ROLE-BASED STRESS AND PSYCHOLOGICAL BREACH OF CONTRACT AS CORRELATES OF FORMAL SECTOR EMPLOYEES’ ENTREPRENEURIAL INTENTIONS

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Abstract

Entrepreneurial intentions among formal sector workers are believed to be greatly hindered by breach of contract and stress related to employees’ work lives. This present study examined role-based stress and psychological breach of contract as correlates of entrepreneurial intentions among formal sector employees. Participants in the study were made up of 156 non-academic staff of Nnamdi Azikiwe University, Awka. They comprised of 85 males (54.5%) and 71 females (45.5%) with a mean age of 34.37 years and a standard deviation of 8.54 years. Their age ranged from 22 to 58 years. Three instruments were used to measure the variables. Role-based stress inventory by Rizzo, House & Lirtzman, (1970) was used to measure role-based stress, psychological breach of contract and violation scale by Robison & Morrison, (2000) was used to measure psychological breach of contract and entrepreneurial intention scale by Kaiser, (1974) was used to entrepreneurship intention of the workers. The study adopted correlational study design and Pearson product moment correlation coefficient and Multiple Regression analysis was used for the statistical test. The result of hypothesis one revealed that role-based stress positively and significantly correlated with entrepreneurial intentions at r = .55, p <.01, level of significance. The result of hypothesis two indicated that psychological breach of contract positively and significantly correlated with entrepreneurial intentions at r = .85, p <.01, level of significance. Thus, hypotheses one and two of the study were accepted. The result of the multiple regression analysis using an enter method revealed that a jointly and significantly interaction effect exists between role-based stress and psychological breach of contract on entrepreneurial intentions among employees at adjusted R² = .69, p < .01; F (2, 153) = 172.34, p<.01. Therefore, hypothesis three was also accepted. It was however recommended that employers of public sector should encourage entrepreneurial intentions and ensure that that the agreements it has with workers upon employment are not reneged.

Keywords: Role based stress; Psychological breach of contract; Entrepreneurial intention.

INTRODUCTION

Entrepreneurship is a concept that is quite important to the economic and sustainable growth of all nations, as well as the creation of employment and prevention of economic crises. Entrepreneurship serves as a vital element of any country’s economy because of its contributions in strengthening the socio-economic fabric of the country. However, most organisations especially in Nigeria are worried with the rate of entrepreneurial intention in the formal sector where issues of compensation are significantly stable. Entrepreneurial intention can be defined as the desire or instinct to start a business which will stand out as one of the major success determinants. Many studies prove that an entrepreneurial intention is critically important for economic prosperity of nations (Bowen & Lercq, 2008). Moreover, self-employment which is an offshoot of entrepreneurial intentions has significant positive economic impact not only on
wage and salary scales but also on per capital income growth and poverty reduction with a reduced focus on formal work engagements. (Goetz, Frenzel, Pekrun, & Hall, 2012).

However, there has been lack of agreement on the variables that hinders an employee’s decision to start a venture. Cognitive approaches have attracted considerable interest recently (Baron 2004; Krueger, 1994) in that regard. Some of the authors argue that personality traits play significant role on the entrepreneurial intention of an employee. That is to say, most employees readily have biological makeups inherent in them which hinder them from engaging in entrepreneurial ventures. According to Gbadamosi and Nwosu (2011), entrepreneurial intention and job satisfaction are the significant predictors of organisational commitment. However, Serinkan et al. (2013) in their study observed that even in large organisations, entrepreneurial behaviour in employees is seen as favourable to increase the competitiveness and performance of the employees. To other authors, demographic characteristics such as age, gender, religion, sexual orientation, family size and disability acts as a log in the wheel of entrepreneurial intention among workers in the formal sector. For instance, certain and yet tedious entrepreneurial ventures are most suitable and thus thrive more among the male employees than their female counterparts etc. be that as it may, the explaining capacity of personality traits and demographic characteristics despite variations is considered (Mazzarol & Choo, 2003; Rauch & Frese 2007 & Sternberg 2004). Therefore, there is need to clarify which elements play the most influential role in shaping the entrepreneurial intents of employees in the formal sector.

In this sense, the present research tries to contribute to filling this unfettered gap as to whether role-based stress and psychological breach of contract will correlate entrepreneurial intentions among formal sector employees.

Stress at the workplace is said to occur when the demand from a job exceeds the individual performing ability (Harrison, 1978). It disrupts his/her mental status or psychological equilibrium. In this modern era, most employees are experiencing stress related to their jobs because of factors like complicated family life, technological advancements which leads to easy tracking of job ability. This is so, because excellence in today’s highly competitive workplace demands more than a thorough knowledge of specialised field.

Role-based stress is seen as a part of every career; at times it acts as motivator for the employees to strive for excellence, but stress may lead to lack of confidence, lack of productivity which may lead to low job satisfaction, a felling to quit the job (Chauhan 2004).

Although (Spielberger, 1980) argued that stress is not always dysfunctional in nature, and in few cases if found positive, can prove to be one of the most important in improving productivity within an organisation, it is important to note that stress at a negative level can create a ripple number of physical and psychological disorders among employees, and can be responsible for frustration, haste, and job dissatisfaction. Role-based stress could as well be a causal factor to why most employees in the formal sector find it difficult to thrive in personal business (entrepreneurial ventures). This is so because the amount of time and its associated work stress an employee engages in carrying out certain work roles, limits his/her entrepreneurial engagements.

Barnett & Hyde (2001) argued that multiple roles enhance self-esteem and life satisfaction among role occupants. This implies that for some individuals, multiple role taking facilitates self-actualization in some sense. Another empirical research on role stress and role an individual occupies is negatively associated with insomnia and persistent illness (Nordenmark, 2004). There is also a school of thought that suggests that a moderate level of stress can stimulate creativity, encourage efforts and performance (Idris & Ali, 2008).

However, multiple roles may be beneficial only if the roles do not begin to impinge on each other which may then result in role overload or role-based stressed employees. Stress causes low employees’ performance which is also considered the bedrock
of low organisational productivity (Nordenmark, 2004). Based on the classical role theory, proponents of the stress theory argue that individuals who experience ambiguity of roles will end up in an undesirable state (Khan, et al, 1964). This informs why the general assumption of role stress theory is that high demands generated by multiple roles increase the stress with each demanding role an employee occupies.

A psychological contract breach is the cognition that the organisation has failed to fulfil one or more of its obligations (Morrison and Robinson, 1997) and has been distinguished from violation, which captures the emotional response that may arise from breach. From this definition, it could be said that psychological contract breach capture employee’s perception of the extent to which the employees has failed to fulfil its obligation. According to (Conway & Briner, 2009), the beauty of the concept is in the simple idea that ‘breach has a straightforward negative relationship with outcomes’. So many empirical studies have demonstrated the downward adjustments in various employees’ emotions, attitudes and behaviours, including organisational commitment. This is evident in Lester, Turnley; Bloodgood, & Bolino (2002) where they saw increased turnover, reduced organisational citizenship behaviour and in-role behaviours, increased deviant behaviour following the experience of breach in the existing psychological contract.

However, how employees respond to psychological contract breach could be influenced by the quality of relationship that the employees have with the organisation. For example, employee trust in the employer, the level of perceived organisational support and support from supervisors and mentors, help mitigate the negative outcomes of breach. This is in line with (Robinson & Rousseau, 1994) empirical research where they found that employees have a certain level for acceptance for employer’s behaviours that violates their expectations.

In this sense, a few studies have explicitly focused on psychological breach of contract in the contemporary work environments-where workers has to engage in work overtime, work overload, cancellation of annual leave, and even half salary payment occasioned by economic hardship in which the organisation may inadvertently be traced with. Be that it may, the end product of the economic crises in the organisation may trickle down to the employees. This is because their outside work lives may be endangered. The zeal to engage in entrepreneurial skills and ventures may be as well killed. The above assertions and propositions are supported by (Conway & Briner, 2002) where they revealed that breach that is believed to be caused by intentional organizational acts has severe outcomes on both the employees and the organisation than a breach that is believed to be caused by uncontrolled environmental factors, or by an honest misunderstanding (Robbinson and Morrison, 2000).

The aim of this study is to address how employees’ psychological breach of contract and the stress which may be occasioned therein affects their entrepreneurial spirit, which could be seen as their informal lives. More so, this study will advance the understanding of psychological breach of contract and the relationship it shares with employee’s informal work-life sector as an integral part of the modern-day work engagements-with the advent of Covid-19 and improved technological know-how that is needed to encourage informal work organizations.

**Theoretical Framework**

**Theory of planned behaviour**

As in the original theory of reasoned action, a central factor in the theory of planned behaviour is the individual’s intention to perform a given behaviour. Intentions are assumed to capture the motivational factors that influence a behaviour; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour. As a general rule, the stronger the intention to engage in behaviour, the more likely should be its performance. It should be clear, however, that a behavioural intention can find expression in behaviour only if the behaviour in question is under volitional control, i.e., if the person can decide at will to perform or not perform the behavior. Although some behaviors may in fact
meet this requirement quite well, the performance of must depend at least to some degree on such non-motivational factors as availability of requisite opportunities and re-sources (e.g., time, money, skills, and cooperation of others) Ajzen, 1985. Collectively, these factors represent people’s actual control over the behavior. To the extent that a person has the required opportunities and resources, and intends to perform the behavior, he or she should succeed in doing so.

The theory of planned behavior differs from the theory of reasoned action in its addition of perceived behavioral control. Before considering the place of perceived behavioral control in the prediction of intentions and actions, it is instructive to compare this construct to other conceptions of control. Importantly, perceived behavioral control differs greatly from Rotter’s (1966) concept of perceived locus of control. Consistent with an emphasis on factors that are directly linked to a particular behavior, perceived behavioral control refers to people’s perception of the ease or difficulty of performing the behavior of interest. Whereas locus of control is a generalized expectancy that remains stable across situations and forms of action, perceived behavioral control can, and usually does, vary across situations and actions. Thus, a person may believe that in general, her outcome is determined by her own behaviors.

According to the theory of planned behavior, perceived behavioral control, together with behavioral intention, can be used directly to predict behavioral achievement. At least two rationales can be offered for this hypothesis. First, holding intention constant, the effort expended to bring a course of behavior to a successful conclusion is likely to increase with perceived behavioral control. For instance, even if two individuals have equally strong intentions to learn to ski, and both try to do so, the person who is confident that he can master this activity is more likely to persevere than is the person who doubts his ability.

The second reason for expecting a direct link between perceived behavioral control and behavioral achievement is that perceived behavioral control can often be used as a substitute for a measure of actual control. Whether a measure of perceived behavioral control can substitute for a measure of actual control depends, of course, on the accuracy of the perceptions. Perceived behavioral control may not be particularly realistic when a person has relatively little information about the behavior, when requirements or available resources have changed, or when new and unfamiliar elements have entered into the situation. Under those conditions, a measure of perceived behavioral control may add little to accuracy of behavioral prediction. However, to the extent that perceived control is realistic, it can be used to predict the probability of a successful behavioral attempt (Ajzen, 1985).

**Hypotheses**

The following hypotheses guided the study

1. Role-based stress will have a significant positive correlation with entrepreneurial intentions among formal sector employees.
2. Psychological breach of contract will have a significant positive correlation with entrepreneurial intentions among formal sector employees.
3. Role-based stress and psychological breach of contract will jointly have significant positive correlations with entrepreneurial intentions among formal sector employees.

**METHODOLOGY/ APPROACH**

The study adopted correlational study design, Pearson product moment correlation coefficient and Multiple Regression analysis was used for the statistical test.

The study made use of three research instruments for data collection. The instruments are role-based stress inventory (Rizzo, House and Lirtzman, 1970), psychological breach of contract and violation scale (Robison and Morrison, 2000) and entrepreneurial intention scale (Kaiser, 1974).
Role-Based Stress Inventory
The instrument was designed to measure the degree of stress experienced by workers in organisations. It is a 23-item instrument designed in a 5-point Likert scale, ranging from strongly agree to strongly disagree. The items were scored as follows. Strongly agree = 1 point, agree = 2 points, undecided = 3 points, disagree = 4 points and strongly disagree = 5 points that measure role ambiguity and role conflict. The role-based stress questionnaire has been used in several studies, in several countries and in Nigeria. For example, (Ugwu, 1995), Onyishi and Ugwu (2012) obtained the reliability coefficient (Cronbach's alpha) of .91 for Nigerian samples. Some of the items in the questionnaire include: “I receive incompatible requests from two or more people, “I know what my responsibilities are”.

Psychological Breach of Contract and Violation scale
The psychological breach of contract and violation scale developed by Robinson and Morrison (2000) was used to measure psychological contract violation among respondents. It is a 9-item self-report inventory designed to assess workers feeling of betrayal or non-keeping of promises by their employers. The scale items were scored on a 5-point Likert response format, ranging from 'strongly agree' = 1 to 'strongly agree' = 5. Items 1, 4 and 8 are reversed in its scoring while the rest were scored directly. An individual possible total score on the scale ranges from 9-45 and according to Robinson and Morrison (2000), scores of 14-20 depicts little or no feelings of psychological violation, while scores of 21-45 in an indication of serious feelings of betrayal by the employers. Robinson and Morrison (2000) reported a reliability Cronbach alpha of .87 and a construct validity index of .83 for the scale. Example of items in the scale are: ‘Almost all of the promises made by my employer during recruitment have been kept so far’, ‘I feel extremely frustrated by how I have been treated by my employer’.

Entrepreneurship Intention Scale
The entrepreneurship career intention scale developed by Kaiser (1974) was used to measure entrepreneurship intention among the respondents. It is a 9-item self-report inventory designed to assess workers feelings and development of career intention outside work-lives. The scale items were scored on a 5-point Likert response format, ranging from strongly agree=1 to 5=strongly disagree. Kaiser reported a coronach alpha of .92. Some of the items in the scale are: ‘I am prepared to do anything to be an entrepreneur’; ‘I will put every effort to run and own my own business, etc.

Participants
Participants in the study were made up of 156 non-academic staff of Nnamdi Azikiwe University, Awka. They comprised of 85 males (54.5%) and 71 females (45.5%) with a mean age of 34.37 years and a standard deviation of 8.54 years. Their age ranged from 22 to 58 years. Eighty-six (86) representing 55.1% of the participants are married; sixty-nine (69) representing 44.2% of the participants are still single while only 1 person representing 0.6% is separated with the partner. Systematic random sampling was used to select the participants from the various units/departments that exist in the university. The selected units are Registry, Faculty of Social Sciences, Faculty of Arts & Humanities, Works & Transport Services and General Studies Division of the University.

RESULTS
The result in Table 1 reveal how role-based stress positively and significantly correlated with entrepreneurial intentions at $r = .55, p < .01$, level of significance. Also, it was found that psychological breach of contract positively and significantly correlated with entrepreneurial intentions at $r = .85, p < .01$, level of significance.
Table 1: Summary Table of Means, Standard Deviations and Correlation Coefficients (N=156)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial intentions</td>
<td>23.57</td>
<td>21.04</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role based stress</td>
<td>36.45</td>
<td>20.18</td>
<td>.55**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Psychological Beach</td>
<td>24.80</td>
<td>13.61</td>
<td>.83**</td>
<td>.58**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note, * = P<.05 level of significance (2-tailed); ** = P <.01 (2-tailed).

Thus, hypotheses one and two of the study accepted. By implication, this means that employees who perceived organizational roles as being stressful are more likely to develop entrepreneurial intentions. Also, when there is perceived psychological breach of contract, employees may not only lose their trust and confidence in organization, they may decide to create alternative source of income via entrepreneurship. However, as role-based stress and psychological breach of contract increases in an organizational climate, entrepreneurial intentions also increase.

The result of the multiple regression analysis (Table 2) using an enter method revealed that a jointly and significantly interaction effect exists between role-based stress and psychological breach of contract on entrepreneurial intentions among employees at adjusted R² = .69, p <. 01; F (2, 153) = 172.34, p<.01.

Table 2: Summary table of Multiple Regression analysis for the interaction between role-based stress and psychological breach of contract on entrepreneurial intentions

<table>
<thead>
<tr>
<th>Variables</th>
<th>R²</th>
<th>Adj R²</th>
<th>DF</th>
<th>F</th>
<th>B (UC)</th>
<th>β (SC)</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>.693</td>
<td>.689</td>
<td>2(153)</td>
<td>172.34*</td>
<td>.10</td>
<td>.10</td>
<td>1.782</td>
<td>.077</td>
</tr>
<tr>
<td>Role based stress</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Psychological Beach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.19</td>
<td>.77</td>
</tr>
</tbody>
</table>

Note, R² means R square; Adj R² = Adjusted r square. B (UC) = Unstandardized coefficient; β (SC) = Standardized Coefficients Beta.

However, both predictor variables contributed to 69% variation in entrepreneurial intentions. Thus, the hypothesis three of the study was accepted. This indicates that role-based stress and psychological breach of contract jointly, positively, and significantly predicted entrepreneurial intentions among employees.

DISCUSSION/CONCLUSION

This present study examined role-based stress and psychological breach of contract as correlates of entrepreneurial intentions among formal sector employees among public sector workers. Three hypotheses were tested using Pearson product moment correlation statistics for hypotheses one, two and three. The results were discussed below.

The result of hypothesis one revealed that role-based stress positively and significantly correlated with entrepreneurial intentions; therefore, the result of hypothesis one was accepted. This particular result is indicative of the fact that employees who perceived organizational roles as being stressful are more likely to develop entrepreneurial intentions...
and this is in line with the study of Gbadamosi and Nwosu (2011) where they observed that entrepreneurial intention and job satisfaction are the significant predictors of organisational commitment. However, Serinkan et al. (2013) saw that even in large organisations, entrepreneurial behaviour in employees is seen as favourable to increase the competitiveness and performance of the employees. Further, the results of this study revealed that when individuals are not satisfied with their job, they have the feelings of psychological contract breach and perceived injustice being present in their workplace. Then, there are tendencies of wanting to leave and not being committed to the organisation and intending to start an enterprise. Similarly, the result of the multiple regression analysis using an enter method which was used in testing hypothesis three revealed that a jointly and significant interaction effect exists between role-based stress and psychological breach of contract on entrepreneurial intentions among employees. However, both predictor variables contributed to 69% variation in entrepreneurial intentions. Thus, the hypothesis three of the study was accepted. This indicates that role-based stress and psychological breach of contract jointly, positively and significantly predicted entrepreneurial intentions among employees.

In hypothesis two, it was found that psychological breach of contract positively and significantly correlated with entrepreneurial intentions; therefore, the result of hypothesis two was accepted. Although, (Conway & Briner, 2002), revealed that breach that is believed to be caused by intentional organizational acts has severe outcomes on both the employees and the organisation than a breach that is believed to be caused by uncontrolled environmental factors, or by an honest misunderstanding (Robbinson and Morrison, 2000), it is also important to note that when there is perceived psychological breach of contract, employees may not only lose their trust and confidence in the organization, they may decide to create alternative source of income via entrepreneurship. In contemporary organizations, at the slight perception of breach of contract usually as it regards emoluments, workers are pushed into entrepreneurship of any sort in order to cushion the effect of such a breach and this may adversely affect the day-to-day running of the organization as a result of absenteeism or other form of truancy. This is evident in (Lester et al, 2002) where they saw increased turnover, reduced organisational citizenship behaviour and in-role behaviours, increased deviant behaviour following the experience of breach in the existing psychological contract.

Similarly, the result of the multiple regression analysis using an enter method which was used in testing hypothesis three revealed that a jointly and significant interaction effect exists between role-based stress and psychological breach of contract on entrepreneurial intentions among employees. However, both predictor variables contributed to 69% variation in entrepreneurial intentions. Thus, the hypothesis three of the study was accepted. This indicates that role-based stress and psychological breach of contract jointly, positively and significantly predicted entrepreneurial intentions among employees. Thus, as workers experiences role-based stress and psychological breach of contract, they will begin to seek alternative means for survival. These finding supports the traditional wisdom that the psychological contract is an important concept in understanding the employment relationship. Wanous, Poland, Premack, & Davis (1992), found that breach had larger effect sizes in magnitude on job satisfaction, turnover intentions, and in-role performance. It provides further evidence that breach and (un)met expectations are unique concepts, with breach being a stronger predictor of workplace outcomes. Employers of labour are advised imbibe managerial practices that focuses on employees’ perceptions of the organization’s promises and fulfilment of such promises. This helps in reducing the level of perception of stress and disregards honest contracts that are not wilfully breached.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS
One of the major limitations of this study is that selected participants were too occupied with their assigned primary roles and saw responding to the questionnaire as an extraneous factor. The participants might not have reported their true feelings in the questionnaires. It is possible they exaggerated or even under reported their true feelings in ways they felt was most appealing to the researcher. They may have done this possibly to impress the researcher and or avoid victimization from their immediate bosses.

Following on from these, future research may consider individual differences, such as personality,
when studying breach and its subsequent reactions. For example, personality may influence employee detection of breach, attributions of the cause, and behavioural responses selected to restore balance in the exchange. Other personality variables such as Agreeableness might also be relevant. For example, highly agreeable employees are more easy-going and forgiving, and thus less likely to have a confrontation with the employer or its agents (a supervisor) when they perceive unfulfilled promises.

Most importantly, this study was carried out in the public sector, future studies should investigate if workers of private firms do resist breach of contract or manifest signs of stress occasioned from their job roles. Subsequently, prospective researchers are advised to see if there is a relationship between hostility/workplace violence and psychological breach of contract and or role-based stress.

IMPLICATIONS
This study has implication on the importance of employers keeping to their promises and expectations of them by the employees. This is because when employees are either overstretched or underpaid (breach) and they look out for alternative sources of income, it is not in the best interest of the organization. Also, there is need for employers to be considerate in designing job-roles within the organization so that the employees feel stressed. Lastly, the findings will help management of organizations to know the best leadership style to adopt in enhancing and promoting good workplaces.

Based on the findings of this study, the researcher hereby recommends the following first, counselling may prove to be a helpful antidote to help cushion breaches in which the employers may not handle as a result of economic crises and adversities. Secondly, employers should encourage their workers to voice out breaches and experienced stress from their job roles so it could be attended at its infantile stage. Third, workers on their own should develop coping strategies to accommodate both breach and stress as the economy may not be also friendly to the organization itself.

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