Kliuchnikov, 2011). In order to align employee's expectations with the company's expectations manager should apply appropriate leadership style. Thus, leadership role is essential in psychological contract fulfilment (Sims, 1994; Kouzes and Posner, 2006; Ahmed, 2014; Schein, E.H and Schein, P.A., 2018). If employee perceives that the company does not meet his /her expectations, he/she might leave the job once more favourable job offer becomes available. The amount of resources spent for rehiring is quite high. Often employee does not leave the job but exert lower effort than really able to exert. In extreme case, employee even resorts to absenteeism, using any formal law-driven reason for its justification, such as sick leave etc.

It is also noteworthy to add that Gen Z employees in Saint Petersburg predominantly adhere Western European labour values and attitudes. The LM observance of the Western corporate culture standards might be one of the key reasons why such

generation of employees prevail in this company. Our research should be significant for the management of LM in order to provide utilization of Gen Z employees' psychological contract fulfilment. In accordance with the company culture as well as with the characteristics of employees prevail there our research results might be significant for Western European academic researchers as well as for the Western European companies also.

1.4. Research objectives

As was outlined in the previous sections, various employees' expectations form definite psychological contract type. In order to align such expectations with the company's interests manager should apply appropriate leadership style (Kouzes and Posner, 2006; Ahmed, 2014; Schein, E.H and Schein, P.A., 2018). At the same time, Gen Z employees are usually less loyal to the company and require elaborate leadership style (Berkup, S. B., 2014).

Therefore, the following objectives are relevant and encompass research question and purpose:

1. To conduct comprehensive exploration of peer-review literature related to different types of psychological contract in labour relations
2. Critically analyse the leadership styles and their effect on psychological contract fulfilment
3. To produce evidence-based findings and recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg

1.5. Research structure

Research structure is organized in accordance with the Graduate Business School of Griffith College Dublin requirements and includes five chapters.

Chapter one comprises the background overview of this research, research question and research purpose ensuing from it; justification of the research significance; research objectives interrelated with the research purpose and research question.

Chapter two includes critical literature review and encompasses such interrelated topics as psychological contract concept; psychological contract types and employees' engagement; leadership style and its impact on psychological contract; Gen Z employees' expectations. Such literature review spill over into conceptual framework discussed in this chapter.

Chapter three comprises methodology and research design explanation, including research philosophy and research approach, research strategy, time horizon, methods and tools for data collection and analysis, access and ethical issues.

Chapter four comprises presentation and discussion of findings based on the well-rounded data analysis gathered within the primary research.

Chapter five comprises implications of findings, contribution and limitations of the research, recommendations for practice as well as for future research, overall conclusion and reflections.

2. LITERATURE REVIEW

2.1. Overview

The literature review is consistent with research objectives and is divided into such themes as psychological contract concept; psychological contract types and employees' engagement; leadership style and its impact on psychological contract; Gen Z employees' expectations. The chapter opens with developing a common definition of psychological contract based on literature review results. Employee's expectations as a component of psychological contract concept are subjective and multiple, so it is essential to explore which psychological contract types are suggested in the literature, and how sufficient are they for the scope of various employees' expectations. In order the employee perceives his/her expectations are met, and he/she is ready to give the company something in return for it, appropriate leadership style is required. Therefore, it is also essential to examine what the literature review suggests regarding leadership style and its impact on psychological contract fulfilment. At the same time, special attention is also paid to the expectations of employees born since 1995 (Gen Z employees) that are usually special and require a particular leadership style, the appropriateness of which can lead to high performance by such employees. The results of the themes review spill over into conceptual framework. Onward, we will highlight each of the themes.

2.2. Psychological contract concept

The critical literature analysis let us highlight differences and common patterns in psychological contract definitions.

The initial using of the term "psychological contract" in labour relations belongs to Schein who defines it as "unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization" (Schein, 1965; Schein, 1978). In other words, Schein gives broad definition of psychological contract, taking into account the expectations of a wide range of subjects, including various employees as well as various managers with different power degrees and responsibilities. Schein uses social exchange theory as a key lynchpin for psychological contract analysis. The social exchange theory developed by Blau assumes the reciprocal contribution exchange between labour relations parties. When an employee enters into labour relations, he/she considers not only the economic benefit such as salary or reward but also the socio-economic benefits such as esteem and care (Blau, 1964; Schein, 1965). We consider reasonable to add that Adams' equity theory for explanation

of equity in exchange is also relevant for psychological contract fulfilment. He explains an employee's motivation for greater performance through two-side scale: what the employee gives to the organization and what he/she receives in return should be equal. For instance, an employee gives his/her time, discretionary effort, sacrifice of something, etc., but receives in return reward, promotion, enjoyable work tasks, etc. (Adams, 1963; Adams, 1965).

Psychological contract is also defined "as including perceptions of all parties and all aspects constituting the reciprocal promises (entitlements and obligations) implied in the employment relationship (Claes, 2005). The specific of such definition is its focus on perception of labour relations parties regarding entitlements and obligations and hence, each labour relations party subjectively defines whether exchange in labour relations is equal or not. The common part of this definition with the definition given by Schein is that it also comprises a wide range of subjects in psychological contract, including various employees as well as various managers with different power degrees and responsibilities.

Many contemporary researchers use the following definition of psychological contract given by Rousseau: it is "individual beliefs, shaped by the organization, regarding the terms of an exchange agreement between the individual and their organization" (Rousseau, 1995; Cullinane and Dundon, 2006; George, 2009; Tomprou and Nikolaou, 2011; Subramanian, 2017). The difference of such definition from the previous definitions is its focus predominantly on employee's psychological contract perception. At the same time, we agree that such focus can be justified because of the following circumstances: employee is more vulnerable labour relations party in comparison with employer or manager; the managers' and employer's expectations toward employees slightly differ within the company as they usually defined by the company culture and strategy. Such expectations toward employees in most cases inherently relate to loyalty, commitment and greater performance aimed at worthwhile results and achievement, while employees' expectations toward the company may considerably vary from one person to another (Cullinane and Dundon, 2006).

The common pattern of the psychological contract definitions outlined above is that they take into account different subjects who might represent the company as the psychological contract party for interaction with the employee, not restricting such party to employer. Such common pattern is relevant for our case study as the LM in Saint Petersburg is a large company with complex hierarchical structure, which includes multiple levels of managers with different degrees of power. Therefore, we assume that employees, in many cases, perceive that another party with whom they have

psychological contract is their manager rather than their employer. At the same time, as we use case study strategy, focusing on definite company, we will predominantly adhere the psychological contract definition given by Rousseau. Therefore, we mostly focus on employees' expectations, assuming that managers' expectations toward employees are mostly similar as defined by the company's culture and strategy while employees' expectations might be different.

To summarize the comparison and synthesis of the above-mentioned psychological contract definitions we consider it reasonable to define psychological contract as a set of mutual expectations between employee and his/her organization, which can be represented not only by employer, but by managers also. The structure of each person's expectations who act as the labour relations party includes perception what another labour relations party owes to him/her, as well as perception what he/she owes in return. In accordance with the definition of psychological contract as well as with the assumption that expectations towards organization vary between employees, we consider essential to explore different psychological contract types.

2.3. Psychological contract types and employee's engagement

The results of peer-review literature analysis show that many authors use the psychological contract types proposed by Rousseau which are relational, transactional and balanced contracts (Rousseau, 1995; Rousseau, 2004; George, 2009; Harold, 2011). We also find reasonable some authors' statement that such psychological contract types are directly interrelated with the level of employee's engagement. Engagement is usually defined as the emotional commitment to the organization which leads to employee's motivation to unlock his/her full potential in order to achieve higher levels of performance (Hart and Thompson, 2007; Harold, 2011; Gupta and Sharma, 2018; Soares and Mosquera, 2019). In other words, engagement motivates employee to exert greater discretionary effort. Onward, we will highlight the psychological contract types.

Relational contract is based on mutual exchange from informal emotional relationships, trust between parties, and employee's orientation to long-term employment in the company. Relational contract assumes high level of employee's engagement, which however should be underpinned by meeting of his/her non-material expectations. This contract type usually includes such employee's expectations as enjoyable job content that provides self-realization capabilities; guarantee of stable long-term employment; friendly work environment; good informal relationships with employer or manager. Relational contract are prone to be proposed by employer to the most valuable employees. The

psychological contract of employees who have conditions not available to others are also likely to be construed as relational contract. Despite the fact that the relational contract is beneficial for employer or manager of the company due to employee's engagement, employer has to bear economic risks in the crisis period, for instance, protecting employee from reduction of some incentives, which are crucial for him/her. Otherwise, employee might construe it as a psychological contract breach if employer is not able to underpin employee's engagement by the number of habitual factors anymore (Rousseau, 2004; Harold, 2011).

Transactional contract is based on monetary exchange of employee's qualification as well as labour results, it assumes predominantly formal, rational relationships between parties with no employee's orientation to long-term employment. Such type of contract usually includes certain duties and expectations related to high salary and promotion opportunities. Employee perceives his/her company mostly as a place to earn money and/or make career rather than a place where he/she gets positive emotions due to job tasks or socializing with the team, etc. He/she might be ready for overtime work or additional tasks beyond his/her formal duties only for significant reward or promotion opportunities (Rousseau, 2004; Harold, 2011). Therefore, transactional psychological contract type indicates to low level of engagement as employee has rational commitment to the company rather than emotional commitment. Rational commitment is defined by material factors.

Balanced contract is based on a mix of relational and transactional contract indicators. Employee usually focuses on long-term employment, committed to the company, but at the same time, high reward and promotion opportunities are essential factors of such commitment. Therefore, emotional and rational commitment to the company are almost equal within the balanced psychological contract type. It is emphasized by Rousseau that balanced psychological contract is often met in most cases. (Rousseau, 2004).

Some authors highlight such psychological contract type as ideologically charged contract (Thompson and Bunderson, 2003; Herrera and De Las Heras-Rosas, 2021), which is based on very high employee's emotional commitment to organization and job responsibilities; such employee is fully driven by organization's mission; corporate values prevail under personal interests and ambitions. Such psychological contract type might be met in crucial social spheres, for instance, in medicine or education. Ideologically charged employees believe that they should stay in the company in any

crisis and exert as much effort as possible (Thompson and Bunderson, 2003; Herrera and De Las Heras-Rosas, 2021).

Therefore, we can summarize that the key distinction of ideologically charged contract from relational contract is higher level of employee's engagement. In relational contract, engagement is high but restricted by certain degree of rational commitment toward the company: employee can sacrifice some amount of salary in order to get essential non-material benefits. He/she is likely either to leave the job or lower effort if such benefits are not received. An ideologically charged employee is less likely to do so, a person satisfies with the situation when he/she gives to the organization more than receives in return because has beliefs regarding public value of his/her job that charge him/her to greater discretionary effort.

We find limitation regarding application such psychological contract types as relational, transactional, balanced, ideologically charged types in our research: they are quite broad and characterize the degree of employee's engagement rather than his/her particular expectations toward the company which might be as unique as each individual. Employees might have significantly different expectations as the crucial factor of loyalty to the company, despite the fact that such expectations pertain to one general type of contract, for instance, the relational contract. Employees may have even unusual expectations that go beyond the previous research results, which might be, for instance, special requirements regarding the workplace, job individualization with minimum engagement in team, corporate events, etc. Therefore, exploration of different psychological contract types through a literature review was insufficient, and hence, primary research is required to complete the fulfilment of such objective.

Regardless of particular psychological contract types defined via our empirical research, the relational component of psychological contract is essential for most companies. The following measures are usually proposed in order to provide relational component development and fulfilment (Sims, 1994; Rousseau, 1995; Hiltrop, 1996; Rousseau *et al.*, 2018; Rayiramkandath, 2021):

1. Communication between managers and subordinates aimed at examining mutual expectations and problems arise while trying to carry it out. Empathic skills are essential for this measure.

2. Multiple contract makers involvement: there are usually multiple sources of communication that provides psychological contract interpretation and fulfilment. HR managers as well as linear managers often act as intermediaries in communication of expectations between employee and employer.

3. Leveraging the relationships by definite manager's actions such as, for instance, giving promotion to someone who expected it or an interesting and well-paid project if the promotion cannot be provided.

4. Reciprocity support, which means providing mutuality and equity in labour relations parties' exchange.

5. Flexibility support, which means regular mutual psychological contract revising due to changes of company situation or employee's life circumstances.

6. Personality support, which includes considering personal traits and any unusual expectations based on it.

Each of the measures outlined above require appropriate leadership style either to meet employees' expectations or to influence those expectations, which cannot be met. Therefore, it is necessary to analyze onward, which leadership styles exist and how they contribute to psychological contract development and fulfilment.

2.4. Leadership style and its impact on psychological contract

The concept of leadership in business management is based on the employee's perception of his/her manager as a leader. Leadership is a process whereby people are willing to follow their leader. The manager, unlike the leader, is only formal boss whom employees must obey in accordance with their employment contract. However, some employees or even all of them may not perceive their manager as a leader (Hersey, 2012; Kouzes and Posner, 2006; Northouse, 2012; Ahmed, 2014; Subramanian, 2017; Schein and Schein, 2018; Olckers *et al.*, 2020; Winton *et al.*, 2022).

Modern management concerns with the work tendencies, which are also relevant for LM: the work is more cognitively complex, it depends on information technologies possession, requires diversity of the skills which are hardly to be concentrated in one person and hence, communication within the team is also required; the employees, especially young generation born since 1995, have become much more demanding toward the company (Subramanian, 2017; Schein and Schein, 2018; Wulur and Mandagi, 2023).

In order to meet those tendencies, modern management theories are usually based on belief that there is no one the most appropriate leadership style, the best leader is the person who is able to align any leadership styles with definite situation. Such situation includes, in particular, work tasks, strengths and weaknesses of the person who performs it as well as his/her expectations ensuing from the needs that are essential to consider for psychological contract fulfilment. Ability to adapt any leadership style to a particular situation corresponds to such term as situational leadership (Northouse, 2012; Schein and

Schein, 2018). It is essential to compare the ideas of the authors regarding situational leadership.

Daniel Goleman singles out six types of situational leadership that depends on the company's situation and type of activity (Goleman, 2011):

1. Coaching: the manager focuses on the development of team members and shows them how to improve their contribution in common work results. In doing so, he or she tries to combine the personal goals of each employee with the goals of a particular project or the whole organization. Coaching leadership style is appropriate when employee or a team has some weaknesses and willing to overcome it.

2. Pacesetter: this style is used by ambitious and demanded leader who has an obsession regarding the highest results that should be reached promptly. This leadership style is appropriate for an employee with the same ambitious attitudes and dedication to such results, but it is not recommended to be applied to the entire team. Otherwise, it will lead to employees' turnover. We assume that a pacesetter style might be effective for employees who have an ideologically charged psychological contract.

3. Democratic: it is based on the team decision-making. This leadership style is appropriate toward highly skilled and engaged employees. It also might be appropriate in complex situations where the tasks are not clear enough for the leader and hence, it would be better to gather opinions of all employees. However, democratic style is not appropriate in situations when the employees are not enough qualified and not enough engaged.

4. Affiliative: this style is based on building strong emotional relationships in the team and supportive work environment. The leader usually participates in each team member's problems. Such a leadership style should be applied temporarily when a new team is forming, and so it is necessary to overcome a lack of cohesion and trust between new employees. Permanent application of an affiliative style may have a negative impact on productivity.

5. Visionary style: it is based on designation overall strategic aim that should inspire each team member to focus his/her job on it (for instance, it could be the goal to become the first company of certain branch at the market). The leader explains what the team should achieve and why, but do not specify methods how to do it. He/she expects ideas from team members as well as their readiness to take risks to reach the aim. Visionary leadership style is usually inappropriate for short-term oriented employees, as well as for those employees who prefer transactional contract to other psychological contract types.

6. Coercive style: leader makes all decisions without taking into account the subordinates' interests. He/she informs the employee or a team regarding the decision made and expect its obedience with no leeway. The leader does not praise team members in any way, but instead criticizes for any mistake and demerit. Despite some managers apply such leadership style, it is not appropriate in business companies, especially for psychological contract development and fulfilment.

The situational leadership model developed by Hersey and Blanchard provides another classification of leadership styles, but has some common features with Goleman's classification. The authors outline that the leader chooses one of the four leadership styles in accordance with one of the four employee's development level, determined by professional competence and motivation (Hersey, 2012):

1. Telling style: it is based on high directive and low support and is similar to coercive leadership style outlined by Goleman, when the leader tells to subordinates what to do, when and how to do without taking into account their opinion. It is appropriate to be applied toward the employee who has lack of competence as well as lack of motivation and hence, is needed to be urged to perform the tasks.

2. Selling (mentoring) style: it is based on high directive and high support when the leader makes final decision but discusses it with subordinates, explaining them aim and tasks. The leader convinces subordinates in an appropriate decision, likewise the sales manager convinces customers to buy the product. Such a leadership style is appropriate to be applied to an employee who has high motivation but low competence (experience).

3. Participating style: it is based on low directive and high support when a leader is involved in performing work tasks and decision-making, but the team makes most decisions. The leader predominantly focuses on formation and maintenance of the team relationships, as well as nudge each team member to contribute in common work results. It is applied toward the employee with high competence but variable motivation because of the lack of confidence. Therefore, leader needs to nudge such employee to do tasks he/she will definitely cope with and then gradually make tasks more and more complicated.

4. Delegating style: this style is based on leader's low directive and low support when he/she passes most responsibilities to the followers (subordinates). Team members make almost all decisions themselves and decide when and where a leader's participation is required. This style is appropriate where team relationships are long-established. Despite the fact that the leader controls the situation, he/she anticipates the ability of all subordinates to work independently.

Alongside with different classification of leadership styles, the key essential difference of Hersey and Blanchard model is highlighting the delegating style that was not purported in any of the six leadership styles proposed by Goleman. As for the common features, both classifications take into account employees' qualification and motivation for leadership style choice. Therefore, we assume that democratic and affiliative styles might be embedded in participating style; visionary and pacesetter styles might be embedded in selling style; coercive style is similar with telling style.

The number of researchers pays attention to personality traits as an essential part of psychological contract fulfilment. They outline that extroverts are more sociable, assertive and easier influenced by the team decisions, while introverts are reserved, shy and prefer to be less dependent on the team. At the same time, an employee sometimes hides his/her real concerns, personality traits, including weaknesses as well as real expectations toward the company in order to embed in the team. However, it leads to decrease of job satisfaction that in turn has negative impact on work performance. Employee might be ready to reveal his/ her real concerns and expectations toward the company if he/she trusts the leader and sure, that such leader is authentic (Nikolaou *et al.*, 2007; Walumbwa *et al.*, 2008; Northouse, 2012; Rayiramkandath, 2021). Therefore, situational leadership should be underpinned by authentic leadership. The most important traits for authentic leader are self-awareness regarding own strengths, weaknesses and values; morally ground; transparency and responsiveness to subordinates (Walumbwa *et al.*, 2008; Northouse, 2012).

Overall, situational leadership is essential for psychological contract fulfilment as it is based on applying the leadership style in accordance with employee's competence, motivation, personality traits that influence his/her expectations from the company. At the same time, authentic leadership, the key pillar of which is employee's trust, underpin situational leadership as it might provide employee's revelation of his/her real expectations from the company, including unusual once. Generational factor also should be considered while choosing appropriate leadership style: the practices that foster gen X or even gen Y employees' perception of their manager as a leader, might be inappropriate for young employees born since 1995 that is designated as Gen Z.

2.5. Gen Z employees' expectations

Generation Z includes young people born since 1995 year and later. This age bracket was grown up in digital and technological modern environment and tends to be dependent from information technologies (Berkup, 2014; Bieleń and Kubiczek, 2020;

Skees and Yusuf, 2021; Gabrielova and Buchko, 2021; Lee *et al.*, 2021; Benítez-Márquez *et al.*, 2022).

The relevance of the topic is defined by the prevalence of Gen Z employees in the LM subsidiary in Saint Petersburg. The critical empirical literature analysis regarding Gen Z employees' expectations lets us outline the points, to which most authors agree, as well as the special points stated by some of the authors.

The following are the statements regarding Gen Z employees that most authors agreed with (Berkup, 2014; Skees and Yusuf, 2021; Gabrielova and Buchko, 2021; Wennqvist, 2022; Wulur and Mandagi, 2023):

1. Gen Z is the hardest generation to be led, as it is less loyal and more likely either to leave the job or diminish their effort if they are not satisfied with something in the company.

2. This generation does not like high power distance in the company; it appreciates professional competence, honesty and open communication as crucial things for their perception of their manager as the leader.

It is noteworthy to emphasize that honesty and open communication are related to authentic leadership.

3. Gen Z appreciates work-life balance, adhering to the statement that we work in order to live in the reverse of the statement that we live in order to work.

4. Opportunities for self-development within job duties alongside with a salary increase are essential for Gen Z employees who are willing to find their dream job that helps expand their skills.

However, some researchers emphasize that Gen Z is more pragmatic regarding acquiring new skills: they do it for career opportunities rather than for self-development, as well as do it across the labour market rather than the company they work (Pandita *et al.*, 2023; Wulur and Mandagi, 2023).

5. At the same time, Gen Z employees have the capacity to achieve high performance due to the following essential characteristics:

5.1. Gen Z employees greatly cope with multiple tasks and do them predominantly online.

5.2. They are able to acquire new knowledge and skills very quickly, using online resources and hence, effectively solve any non-standard work task that they have never faced with before.

There are also special points regarding Gen Z employees outlined in the number of studies that were not pointed out by other researchers. Some researchers outline that Gen

Z is more ethically oriented and hence, social responsibility of their company is more important for them rather than money (Bieleń and Kubiczek, 2020). The same researchers outline that Gen Z employees usually avoid long-oriented career. Therefore, leader should motivate such employees in order for them to continue with the company (Bieleń and Kubiczek, 2020). If the avoidance of a long-oriented career will be verified via our empirical research, the relational psychological contract type will be less likely to be relevant for Gen Z employees.

Some researchers state that work autonomy is required for Gen Z employees who do not like control as well as rigid work schedule. They expect their leader gives them clear tasks and designates deadlines, but does not dictate where and how the tasks should be performed (Lee *et al.*, 2021).

On the basis of analysis of similarities and differences in empirical research results, we can summarize that Gen Z employees are able to achieve quite high level of performance for the company due to their skills as well as their attitude to learning, but the appropriateness of the leadership style is crucial in order such employees to be willing to do it.

Overall, the literature review results let us devise and explain conceptual framework.

2.6. Conceptual framework

Despite the fact that the conceptual framework definition is usually vague in the literature, we can find common pattern in applying this term. Conceptual framework inherently means a map of our research, which comprises interrelationships between concepts as the common themes that together provide a comprehensive understanding of a phenomena (Jabareen, 2009; Ravitch and Riggan, 2016; Varpio *et al.*, 2020). The key role of conceptual framework emphasized by Ravitch and Riggan is being an argument why our research topic matters, and why the means we apply to study it are appropriate and rigorous (Ravitch and Riggan, 2016, p. 5). Our conceptual framework is drawn on the figure 1.

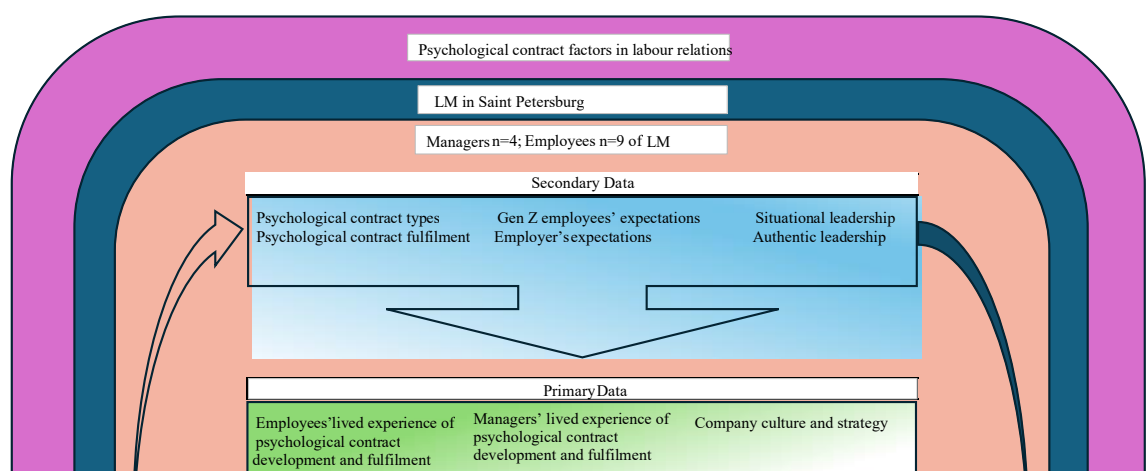


Figure 1. Conceptual framework

Our conceptual framework in figure 1 starts with displaying the research subject (psychological contract factors in labour relations), research context (LM in Saint Petersburg), and research participants (Managers and Gen Z employees prevail in LM). The conceptual framework comprises interrelationships between different variables based on secondary data analysis (literature review) results that guide primary data collection, analysis and provides findings ensuing from data analysis results.

The first variable are psychological contract types that are based on various employees' expectations. They are essential to start with because each labour relations' party defines psychological contract fulfilment, depending on whether his/her expectations are met by another party or not. It determines the investigation within the primary data collection of employee's lived experience of psychological contract development and fulfilment as well as his/her engagement. The employee's engagement also indicates psychological contract type, as it defines whether the employee has emotional commitment to the company or perceives the company predominantly as a place where he/she earns money or gets essential informal benefits. Gen Z employees prevail in LM while the empirical research results emphasize that it is the hardest generation to be led as being less loyal and more likely either to leave the job or to diminish their effort if the company does not meet their expectations (Berkup, 2014; Bielen and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez et al., 2022). In

order to meet them the manager should be perceived by the employee as a leader, applying an appropriate leadership style that might be, for instance, democratic, coaching, delegating, pacesetter, etc. However, the leadership should be situational, the key pillar of which is the leader's flexibility toward applying and changing leadership style in accordance with definite employee's characteristics, such as strengths, weaknesses, personal traits and expectations. At the same time, an employee might conceal his/her real those characteristics in order to embed himself/herself into the team and into company culture standards. This situation leads to a decrease in engagement and, hence, to a decrease in the readiness to remain in the company for long-term as well as to exert greater discretionary effort. In order to reveal the real weaknesses and specific personal traits and expectations from the company, employee should trust the leader, being sure in leader's authenticity. Therefore, authentic leadership should underpin situational leadership. The most important traits for an authentic leader outlined in the literature review are self-awareness regarding own strengths, weaknesses and values; morally grounded; transparency and responsiveness to subordinates (Nikolaou et al., 2007; Walumbwa et al., 2008; Northouse, 2012; Rayiramkandath, 2021). If employees perceive their manager as a leader, with whom they are able to discuss all their real expectations, as they trust him/her, and who will try to take into account such expectations, they are more likely to stay with the company for a long time, exert greater discretionary effort, and hence, provide psychological contract fulfilment. As was outlined in the literature review above, expectations of the employer and managers toward employees are mostly similar as defined by the company culture and strategy, while employees' expectations might vary between different people. The managers' lived experience of psychological contract development and fulfilment, ensuing leadership style in interconnection with the company culture and strategy are also evaluated within the primary research in order to compare it with the literature review results.

The primary data is collected through semi-structured interviews, which are aimed at evaluation of all the variables related to psychological contract factors in labour relations. The key method of its analysis is thematic analysis, which is done via MS Excel tool. Findings regarding Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg ensue from the results of primary data analysis, which are presented in comparison with the literature review results.

2.7. Conclusion

Psychological contract is defined as a set of mutual expectations between employee and his/her organization, which can be represented not only by employer, but by managers also. Relational, transactional, balanced and ideologically charged psychological contract types suggested in the literature characterize the level of employee's engagement but are not sufficient for analysis of various employees' expectations. Therefore, psychological contract types based on various employees' expectations is one of the components of our primary research. In order to meet employees' expectations, including specific expectations of Gen Z employees, or influence those expectations, which cannot be met, appropriate leadership style is required. At the same time, it should be based on situational and authentic leadership that adapts leadership style in accordance with employee's real expectations toward the company as well as personality traits, including strengths and weaknesses, which employee might reveal only if he/she trusts the leader. Such literature review results defined the conceptual framework as a map of our research that was drawn and explained in details in this chapter. Onward, we will evaluate the methodology and research design.

3. METHODOLOGY AND RESEARCH DESIGN

3.1. Overview

The aim of this chapter is to evaluate critically the key components related to methodology and research design, which are appropriate to address our research question and cover our research purpose and objectives. The reasonable model, which provides consistency between the components, is a research onion widely used by business researchers. It includes 6 key layers as the stages, each of which should be passed through making definite selection (Saunders *et al.*, 2019; Orth and Maçada , 2021):

1. Research philosophy (positivism, interpretivism, pragmatism and critical realism)
2. Research approach (inductive or deductive)
3. Research strategies (experiment; survey; case study; grounded theory; ethnography; action research)
4. Choice (mono method, multi-method or mixed methods)
5. Time horizons (cross-sectional or longitudinal)
6. Techniques and procedures related to data collection and data analysis

Research onion model adapted to our research is drawn on the figure 2, the choice of each of the components is based on well-rounded analysis explained in the sections of this chapter.

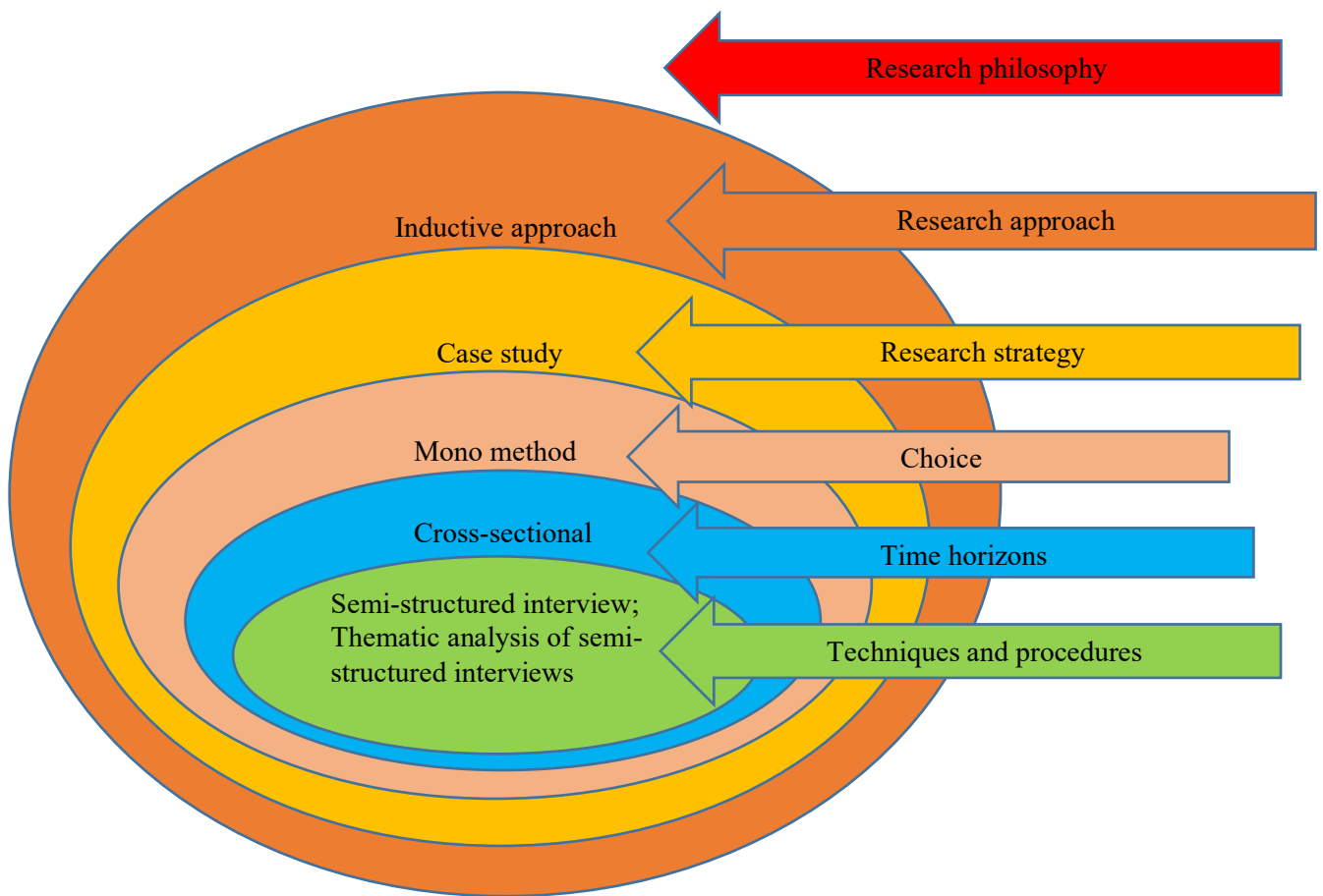


Figure 2. Research onion model adapted for our topic

The chapter opens with a critical analysis of research philosophies as well as research approaches interrelated with them, which results in an explanation of the philosophy and approach chosen for our research. The research strategy section includes a critical analysis of case study strategy as well as explanation of method choice and time horizon. Then the next sections comprise explanation of data collection methods with ethical issues ensuing from conducting research as well as approach to data analysis.

3.2. Research philosophy and approach

3.2.1. Research philosophy

A research philosophy is a set of basic beliefs that guide the way how the research problem should be understood and investigated that in turn impact the way we collect data to answer the research question (Saunders and Lewis, 2017; Saunders *et al.*, 2019).

There are four main research philosophies – positivism, interpretivism, pragmatism and critical realism. Their distinction is based on the assumption regarding how social reality exists and how the researcher should investigate it.

Positivism is based on the assumption that social reality exists objectively as the result of a long-established social pattern outside of personal mind and hence, should be investigated by analysis of the facts, leaving out any personal interpretation of such facts. Social reality, including business processes, should be studied likewise reality is studied in natural sciences. Therefore, quantitative methods may provide such condition (Creswell, 2009; Saunders and Lewis, 2017; Saunders *et al.*, 2019).

Interpretivism is based on the opposite assumptions toward positivism. In accordance with interpretivism, social reality is subjective and multiple, it cannot exist outside of personal mind and hence, should be investigated through perception of definite people who act as research participants. In order to reveal individual feelings, values and beliefs, which constitute personal perception, qualitative methods should be applied. The methodology used in natural sciences is not appropriate to be applied to social reality, including business processes (Creswell and Poth, 2016; Saunders *et al.*, 2019).

Pragmatism combines some points from positivism and interpretivism, not considering them as opposites. In general, pragmatism as the philosophical trend is based on the position that the criterion of truth of a theory is its usefulness for solving practical problems, rather than its correspondence to the reality. Pragmatism in business and management research projects is based on the assumption that it is possible to adapt both philosophies within the research for different objectives. In other words, it means that one of the research objectives may be addressed through interpretivism while another research objective – through positivism that depends on whether this research objective comprises objective social reality or perception (Creswell, 2009; Saunders and Lewis, 2017; Saunders *et al.*, 2019).

Critical realism is based on the assumption that social reality exists objectively outside of personal mind that is similar with positivism at this point. At the same time, unlike positivism, critical realism includes the statement that the ability to investigate social reality is limited, so there is a distinction between real, actual and empirical. Social reality as an open system alongside with observable components also contains non-observable components that cannot be investigated. However, the research should be based on logical deduction from the past and present, and hence, it is possible to extrapolate definite trends as the results of causal generative mechanisms' observation. Therefore, critical realism might be applied for different scenarios' development without

precise prediction of which scenario is the most probable (Saunders *et al.*, 2019). This is another key distinction of critical realism from positivism, which is usually aimed at precise prediction of one definite trend.

The analysis of research philosophies outlined above shows that the most appropriate research philosophy for our research objectives is interpretivism as it is based on the assumption that reality regarding psychological contract as well as leadership style that support this contract is subjective and multiple because each labour relations' party defines whether his/her expectations are met by another party. These circumstances, in turn, define the relevance of examining different psychological contract types based on various employees' expectations and then evaluation of appropriateness of leadership style in order to meet such expectations outlined in research objectives. We believe that psychological contract factors cannot be investigated outside of personal mind and hence, we should focus on individual perceptions rather than objective reality. Many employees might believe that the employer carries out psychological contract as well as many employees might perceive such employer as a leader. At the same time, the rest employees may argue that the employer does not meet their expectations and may not perceive him/her as a leader. Therefore, respondents might point out those expectations that no one ever guessed.

3.2.2. Research approach

Research philosophy is directly interrelated with the research approach we choose. There are two key research approaches — deductive and inductive approaches (Creswell, 2009; Saunders *et al.*, 2019).

Interpretivism leads to applying an inductive approach, while positivism and critical realism leads to applying a deductive approach. Pragmatism is flexible toward both approaches, each of which depends on a definite research objective. However, it must be consistent with a philosophical assumption. If we address one research objective through assumptions, which correspond to positivism, we should apply deductive approach, if we address another research objective through assumptions, which correspond to interpretivism, we should apply inductive approach.

Deductive approach is the research approach where general theory is developed prior to empirical observation and then tested through such observation. Quantitative methods are usually applied within deductive approach (Creswell, 2009; Saunders *et al.*, 2019).

Inductive approach is the research approach where general theory is developed after empirical research. Researcher might have some background theory that is used only as a guide to create the general theory. Inductive approach is also characterized by applying qualitative methods and concerning with context where the phenomena takes place (Creswell, 2009; Saunders *et al.*, 2019).

Our research is based on inductive approach, as we use assumptions that correspond to interpretivism, and the theoretical model is created after empirical data. The types of psychological contracts outlined in literature review are too broad and are used only as a guide for creating the theory regarding psychological contract types after empirical research. Moreover, the research takes into account the importance of such context as definite company (LM in Saint Petersburg) where it is conducted. Therefore, its results might not be precisely replicated in another company.

3.3. Research strategy

Case study strategy is relevant for our research as we gained access to definite company. Case study inherently means a comprehensive study of a particular case pertain to a definite class of issues (Denzin and Lincoln, 2011; Saunders and Lewis, 2017). The strength of the case study is an availability to gain holistic well-rounded view regarding definite case that might be onward used for another case study in order to find common patterns regarding a definite class of problems. However, case study limitation is related to lack of generalizability and reliability, as the results may not be replicated in another case study. The key measure to mitigate this limitation is to define the value of the chosen case for the research problem (Ridder *et al.*, 2009; Denzin and Lincoln, 2011).

The following interrelated circumstances define the value of LM in Saint Petersburg for the research:

1. LM is an international retail company that has main office in France. Therefore, Saint Petersburg subsidiary of LM adheres to some Western standards of corporate culture. The change of brand name in Russia was done by LM in order to proceed working in this country and does not affect the organizational culture as well as the company staff in Saint Petersburg.

2. Gen Z in Saint Petersburg predominantly adheres to Western European cultural values and beliefs, which managers have to take into account.

3. Many Russian business enterprises, irrespective to staff generation employed there, might be peculiar example of psychological contract fulfilment: despite labour legislation circumvent, which is formally also as rigid as Western European labour

legislation, considerable number of employees are almost satisfied with their job due to getting benefits from informal relationships.

3.4. Collection primary data

3.4.1. Sources

The mono method choice is made as we apply one qualitative method of primary data collection — semi-structured interview that is the most appropriate to address research objectives as well as provide consistency with chosen research philosophy and approach. Semi-structured interview focus on perceptions regarding employees' expectations from the company, including Gen Z employees' expectations and managers' expectations from the employee as well as perceptions regarding appropriate leadership style that helps to meet such expectations and hence, provide psychological contract fulfilment.

Semi-structured interview includes predetermined list of questions, but its structure is flexible enough to allow for digressions if they turn out useful for the research (Saunders *et al.*, 2019). We consider this interview type the most appropriate for addressing our research objectives in comparison with structured and unstructured interview. On one hand, it includes the list of questions to discuss, unlike unstructured interview, which anticipates free narrative on broad topic. On the other hand, semi-structured interview, unlike structured interview, is flexible as it takes into account participant's answer that let either add new questions necessary to clarify something or leave some those questions out which have no sense in accordance with the answer on previous questions.

The sources of our primary data are employees and managers of LM in Saint Petersburg who act as the research participants. As we had two stages of participants' selection, our sampling strategy was different at each of the stages.

Purposeful sampling strategy (Creswell and Poth, 2016) was applied at the first stage when we tried to select respondents in accordance with relevant characteristics that provide diversity: power degree (whether respondent is employee or manager) and job position within the same level of power degree that at the same time comprises people with different job responsibilities. After selecting potential respondents we applied convenience sampling strategy (Creswell and Poth, 2016) at the second stage that depends on the selected respondents' assent to participate in our research.

The time horizon of our research is cross sectional (Saunders *et al.*, 2019) that means one-time research in particular period, which provides results regarding what

currently happens. We conduct each interview one time and investigate psychological contract factors in labour relations in particular period. It differs from longitudinal time horizon, which means multiple-time research throughout long period duration (Saunders *et al.*, 2019).

3.4.2. Access and ethical issues

Access to LM in Saint Petersburg and to potential respondents there is gained due to the liaisons of the relative who had been working in this company at managerial position since 2014 until 2021 years. The next step is to work through ethical issues.

Research ethics is an essential component for conducting any scientific research as it inherently aimed at assurance that data is authentic and was gathered with ethical principles' observance, which will not lead to any harm toward participants (Creswell and Poth, 2016; Saunders and Lewis, 2017).

All in all, the following key ethical issues should be concerned within any research (Creswell and Poth, 2016; Saunders and Lewis, 2017):

1. Minimization of the harm risk toward participants
2. Deception avoidance regarding research purpose, ways of using its results, including situations where anonymity and confidentiality may be violated
3. Providing informed consent process
4. Privacy protection

The following measures were undertaken in order to address ethical issues in our research:

1. The choice of the time and place where interview is conducted, as well as how it is conducted (either in-person or online via Zoom) was provided to each participant. This measure addresses both such ethical issues as minimization of any physical and psychological harm toward participant and providing privacy protection.

2. Clear statement regarding the research purpose and subjects who will see the results, as well as emphasis of anonymity and confidentiality of the interview were designated while selecting research participants. This measure addresses deception avoidance ethical issue.

3. Plain language statement (Appendix A), as well as Informed Consent Form (Appendix B) were given to participants in advance of conducting research and were received from participants with their signatures. This measure addresses ethical issue related to deception avoidance, as well as ethical issue related to informed consent process.

4. The name of the company and the names of research participants were changed in order to provide anonymity and confidentiality, as well as minimize any risk to the participant's career opportunities. This measure addresses privacy protection issue, as well as issue related to the harm risk minimization.

5. The right to withdraw from interview in any moment, as well as the right to waive answering any of the questions were emphasized before starting interview. This measure addresses both issue related to minimization of harm risk (in accordance with any physical or psychological problem that might arise within the interview) and issue related to informed consent process.

6. Permission for recording the interview was asked before interview, as well as emphasis on the readiness to provide transcript for review in order to check errors was also made. This measure addresses deception avoidance ethical issue, as well as ethical issue related to informed consent process.

7. Motivation for engagement and sincere answers was made through proposal to provide the main recommendations for LM in Saint Petersburg based on the research findings. This measure is aimed at balancing between addressing all the ethical issues and obtaining reliability of the research results.

3.5. Approach to data analysis

The data is analyzed by using such method as thematic analysis, which inherently aimed at combining data array to compact semantic categories (themes) (Creswell, 2009; Creswell and Poth, 2016; Saunders *et al.*, 2019). It includes the following stages in our research:

1. Defining priori (pre-determined) codes based on the literature review results (table 1)
2. Transcribing and scrutinizing interviews
3. Defining open codes
4. Combining codes into themes
5. Analysis of the themes and its comparison with literature review results

Onward, we will present predetermined codes with its plain empirical definition in table 1 in order to identify it simply from the interview.

Code	Definition
Gen Z employee's expectations from the company	The types of day-to day behavior expected by employee born since 1995 and later from the employer that might be, for instance, reward increase, learning opportunities, ability to

	influence decision-making, etc. alongside with the employee's perceptions regarding his/her obligations toward the employer
Distinction of Gen Z employee's expectations, which relate to the company and to the direct manager	Designation regarding which employee's expectations are related to the company, and which expectations are related to the direct manager
Unmet Gen Z employee's expectations	Gen Z employee's expectations, which are not carried out either by the company or by the manager
Company's expectations from employees	The types of behavior defined by the company culture and strategy, which manager should follow and apply while leading employees.
Manager's expectations from employees	The types of day-to day behavior expected by manager from employees that might be, for instance, loyalty, engagement, etc. alongside with manager's perceptions regarding his/her obligations toward the employees
Expectations, which are not met by Gen Z employees	The company's or manager's expectations, which are not carried out by Gen Z employees
Manager's leadership style	The types of manager's day-to-day behavior toward employee that impact employee's perception of such manager as a leader
Situational leadership	Leader's attitude toward applying different leadership styles (whether it is coaching, democratic, pacesetting, coercive, etc.) to various employees, depending on their personality traits, strengths and weaknesses and expectations
Authentic leadership	Type of leader's behavior, which is based on subordinates' trust and includes such attitudes as self-awareness regarding own strengths and weaknesses; consistency with moral principles; transparency toward subordinates and responsiveness to subordinates' concerns
Factors impact Gen Z employee's intention to quit	Conditions affect Gen Z employee's intention to leave the job
Gen Z employee's potential turnover	Gen Z employee's readiness to leave the job in case of receiving another job offer with a better pay
Gen Z employee's lowering discretionary effort and its factors	Conditions that affect the situation when any Gen Z employee apparently exerts lower effort than he/she is able to exert that however formally does not contradict to employment contract terms.

Table 1. Priori (predetermined) codes for thematic analysis

3.6. Conclusion

We conducted critical evaluation of the methodology and research design components based on the research onion model examined in the beginning of the chapter. The research philosophy that is appropriate to address our research question, purpose and objectives is interpretivism that in turn leads to applying inductive research approach. Our case study strategy encompasses comprehensive research in the company LM in Saint Petersburg, which research value was explained in details. Mono method choice within cross-sectional time horizon is outlined. The method of primary data collection is semi-structured interview, the sources of which are employees and managers of LM in Saint Petersburg. The research participants were selected within two stages by using two different sampling strategies - purposeful sampling strategy at the first stage of

selection when we tried to observe participants' diversity in accordance with their power degree and job position, and convenience sampling strategy at the second stage, which was defined by the assent of selected employees and managers to participate in the research. We have undertaken number of measures in order to observe ethical issues within the research. Thematic analysis is used for the data analysis. The findings, which ensue from the data analysis results, are presented in the next chapter.

4. PRESENTATION AND DISCUSSION OF THE FINDINGS

4.1. Overview

This chapter provides the results of our primary research based on 13 semi-structured interviews, including 4 interviews with managers and 9 interviews with Gen Z employees. Number of interviews was defined by the saturation reached. Saturation inherently means a moment when the new issues are stopped to be extracted from the new interview, when the same issues are recurring (Creswell, 2009). As the questions were different toward employees and toward managers (Appendix C), we examined saturation separately for both groups of the respondents. Saturation for interviews with managers was reached at the fourth interview while saturation for interviews with employees was reached at the ninth interview. Information regarding each research participant (respondent) is presented in table 2.

Research participant (respondent) number	Power degree (employee or senior manager)	Job position	Age	Gender
1	Employee	Coordinator of household and staff support	28	Female
2	Manager	Head of the trade sector	40	Female
3	Manager	Head of personnel services	41	Female
4	Employee	Project sales employee	28	Male
5	Employee	Sales consultant	26	Male
6	Employee	Project sales specialist	26	Female
7	Manager	Head of the trade sector	49	Female
8	Employee	Replenisher in different departments	23	Male
9	Employee	Store supply chain employee	25	Male
10	Employee	Cashier - consultant	26	Female
11	Manager	Department manager	32	Male
12	Employee	Sales consultant for the notification department	25	Female
13	Employee	Client development specialist	23	Male

Table 2. Information about research participants

As for the thematic analysis of the interviews, alongside with 12 priori codes outlined in table 1 in Chapter 3, 7 open codes arose within the interviews. Therefore, eventually 19 codes were defined, which then were combined into 5 themes. The process of its combination is presented in table 3.

Code	Definition	Theme that comprises the codes
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Perception regarding Gen Z employees' professional and personal characteristics	Opinions regarding skills, which Gen Z employees possess, as well as values and attitudes, which they adhere	Gen Z employees' engagement
Gen Z employee's potential turnover	Gen Z employee's readiness to leave the job in case of receiving another job offer with a better pay	
Team role in Gen Z employee's engagement	The role of the team in Gen Z employee's emotional commitment to the company, including his/her willingness to stay with the company	
Gen Z employee's expectations from the company	The types of day-to day behavior expected by employee born since 1995 and later from the employer that might be, for instance, reward increase, learning opportunities, ability to influence decision-making, etc. alongside with the employee's perceptions regarding his/her obligations toward the employer	Psychological contract types based on various employees' expectations
Distinction of Gen Z employee's expectations, which relate to the company and to the direct manager	Designation regarding which employee's expectations are related to the company, and which expectations are related to the direct manager.	
Unmet Gen Z employee's expectations	Gen Z employee's expectations, which are not carried out either by the company or by the manager.	
The company's expectations from employees	The types of behavior defined by the company culture and strategy, which manager should follow and apply while leading employees.	Company's expectations as the psychological contract party, and actors who represent it
Manager's expectations from employees	The types of day-to day behavior expected by manager from employees that might be, for instance, loyalty, engagement, etc. alongside with manager's perceptions regarding his/her obligations toward the employees	
Manager's perception regarding employee's engagement	Manager's subjective understanding of employee's engagement	
Expectations, which are not met by Gen Z employees	The company's or manager's expectations, which are not carried out by Gen Z employees	

Factors impact Gen Z employee's intention to quit	Conditions affect Gen Z employee's intention to leave the job	Factors of psychological contract violation
Gen Z employee's lowering discretionary effort and its factors	Conditions that affect the situation when any Gen Z employee apparently exerts lower effort than he/she is able to exert that however formally does not contradict to employment contract terms.	
Gen Z employee's attitude regarding inappropriate leadership style	The style of manager's behavior whereby Gen Z employee is not willing to be led.	
Manager's leadership style	The types of manager's day-to-day behavior toward employee that impact employee's perception of such manager as a leader.	Leadership impact on psychological contract fulfilment
Gen Z employee's attitude regarding appropriate leadership style	The style of manager's behavior whereby Gen Z employee is willing to be led.	
Situational leadership	Leader's attitude toward applying different leadership styles (whether it is coaching, democratic, pacesetting, coercive, etc.) to various employees, depending on their personality traits, strengths and weaknesses and expectations.	
Authentic leadership	Type of leader's behavior, which is based on subordinates' trust and includes such attitudes as self-awareness regarding own strengths and weaknesses; consistency with moral principles; transparency toward subordinates and responsiveness to subordinates' concerns.	
Leadership role in employee's retention	The role of manager as a leader in employee's willingness to stay with the company	
Leadership role in nudging definite employee to quit	The role of manager as a leader in intelligent persuading the employee who does not embed into company culture and strategy to leave the company without any negative emotions from employee	

Table 3. Combination of codes into themes for thematic analysis

Onward, we will present findings regarding each of the themes. The credibility and trustworthiness of our findings are confirmed by the citations of respondents' statements.

4.2. Findings

4.2.1. Theme 1: Gen Z employees' engagement

The analysis of the extent of employees' engagement will enable us to define the probable psychological contract type in accordance with the classification suggested in the literature review (relational, transactional, balanced and ideologically charged psychological contract types). We will start with managers' opinions regarding Gen Z employees' professional and personal characteristics. Then we will examine some Gen Z employees' opinions regarding professional and personal characteristics of their generation and finally, we will evaluate Gen Z employees' potential turnover.

All the managers confirm the key points regarding Gen Z employees emphasized in the secondary data (literature review) results: on one hand, they admit that have problems with leading Gen Z employees; on the other hand, they admit that this generation of employees possess the skills, which are quite useful for the company.

The Head of personnel services, who due to her job position, is aware of each Gen Z employee in the company, emphasizes that such employees are usually less stable as they easily quit if dissatisfied with something. At the same time, the respondent highlights such essential Gen Z employees' skills as possession of modern digital technologies, as well as ability to generate the new ideas, which go beyond the standards, unlike older generation that used to adapt to standards:

“You know, there are probably problems with managing this generation, because this generation is more unstable, more freedom-loving. It's easier for them to quit, they make decisions faster, it's easier for them to change their field of activity, change jobs. But at the same time, these guys also have another very positive side - these are the guys who very quickly master some digital projects. They are more comfortable with new programs, new tools, and they themselves are probably more capable of generating some new ideas compared to the older generation, who are still used to working according to the rules. There is a wider scope here” (Respondent 3).

The similar position regarding lack of stability of Gen Z employees has one of the Head of trade sector. She inherently states that Gen Z employees' engagement is usually short-term because these employees quickly burn out if they do not receive anything in return from the company. At the same time, likewise the previous respondent, she also

outlines some characteristics of Gen Z employees' that are essential for the company, such as high energy, interest in development and ambitions:

“Young employees are, of course, more energetic, they have more interest in development, they have more ambitions. On one hand, these are strengths, but on the other hand, of course, for us, for employers, we can also call them weaknesses, because they quickly burn out, they want everything right here and right now, and a lot. But, accordingly, it is quite difficult for an employer to interest and retain them. They still have the position that first the job must give them something before they give something to me as the employer” (Respondent 2).

Another Head of the trade sector directly mentions employees' engagement, considering that it is necessary to engage employees through the tasks, which are interesting to them, and which are based predominantly on information systems, computer technologies. At the same time, likewise previous respondents, she also pays attention to Gen Z employees' readiness to change the job that is the key difference from older generation. In addition, she also emphasizes Gen Z employees' intolerance to work under duress:

“They need to be engaged, probably, to act through awareness, to find, probably to identify what exactly will be interesting to them and to engage them through it. Again, they are all brought up on the culture of information systems, computers, phones and everything else. Of course, the manager also needs to adapt to this environment, give them tasks that will be more based on information systems, computer technologies, and so on, that is, somehow adapt it to the modern world. Yes, often praise them, often single them out from the rest, because after all, they don't like to work under duress. Many are now turning to Outsource (a platform for project work), for example, although constant work was important to our generation. We were looking for a job where we could work for the rest of our lives, or at least until retirement. It was valuable for us to work at the same job. Even people like me, my entire generation — we want stability, change of the job is a big stress for us, but for them it's not. And this is also a kind of stability for them, because they always know what they want” (Respondent 7).

The Department manager, likewise all the previous managers, also emphasizes such Gen Z employees trait features as freedom loving and admits the need to motivate Gen Z employees via interesting tasks related to interesting goal for them. At the same time, he also points out the role of the team in Gen Z employees' engagement: although he does not say so directly, his statement apparently assumes quite high importance of the team for Gen Z employee:

“If you look specifically from 1995, let’s say, until the 2000s, in general the employees are very freedom-loving, but at the same time hard-working. And they definitely have a goal. These employees also depend very much on the atmosphere in the team, and this is the most important thing. And, of course, they have shortcomings, such as frivolity, and they are subject to the opinions of others... They are aimed at cohesion; what’s important to them is not so much salary, but rather gaining experience, including from slightly older generations, the team, the atmosphere, and so on” (Respondent 11).

The role of the team in emotional commitment toward the company is also emphasized by the number of employees. Here are their statements below:

“Regarding our conversation, I would like to add that the team is a very cool thing, that is, a person can stay on it for a very long time if he doesn’t like the work, doesn’t like the pay, doesn’t like the position, in general, he doesn’t like everything about the work, but likes the team, he can stick with it for a very long time” (Respondent 4).

“It seems to me that the team is one of the most important things for me in my job. I haven’t worked that much in my life, I worked more for myself, where I was alone, that is, my team was me. That is, before coming here I was self-employed. And it was difficult to rebuild, in principle. But in terms of adaptation to the team, everything went easily and quickly... I am a social person, communication with other people is very important to me, most likely. Still, I think something would be connected with the team” (Respondent 6).

The analysis of the statement of the respondent 12 let us assume that due to the team her psychological contract shifted from transactional contract:

“As soon as I joined the company, to be honest, I was aimed at earning money. At the moment, my opinion has changed, because thanks to my supervisor, my manager, my colleagues. I am here only because I like the team” (Respondent 12).

Three respondents among Gen Z employees expressed the opinions about their generation’s professional and personal characteristics that are mostly common with the managers’ perception regarding it. The statements of all the three respondents inherently assumes the restricted Gen Z employees’ engagement toward the company, which should be enhanced by some essential factors.

Although respondent 9 does not say so directly, he assumes that Gen Z employees usually do not set a goal to long-term employment. Such employees come to the company either because of the salary or because of the ability to combine work with study due to flexible working schedule provided by the company:

“Well, I won’t speak for everyone, but I’ve been in the company for two years, and those with whom I work are young people who have recently joined the company, so far

they are more interested in either combining work with study due to a shift schedule, or in salary. As a rule, they do not set goals higher than these at the initial stage of work, and then they are guided by the situation” (Respondent 9).

The respondent 13 pointed out reward for any type of work activity as the crucial factor for Gen Z employees who cannot perform any job responsibilities for free. At the same time, he considers that the team, which is formed on the principle of similar values and motivation, is also essential:

“In general, our generation cares about money. We are all a bit of careerists and businesspersons, we must save energy for what brings money, we cannot spend it on something free. At the same time, a friendly team at work is also very important, which is assembled on the principle of similar values and motivation” (Respondent 13).

Another respondent does not clarify clearly the factors important for Gen Z employees’ commitment toward the company, but designates such characteristics as permanent readiness to leave the job:

“In general, young people who are younger than me, from two years old and even younger, are very peculiar people, one might say. They are like migratory birds, meaning you don’t even know what to expect from them. That is, they can go get a job, work for a month, quit because they didn’t like something. They are focused on gaining some short experience, improving their qualifications, skills, and abilities at work. They constantly change jobs. That is, like migratory birds” (Respondent 10).

In accordance with the characteristics emphasized by the respondent 10, special attention should be paid to employee’s potential turnover within the analysis of his/her engagement. Potential turnover is measured by the employee’s answer regarding his/her readiness to accept or at least consider the job offer with a better pay than in the current company. The analysis of the interview answers below shows that only two employees among 9 respondents doubt regarding their readiness to accept any job offer with better pay while all the other respondents started to outline factors, which will be considered while making decision to accept the offer. Such situation apparently stands for the irrelevance of ideologically charged psychological contract type and low relevance of relational contract for those respondents. At the same time, transactional contract is also slightly relevant because alongside with salary respondents outlined such non-material factors as job content; working environment; team; proximity to home; prospect of career growth, which they would consider while making decision regarding acceptance of another job offer. Therefore, balanced psychological contract type is the most relevant for Gen Z employees in LM.

Such important factor as job content besides the salary is essential for some employees (respondents 4, 5 and 6) while considering another job offer.

“It depends on kind of work. If I receive equivalent to the work I put in, then yes. If they demand from me much more than what is provided, then I will think about it. Well, roughly speaking, I apply for one position, and they throw a bunch of other tasks at me, but if the salary is higher, then I might think about it. That is, if the salary is commensurate with the effort invested, then I will think about it” (Respondent 4).

“It depends on how high the salary is, and it depends on what needs to be done. There, in fact, everything depends on the specific proposal. They can offer me 500 thousand (rubles) a month, but the work will be 7 days, 24 hours a day, and they will treat me like a piece of who knows what. I won’t go, because in any case, in a month I will end as a person, both physically and mentally. If there is a commensurate salary and a good attitude, then I’ll think about it. Nowadays money is such an important aspect” (Respondent 5).

“It depends on what kind of work, if this work was related to active creativity, then I think yes. There is never a lot of money” (Respondent 6).

Working environment besides the salary is crucial for the respondent 13:

“Salary would be a key choice for me, but working conditions are also important to me. If they tell me that they will pay me 150 thousand (rubles) and I will work in harsh military conditions, then no, thank you, working conditions are also important to me” (Respondent 13).

Proximity to home as well as job tasks are essential for respondent 8:

“You need to look at such things as: the duration of the route from home to job, how much time will it take; salary, and what will I do for such salary. Even if the salary is higher, but I am not satisfied with the length of the route from home and the duties performed, then I will not accept the offer” (Respondent 8).

Career growth is essential for respondent 9:

“I would accept the offer if this work interested me first. But I won’t consider a job if it doesn’t offer at least some career growth” (Respondent 9).

Team is essential for the respondent 12:

“Well, here I would really think about it, because we need to weigh all the pros and cons, we need to see what kind of team there will be. If you don’t immediately like the team at first glance, then I think it’s better not to go there” (Respondent 12).

The analysis of the statements of the rest two employees who doubted regarding their readiness to accept another job offer let us conclude that there are reasons of such

doubt. Both of them are satisfied with their current job. However, the first respondent pays attention to fair salary:

“That is a very good question too. Actually, the company suits me absolutely, and... the corporate culture, the values that we have here, the projects that I lead here, I'm very passionate, fascinated and interested in it, and I wouldn't want to leave it all, I would just like to continue to do my job as well as I can, and at the same time get a fair salary” (Respondent 1).

Moreover, when we come to the theme 4 we will see that this respondent designates salary as the key factor, which would foster her to leave the job as she gives the following answer to the question “Could you describe conditions, which foster you to leave the job?”:

“The most important — it is, of course, the salary” (Respondent 1).

As for another one respondent who also doubt to accept another job offer with better pay (respondent 10), her statement let us assume two reasons of such doubt. Firstly, she considers attractable the conditions provided by the current company that she inherently emphasizes in the end of her answer. Secondly, she is also afraid of the risk to encounter deception at the labour market as she already had such experience in the previous job:

“I would most likely think about it, because nowadays, for example, they often advertise vacancies where the salary is quite high, but, most likely, this is some kind of lie. That is, most often it is just to attract people. That is, the employer needs people, and he/she does not know how to attract them, so he/she lures them with such actions. Let's say he/she writes, posts and says what a great salary, what working conditions and team, embellishing all this by telling fairy tales. In fact, they don't have that. More often than not, this is exactly what happens. 4 years ago I was already deceived in this way — the salary turned out to be less, and the workload was much greater than I expected. So, most likely not at the moment, because I'm happy with everything here” (Respondent 10).

Therefore, due to the reasons why those respondents doubt regarding considering another job offer with better pay, we assume that they also adhere balanced psychological contract type rather than relational type.

Overall, we can summarize that the extent of Gen Z employees' engagement is limited by rational commitment toward the company, because such material factors as salary, reward, voluntary health insurance provided by the company, are crucial for the employees' remaining with the company and cannot be enough compensated by such non-material factors as good relationships with the team members and with the leader,

good work environment, interesting job content, etc. Therefore, balanced psychological contract type probably prevail among Gen Z employees in LM. At the same time, as we outlined in the chapter 2, such psychological contract type as well as other types suggested in the literature, displays the extent of employee’s engagement rather than special expectations toward the company that might be crucial for employee. These expectations will be evaluated in the next theme.

4.2.2. Theme 2: psychological contract types based on various employees’ expectations

Four special expectations crucial for any of the respondents arose within the interviews. Each of these expectations form definite psychological contract type as employee is ready to give something in return for its meeting by the company. We will present these psychological contract types in the table 4 below and onward will explain them, underpinning by the respondents’ answers.

Special expectations, which form definite psychological contract type	Definition	Research participant (respondent) number who designated it
Team composition	Expectation regarding any personal characteristics of the team members, with whom the employee feels comfortable working	6
Schedule flexibility	Either availability to choose the working hours or availability to solve some life issues within working hours in return for taking responsibilities not specified in the employment contract	5, 12
Promotion opportunity inside of the company or support in such opportunity outside of the company	A belief that in return for employee’s readiness to long-term employment company should either provide career growth or support employee’s intention to develop in any activity, which does not relate to the company, if the company is not able to provide employee with career growth	9
Technical characteristics of the workplace	Expectations regarding the characteristics of any equipment used for performing work duties, whether it is computer, sitting chair, table, etc.	13

Table 4. Employees’ expectations that form definite psychological contract types

It is reasonable to start with employee’s special expectations toward the team composition because of the essential role of the team in employee’s engagement outlined

in the previous section. So, one of the respondents transparently designated that she feels herself much more comfortable in male team:

“When I got a job, I said I wanted there to be more men in the team, and I was sent to a department with men. I don’t know why, but it’s much harder for me to get along with female than with male, and I’m convinced that the female team is... (indecent word). That’s why I really wanted to go into those areas where there are men. That’s how it happened! And it’s great that I’m the only girl in the department, I’m cared for and cherished”. (Respondent 6).

Therefore, her expectation regarding male colleagues in the team is met. We consider it reasonable to extrapolate such case to any other situations related to team composition, as it might also comprise not gender, but cultural or any other characteristics of the team members that are essential for employee’s comfortable work.

The second special expectation that form definite psychological contract type for two employees relate to flexible schedule. One of the employees who revealed such expectation, construe it as an availability to choose the schedule that is crucial for her as well as for many young employees who combine work with study or any other commitments. She also admitted that management of the company meets this expectation:

“At the moment the company is very loyal to students and people of my age. That is, it also allocates time. That is, a person comes, can calmly get a temporary contract and choose a schedule. That is, he/she has time both for study and for his/her personal commitments. He/she can warn the manager if he/she suddenly has some important things to do. Management usually meets halfway” (Respondent 12).

Another one employee perceives schedule flexibility as an availability to solve some life issues within working hours. In the example that he gives, manager meets this expectation while employee in return usually takes responsibilities not specified in the employment contract:

“A flexible schedule, such a democratic attitude, respectively, understanding on the part of the company, on the part of the management. Like, for example, there was a situation with a car: I just said that I needed to pick it up from the impound lot. Everyone understood, everyone was like, if you need to go, then okay. That is, I was simply released from my workplace... The duties that I perform in the department are not specified in the employment contract, but these are no longer requirements, these are my enthusiasm and general agreements with the manager, if you can call it that. If I perform duties that are not provided for by my responsibilities specified in the employment contract, then I count on the fact that, for example, I can say in the middle of the work week that I need to go to

another city. Of course, I also look to see if there is an opportunity to replace me” (Respondent 5).

All in all, we can summarize that both employees’ expectation regarding schedule flexibility is met by the company and hence, this psychological contract type is fully fulfilled.

As for the third special expectation relate to promotion opportunity inside of the company or support in such opportunity outside of the company, the respondent inherently considers that the company should promote employees who work there for a long time. At the same time, he emphasizes that gaining new skills and experience motivate only at the initial stage of working in the company, and then employee needs something more:

“What I still expect from the company is, of course, an increase in motivation from managers to rather give a chance to people who have been working in the company for a long time and who are already losing interest in working in the company, so that managers more often take a closer look at people who are interested and give them just a chance to grow, as there are a lot of people like this. For example, we have people who have been working here for 5 years, which is a very long time, and they both worked in their positions and remained in them. I would like to see these people, who work really well, stay here for a long time; I would like to see managers pay attention to this and make not only a material increase, but also a physical one in terms of position. And I already received everything I expected from the company. I would like the company to continue to develop in the same spirit and listen to opinions... When I came to work at the company, the first thing that interested me was development, that is, gaining experience in supply chains, because I like it. But now it has faded into the background, because I have already gained a lot of experience, and I want further development here. In general, the people who come here often have the same opinion as it is usually young generation approximately of my age” (Respondent 9).

An employee considers that the company should provide opportunities for employee’s development to those activities, which do not relate directly to the company’s activity if the company cannot provide promotion internally:

“For example, we have a girl who is engaged in theatrical art, that is, she came to work solely to receive money, since she had money to live and advance in the career ladder of an actress. I would like managers or people specially designated for this to become interested in such individuals and offer something like clubs for classes immediately after work or, within the framework of work, to create some kind of events

related directly to the activities of this or that person. I can say from myself that I also really want, in addition to working in the company, to somehow develop with people directly related to my main activity. I really want the company to stimulate such ideas” (Respondent 9).

In accordance with the analysis of the respondent’s statements, we can summarize that his expectations are only somewhat met. On one hand, he gained a lot of experience in the company. On the other hand, now he needs either promotion or company’s support in development beyond his work duties as he considers that has already acquired a lot of experience.

As for the fourth special expectation, which relate to technical characteristics of the workplace, an employee who pointed it out needs some modern equipment that alleviates consequences of sitting mode:

“Probably, a technically equipped environment, it is always modern equipment regarding telephones, regarding computers, it is always convenient equipment, it always requires good technical construction of the tables, chairs themselves, and so on. Accordingly, more comfortable conditions for performing work, because work is now moving more and more into a sitting mode, and not all necks, not all spines are happy with this” (Respondent 13).

In accordance with such statement we can summarize that the respondent’s expectation regarding technical characteristics of the workplace is only somewhat met: he does not complain directly, but hints to some negative consequences for neck and spine while using current equipment within the job in the sitting mode.

Overall, we covered four various psychological contract types based on special employees’ expectations. Psychological contract types based on expectation regarding team composition, as well as psychological contract type based on expectation regarding schedule flexibility are fully fulfilled, as the company meets such employees’ expectations. At the same time, another 2 psychological contract types (psychological contract type based on employee’s expectations regarding promotion opportunity inside of the company or support in such opportunity outside of the company; psychological contract type based on employee’s expectation regarding technical characteristics of the workplace) are not enough fulfilled as the company only partly meets employees’ expectations. The rest employees did not point out any special expectations besides those expectations that were outlined in the theme 1.

4.2.3. Theme 3: company's expectations as the psychological contract party, and actors who represent it

The results of our primary research let us emphasize the relevance of the secondary data results where we pointed out that the managers' expectations slightly differ from the company's expectations. Despite the fact that there are different managers who act as the psychological contract party, each of the manager represents the company culture and strategy.

The Head of Personnel department admits that the question "Which expectations toward employees are determined by you personally rather than by the company culture?" is difficult because managers should act in accordance with the company values. However, she points out such probable expectations of definite manager as overtime work in the situation of high workload:

"Actually, such a difficult question, because managers must also be in line with the company's values and have 100% compliance with the law, because the company is also completely transparent. If that's clear. That is, we fully comply with all law requirements. Therefore, such examples... It's difficult for me to give such an example, because, as a rule, we select or develop managers who are in the company's values. The only thing that comes to my mind now is when the company does not require employees to work overtime, but the manager probably has such a forced need, well, for example, some kind of large-scale re-implantation takes place in the hall, and then we can ask the guys. Well, this is no longer an expectation, but a request from the manager. This is probably the only example I can think of right now" (Respondent 3).

As for the company's as well as her personal expectations toward employees, she points out responsibility and engagement.

"Well, first of all, it's probably a responsible attitude towards your professional tasks, towards your job responsibilities. Secondly, this is engaged work, when you don't just come to work 8 hours or 11 hours in your shift, but you are also an employee who cares about your job, is ready to invest in your development, you are engaged, offer improvement in the process of your work. This is probably the kind of attitude we expect from employees" (Respondent 3).

We can infer that alongside with responsibility and engagement she designated such expectation as careful handling of the company property because mentioned it in the answer to the question regarding expectations, which are not met by employees.

“It seems to me that every day we have a lot of interesting and non-standard cases when we expect... In fact, there can be many such stories, even basic ones, when you ask an employee to work until the end of his/her term contract when he/she is already planning to leave. And he/she comes and says that needs it tomorrow. Well, that’s how he/she goes on sick leave. That is, these are probably quite basic things. Sometimes we expect employees to be attentive to the client. If they only tell the clients: “Go there”, it is not the service, not the quality of customer service we expect from our employees. In this case, they do not always meet these expectations. Another example has emerged that does not meet our expectations: careful handling of company property. Employees may break the mobile platform they are given; spoil a product that also costs money or order too much of a product. That is, these are the things that affect additional financial costs for the company” (Respondent 3).

The Department manager, likewise the Head of personnel services, also points out that he is aimed at a common result with the company and hence, is directed by the company culture and strategy. At the same time, he emphasizes one probable distinction between his personal expectations and the company’s expectations toward employees: the company expects long-term development of employees’ knowledge and experience while he expects employees’ fulfilment of his current tasks:

“It is definitely a responsibility; it is the fulfillment of a high task aimed at results. Perhaps the company has expectations for the future... That is, we expect that the employee will learn, gain experience, have knowledge that he/she can sell to the client, provide knowledge, that is, for the long, long term, that is, not for one year . I am probably more focused on the here-now perspective, so that employees fulfill my tasks set right here-now, both by the company and by me. But in fact, we, that is, me and the company, are aimed at a common result” (Respondent 11).

The Head of the Trade sector initially used the word “we” when was asked regarding expectations toward employees. Therefore, there are common patterns of her answer with the previous respondents’ answers as her expectations toward employees are consistent with the company culture and strategy, and it is difficult for her to distinguish between company’s and her personal expectations:

“Of course we are waiting for interest. It’s not only to come, spend time, and earn money for your leisure time, but many of the young people there earn pocket money like that, but we are just waiting for some kind of contribution of our own and a spiritual contribution to a greater extent, so that we don’t to be a structural unit that works strictly

according to the job description, but still offer your own, invest somehow, empathize, worry about what is happening at work” (Respondent 2).

Therefore, it is necessary to clarify, what she personally expects from her subordinates. However, her answer to such question reflects predominantly her leadership style as well as her attitude against any bias within team formation rather than her personal expectations toward subordinates:

“In fact, I am a very loyal leader, because I worked in another retail industry before, for a long time in a European one, and, accordingly, I accept the guys as they are. I have no taboos regarding appearance, age limit, or any family circumstances. Some, for example, managers are against it if there are small children, they are against young girls, and so on. I am very loyal to this, on the contrary, I see advantages in this for many, so to speak, well, as it happens in HR , there are barriers, yes, a small child will often get sick there, she works poorly there, and so on. Although you can look at this from the other side, if a woman has a small child, who knows if not her that in 15 minutes you can get a lot done, set priorities, yes, well, you can also look for the elderly here, and experience, yes, and problems, that is, well, from different sides. I try to treat the guys, everyone who comes for an interview without any of these barriers, to be open and, accordingly, give a chance to many, yes, and many of them surprise me in a good way” (Respondent 2).

Another Head of the trade sector, likewise the previous respondents, while answering the question regarding expectations towards employees also starts with the company’s expectations. Moreover, she considers that the company’s expectations are enshrined in different regulations, including the Code of Ethics:

“In the company where I now work, everything is spelled out very competently. And basically, from the first day, the employee is familiar with everything, starting with the Code of Ethics, ending with all sorts of regulations and everything else, I think that everything is very clearly spelled out, so, probably, in this company everything is spelled out what the company expects, and you immediately understand where you are getting into” (Respondent 7).

At the same time, after clarification regarding her personal expectations toward subordinates she gives reasonable statement regarding employees’ engagement, including her personal understanding of such term:

“Of course, I would like employee to be engaged. Of course, it’s easier to work with a person who likes it and who is engaged. Engagement is not just a nice term, but a situation when an employee shows results. I’ll tell you an interesting thing: if we engage an employee, then he/she should feel a lack of time, a lack of money and a lack of

knowledge. But, to my regret as a manager, our young employees, as a rule, do not have these lacks, because they think that they know everything. The only thing they have is a lack of money, which can be used as the lever. And, of course, trying to engage them is more difficult than engage us. Engagement also implies responsibility. With this, too, in fact, not everything is going smoothly... More precisely, we perceive responsibility differently than, for example, the new generation. For them, this is a more vague story: "This is not written down for me, I won't do it, why are you asking me." So, in summary, what I want from my employees is engagement, responsibility and, probably, consciousness. Well, in principle, consciousness can be included in responsibility" (Respondent 7).

Therefore, engagement from the respondent's point of view is defined as the situation when employee shows results, takes responsibility and feels a lack of time, a lack of money and a lack of knowledge. At the same time, she admits that Gen Z employees feel only the lack of money, to which the company can impact while the lack of knowledge, as well as the lack of time are not perceived by Gen Z employees. The lack of Gen Z employees' engagement as a whole is also emphasized in her answer to the question regarding expectations, which are not met by employees.

"If we are talking about the employees of this company, then it is not customary for them to stay late at work, it is not customary for them to come early; if you have a break, then you go and have lunch, no matter what happens, even the end of the world and everything else. We, the Russians who raised in Soviet times, of course, are offended by this, because how can you leave for lunch when you have a lot to do here, but we try to be loyal, especially since we are not in the same information field as young employees. However, we as leaders expect, of course, more engagement, more dedication. For us, work was our life, these are our needs for recognition and everything else, but young people, of course, don't have this now. That is, he/she worked, he/she fulfilled his/her job description and left. As a leader, of course, I have an expectation that he/she exceeds my expectations. That is, I didn't have to say that you will finish first, then you will leave, that you can leave out your lunch break because you have a lot of customers. But these are my expectations, and this is not part of the job description of the employee" (Respondent 7).

The respondents' statement above let us also make assumption regarding cultural clash of different generations of employees — between Gen Z employees who have predominantly Western European labour values and attitudes and older generation who still cannot get rid of labour values and attitudes that were imposed in Soviet Union. This

fact, in turn, underpin the value of chosen employees' generation Z due to higher probability of results replication in the headquarter of any other Western European company.

Overall, the company expects engagement, responsibility and careful handling of the company property. The definition of engagement as the emotional commitment toward the company, which leads to greater discretionary effort, outlined in the literature review is mostly congruent with the managers' understanding of such term. At the same time, managers might also include there inherently employee's readiness to sacrifice his/her free time in some cases that however is not met by Gen Z employees. As LM is large company, different managers who usually act in accordance with the company culture and strategy represent its expectations.

4.2.4. Theme 4: factors of psychological contract violation

Leaving the job or lowering the effort is the employee's emotional response to psychological contract breach when employee perceives that the company fails to meet his/her expectations or fails to solve his/her concerns. Therefore, it should be construed as psychological contract violation (Robinson and Rousseau, 1994; Paillé and Dufour, 2013).

The analysis of the research participants' answers among employees let us define four key factors, which foster employees' intention to leave the job:

1. Dissents in the team
2. Inappropriate leadership style
3. Toxic company culture
4. Material factors, including insufficient salary, rewards or any other bonuses

The respondents' answers vary: some of them points out one of the factors, some of them — several factors.

The research participant, who does not have previous work experience, apparently designates conflict in the team as the key factor, which would foster him to leave the job:

"I'm still young, I have no previous experience. This is my first company, so I'm still learning. But such conditions include, most likely, some conflicts with people in the team, some internal clashes, maybe not even with one, but with several. In a large team, a conflict with one person can be tolerated, but if there are several of them, then it is more difficult" (Respondent 8).

The similar position has another respondent:

“I don’t really know, really, what could urge me to leave. It seems to me that, after all, there is a collective, there is some kind of fallout in the collective, because I am a social person, communication with other people is very important to me, most likely. Still, I think something would be connected with the team” (Respondent 6).

Some employees (respondent 4 and respondent 10) have already left their previous jobs because of the team. At the same time, both of them also point out an inappropriate leadership style that provides such team relationships.

“The team depended on the places where I worked, in some place there was a good team, in some other, on the contrary, it was terrible, and it was impossible to work there, so for the most part everything depends on the team: if the team is good, then you can get used to the job and work well, but if it’s bad, then this is a hell, not a work. It also depends on the manager. If the person himself is good and makes some concessions, tries to help solve some problems, then that’s good. But I didn’t have this at my previous job... Let me tell you an example of past work in catering. There, the manager could simply present me with the fact that I had to work full time on my day off. Although, according to my employment contract, I have the right not to go to work on my day off” (Respondent 10).

“Well, there were active sales, and instead of building some kind of team, the manager simply tried to divide everyone into separate segments, that is, every person for himself. This already initially builds some kind of competitive process in the team. Competition is good, but not in this style when, roughly speaking, you are each other’s wolf” (Respondent 4).

Some respondents point out only an inappropriate leadership style as the key factor, which would foster them to leave the job. However, they give different understanding regarding an inappropriate leadership style. One of them (respondent 9) construes it as the situation where leader does not provide promotion opportunities for people who are aimed at long-term employment in the company while another one (respondent 12) construe it as the situation when manager sets up unreal tasks.

“Probably, if the management of the entire store begins to turn a blind eye to people who have been working in the company for a long time, or to people who are interested in long-term employment in this company. I would regard this as management's selfishness, which would prompt me to leave the company. At the same time, the company must understand that in order to promote itself, it needs to develop its staff. We need to constantly develop people so that they have an incentive to continue working” (Respondent 9).

“Well, if the leader was not very good. That is, he/she would not listen to his/her employees, he/she would exhaust them and set some tasks that cannot be completed in one day. That's how it is” (Respondent 12).

Toxic company culture is mentioned by one of the employees, who at the same time emphasizes that such culture is provided by the management:

“This would happen if my moral values diverged from the company's values, if at one point the same changes occurred in the company, as, for example, happened at McDonald's, transforming into “Tasty. And That's It” (McDonald's leaved Russia in 2022, so “Tasty. And That's It” was set up as the Russian analogue of McDonald's). After such transformation, the company's values have changed drastically. I have many friends of my generation who work in banks, and many of them have experience when there were structural changes in the company, when management was transferred from one company to another, when the new management began to act harshly, but at the same time began to give such leeway to some people that led to chaos” (Respondent 13).

One of the respondents restricts factors, which foster her to leave the job, to salary and reward: *“The most important — it is, of course, the salary. It happens that it does not correspond to the job description, that is, they give a lot of work there, but they do not want to pay extra for it — you can say that” (Respondent 1).*

Such material factors as salary, bonuses, including voluntary health insurance as a factor, which might foster to leave the job, is also mentioned by another respondent, but at the same time, leadership style is put to the fore:

“Let's put it this way: an attitude towards an employee like “Go, shut your mouth, go, do something, go without discussion,” that is, an authoritarian attitude. Also the most disloyal approach, both from the manager and from the company. Lack of both personal and general salary indexation, when salaries are not increased at all. Because in our country prices are rising, so it is necessary that wages also grow at least a little. It could also be the cancellation of most of the benefits that suit me, for example, voluntary health insurance — a very cool thing” (Respondent 5).

Some employees prefer lowering their effort instead of leaving the job. Two key factors of such employee's attitude arose within the analysis of the respondents' answers:

1. Material factors, including lack of rewards or any other bonuses that were also the factors of intention to leave the job
2. Lack of work appreciation.

Thus, the first factors (material factors) are similar with the factors of intention to leave the job. At the same time, there were also employees who prefer leaving the job to lowering the effort.

The lack of material motivation is a factor of readiness to lower effort for two respondents.

“What is the point of working hard at work if I'm not rewarded for it in any way? That is, they are not included in my situation in emergency situations, or they do not index wage growth. That is, if I'm there, for example, for three years, I'll break my back, strain myself, and receive money in return so that it's only enough for food, and I won't even receive a thank you for it, then, accordingly, I'll just have a morale fall, and I won't want to do anything anymore” (Respondent 5).

“This would happen if the company introduced new plans without motivational tools. That is, if they told me: “I still need to do this and that additionally for the same salary,” then it would be indecent on their part” (Respondent 13).

The person, for whom praise or at least appreciation of her work is important, emphasizes the following:

“Unfortunately, I'm built in such a way that if, for example, you start saying that I couldn't cope with this task, that I'm a bad person, then I won't try anymore. And I believe that most people of my generation are now just like that. If you praise them, they will try harder. If you say that they are doing something poorly, that they are not coping with something, then the person simply gives up and that's all” (Respondent 12).

Each of the respondents who prefer leaving the job to lowering the effort gives different explanation of such attitude.

One of the employees prefers it in order to avoid stress:

“I understand and know that this is a popular strategy among many people, but I stick to the dismissal strategy so as not to waste my nerves” (Respondent 10).

Another one employee considers lowering effort as a temporary measure if she either waits for positive changes or does not have alternative offers at the labour market:

“Only faith and hope, I guess, in a bright future that... Many people hope that things will get better now, perhaps tomorrow, the day after tomorrow, in a month's time, that I will start to be fairly evaluated, that I will be fairly paid, and that this will happen, and I will stay on for the time being, and maybe the employee will stay on because he or she does not see any alternative offer at the market” (Respondent 1).

Overall, leaving the job or lowering the effort is construed as the psychological contract violation because it inherently means the employee's emotional response to the

concerns, which company does not meet. The material factors, including insufficient salary, rewards or any other bonuses might determine both types of employees' emotional response — leaving the job or lowering the effort. At the same time, leaving the job might also be defined by such factors as dissents in the team; inappropriate leadership style; toxic company culture, while lowering the effort might also be defined by such factor as lack of work appreciation.

4.2.5. Theme 5: leadership impact on psychological contract fulfilment

This theme will be investigated from the both psychological contract parties' perceptions. We start with the manager's attitudes regarding leadership style applied toward subordinates, including such components as informal relationships, situational and authentic leadership in order to be consistent with our conceptual framework spilled over from literature review results. Then we will investigate employees' perception regarding leadership style of this manager and analyze the extent of its similarity with the manager's perception of his/her leadership style.

We start with the Head of personnel services. Her statement contains the indicators of democratic leadership style as well as indicators of situational leadership, which depends on employee's experience:

“Specifically, I probably use a very democratic leadership style, built on trust, faith in the potential of employees, and positivity. I am sure that using whip methods should be secondary. After all, the carrot comes first, and praise and recognition of employees' successes come first. This is the management style, the leadership style... That is, if an employee is new and he/she is still building up his/her competencies, then he/she needs to be given more attention, more control, some short periods of control and simple tasks. If an employee is motivated and has been working in the company for a long time, then such management style will be demotivating for him/her. Therefore, it is correct to give such an employee complex tasks, not to control him/her for short periods, to develop a partnership relationship where you ask him/her questions and thus recognize his/her expertise” (Respondent 3).

In order to examine the respondent's attitude to authentic leadership she was asked to reveal how she encourages feedback from any employee regarding his/her real concerns and expectations from the company, including non-standard once that may even not correspond to the corporate culture. The respondent inherently points out such authentic leadership indicators as openness in information even if such information is not

positive and responsiveness to subordinates' concerns when the manager should either solve such concern or transparently explain why the concern cannot be solved:

“Well, firstly, the guys also need to see that we respond to their requests and resolve the issues they come with. And if we don't solve it, then we explain why this issue cannot be resolved. This is probably always an atmosphere of openness, even when the information is not, let's say, the most positive, but it is voiced openly, and we do not hide the fact that somewhere something is going wrong with us or somewhere worse than our expectations. Therefore, this is probably an atmosphere of openness; it creates an environment where the guys can openly talk about the pain that they have” (Respondent 3).

Coordinator of household and staff support (respondent 1) is direct subordinate of the Head of personnel services. Therefore, we need to analyze how she perceives the leadership style of her manager.

She considers the leadership style of her manager as delegating who leaves most work issues up to subordinate as trusts her:

“100% delegating, 100%! In fact, she tries to combine all types, but most often she delegates. Since I am a direct employee of my boss, many decisions, you can say, well, not that they were just called on my shoulders, but something like that and there are moments when I really was delegated to some kind of major task and I can doubt in my own strength and consult with my manager, but as a rule she trusts me and in fact I myself solve all the problems of work” (Respondent 1).

At the same time, she is not absolutely satisfied with such leadership style, as to the question “Are you satisfied with such leadership style” she answered that she half satisfied and onward revealed leadership style she considers appropriate for her. She inherently would like that delegating leadership style to be supplemented by coaching leadership style that includes explanation regarding steps to be done and sources from which information can be gained:

“50 to 50. I would like she would be not just delegating, like, here is the task for you to solve despite it does not pertain to you. I would like, perhaps, some explanations, at least theses. Not like this is your task and that's all! I expect the following: you need to do this, this, this, and this, you can find information there and there...or you can go to that person to clarify” (Respondent 1).

As for trust to the manager as the key pillar of authentic leadership, the respondent 1 initially associated it with the trust in work, believing that her manager is competent

enough. At the same time, she admits that does not hesitate to express another opinion to her manager being sure that it will be taken into account:

“As for my boss as a leader, I trust my leader, she is competent enough and has repeatedly confirmed this, but undoubtedly in each of the actions there is such a thing that I have no explanation of her actions or thoughts that I could do differently, but... She made such a decision, so it should be like this. However, I can share my opinion with her and she will take it into account. That is, without attention, my opinion will not remain. But it's not a fact that my opinion will go further somewhere. In terms of the fact that she will process it, give some feedback and will have in the future attention and understanding that I have a different opinion on this matter” (Respondent 1).

It is noteworthy to pay attention that this respondent is the employee who doubts to consider another job offer with better pay that was outlined in the first theme. Therefore, we assume that she is mostly satisfied with her manager as a leader.

The statement of the Head of trade sector let us conclude that she adheres situational leadership style, because her leadership style is flexible and depends on the level of the team development:

“I am actually a very loyal leader, I rather adhere to a flexible approach, I cannot say that I am authoritarian, but I always clearly distinguish between the messages of what I am ready to discuss, and what we can discuss at what points, there is common ground there is a solution, there is an option, the topics are clear, the guys know, if this is conveyed to them, then there will be no discussion here and now, we must accept it. It depends on the decision, depending on the level of development of the team, and my trust in acceptance and so on. And, of course, my development in the company. I haven't been in the company for very long, I've been there for 10 months, and of course, even in this position now my leadership style has changed a lot. Somewhere I listened more, now I already have an expert opinion, accordingly, the guys are already listening to my knowledge, they see that I can, well, am competent in many issues already now, and, of course, it is also important that I always work with them in the field. There is no shame in me going to consult with my subordinates — on the contrary, it brings me closer to them, it shows me more how they work internally” (Respondent 2).

As for the respondent's attitude to authentic leadership, she considers herself to be self-aware regarding her leadership style, transparent to subordinates and responsive to their concerns. The following statement characterizes such attitude:

“In fact, when I first arrived, I initially talked to each employee separately about how he/she sees ideal leader, what he/she expects. I told them what kind of leader I am,

how I can help them, how open I am, and so on. Because their experience was different anyway, the managers in the plumbing tiles often changed. Well, accordingly, now I have experience! And I come across a person who likes and knows how to ask uncomfortable questions. And I try to discuss various issues with her completely honestly, we set up some kind of meeting with her, it is absolutely necessary, yes, to discuss. There are no problems at all. I'm open, I'm always honest, if I can't tell you some information, or I'm incompetent in it, I say, let's park it until that moment, I'll come back to you with this information" (Respondent 2).

Two subordinates of this manager were involved in our interviews. Their opinions significantly vary.

One of them is absolutely satisfied with the manager's leadership style that can be construed as a mix of democratic and delegating styles:

"My manager listens to everyone. True, she does not always agree, but she tries to meet halfway. Our manager has two things to do at once, so we try not to put pressure. And as a person she is very cool and will always reach out... She does not interfere in your work, she helps if you have any questions. If we did not complete a task for some other reason not related to our negligence, then she takes it calmly and helps solve it, helps to cope with it. In this regard, this is a very big plus for our leader" (Respondent 12).

Moreover, she also made the statement regarding her absolute trust to her leader that apparently corresponds to perception of her leader as authentic leader:

"Yes, I absolutely trust my manager. There were already decisions that she helped me make. Therefore, she gained my trust completely" (Respondent 12).

Another employee (respondent 6) has another opinion. She is dissatisfied with the leadership style, considering that her manager adheres authoritarian leadership style:

"Authoritarian. Yes. That is, only the first option of an orderly tone is addressed to me, which I don't like at all. I don't tolerate sticks, only carrots work for me. If you work well with me, I'm generally an ideal employee. That is, if you ask me, I do it right away. But if you tell me "Do something urgently, run in a second," then I immediately answer, "Excuse me, no. Then somehow" (Respondent 6).

At the same time, respondent 6 was already mentioned in the theme 2, so such position might be explained by her attitude to gender composition of the team: she considers that it is difficult for her to get along with female team members. Despite the fact she is allocated to male team, her manager is female. On one hand, it is necessary to pay attention to the statement in employee's answer that she is apparently the only person

whom the leader does not like. On the other hand, it is noteworthy to take into account her opinion regarding leader's different attitudes toward employees with whom the leader had been working in the previous job and toward new employees, with whom the leader was not acquainted before coming to this company:

"I'll tell you my personal opinion: there are the favorites of our manager and dislikes of our manager. I'm in a group of people whom manager doesn't like, but it seems to me that I'm the only one there. She has employees here who worked with her in other teams, she brought them all here, and she promotes only them. That is, in principle, she promotes them in career even outside of their qualification. That is, she is the one who is most committed to those employees, although when she first came here, there was a conversation that she always equally supports all employees, that is, it does not matter whether this employee was with her before or came to a new team. When she came, she said that she would always support us. As a result, as it turned out, she supports those guys who... I don't know how to call it politely... (Respondent 6).

Either way, such significant differences in personal opinions confirms that it is reasonable to focus on perception rather than reality while studying leadership impact on psychological contract fulfilment.

As for another manager who is also the Head of trade sector, she designates her leadership style as authoritarian, strongly disguised to democratic, which, in our opinion, should be titled as manipulative. She clarifies that understands the lever for each person to manage him/her that in turn indicates to situational leadership.

"I can describe my leadership style as authoritarian style strongly disguised as democratic. I look at the lever for everyone that can be pulled and, of course, I look at the employee's goal. In order for this goal to intersect as much as possible with the company's goals, I pull the lever — at least somewhat it works (Respondent 7).

At the same time, her attitude to authentic leadership is apparent because such indicators as moral grounded in keeping his/her word, responsiveness to employees and giving them constructive feedback are highlighted in her answer:

"The leader, of course, must be very competent and keep his/her word. Then your employees will trust you. Listen to them, hear them, give them timely feedback. That is, even then they will come to you. For example, employees come with some proposal: "I want... Let's put, for example, this table over there." And you either listen to them completely, and you always need to listen to them, or you listen, but explain why we can't put a table there, for example, because there is a fire exit there. We need to give them timely feedback, constructive feedback, timely give, probably, developmental feedback,

because if, for example, an employee made a mistake once, then we need to correctly inform him/her about it” (Respondent 7).

The subordinate’s perception of this manager’s leadership style is almost similar with the manager’s perception of the leadership style she applies. Although the subordinate does not say so directly, he apparently assumes that the leadership style of his manager is manipulative, as well as also assumes situational leadership of his manager, which depends on personal traits:

“I don’t know what it’s called correctly in terms of terminology, but I would call it a very sly style, that is, she has her own approach to each employee. Using my example, let’s say I can’t stand it when someone starts raising their voice at me, I can’t stand the boorish tone, I can’t stand the commanding style. I understand humor, relationships, that is, to joke and laugh. They told me what to do, I grumbled there that it was oh-oh hard, but I went to do it, she appreciated it, and the same style was applied to each employee. That is, let’s say there is a person there who is more serious, boring, well, this is not something here now, but just in general terms — she will find her own style for him” (Respondent 5).

This employee also perceives his leader as authentic leader because he trusts her and considers her honest and transparent to subordinates:

“Yes, I trust, because, as I already said, she knows how to find an approach to everyone and, for example, some thoughts of employees about some changes in the department, she fully supports in front of senior management. Even though higher management may not consider these changes necessary, she speaks honestly about it. She also sometimes tells us her opinion when she considers some changes unnecessary at the moment. That is, at a minimum, she is an honest person in this regard” (Respondent 5).

In previous section we also mentioned psychological contract type of this respondent based on flexible schedule and provided his statement where he gave examples how manager met such expectation. This is also an additional indicator of good relationships with his leader, which enhance psychological contract fulfilment.

The Department manager also adhere situational leadership as he stated that usually mixes styles that depends on the task deadlines, employee’s motivation and experience:

“We mix styles. Depending on the situation, I can use different ones. If deadlines are running out, then I will be authoritarian: here, now, urgently. If we have the opportunity to think, we will think together. In this case, employees have the opportunity to influence some work. I don't understand that they see what they need, so I'm looking for opinions. That is, here, in the company, precisely in ours, there cannot be only an

authoritarian style. There are, however, toxic employees who don't hear anything, so you have to be authoritarian with them, but there are very few such employees. If the employee is a newcomer, then I also have to be partially authoritarian, but not in the context of pressure, but in the context of control and comprehensive assistance, what, when and how to do it. If the employee has enough experience, then I use a democratic style, including listening to his/her ideas, since he/she knows what to do. This is what I say as a psychologist" (Respondent 11).

Another one respondent's statement below also indicates his attitude to be authentic leader as he considers trust to be the key things in relationships with subordinates, as well as attitude to monitoring any employee's concerns through his psychological competence:

"As I already said, the main thing is trust. If it's not there, the employee won't tell you anything. Most often, employees, if they have some sore issues, I see it. In addition, I am a psychologist by my qualification. And most often the conversation takes place, naturally, one to one. Moreover, our company holds special meetings with everyone every six months, where a person can fully speak out on all topics, even those not related to his/her work. We take all this into account" (Respondent 11).

The analysis of all the five subordinates' answers show their high appreciation of Department manager as a leader, and many points they tell regarding his leadership style are almost similar.

"Delegating only in places. Because almost every little thing is discussed with you. Will you be comfortable working in such conditions? Or what don't you like? I don't know how to call it correctly. Yes, it is probably democratic" (Respondent 4).

The same respondent trusts his leader with no doubt as he gives the following answer to the question regarding readiness to discuss any concerns, including unusual once, which may even do not correspond to the company culture:

"Yes, with no worries" (Respondent 4).

The mix of delegating and democratic leadership styles inherently assumes the respondent 8:

"Most likely delegating. He simply tells you where to go, and then, if questions arise, he writes down what needs to be done. And so basically he just tells me to go to a certain department, and then I myself understand what I need to do, and I do it. He doesn't pay much attention to it in the future. He relies and trusts us to do our job. As a result, this is what it turns out: he has no complaints about the work" (Respondent 8).

As for his trust to the leader, the respondent designates that will be ready to discuss his concerns if they arise due to friendly environment:

“I haven’t had any such questions yet. I didn’t have any problems, so there was nothing to discuss with the manager yet. But if they arise, I think I would discuss it, because everyone here is ready to help each other, and that’s good” (Respondent 8).

The statement of another employee (respondent 9) also lets us conclude regarding democratic leadership style of the manager, as well as regarding his attitude to authentic leadership. Employee also considers that such approach to leadership behavior is not situational as it is applied to any subordinate disregarding of his/her job position:

“I would rather describe him as a person who constantly listens to his team, with whom he directly works, constantly listens to each employee, and he has no division into those who can speak out and who cannot, everyone can speak out equally, whether he/she is a worker, a specialist or an administrator. And my personal opinion is that no matter what position you are in, whether it is a worker, a specialist, or an administrator, you can turn to your manager for help, and he will not refuse you” (Respondent 9).

Respondent 10 perceives his manager’s leadership style as a mix of democratic and delegating with the prevalence of democratic leadership style:

“Rather democratic, and partially delegating, when you are a bit self-employer. He knows that I know my job, that I can handle it, and asks how he can help. He is good” (Respondent 10).

The respondent does not have any concerns to discuss, although she is sure that would be ready to discuss it and considers her leader sociable and open for discussion of any concerns, including those, which does not relate to work:

“Of course. Why not? He is sociable, can support any topic of conversation, and during a break he is ready to talk about topics not related to work. I haven't had any problems to discuss yet” (Respondent 10).

The last employee gives a bit another understanding of the manager’s leadership style that, however, has some common features with the previous answers. He construes the leadership style of his manager as coaching leadership style and admits that he likes it:

“This is probably the model of a teacher, a coach. He is open to initiatives and always likes something new. He is a direct innovator in his actions, and he always tries as hard as possible to come up with some new cool issues that are very interesting not only to him, but also to the team... I like the leadership style of my manager that I

described as much as possible. In any case, the manager who is open to the entire team will be one of the best leaders” (Respondent 13).

As for situational leadership of his manager, the respondent understands it in the context of working with any employee’s weaknesses:

“You see, the characteristics of a coach as a leader inherently include constant motivation and work with the weaknesses of employees. Therefore, he defines tasks for everyone that allow the team to develop”. (Respondent 13).

As for employee’s perception of his manager as authentic leader, he answers that his leader is 80% transparent in his actions, admitting that it is better for subordinates not to know some kind of information:

“80%. There are 20% of information that we naturally cannot know due to the fact that there are higher-ranking people. There are things that we are better off not knowing so that it does not negatively affect motivation, including when the manager’s opinion does not agree with top management” (Respondent 13).

Due to our primary research, we also encountered such possible leader’s role as nudge to quit the employee who does not embed into the company, without any negative emotions from employee. We have already outlined an essential role of the team in employee’s engagement, we also emphasized that any dissent in the team is one of the factors of employee’s leaving the job. Therefore, the leader should pay much attention to the team formation when everyone embeds in the team and shares responsibility for common results. A person who becomes a burden for the team might have negative impact on other team members’ engagement. At the same time, firing such person by using coercive methods might also negatively affect other team members, because managers highlight that Gen Z employees are very cohesive and strongly depend on each other’s emotions. Here is the statement below regarding how the Head of trade sector sorted out such issue:

“You asked exactly what I can do if someone wants to quit. But let’s take reverse situation: if I see that employee does not have skills as well as motivation to cope with job responsibilities, is it worth nudging him to quit? I had a similar case here. I had a young boy, 20 years old. He either didn’t go to work, or didn’t understand at all what was happening at work. So I instigated a conversation: “Come on, whatever I can do to help, come to me with an incoming request. I’m ready to help, but I need, well, questions from you, so to speak”. A boy needs a job. I understood this, but he probably needed to honestly understand that here and now he cannot combine his personal life and work in within the working hours. Accordingly, I sat him down, we talked honestly, he cried. And

he made the decision anyway, and was later grateful to me when he came to hand over his things, that I told him honestly about it, highlighted that it was hard for him, and that I was not going to torture him by force. There are also such cases that sometimes this is needed, especially for young guys” (Respondent 2).

The situation emphasized in the statement of the respondent 2 can be explained through the concepts of situational and authentic leadership. First of all, manager demonstrated openness and responsiveness to employee’s concerns that results in revelation of employee’s real expectations from the company and secondly, manager applied manipulative leadership style to this employee without coercive methods that eventually resulted in employee’s decision to quit due to understanding that his expectations cannot be met by the company.

Overall, a mix of such leadership styles as democratic, delegating and coaching leadership styles has positive impact on psychological contract fulfilment as it is appreciated by employees. The prevalence of any of the leadership style in such mix should depend on employee’s experience, as well as strengths and weaknesses related to definite work tasks. We also encountered manipulative leadership style that was not outlined in the literature review results. This leadership style is also appropriate in some situations and comprises authoritarian leadership style skillfully disguised to democratic style, when employee perceives the decision, to which he/she was nudged by the leader, as his/her own choice rather than coercion. Either way, the results of our research confirm the literature review results that leadership style applied in definite situation should be underpinned by the employee’s perception of such leader as authentic leader, when employee trusts such leader being sure that the leader is transparent, consistent in moral principles in relationships with subordinates and honestly provide employees with information regarding them. In the previous theme, we also examined leadership styles, which have negative impact on psychological contract fulfilment as they foster employee’s intention to leave the job. Gen Z employees do not tolerate coercive leadership style, they do not tolerate inequality when manager divides people into those whom he/she likes and those whom he/she does not like, they also do not tolerate the lack of their work appreciation.

4.3. Discussion

In this section we analyze how our primary research contribute to the fulfilment of the research objectives in comparison with the literature review results.

Research objective 1. To conduct comprehensive exploration of peer-review literature related to different types of psychological contract in labour relations.

On one hand, we applied psychological contract types suggested in the literature review (relational, transactional, balanced, ideologically charged contracts) for examination the extent of Gen Z employees' engagement. We investigated professional and personal characteristics of Gen Z employees, evaluated their readiness to accept the job offer with better pay than in the current company. All our Gen Z employees apparently adhere balanced psychological contract type that means crucial role of such material factors as salary, reward, voluntary health insurance, which, at the same time, should be reinforced by such non-material factors as strong emotional relationships with the leader and with the team member, good working environment, and interesting job content.

On the other hand, the primary research let us overcome the limitation regarding application those psychological contract types for analysis employees' expectations toward the company. The psychological contract types suggested in the literature review are applied for the analysis of the extent of LM Gen Z employees' engagement, but they do not cover the variety of Gen Z employees' special expectations toward the company. However, the number of employees pointed out different expectations, which are crucial for definite person in order he/she would proceed remaining with the company for a long time. These expectations form definite psychological contract type as employee is ready to give something in return for meeting his/her special expectation by the company: psychological contract type based on employee's expectation regarding team composition; psychological contract type based on schedule flexibility; psychological contract type based on employee's expectations regarding promotion opportunity inside of the company or support in such opportunity outside of the company; psychological contract type based on employee's expectation regarding technical characteristics of the workplace.

The evaluation of the company's expectations toward employees and actors, who represent it as the psychological contract party, was also conducted within the first research objective in order to test whether the approach of Rousseau toward psychological contract concept is relevant for our case study. The results of our research demonstrated that managers' expectations toward employees slightly differ from the company's expectations toward employees as managers consider themselves as the actors who represent the company culture and strategy. Therefore, it is reasonable to focus predominantly on employees' expectations within investigation of different types of psychological contract in labour relations.

Research objective 2. Critically analyse the leadership styles and their effect on psychological contract fulfilment

The leadership style classification suggested in the literature review was useful to apply in our primary research. It was defined that positive impact on psychological contract fulfilment has a mix of such leadership styles as democratic, delegating and coaching leadership styles. Situational leadership model is relevant in our case study because employee's strengths, weaknesses, definite tasks define the prevalence of any leadership style in such mix – whether democratic, delegating or coaching leadership style prevails.

At the same time, we also supplemented the leadership styles' classification by one more style arose within the interview that might be effective for some employees – manipulative style. Manipulative leadership style differs from coercive leadership style. We presented the situation where not only manager herself but also employee perceives the manager's leadership style as manipulative. However, employee is satisfied with such leadership style because leader meets special expectations of this employee based on schedule flexibility and thus provide psychological contract fulfilment. Moreover, we also presented the situation of applying manipulative leadership style in nudge definite employee to quit without any conflict.

As for authentic leadership, our research provides evidence-based verification that it is a crucial component for any leadership style, including manipulative leadership style. It is essential for leader to gain the employees' trust due to transparency in leader's decisions that impact subordinates, openness in information, responsiveness to employees' concerns, as well as consistency in attitudes and morale principles.

Within the second research objective, we also defined the leadership, which negatively affect the psychological contract fulfilment. Our research results confirmed the literature review results that coercive leadership style is inappropriate to apply to Gen Z employees. Our research results also outlined two types of manager's behavior that affect psychological contract violation: unequal treatment when manager divides people into those whom he/she likes and those whom he/she does not like and the lack of employee's work appreciation, especially for employee's greater discretionary effort.

Research objective 3. To produce evidence-based findings and recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg

Our themes from 1 to 5 comprise evidence-based findings. Onward, we will provide recommendations based on each of the findings regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg.

Theme 1: Gen Z employees' engagement: it is essential for LM to support both material and non-material factors as they equally underpin the employees' engagement. The material factors, which should be provided, are salary, reward increase, voluntary health insurance. As for non-material factors, the management should proceed paying attention to team formation in order anyone feels himself/herself embedded in the team, and give job responsibilities that are interesting for employee's development.

Theme 2: psychological contract types based on various employees' expectations:

Manager should maintain the psychological contract types, which are fulfilled absolutely — psychological contract type based on employee's expectation regarding team composition that is essential for one of the respondents and psychological contract type based on schedule flexibility that is important for two respondents. At the same time, it is also essential to pay attention to the rest psychological contract types, which are only somewhat fulfilled — psychological contract type based on employee's expectations regarding promotion opportunity inside of the company or support in such opportunity outside of the company; psychological contract type based on employee's expectation regarding technical characteristics of the workplace.

Theme 3: company's expectations and actors who represent it as the psychological contract party

Despite the fact that the company culture and strategy are transparent enough and enshrined in different documents, it would be better for the manager to clarify and discuss what he/she expects from the direct subordinates beyond the terms provided by the company culture and strategy. For instance, one of the manager admits that she has to adapt to the Gen Z employees' unwillingness to sacrifice their free time in situation of high workload with limited deadline that not often happens. Therefore, the manager should designate in advance the type of employee's behavior that she expects in such situation, but clarify what she is ready to give the employee in return for it.

Theme 4: factors of psychological contract violation

In our research we investigated factors that lead to either leaving the job or lowering the effort. Such factors determine the incentives, which manager should support for employee's retention and engagement. The material factors, including insufficient salary, rewards or any other bonuses might determine both types of employee's emotional response — leaving the job or lowering the effort. At the same time, leaving the job might

also be defined by such factors as dissents in the team, inappropriate leadership style, toxic company culture, while lowering the effort might also be defined by such factor as lack of work appreciation.

Theme 5: leadership impact on psychological contract fulfilment

We have already covered this theme within the second research objective, designated appropriate leadership styles and such its pillars as situational and authentic leadership, as well as inappropriate leadership style and types of manager's behavior.

The research objectives fulfilment let us carry out the research purpose and answer the research question, which will be outlined in the chapter 5.

4.4. Conclusion

We presented findings gained from our primary research and discussed their contribution in our research objectives in comparison with the literature review results. Balanced psychological contract type probably displays the extent of Gen Z employees' engagement in LM, because material factors, including salary, reward, voluntary health insurance are crucial for Gen Z employees, although such non-material factors as good relationships with the team and with the leader, good work environment, interesting job content reinforce material factors. At the same time, the following psychological contract types, each of which comprises definite employee's expectations, were found: psychological contract type based on employee's expectation regarding team composition; psychological contract type based on employee's expectation regarding schedule flexibility; psychological contract type based on employee's expectations regarding promotion opportunity inside of the company or support in such opportunity outside of the company; psychological contract type based on employee's expectation regarding technical characteristics of the workplace. As for LM expectations toward employees, the company expects engagement, responsibility and careful handling of the company property. Different managers usually represent LM expectations as they act in accordance with the company culture and strategy. The factors that might lead to psychological contract violation are the following: material factors, including insufficient salary, rewards or any other bonuses; dissents in the team; inappropriate leadership style; toxic company culture; lack of work appreciation. We evaluated different leadership styles that employees find appropriate, including even manipulative style, which was not outlined in the literature review, as well as types of leader's behavior that employees find inappropriate. At the same time, the results of our research confirm the literature review results that any leadership style should be applied on the basis of situational and authentic

leadership. The findings enable us to provide recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg outlined in this chapter.

5. CONCLUDING THOUGHTS ON THE CONTRIBUTION OF THIS RESEARCH, ITS LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

5.1. Implications of findings for the research questions

The research objectives fulfilment evaluated in the previous chapter let us move to the research purpose and research question.

The research purpose is *to evaluate critically the key enabling factors and barriers that impact psychological contract fulfilment of LM employees in Saint Petersburg.*

The key enabling factors that we evaluated are the following:

1. Factors of Gen Z employees' engagement
2. Gen Z employees' expectations that are met by the company
3. Appropriate leadership style, which is able to align employees' expectations with the company's expectations, ensuing from the company culture and strategy.

The key barriers that we evaluated are the following:

1. Special Gen Z employees' expectations, which are not met
2. Inappropriate leadership style and types of leader's behavior
3. Factors that impact employees' intention either to leave the job or to lower the effort.

The fulfilment of such research purpose provides comprehensive answer to our research question "What are the key enabling factors and barriers that impact psychological contract fulfilment of LM employees in Saint Petersburg"?

The key enabling factors that impact psychological contract fulfilment of LM employees in Saint Petersburg are the following:

1. Material and non-material factors that mutually reinforce employees' engagement. Material factors include salary, reward that should be commensurate with the job responsibilities, and voluntary health insurance. Non-material factors include good relationships with the team and with the leader, friendly work environment and interesting job content.

2. Met employees' special expectations, which form definite psychological contract type, beyond the factors outlined in the first item. In our case such employees' special expectations as expectation regarding team composition and expectation regarding schedule flexibility are met by the company.

3. Appropriate leadership style. The leadership style should be applied on the basis of situational and authentic leadership. The mix of democratic, coaching and delegating leadership styles is appropriate; the prevalence of any leadership style in such mix should depend on employee's professional and personal characteristics. Manipulative style might

be also appropriate in some situations. Authentic leadership is based on employee's trust toward leader due to such leader's characteristics as self-awareness regarding own strengths, weaknesses and values, morally ground, transparency and responsiveness to subordinates.

The key barriers that have negative impact on the psychological contract fulfilment of LM employees in Saint Petersburg are the following:

1. Unmet or only somewhat met employees' expectations, which form definite psychological contract type. There are two special employees' expectations that are somewhat met by the company: expectation regarding promotion opportunity inside of the company or support in such opportunity outside of the company; expectation regarding technical characteristics of the workplace.

2. Inappropriate leadership style and types of behavior: Gen Z employees do not tolerate coercive leadership style, they do not tolerate inequality when manager divides people into those whom he/she likes and those whom he/she does not like, Gen Z employees also do not tolerate the lack of their work appreciation.

3. Factors, which impact employee's leaving the job or lowering the effort. The material factors, including insufficient salary, rewards or any other bonuses might determine both types of employee's emotional response — leaving the job or lowering the effort. At the same time, leaving the job might also be defined by such factors as dissents in the team, inappropriate leadership style and toxic company culture, while lowering the effort might also be defined by such factor as lack of work appreciation.

Overall, the research purpose is fully carried out that in turn provides comprehensive answer to the research question. The research has contributions as well as some limitations that will be evaluated onward.

5.2. Contributions and limitations of the research

The primary data, which is gathered, verifies the significance of our case for the primary research. LM adheres to some standards of Western corporate culture, and gen Z employees, who prevail in LM, explicitly adhere to Western European labour values and attitudes. Therefore, it is reasonable to outline the contributions of our research, which comprise the following points:

1. The research provides critical evaluation of psychological contract types suggested in the literature review and expands such classification, taking into account special employees' expectations.

2. The research provides evidence-based findings regarding company's expectations as psychological contract party toward employees, as well as critical evaluation of differences between expectations of the company and expectations of the managers toward employees.

3. The research provides critical evaluation of the factors of psychological contract violation as the emotional response to unmet employee's concerns, which is pronounced either in leaving the job or in lowering the effort.

4. The research provides critical evaluation of appropriate and inappropriate leadership styles for psychological contract fulfilment based on comparison of managers' perception and employees' perception regarding such leadership styles. The list of appropriate leadership styles suggested in the literature review is supplemented by manipulative leadership style that might also be appropriate in some situations arose within our research.

5. The research provides evidence-based recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg that will be outlined in the section 3 of this chapter.

Alongside with the contributions of the research, the following limitations are recognized:

1. Limitation related to the generalizability and reliability, as the research context matters and hence, the results might not be precisely replicated in another case study. This typical limitation ensue from interpretivism as research philosophy, from inductive research approach and case study strategy evaluated in the Chapter 3.

2. Limitation related to time horizon as we have chosen cross-sectional study. We do not have an availability to conduct longitudinal study because of the time frame for master dissertation submission. However, there might be changes in employee's engagement, changes in expectations toward the company, as well as toward the leader after some period (for instance, after six months), because the results of literature review outlined that psychological contract, unlike employment contract, is more dynamic.

3. Limitation related to the guarantee of respondents' sincerity. Despite the measures that the researcher undertake, the respondents might not be sure in absolute anonymity and confidentiality because the researcher sees each respondent during the interview. At the same time, the researcher (the author of the master dissertation) does not work in LM and hence, cannot observe day-to-day actions of the respondents. Therefore, there is no guarantee that each of the respondent's answers within the interview are sincere and correspond to his/her real behavior in working situations.

5.3. Recommendations for practice

The research findings form the basis for recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg. Although they were outlined in the previous chapter, it is necessary to provide them to the management of LM in plain language, leaving out some scientific terms and focusing on practical implementation.

Therefore, the recommendations for the management of LM are the following:

1. Management should maintain material factors and monitor some non-material factors, which are essential for the Gen Z employees' retention and greater discretionary effort. As for material factors, voluntary health insurance is essential for employees alongside with salary and reward increase. Therefore, it is necessary to maintain this benefit. As for non-material factors, the management should proceed paying attention to team formation, where team is combined from employees, who share common values and attitudes, in order anyone feels himself/herself embedded in the team, and no team dissents arise; manager should praise employee for his/her work as the work appreciation is essential for Gen Z employee's discretionary effort; manager should maintain informal relationships with subordinates in order employee perceives him/her as a leader, but keep some distance in order employee would not perceive the leader as a close friend that might have negative impact on job performance.

2. Management should monitor special employees' expectations and work with them: either meet or transparently explain to employees the reasons why such expectations cannot be met. Now there are some special expectations, which are not fully met. Some employees have a belief that in return for the employee's readiness to long-term employment company should either provide career growth or support intention to develop in any activity, which does not relate to the company, if the company is not able to provide employee with career growth. Some employees expect improvement of work facility that alleviate working in the sitting mode.

3. Each manager should transparently clarify his/her personal expectations toward direct subordinates beyond the terms provided by the company culture and strategy, and incentives he/she is ready to give in return for meeting such expectations. For instance, some managers hesitated to designate expectations regarding overtime work in the situations of high workload with limited deadlines that sometimes happened in the company because it is not enshrined in the company regulations. However, it would be more effective to designate such expectations and discuss incentives, for which employee

would be ready to temporary overtime work. Such incentives might be, for instance, day off or some material bonus, etc. It already works with one of the employees: he is ready to overtime work as well as to additional work tasks for providing him schedule flexibility, including opportunity to solve his life issues that sometimes arise within working hours.

4. The leadership style should be flexible toward different employees, taking into account employee's professional and personal characteristics, expectations from the company, as well as the complexity of the tasks. Overall, manager should discuss decisions with subordinates, give them tasks and then define the extent of his/her control in accordance with employee's ability to perform these tasks. Some employees of LM are needed to be controlled because of the lack of experience while other employees are able to cope with the tasks independently, although they should be provided by availability to appeal to the manager for help in any moment. Moreover, it is essential for leader to gain employees' trust. In order to gain it the leader should be open, transparent in any information that impact subordinates, consistent in moral principles regarding relationships with subordinates, responsive to employees' concerns.

5. Management should aspire to avoid compelling Gen Z employee to any action through coercion, replacing it by nudge to this action in order employee perceives it as his/her own decision rather than coercion. Coercion is not tolerated by Gen Z employees who are quite cohesive and susceptible to negative emotions of each other.

5.4. Recommendations for future research

Considering the contributions and limitations of our research we provide the following recommendations for future research:

1. The specifics of definite company as the research context should be taken into account while applying the same methodology and research design for investigation of psychological contract factors in any other company. Therefore, the results might not be similar in another company in comparison with LM.

2. Longitudinal study might be conducted within our case study in order to focus on investigation of psychological contract factors in dynamics throughout long period duration (at least, half a year). As psychological contract is more dynamic in comparison with employment contract, we assume that after some period the extent of employees' engagement might be changed; new psychological contract types might arise; there could be also some shifts in the company's expectations toward employees, as well as in the leadership style.

3. The findings from our research regarding psychological contract types based on various employees' expectations, as well as findings regarding leadership style might be used as a background for quantitative research. Quantitative research should be focused on using wide samples of employees and managers in order to test hypothesis regarding such psychological contract types, as well as leadership styles in other companies, applying descriptive or even inferential statistics for data analysis.

5.5. Final conclusion and reflections

Psychological contract is an essential component of labour relations in the company, as it comprises mutual expectations between employee and his/her company regarding wide range of actions that cannot be stipulated in employment contract. Our research contributed to the question's answer regarding key enabling factors and barriers that impact psychological contract fulfilment of LM employees in Saint Petersburg. The extent of employees' engagement, as well as factors impact it were evaluated; different psychological contract types based on various employees' expectations were investigated, and the ways how managers can align them with the company's expectations toward employees were evaluated critically. Special attention was paid to the leadership impact on psychological contract fulfilment that comprises critical evaluation of appropriate and inappropriate leadership styles applied toward Gen Z employees in LM. Finally, the research results formed the basis for the recommendations regarding utilization of Gen Z employees' psychological contract fulfilment in LM in Saint Petersburg. Alongside with the contributions of our research, some limitations, which should be taken into account in future research, were also emphasized.

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Appendices

Appendix A. Plain language statement

I. Introduction to the Research Study

Research Study Title: Psychological contract factors in labour relations in case of LM in Saint Petersburg

University: Griffith College, Graduate Business School.

Principal Investigator: Dr Garrett Ryan.

Researcher Name: Nikita Sorokin

Email: nikita_sergeevic@bk.ru

II. Details of what involvement in the Research Study will require

This research aims to examining key enabling factors and barriers that impact psychological contract fulfilment. Psychological contract inherently includes informal mutual expectations between employee and employer or manager that cannot be stipulated in employment contract. It provides employee's loyalty, commitment to the company and greater discretionary effort. This project involves taking part in semi-structured interviews. The interviews responses will be recorded and seek to gather information on your experience of psychological contract fulfilment. Questions are directed towards your thoughts on what employer or manager expects from employees; what employees, especially those who were born since 1995 and later, expect from employer and their managers; how such expectations can be aligned with the company's interests via appropriate leadership style. I estimate the interviews will take no longer than 40 minutes to complete.

III. Potential risks to participants from involvement in the Research Study (if greater than that encountered in everyday life)

I do not anticipate any risk to participants because of participation in this Research Study. The anonymity and confidentiality of participants will be provided.

IV. Benefits (direct or indirect) to participants from involvement in the Research Study

This Research Study aims to gain new knowledge that will enable to improve psychological contract fulfilment, especially toward young employees and hence, reduce turnover rate, increase employees' commitment to the company and discretionary effort. The analysis of the data gathering via interview will be able to provide you with recommendations regarding psychological contract fulfilment as it will assume examining such questions as employees' expectations from employer or manager, the types of manager's behavior to be perceived as a leader by employees; factors that might lead to either leaving the job or lowering the effort.

V. Advice as to arrangements to be made to protect the confidentiality of data, including that confidentiality of information provided is subject to legal limitations

Every effort is made to ensure the confidentiality of the participants. The interview will be recorded and used only for the purpose of the study related to master dissertation completion. Participant names will not be recorded, as all participants will be assigned a code. Where used, recorded interviews data will be downloaded to a password-controlled computer, and typed transcripts results will be held within password-controlled documents. Participant biographical details and/or mention of other persons will be left out in the final report. The confidentiality of information provided is subject to legal limitations.

VI. Advice as to whether data is to be destroyed after a minimum period

Audio tapes with interviews will be destroyed on the successful completion of this master's degree in full compliance with GDPR (General Data Protection Regulation) regulations.

VII. Statement that involvement in the Research Study is voluntary

Involvement in this Research Study is voluntary. You may withdraw from the Research Study at any point. There will be no penalty for withdrawing before all stages of the Research Study are complete.

If participants have concerns about this study and wish to contact an independent person, please contact:

Dr Garrett Ryan

Graduate Business School

Research Committee

Griffith College

South Circular Road, Dublin 8, Ireland

Phone: + 353 1 879232544

Email: garrett.ryan@griffith.ie

Appendix B. Informed Consent Form

I. Research Study Title: Psychological contract factors in labour relations in case of LM in Saint Petersburg

University: Griffith College, Graduate Business School

Principal Investigator: Dr Garrett Ryan

Researcher Name: Nikita Sorokin

Email: nikita_sergeevic@bk.ru

II. Clarification of the purpose of the research

This research aims to examining key enabling factors and barriers that impact psychological contract fulfilment. Psychological contract inherently includes informal mutual expectations between employee and employer or manager that cannot be stipulated in employment contract. Furthermore, through a combination of your participation and the latest research into psychological contract in labour relations, this research will add to the body of academic understanding of such phenomenon. The analysis of the data gathering via interview will be able to provide you with recommendations regarding psychological contract fulfilment as it will assume examining such questions as employees' expectations from employer or manager; the types of manager's behavior to be perceived as a leader by employees; factors that might lead to either leaving the job or lowering the effort.

III. Confirmation of requirements as highlighted in the Plain Language Statement

This project involves taking part in semi-structured interviews. The interviews responses will be recorded and seek to gather information on your experience of psychological contract fulfilment. Questions are directed towards your thoughts on what employer or manager expects from employees; what employees, especially those who were born since 1995 and later, expect from employer and their managers; how such expectations can be aligned with the company's interests via appropriate leadership style. I estimate the interviews will take no longer than 40 minutes to complete.

Every attempt will be made not to interfere with normal business operations, as such interviews will not be conducted at month or quarter end.

Participant – please complete the following (Circle Yes or No for each question)

Have you read or had read to you the Plain Language Statement

Yes/No

Do you understand the information provided?

Yes/No

Have you had an opportunity to ask questions and discuss this study?

Yes/No

Have you received satisfactory answers to all your questions?

Yes/No

Are you aware that interviews will be audiotaped?

Yes/No

IV. Confirmation that involvement in the Research Study is voluntary

Involvement in this Research Study is voluntary. You may withdraw from the Research Study at any point. There will be no penalty for withdrawing before all stages of the Research Study are complete.

V. Advice as to arrangements to be made to protect the confidentiality of data, including that confidentiality of information provided is subject to legal limitations

Every effort is made to ensure the confidentiality of the participants. The interview will be recorded and used only for the purpose of the study related to master dissertation completion. Participant names will not be recorded, as all participants will be assigned a code. Where used, recorded interviews data will be downloaded to a password-controlled computer, and typed transcripts results will be held within password-controlled documents. Participant biographical details and/or mention of other persons will be left out in the final report. The confidentiality of information provided is subject to legal limitations.

DO NOT COMPLETE THIS SECTION. YOUR RESEARCH PARTICIPANT SIGNS THIS.

VI. Participant Signature:

I have read and understood the information in this form. The researcher has answered my questions and concerns, and I have a copy of this consent form. Therefore, I consent to take part in this research project.

Participants Signature: _____

Name in Block Capitals: _____

Witness: _____

Date: _____

Appendix C. Interview guides

Interview guide with employees

Number	Question	Variable which can be measured by the question, with the reference to the literature
1	Could you briefly describe your job position and job responsibilities?	Essential factual information
2	What do you expect from your company besides the points stipulated in your employment contract?	- Employee's psychological contract type (Schein, 1965; Rousseau, 1995); - Gen Z employees' expectations: comparison with empirical research results (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i> , 2022)
2.1	Could you point out which expectations are related to the company as a whole rather than to your direct manager?	Subject involved in psychological contract that are usually not restricted by the employer and employee (Schein, 1965; Rousseau, 1995)
2.2.	Could you point out which expectations are related to your direct manager rather than the company as a whole?	Subject involved in psychological contract that are usually not restricted by the employer and employee (Schein, 1965; Rousseau, 1995)
2.3.	Are you satisfied with the extent how your expectations are met?	- Psychological contract fulfilment defined by each labour relations' party (Robinson and Rousseau, 1994; Rousseau, 2004); - Employee's psychological contract type (Atkinson, 2002; Rousseau, 2004)
2.4.	Could you point out which expectations are met and which are not met?	
3	What do you think the company expect from you besides the points stipulated in your employment contract?	- Psychological contract includes labour relations' party expectations regarding not only what another party owes to him/her, but also what he/she owes in return (Rousseau, 1995; Rousseau, 2004)
3.1.	Which expectations depend on your direct manager rather than the company?	-Subject involved in psychological contract that are usually not restricted by the employer and employee (Schein, 1965; Rousseau, 1995)
3.2	Which expectations depend on the company as a whole rather than your direct manager?	
3.3.	Which expectations you are able and not able to meet?	- Psychological contract fulfilment (Rousseau, 2004); - Gen Z employees' expectations (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i> , 2022)
4	Could you describe your manager as a leader, including not only professional characteristics, but also relationships with subordinates?	Leadership concept, which separates manager from leader, considering that manager should be a good leader who has emotional relationships with subordinates, including some informal components (Northouse, 2012)
4.1.	Is he/she authoritarian who tells you what to do without discussion,	Leadership styles (Hersey, 2012)

	democratic who makes decision, taking into account your interests or even delegating who leaves most work issues up to you or your colleagues?	
4.2.	Are you satisfied with the leader, including the leadership style he/she applies toward you?	Leadership concept: if not satisfied, he/she is less likely to perceive such manager as a leader (Northouse, 2012)
4.3	Is the leadership style permanent to everyone or flexible toward each employee? If flexible, which factors influence it?	Situational leadership (Hersey, 2012)
4.4.	Do you consider that your leader is transparent enough to trust him/her? Could you explain why yes or no?	Employee's trust as the key pillar of authentic leadership (Northouse, 2012)
4.5	Will you be ready to discuss with the leader such your expectations and concerns, which might be unusual as, do not correspond to organizational culture?	<u>The extent</u> of employee's trust, which impact on revelation of employee's real expectations and concerns necessary to be examined by the leader for psychological contract fulfilment (Nikolaou <i>et al.</i> , 2007; Rayiramkandath, 2021).
5	Could you describe how the manager should lead you in order you would like to stay in the current company?	It covers everything related to leadership concept and its role in psychological contract fulfilment (Nikolaou <i>et al.</i> , 2007; Rayiramkandath, 2021).
6	Could you describe conditions which foster you to leave the job?	- Expectations related to definite psychological contract type (Rousseau, 2004) ; - leadership impact: it is outlined in the literature that employee often leave the job because of bad manager or inappropriate leadership style (Nikolaou <i>et al.</i> , 2007; Northouse, 2012). Perhaps, research participant within his /her answer will mention this factor.
7	Could you describe conditions which foster you to lower your discretionary effort?	- Expectations related to definite psychological contract type (Rousseau, 2004); - Leadership impact (Nikolaou <i>et al.</i> , 2007; Rayiramkandath, 2021).
8	If you were received another job offer with a better pay than your current job will you accept it? Could you explain why yes or no?	- Expectations related to definite psychological contract type(Rousseau, 2004); - Leadership impact (Nikolaou <i>et al.</i> , 2007; Rayiramkandath, 2021).
9	Are there any other issue pertain to the topic you would like to raise that I have not discussed with you?	

Interview guide with managers

Number	Question	Variable which can be measured by the question, with the reference to the literature
1	Could you briefly describe your job position and job responsibilities?	Essential factual information
2	Could you describe professional and personal characteristics of young employees prevail in your company, including their strengths and weaknesses, attitudes toward their job duties?	Gen Z employees: comparison with empirical research results (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i> , 2022)
3	What do you think the employees expect from the company besides the points stipulated in employment contract?	<ul style="list-style-type: none"> - Employee's psychological contract type (Schein, 1965; Rousseau, 1995); - Gen Z employees' expectations (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i>, 2022). <p>Such variables here are measured from the employer's point of view in order to compare them with the employee's point of view</p>
3.1.	Which their expectations are related to the company rather than to you?	-Subject involved in psychological contract that are usually not restricted by the employer and employee (Schein, 1965; Rousseau, 1995)
3.2.	Which their expectations are related to you rather than to the company?	
3.3.	Which expectations are able and which are not able to be met?	<ul style="list-style-type: none"> - Psychological contract fulfilment (Rousseau, 2004); - Gen Z employees' expectations (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i>, 2022)
3.4.	Do young employees prevail in your company have specific expectations to which you have to adapt?	<ul style="list-style-type: none"> - Employee's psychological contract type (Schein, 1965; Rousseau, 1995); - Gen Z employees' expectations (Berkup, 2014; Bieleń and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i>, 2022)
4	What do you expect from your employees?	Employer's psychological contract: comparison with Rousseau (1995; 2004) who predominantly focus on employees' expectations and considers that employer's expectations are usually clear and almost similar with different managers while employees' expectations are various
4.1.	Which expectations are defined by the company culture as a whole rather than by you?	
4.2	Which expectations do you rather than the company define?	
4.3	Could you point out which expectations are met and which are not met by the employees?	<ul style="list-style-type: none"> - Psychological contract fulfilment (Rousseau, 2004); - Gen Z employees' expectations (Berkup, 2014; Bieleń, and Kubiczek, 2020; Skees and Yusuf, 2021; Benítez-Márquez <i>et al.</i>, 2022)
5	Do you consider informal relationships with subordinates essential or do you prefer formal relationships with rigid rules?	Leadership concept, which separates manager from leader, considering that manager should be a good leader who has emotional relationships with subordinates,

		including some informal components (Northouse, 2012)
6	Could you describe the leadership style you consider necessary to adhere toward subordinates?	Leadership styles (Hersey, 2012)
6.1.	Are you authoritarian who tells subordinates what to do without discussion, democratic who makes decision, taking into account subordinates' interests or even delegating who leaves most work issues up to subordinates?	
6.2.	Does your leadership style permanent to everyone or flexible toward each employee? If flexible, which factors influence it?	
6.3.	How do you encourage feedback from any employee regarding his/her real concerns and expectations from the company, including non-standard once?	Responsiveness to subordinate concerns and mutual trust as the authentic leadership components (Northouse, 2012)
7	Could you describe situations where employee you count on left the job?	Psychological contract fulfilment barriers (Robinson and Rousseau, 1994).
7.1.	What do you think regarding the reasons of such situation?	
7.2	Which measures should the leader undertake to retain the employee?	
8	Could you describe situations where employees lower their discretionary effort?	Psychological contract fulfilment barriers (Robinson and Rousseau, 1994).
8.1	What do you think regarding the reasons of such situation?	
8.2	Which measures should the leader undertake to increase employee's motivation to greater effort?	
9	Are there any other issue pertain to the topic you would like to raise that I have not discussed with you?	

Appendix D. Samples of interview transcripts

Interview transcript with employee (Coordinator of household and staff support)

I: Could you briefly describe your job position and job responsibilities?

R: I am the coordinator of household and staff support. My duties include the well-being of employees, providing them with everything they need for comfortable work.

I: Good. What do you expect from the company you work in, besides the points that are already in your employment contract?

R: Loyalty, both financial and moral support, in case of whatever happens. Then, good, fair evaluation of personal qualities, some work competencies, and fair pay of labour.

I: Okey. Could you, please, clarify, which of these expectations are related to the company in general, to which your direct manager cannot influence within this subsidiary, because, as far as I know, the company is large.

R: Yes, it is large.

I: So, could you point out which expectations are related to the company as a whole rather than to your direct manager?

R: I guess there are no direct expectations. Because in general I think that most of the needs can be compensated by the direct manager. Of course, there is some part, some participation of the company in this 100%, the financial well-being of the employee depends on this participation, the manager cannot always influence some external payments from the company.

I: I understand, thank you very much. The next question regarding the role of the manager in the meeting of your expectations will be left out, because I have received the answer. I would like to ask you, what do you think the company expects from you?

R: I think the company expects one hundred per cent labour. More development. We have a company that cares a lot about the employee developing directly within the company. Both personal qualities and professional competences. You could say the company follows it — the development of the employee. I think it is actually a very good quality. It's like a tick in the box. I guess that's it.

I: Okey. Which of those expectations, from your point of view, will be more likely to depend on your direct manager? I mean, are there expectations that are more likely to be addressed by your direct manager than by the company in general? Or does it come more from the company, in your opinion?

R: For the manager, it is undoubtedly important that her employees develop both personally and professionally. But it is more necessary for the company than the manager, because all business processes are moving due to all the line employees. Accordingly, for the business to grow and develop further, it is important that the employee to be trained and provided with everything necessary to move forward.

I: Got it. Which expectations of the company you are able and not able to meet?

R: I think that probably in almost all companies the priority is business development that the business works, that there are sales, that there are satisfied customers — this is undoubtedly true. Here, there is no such thing as demanding something unrealistic. You know, there are different ways in which a company shows itself, yes, when it has its own needs for development, there are aggressive managers who believe that we have to raise the bar. In such case, you have plans, you have to fulfil them 100%, and otherwise you will be harshly punished. We have no such thing in our company. That is, here is the plan, here are the tools to fulfil this plan. If you cannot do something, let us teach you how to do it. Please work. There is no such thing as pressing for not enough fulfilment of some plans. There is no such thing. Everything is quite loyal here.

I: Got it. Thank you very much for your detailed answer. Could you, please, tell about your leader? What style of leadership does she use, in your opinion?

R: Very good question (hesitated).

I: I can help you further. Is she, for example, authoritarian who tells you what to do without discussion, democratic who makes decision, taking into account your interests or even delegating who leaves most work issues up to you?

R: 100% delegating, 100%! In fact, she tries to combine all types, but most often she delegates. Since I am a direct employee of my boss, many decisions, you can say, well, not that they were just called on my shoulders, but something like that and there are moments when I really was delegated to some kind of major task and I can doubt in my own strength and consult with my manager, but as a rule she trusts me and in fact I myself solve all the problems of work.

I: Are you satisfied with this style of leadership?

R: 50 to 50. I would like she would be not just delegating, like, here is the task for you to solve despite it does not pertain to you. I would like, perhaps, some explanations, at least theses. Not like this is your task and that's all! I expect the following: you need to do this, this, this, and this, you can find information there and there...or you can go to that person to clarify.

I: I understand you, but in your opinion, is her leadership style permanent to everyone or flexible toward each employee?

R: In general, I think that no style of leadership can be 100% for everyone. That is, all people are different, absolutely, and for everyone you need to look for different solutions, different ways of providing information, different ways of supporting and all that.

I: I understand. Could you clarify to what extent do you trust your leader? Do you consider her opened and transparent in making all her decisions?

R: As for my boss as a leader, I trust my leader, she is competent enough and has repeatedly confirmed this, but undoubtedly in each of the actions there is such a thing that I have no explanation of her actions or thoughts that I could do differently, but... She made such a decision, so it should be like this. However, I can share my opinion with her and she will take it into account. That is, without attention, my opinion will not remain. But it's not a fact that my opinion will go further somewhere. In terms of the fact that she will process it, give some feedback and will have in the future attention and understanding that I have a different opinion on this matter.

I: Okey. Are you ready to discuss with the boss such an opinion, which may seem unusual, may not even correspond to corporate culture?

R: (hesitated)

I: I mean your unusual expectations toward the company, your real concerns. Do you trust your leader to the extent, which let you discuss it?

R: I think that I am ready. We had moments, it happens, moments of personal character. We can calmly discuss, share with each other. If there are any thoughts about what could be changed, but we try to... We have values in our company, and corporate culture, which we try to adhere to, without going beyond the framework. Everything that is within the framework, so to speak, is subject to discussion.

I: Got it. And the next question, then, please tell me, how do you think, how does the leader should manage you in order you would like to to stay in the company?

R: Probably more to pay attention to your employee. It is clear that different managers may have more than one employee, but you can still see from time to time when a person needs attention just on some work-related issue, or maybe there is some personal issue, that is to pay attention to it and pay attention to the employee and in every possible way to be engaged in both personal development and development of the employee.

I: Got it, thank you. Could you describe conditions, which foster you to leave the job?

R: The most important — it is, of course, the salary. It happens that it does not correspond to the job description, that is, they give a lot of work there, but they do not want to pay extra for it — you can say that.

I: I see, yes, this is a widespread problem, and as far as I know, sometimes employee does not quit his/her job, but lower his/her discretionary effort, which cannot

be required by anyone, but depends on enthusiasm. Could you, please, clarify, which conditions would foster you to work in this way, lowering the effort that depends on your enthusiasm?

R: Only faith and hope, I guess, in a bright future that... Many people hope that things will get better now, perhaps tomorrow, the day after tomorrow, in a month's time, that I will start to be fairly evaluated, that I will be fairly paid, and that this will happen, and I will stay on for the time being, and maybe the employee will stay on because he or she does not see any alternative offer at the market.

I: Thank you. So, do I properly understand that you think the best way out is to quit rather than lower the effort?

R: Rather yes.

I: Understood, thank you. If you have received another job offer with better pay, would you accept it or not? What do you think your acceptance or refusal would depend on?

R: That is a very good question too. Actually, the company suits me absolutely, and... the corporate culture, the values that we have here, the projects that I lead here, I'm very passionate, fascinated and interested in it, and I wouldn't want to leave it all, I would just like to continue to do my job as well as I can, and at the same time get a fair salary.

I: Okey. Do you think your generation has any particular expectations and demands toward the manager and toward the company, in comparison with older generations, perhaps?

R: Um... I guess... for older managers, it's more difficult for them to understand us because we are so expressive, we are so emotional, we are very active, and it's difficult to deal with us. You can put it this way: they need to be able to talk to us, and they need to be able to do that, and that's it! You have to find an individual approach to each person and not in such a way that you tell everyone the same, and understand it as you want with no additional explanations.

I: Thank you. So, do I understand you correctly that you are suggesting in this case that the leadership style should be individualized for each person? That is what we are talking about here too.

R: Absolutely!

I: I see, thank you. Are there any other issues pertain to the topic you would like to raise that I have not discussed with you?

R: I don't think so, no. Nothing that comes to mind so far, we have covered the most basic things within our conversation.

I: Okey. Could you tell me, please, what name can I address you by?

R: Anna.

I: Okey, Anna, thank you for your participation in the research!

Interview transcript with manager (Head of personnel services)

I: Could you tell me, please, what name can I address you by?

R: Oksana.

I: Thank you, Oksana. Could you briefly describe your job position and job responsibilities?

R: I work as a Head of personnel services. My tasks come in several blocks. First of all, this is probably providing the store with the necessary human resources to carry out business tasks. The second task is the development of teams: from the point of view of managers, this is compliance with management competencies; for all other employees, this is development either in their profession or in the direction where colleagues want to develop. Actually, here my job responsibility also consists of developing competence through training. This includes organizing these trainings, monitoring timely completion,

and, in fact, identifying potential employees. Well, these are probably the basic job responsibilities in my work - resource planning and providing all store employees with the necessary resources, such as clothing, work wear, knives, and office supplies. That's it in brief.

I: Got it. Could you describe professional and personal characteristics of young employees prevail in your company, including their strengths and weaknesses, attitudes toward their job duties?

R: One hundred percent they have special characteristics. We have such guys. Probably one of the characteristic qualities that these employees possess is a love of freedom. That is, these are employees who really value their free time from work. These are employees who would really like to have a balance between work and professional time. This is probably the main identified characteristic of these employees.

I: I see. What do you think the employees expect from the company besides the points stipulated in employment contract?

R: Employees expect a lot from the company, but first of all, providing the guarantees that we promise upon entering the company. When we conduct an interview and issue an offer to an employee, we promise him/her a stable salary, integration into the company, a good psychological and emotional atmosphere. In addition to these basic ones, they probably expect something more over time, because they always get used very quickly to what is a guarantee and expect something even more, a more comfortable schedule, more frequent salary increases, more attentive attitude by the manager. This is probably the main thing.

I: Got it. You just mentioned the attentive attitude on the part of the manager. Therefore, I would like to clarify, which of the expectations, in your opinion, are related to the manager rather than to the company?

R: The manager includes regular meetings with the subordinates. Probably some kind of mutual compromises, when, for example, an employee's schedule needs to be changed; such employee expects the manager to be loyal in this regard.

I: What expectations of employees relate more to the company, the fulfillment of which the manager cannot influence?

R: Increase in wages. It doesn't always depend on the leader, it depends on... (hesitated). I'm talking about wage indexation now, right? Because the company has rules when changes in wages depend partly on the manager, but there are things that depend on the company. Well, plus there is the payment of bonuses, this also largely depends on the company, and not on the manager.

I: Got it. And which employees' expectations are able and which are not able to be met?

R: I'll probably say about the schedule: many employees would like to work there on a certain schedule, well, for example, 2 days with 12 working hours and then 2 holidays after it. With the staff that we have, the manager cannot agree to these requests, because that then he/she will not meet the needs of the business with the number of employees that are available. What a manager can do, what he/she can do, what he/she can influence, this... There are decisions that will not affect business results. That is, if he/she can give him/her a day off, there is someone to satisfy a human need, he/she will give this day off, probably in most cases.

I: Got it. We were talking about what employees expect from the company and manager. Now I would like to ask you the following question: what do you expect from employees?

R: Well, first of all, it's probably a responsible attitude towards your professional tasks, towards your job responsibilities. Secondly, this is engaged work, when you don't just come to work 8 hours or 11 hours in your shift, but you are also an employee who cares about your job, is ready to invest in your development, you are engaged, offer

improvement in the process of your work. This is probably the kind of attitude we expect from employees.

I: Got it. As far as I understand, these expectations are related specifically to the culture of the company, aren't they?

R: 100%! Not even to the manager.

I: Thank you very much for the detailed answer. Which expectations toward employees are determined by you personally rather than by the company culture?

R: (hesitated)

I: That is, perhaps you, as a manager or another manager you know, have expectations toward employees that are not the company's expectations, something that the company does not urge.

R: Actually, such a difficult question, because managers must also be in line with the company's values and have 100% compliance with the law, because the company is also completely transparent. If that's clear. That is, we fully comply with all law requirements. Therefore, such examples... It's difficult for me to give such an example, because, as a rule, we select or develop managers who are in the company's values. The only thing that comes to my mind now is when the company does not require employees to work overtime, but the manager probably has such a forced need, well, for example, some kind of large-scale re-implantation takes place in the hall, and then we can ask the guys. Well, this is no longer an expectation, but a request from the manager. This is probably the only example I can think of right now.

I: Yes, thank you very much, this is a very valuable example! Then I would like to clarify which expectations the employees meet and which ones they still do not?

R: It seems to me that every day we have a lot of interesting and non-standard cases when we expect... In fact, there can be many such stories, even basic ones, when you ask an employee to work until the end of his/her term contract when he/she is already planning to leave. And he/she comes and says that needs it tomorrow. Well, that's how he/she goes on sick leave. That is, these are probably quite basic things. Sometimes we expect employees to be attentive to the client. If they only tell the clients: "Go there", it is not the service, not the quality of customer service we expect from our employees. In this case, they do not always meet these expectations. Another example has emerged that does not meet our expectations: careful handling of company property. Employees may break the mobile platform they are given; spoil a product that also costs money or order too much of a product. That is, these are the things that affect additional financial costs for the company.

I: Got it. Thanks a lot! And then we will discuss leadership. Do you consider informal relationships with subordinates important or do you prefer formal relationships with rigid rules?

R: Without knowing the internal characteristics and difficulties of the employees that are more informal, it is impossible to effectively manage such a team when you do not know how the team lives with you, what is the motivating driver for this team, what they have now difficulties, perhaps on a personal level, because there are always family difficulties, they are somehow reflected in the quality of work. A person thinks about someone else at the moment when he/she has some difficulties with his/her family, or with housing, or some kind of financial difficulties. Therefore, this informal communication is definitely present; it helps us build more effective working relationships.

I: Got it. Could you describe the leadership style you consider necessary to adhere toward subordinates?

R: Specifically, I probably use a very democratic leadership style, built on trust, faith in the potential of employees, and positivity. I am sure that using whip methods

should be secondary. After all, the carrot comes first, and praise and recognition of employees' successes come first. This is the management style, the leadership style.

I: Is your leadership style permanent for everyone or flexible for each employee? If flexible, which factors influence it?

R: Well, in general, there is even a theory of situational leadership, where, depending on the degree of maturity of the employee and his/her degree of motivation, you use different management styles, and I believe that this is also the most effective management style.

I: Exactly! I also point it out in my master dissertation.

R: That is, if an employee is new and he/she is still building up his/her competencies, then he/she needs to be given more attention, more control, some short periods of control and simple tasks. If an employee is motivated and has been working in the company for a long time, then such management style will be demotivating for him/her. Therefore, it is correct to give such an employee complex tasks, not to control him/her for short periods, to develop a partnership relationship where you ask him/her questions and thus recognize his/her expertise.

I: Got it. How do you encourage feedback from any employee regarding his/her real concerns and expectations from the company, including non-standard ones that may even not correspond to the corporate culture?

R: This is probably such a long story, when you create an atmosphere for an employee to come to you and talk about it, you never send him/her to another person, or refuse him/her, or make it clear that his/her problem is not interesting to me and company. And such an atmosphere probably makes sense. That is, even if employee's proposals do not correspond, then together with him/her in dialogue you try to sort out this story and come to a common opinion, a common correct decision. This is probably more at the cultural level. That is, when we really... Well, firstly, the guys also need to see that we respond to their requests and resolve the issues they come with. And if we don't solve it, then we explain why this issue cannot be resolved. This is probably always an atmosphere of openness, even when the information is not, let's say, the most positive, but it is voiced openly, and we do not hide the fact that somewhere something is going wrong with us or somewhere worse than our expectations. Therefore, this is probably an atmosphere of openness; it creates an environment where the guys can openly talk about the pain that they have.

I: I understand you. Could you describe situations where employee you count on left the job?

R: Yes, yes, literally a fresh example, this is not specifically my subordinate, because I don't have many employees there directly subordinate to me. There were employees who simply confronted me with a fact by writing an SMS "I would not go to work today", although he was the only one in the department. Well, because such employee had difficulties with housing there, or needed to leave urgently. Such situations arose, yes, this is bad. Well, we had to quickly decide what we would do next.

I: I see. In your opinion, was such situation related specifically to difficulties with housing, to some life circumstances, or to the fact that the employee was not satisfied with anything, that is, did he show any signs that he could do this?

R: Specifically in these examples, it was still connected with some everyday issues that the employee had, and not with the fact that something happened wrong here.

I: Got it. In your opinion, how can a leader act in this situation so that such situations do not happen or recur? Can the leader somehow influence this?

R: Here, probably, this is also long-term work, when you voice your position openly to your team and, for your part, also act the same way as you would like to be treated. These are probably simple actions that a leader needs to take so that such situations do not arise in the future.

I: Got it. Let's take an example of a slightly different situation. An employee often does not leave work, but begins to lower the efforts, because there is, so to speak, a lot of effort that depends on the enthusiasm and dedication of the employee. Have such situations ever happened? What do you think caused such situations?

R: Well, I don't remember any recent examples right now, but I will assume that such situations can arise, firstly, due to burnout and attrition, that is, a person could be really physically tired. And the second reason why this could happen is underestimation . That is, he/she tried and tried, but his/her efforts were not noted, not appreciated, not noticed. And he/she thinks that there is no reason to continue exert effort.

I: Got it. In your opinion, how can a leader influence this situation? Which measures should the leader undertake?

R: Maintain the level of motivation and make it clear to the employee that the fact that he/she works this way for the company is important for the manager, important for the entire team. It is important and necessary here, probably, to know what exactly drives the employee, that is, what is the driver for him/her, in order to constantly warm him/her up, that is, to give him/her those tasks that will be truly interesting to him/her and drive him/her.

I: Got it, thank you. And the last question then: Are there any other issues related to the topic that you would like to raise that I have not discussed with you?

R: Well, to be honest, I was more expecting questions related specifically to Gen Z, so we talked more, probably, about management in general and about leadership, which is not too focused specifically on the younger generation.

I: Okey, at the beginning of the interview there were questions, but I will be glad if you have something to add specifically about this generation, because as far as I understood you from the interview, Gen Z greatly appreciates work-life balance, independence, need for openness, for communication with them, that is, well, perhaps there were some other examples that may be related to managing this generation.

R: You know, there are probably problems with managing this generation, because this generation is more unstable, more freedom-loving. It's easier for them to quit, they make decisions faster, it's easier for them to change their field of activity, change jobs. But at the same time, these guys also have another very positive side - these are the guys who very quickly master some digital projects. They are more comfortable with new programs, new tools, and they themselves are probably more capable of generating some new ideas compared to the older generation, who are still used to working according to the rules. There is a wider scope here.

I: Got it, thank you. Do you have any other questions for me or topics you want to discuss?

R: No, thanks.

I: Thank you for participating in the interview.