Behavioural Outcomes of Perceived Psychological Contract Violations Among Some Selected Employees of Smes in Lagos State, Nigeria

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Abstract:

This study examined how exchange relationships between employer and employee influenced workers' behavioural outcomes. A total of 426 employees of selected SMEs operating in Lagos participated in the study. Mixed design framework involving a combination of cross-sectional survey and correlational design. The study draws its theoretical underpinning from the psychological contract theory of George Homan. It was hypothesised that there would be a significant positive relationship between psychological contract breach variables and employee behavioural outcomes. Results of correlational and regression analysis revealed that psychological contract violation variables independently and jointly predicted employees' emotional exhaustion, negative affect, emotional effort, emotional dissonance and turnover intention. Specifically, the study established that psychological contract violation altogether accounted for 58.2% and 49.5% of the observed variance in employees' emotional exhaustion and negative affect, and 71.0%, 76.8% and 45.9% of the variance in employees' emotional effort, emotional dissonance and turnover intention, respectively. Based on the study's findings, we recommend that SME management regularly evaluate the effectiveness of interventions aimed at addressing psychological contract violations and adjust them as needed.

Keywords: Psychological Contract, Emotional Exhaustion. Emotional Dissonance, Negative Affect, Turnover Intention.

INTRODUCTION

The increased growth of Small and Medium Scale Establishments (SMEs) in the Nigerian emerging economy represents a significant development toward national development (Akinbode, 2018). SMEs in Nigeria face challenges such as insufficient access to financing, insufficient infrastructure, weak policies to support and protect SMEs, and high costs of operations, particularly electricity, local government levies and taxes. As a result, entrepreneurs of various SME's have got to contend with massive growing scarce resources and how to maintain competitive pay and benefits practices to protect their investment (Akinbode, 2018). SMEs in Lagos, Nigeria contribute nearly 50% of Nigeria's GDP and account for over 80% of employment in the country, and is forecasted to account for nearly 489.5% of GDP by 2024. Lagos State has the highest number of SMEs in the country, being the commercial nerve centre of the country (SME Industry Report, 2023). SMEs generated over 59million jobs as of. December 2017, with 5% of those jobs created by SMEs, out of which an estimated figure of over 3million micro-businesses are operating in Lagos metropolis alone (National Bureau of Statistics, 2017; SME Industry Report, 2023).

Despite the seeming growing performance of the SMEs to the Nigeria's GDP, the society has been inundated with pervasive case of many SME's organizations unable or willing to fulfill mutual contractual obligations (i.e. psychological contract) with their employees thereby creating an army of resentful and dysfunctional worker who are ready the undermine the integrity of such organisations at any opportunity (Memon & Ghani, 2020; Gulzar, Ayub, & Abbas, 2021; Botha & Steyn, 2023; Akinbode, 2013, Akinbode, 2025). A psychological contract is a set of individual beliefs that the person has about the reciprocal obligations and benefits established in an exchange relationship (Porter, Pearce, Tripoli, Lewis & Aranda, 1998; Turnley & Feldman, 1999; Turnley & Feldman, 2000; Hurtado & Topa, 2018; Topa, Aranda & De-Maria, 2022). In many situations, when work organisations are unable or not willing to fulfil their employment contract, such workplaces create a recipe for counterproductive behavioural outcomes from the workers. Attitudinal and behavioural outcomes such as emotional disorders, emotional exhaustion, negative affect, emotional effort, and emotional dissonance and intention to quit, ultimately begins to manifest as direct outcomes of psychological contract breach (Robinson, Kraatz & Rousseau, 1994; Anders & Schalk, 1998; Lu, Shen & Zhao, 2015; Hartmann &

Rutherford, 2015; Jiang, Probst & Benson, 2017; Lee, M. T. & Knippenberg, 2023; Rabie & Shaaban, 2025). The serial manifestations of these behavioural disorders are not only dysfunctional to individual and organisational functioning, but a direct invitation for all manner of counterproductive behaviours that are inimical to effective service delivery. Many studies have shown that psychological contract breaches result in changes in employees' behaviour, commitment and obligation toward the organization (Robinson, Kraatz &Rousseau, 1994; Kickul, 2001; Restubog, Bordia, & Tang, 2007). This finding is in agreement with the previous reports that most workers develop a positive and enduring psychological attachment to their organisation, based on a pattern of expectations from the organisation (Rousseau, 1995; Agarwal, 2014; Hartmann & Rutherford, 2015; Lu, Shen & Zhao, 2015). Unfortunately, and for whatever reason may be, if the organisation is unable or unwilling to fulfill employment contract expectations and obligations, the workers will develop dysfunctional emotional reactions, which usually result in dysfunctional and counter-productive behaviour among employees (Schalk & Freese, 1993; Ferris, Hochwarter, Buckley, Harrell-Cook & Frink, 1999; Bennett & Naumann, 2004). This outcome may be probably inevitable because employment contracts are fundamentally formed based on trust, and violation of the contract ultimately lead to strong dysfunctional emotional reactions and feeling of betrayal (Robinson & Rousseau, 1994; Guzzo et al., 1994; Schalk et al., 1995; Anders & Schalk, 1998; Lu, Shen & Zhao, 2015; Hartmann & Rutherford, 2015; Jiang, Probst & Benson, 2017; Memon & Ghani, 2020; Gulzar, Ayub, & Abbas, 2021; Botha & Steyn, 2023) The construct of the psychological contract has emerged as one of the foremost analytical frameworks for analysing the influence of employees' employment changes on individual and group behaviours and service delivery (Guest, 2001). Fundamentally, the term psychological contract implies all aspects of the employment relationship, which go beyond the terms set in formal agreements between the employer and the employee (Anderson & Schalk, 1998; Rousseau & Schalt, 2000). In organisational and Human resources processes, it is expected that the employer of labour has agreed to certain levels of obligations in return for their employee's contributions to the organisation (Turney & Fiedman, 2000). Therefore, the psychological contract is a unique and subjective set of beliefs regarding reciprocal obligations between the employer and their employees (Rousseau, 1990). Notably, Argyris (1960) was the first to use the concept and terminology of the psychological contract (Anderson & Schalk, 1998). He used the concept 'psychological work contract' only to describe the relationship between the employees and their supervisors and employers. Although Argyris failed to define the concept but only mentioned it in passing as a psychological contract. Levinson et al. (1962) defined psychological contract as the total of mutual expectations between the organisation and the employee. The concept is used to highlight implicit and unspoken expectations which antedate the relationship between employer and employee (Anderson & Schalk, 1998; Bennett & Naumann, 2004; Ferris, Hochwarter, Buckley, Harrell-Cook & Frink, 1999; Bennett & Naumann, 2004; Reimann & Guzy, 2017).

While previous studies have explored performance implications of psychological contract violations, largely, the studies have failed to control for job characteristics and work environment factors when examining the influence of the feeling of violation of psychological contract breach. Moreover, the use of retrospective rather than predictive designs, and subjective measures rather than self-report or objective empirical data, has undermined the reliability of some previous studies. Therefore, the present study is set out to address these deficiencies by examining the behavioural outcomes of workers experiencing perceived psychological contract breach among some selected SME's operating in the Lagos metropolis, while controlling for the influence of other personal and quality of work life factors.

OBJECTIVE OF STUDY

The study set out to examine the attitudinal and behavioural consequences of perceived psychological contract violation (i.e., emotional exhaustion, emotional effort, emotional dissonance, negative affect, and turnover intention) among employees of some selected SMEs operating in Lagos.

LITERATURE REVIEW

Many studies in the last two decades in organisational psychology, and more generally across the management sciences, have reported significant changes to working relationships between employers and employees (Howard, 1995; Herriot & Anderson, 1997; Robinson, Kraatz, & Rousseau, 1994; Robinson & Rousseau, 1994; Rousseau & Wade-Benzoni, 1995). The findings of Stiles, Gratton, Truss, Hop-Hailey & McGovern (1997) and a host of others readily come to mind. These studies serve as testaments to the emerging trends in the global workplace (Herriot, Mannin & Kidd, 1997; Anderson & Schalk, 1998; Cavanaugh & Noe, 1999; Nelson, Tonks & Weymouth, 2006). In all these studies, the psychological contract has emerged as a valid framework for explaining the influence of workers' welfare on individuals', group attitudes and behaviours at work (Guest, 2001). Studies have interrogated whether violating employment contracts has significant implications for employee attitudes and behaviours, and ultimately organisational performance (Pate & Martin & McGoldrick, 2003; Topa, Aranda-Carmena & De-Maria, 2022).

Given that the individual worker believes that the employer has agreed to certain obligations in return for an employee's contributions to the organisation (Guzzo et al., 1994; Turnley & Fieldman, 2000), they see psychological contracts as reciprocal obligations. (Rousseau, 1990). This explains why when there is a violation of the

psychological contract, employees experience a discrepancy between the actual fulfilment of obligations by the organisation and the promises previously made about these obligations (see Robinson & Rousseau, 1994; Guzzo et al., 1994; Schalk et al., 1995; Anderson & Schalk, 1998). Robinson, Kraatz and Rousseau (1994) have examined the experiences of graduates in their first job and their commitment to fulfilling the psychological contract between them and their organisations. Surprisingly, the study found over time that these employees felt the obligations of the organisations towards them increased, while their own obligation decreased (Anderson & Schalk, 1998). Specifically, in a similar study, more than half of the employees in their first job reported one or more violations of their psychological contract (Robinson & Rousseau, 1994).

2.1 Theoretical Framework

Fundamentally, the theoretical underpinning of the concept of psychological contract is traceable to two sources. This is firstly to Schein (1965, 1980), who defines psychological contract as a set of unwritten expectations present at each moment between each member of the organisation and others in the organization as espoused by *social exchange theory*. Now, according to Schein (1980), the psychological contract has two levels: individual and organizational. Schein states that although the psychological contract is unwritten, it is an important determinant of behaviour in organization. Secondly, it is traceable to Herriot and Pemberton's (1995), who submit inter alia that psychological contract is the perception of both employer and employee of their relationships and the things they offer each other in this relationship. Now, these two approaches are undoubtedly founded upon the understanding that the psychological contract is essentially an exchange relationship between two parties: employer and employee (Homans' '*Social exchange theory* of elementary social forms' (e.g., Homans, 1947, 1974). Although several authors do not state this explicitly, this notion is derived from models of social psychology on exchange relationships (e.g. March & Simon, 1958; Homans, 1947, 1974), amongst others. These approaches to the psychological contract assume an exchange relationship between employer and employee, in which the expectations and obligations of both parties involved need to be taken into consideration if one is to determine whether there is agreement or disparity of opinion (Anderson & Schalk, 1998).

Central to *social exchange theory* is the idea that an interaction that elicits approval from another person is more likely to be repeated than an interaction that elicits disapproval. Homans suggested several propositions that theorise social behaviour as an exchange of material and non-material goods, such as time, money, effort, approval, prestige, and power. Every person provides rewards and endures costs (Homans, 1847; 1950; 1974;1983). We can thus predict whether a particular interaction will be repeated by calculating the degree of reward (approval) or punishment (disapproval) resulting from the interaction. If the reward for an interaction exceeds the punishment, then the interaction is likely to occur or continue.

RESEARCH QUESTIONS

The following research questions were raised:

1. Does perceived psychological contract breach have a significant relationship with employees' experiences of emotional disorders (i.e., observed workplace emotional exhaustion, negative affect, etc.)?
2. Does perceived psychological contract breach have a significant relationship with employees' experiences of emotional Labour (i.e., emotional effort and feelings of lack of emotional dissonance?
3. Does employee turnover intention relate in any way to his/her perceived psychological contract breach variables?

RESEARCH HYPOTHESES

It was hypothesised that:

1. There will be a significant positive relationship between perceived psychological contract breach variables and employee emotional disorders (i.e., observed workplace emotional exhaustion, negative affect, etc.)
2. There will be a significant positive relationship between perceived psychological contract breach variables and employee experience of emotional labour (i.e., emotional effort and emotional dissonance?
3. There will be a positive significant correlation between employee-reported turnover intention and perceived psychological contract breach variables

RESEARCH METHOD AND MATERIALS

Design

The study employed a mixed design that involved a combination of cross-sectional survey technique, adopting an ex-post-facto method with a correlational design to investigate the relationship among psychological contract breach variables and employee behavioural outcomes. Because a relational (or correlational) design does not involve the manipulation of variables (as is done in experiments), the data are related ex-post-facto in the study.

Sample/Participants and Sampling Technique

A total of four hundred and twenty-six (426) employees randomly selected from stratified multistage sampled Small and Medium Scale Establishments (SME's) operating in the Lagos metropolis participated in the survey. These participants were drawn from junior and senior staff management positions from seven major departments (i.e., Sales, HR, Accounts, Marketing, Production, Packaging, Customer Service units). Accidental and proportionate sampling selection techniques were employed to select participants from the seven major departments of the sampled organisations. This technique was employed to ensure appropriate representation across employment cadres and departments in each organisation. The sample size of employees chosen randomly from each stratum (level and department) was determined based on the relative proportions of the entire population distribution using appropriate statistical logic.

Measures

Psychological contract violation**:** Perceived Psychological contract violation was measured by 2 instruments that measured different facets of contract violation/breach: (1) the *Psychological Contract Scale* developed by Millward and Hopkins (1998), an adapted version of the original 31-item Psychological Contract Scale by Raja, Johns & Ntalianis 2004) was employed. The shortened 18-item scale has two subscales (see Raja, Johns & Ntalianis, 2004), with coefficient alphas of .79 for Relational Contract (RC) and .72 for Transactional Contract (TC). The author reported a convergent validity of 71 and .59 with Rousseau's (2000) Psychological Contract Inventory. (2) The *psychological contract breach* scale developed by Millward and Hopkins (1998) measures three aspects of job contract breach. The first scale is a 13-item, which measures job characteristic contract. The second is a 9-item scale which measures the work environment contract, and the third is a 9-item scale which measures the compensation contract. The scale was on a Likert scale ranging from 1, "strongly disagree," to 5, "strongly agree,". The score is additive, and high variable scores denote high levels of an individual's satisfaction with either transactional or relational contracts. The author reported Cronbach's Alpha of 0.92. A concurrent validity of 0.72 was reported when the perceived breach measure was correlated with the feelings of contract violation scale.

Emotional Exhaustion: Emotional exhaustion was measured by a 12-item Emotional Exhaustion Scale (EE Scale) designed by Maslach and Jackson (1981) to assess the level of people's emotional exhaustion in the workplace. The 9-item scale was obtained from the original 22-item Maslach Burnout Inventory. Maslach (1981), Jackson, Schwab & Schuler (1986) and Abraham (1998) reported internal consistency reliability of 0.87, 0.89 and 0.90, respectively. Maslach reported Criterion-related validity of 0.29. All items are scored directly.

Affectivity: Negative and positive affect were measured by the Positive and Negative Affect Schedule (PANAS) developed by Watson, Clark and Tellegen (1988) to measure positive affectivity and negative affectivity. PANAS comprises two subscales: a 10-item Positive Affectivity (PA) and a 10-item Negative Affectivity (NA). Morris (1995) reported internal consistency reliability of PA = 0.86 and NA = 0.91, and Schaubroeck & Jones (2000) reported PA = 0.85 and NA = 0.83 internal consistency, respectively. For PA, the higher the score, the greater the tendency to experience a positive mood. For NA, the higher the score, the greater the tendency to experience a negative mood. See the table for further details for the purpose of scoring and identification of PA and NA.

Intention to turnover: Employee turnover intentions were measured by the Intention to Turnover (ITC) Scale, developed by Kelloway et al. (1999) to measure workers' intention to turnover, quit or leave the organisation. It is a 10-item scale on a 5-point Likert scale, from 1 = strongly disagree to 5 = strongly agree. A coefficient alpha of 0.76 was reported by the authors.

Emotional Labour: Emotional labour was measured by the 7-item Emotional Labour Scale (EMLS 7 developed by Kruml & Geddes (2000). EMLS is designed to measure two aspects of the underlying mechanisms of human functioning under emotional labour. It is specifically designed to understand how various personal and job-related characteristics contribute to emotional labour. Four items measure Emotional Effort (EMT) with a reliability alpha of 0.66, and two items measure Emotional Dissonance (EMD) with a reliability alpha of 0.68. All items are directly scored.

DATA ANALYSIS AND RESULTS

Data were analysed using appropriate statistical techniques. Correlation between employees' behavioural outcomes (i.e., emotional exhaustion, negative affect, emotional effort, emotional dissonance and turnover

intention) and perceived psychological contract violations was examined through Pearson's product moment correlation and linear regression analysis. This statistical design is considered appropriate because it provides an opportunity for the prediction of the criterion variable from the predictors (i.e., emotional exhaustion, negative affect, emotional effort, emotional dissonance and turnover intention).

Table 1: Summary of Descriptive Statistics Criterion Variables by Participants Demographics

Variable	Categories	N	Employee Turnover Intention	Emotional Exhaustion	Employee Negative Affect	Employee Job Burnout
			Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Age	Less < 30 years	91	16.18 (.68)	63.31 (1.89)	69.00 (.81)	123.38 (3.80)
	31-40 years	152	18.73 (1.72)	65.21 (1.16)	65.24 (2.79)	125.53 (2.13)
	above > 41 years	183	16.88 (1.66)	64.99 (1.00)	64.86 (1.10)	127 (2.10)
Gender	male	204	17.02 (1.63)	64.69 (1.33)	67.89 (2.11)	121.65 (2.10)
	Female	222	15.04 (1.42)	61.32 (1.21)	65.88 (1.17)	125.59 (2.15)
Job Positions	Junior position	221	18.02 (1.63)	62.69 (1.33)	63.89 (2.11)	127.65 (2.10)
	Senior Position	205	15.04 (1.42)	61.32 (1.21)	60.88 (1.17)	125.59 (2.15)
Years in Service	Less < 4 years	91	16.63 (1.44	65.69 (.59)	63.59 (2.18)	125.37(4.9)
	5-10 years	153	17.05 (1.58)	64.37 (1.44)	65.13 (2.6)	124.58 (1.28)
	above >11 years	182	17.22 (1.74)	64.51 (1.62)	67.65 (2.51)	125.51 (1.30)

Table 1 shows the summary of the descriptive statistics of the criterion measures by the participants' demographics. Results in the table revealed that employees' negative affect, emotional exhaustion and turnover intention were higher for males compared to female employees. Similarly, mean job burnout, emotional exhaustion, negative affect and turnover intentions were all higher for junior workers compared to their senior staff counterparts. Mean job burnout, emotional exhaustion, negative affect and turnover intentions were all generally higher for participants in their middle adulthood ages (i.e., 31years – 40 years) compared to their young adults (i.e. less than 30 years) and older adults (i.e., above > 41 years**).**

Table 2: Summary of Descriptive Statistics Predictor Variables by Participants Demographics

			Psychological Contract Breaches			
Variable	**Categories**	**Transactional Contract**	**Relational Contract**	**Job Characteristics Contract**	**Work Environment Contract**	**Compensation Contract**
			Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Age	Less < 30 years	14.65 (0.94)	12.36 (0.47)	17.68 (1.25)	15.97 (2.83)	17.65 (0.94)
	31-40 years	16.40 (1.85)	14.61 (1.76)	16.22 (1.73)	18.81(1.93)	18.20 (2.91)
	above > 41 years	16.68 (2.12)	15.16 (2.40)	18.14 (2.04)	18.50 (1.27)	18.66 (2.64)
Gender	male	15.75 (2.28)	13.31 (2.27)	17.68 (2.10)	17.76 (1.98)	18.03 (2.70)
	Female	16.51 (1.59)	15.40 (2.11)	17.06 (1.81)	18.36 (2.39)	18.51 (2.31)
Job Positions	Junior position	15.75 (2.28)	14.61 (0.27)	15.16 (1.16)	15.36 (1.28)	18.03 (2.47)
	Senior Position	17.21 (1.19)	16.20 (1.11)	17.06 (1.81)	18.25 (2137)	16.43 (2.63)
Years in Service	Less < 4 years	15.78 (1.73)	13.84 (0.39)	15.24 (0.99)	17.09 (1.24)	16.47 (1.62)
	5-10 years	16.01 (2.34)	14.58	18.317 (1.93)	18.10 (2.21)	18.89 (2.73)

			(2.57)			
	above >11 years	16.45 (1.74)	14.43(2.33)	17.61 (1.58)	18.53 (2.45)	18.68 (2.27)

Psychological contract breaches as reported by the participants are presented in Table 2. The results of the mean and standard deviation of the measures as presented revealed that virtually all male and female participants reported significant psychological contract breaches for all the variables under reference, as the mean values obtained are almost equal for all the variables. In a similar manner, both junior and senior workers reported psychological contract breaches across all the variables under reference. Mean transactional contract and relational contracts was higher for senior staff members than the junior staff. Similarly, mean transactional contract and relational contracts were slightly higher for female members of staff than their male staff members. Age differences in reporting psychological contract violation were not significant as the mean values obtained were almost equal. Likewise, participants' reported psychological contract violation was not significantly differentiated by year of service (i.e., job tenure).

3.5 Hypotheses Testing

Hypothesis 1: There will be a significant positive relationship between psychological contract breach variables and employee emotional disorders (i.e., observed workplace emotional exhaustion, negative affect, etc.)

Table 3: Inter-correlation Matrix of the Predictor and Criterion Variables

Psychological Contract Breaches	1	2	3	4	5	6	7
1. Transactional Contract	1.00						
2. Relational Contract	.708**	1.00					
3. Job Characteristics Contract	-.121*	.381**	1.00				
4. Work Environment Contract	.596**	.349**	.-.137**	1.00			
5. Compensation Contract	.346**	-.034	-.081	.698**	1.00		
6. Emotional Exhaustion	.233**	.428**	-.040	.376**	-.190**	1.00	
7. Negative Affects	-.156**	-.360**	-.009	.062	-.028	-.378**	1.00
Mean	16.16	14.36	17.35	18.67	18.28	64.71	
Std. Deviation	1.99	2.19	1.98	2.22	2.51	1.48	

** *Correlation is significant at the 0.01 level (2-tailed)*

* *Correlation is significant at the 0.05 level (2-tailed)*

The inter-correlation matrix of the predictor variables (i.e., psychological contract breaches) and criterion variables (i.e., Emotional exhaustion and Negative affect) presented in Table 3 shows that there is a significant positive correlation between transactional, relational, and work environment contract violations and reported employee emotional exhaustion. Similarly, reported employees' negative affect increases with transactional and relational psychological contract violations.

Table 4: Relative Contribution of the Prediction Variables to the Prediction of the Criterion Variables: Emotional Exhaustion and Negative Affect

	B	SEB	Beta	t	Sig	R	R^2	F-ratio	pv
1. Transactional Contract	-.325	.722	-.435	-6.236	P<0.01	.763	.582	117.08*	P<0.01
2. Relational Contract	.317	.052	.468	6.156	P<0.01				
3. Job Characteristics Contract	-.150	.036	-.200	-4.167	P<0.01				
4. Work Environment Contract	.617	.038	.922	16.421	P<0.01				

5. Compensation Contract	-.404	.033	-.683	-12.187	P<0.01				
a Criterion variable: Emotional Exhaustion									
1. Transactional Contract	1.816	.163	.853	11.123	P<0.01	.703	.495	82.175	P<0.01
2. Relational Contract	-3.003	.162	-1.553	-18.558	P<0.01				
3. Job Characteristics Contract	1.551	.113	.725	13.712	P<0.01				
4. Work Environment Contract	1.546	.118	.810	13.712	P<0.01				
5. Compensation Contract	-1.485	.104	-.882	-14.303	P<0.01				
b *Criterion variable: Negative Affect*									

Table 4 shows that the use of five psychological contracts breach variables (Transactional contract violation, Relational contract violation, Job characteristic contract violation, Work Environment contact violation, Compensation contract violation) to the predict of employees emotional labour variables (i.e., Emotional exhaustion, Negative affect) yielded a coefficient of multiple regression (R^2) 0.582 (Adjusted) and (R^2) 0.495 (Adjusted), thereby accounting for about 58.2% and 49.5% of the observed/reported variance in sampled employees emotional exhaustion and negative affect.

Hypothesis 2: There will be a significant positive relationship between psychological contract breach variables and employees' experience of emotional Labour (i.e., emotional effort and feelings of lack of emotional dissonance?

Table 5: **Inter-correlation Matrix of the Predictor and Criterion Variables**

Psychological Contract Breaches	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1. Transactional Contract	1.00						
2. Relational Contract	.708**	1.00					
3. Job Characteristics Contract	-.121*	.381**	1.00				
4. Work Environment Contract	.596**	.349**	.-.137**	1.00			
5. Compensation Contract	.346**	-.034	-.081	.698**	1.00		
6. Emotional Effort	.233**	.428**	-.040	.376**	-.190**	1.00	
7. Emotional Dissonance	-.156**	-.360**	-.009	.062	-.028	-.378**	1.00
Mean	16.16	14.36	17.35	18.67	18.28	15.57	2.71
Std. Deviation	1.99	2.19	1.98	2.22	2.51	0.90	0.70

** *Correlation is significant at the 0.01 level (2-tailed)*

* *Correlation is significant at the 0.05 level (2-tailed)*

The inter-correlation matrix in Table 5 summarises the correlational analysis between the predictor variables (i.e., psychological contract breaches) and criterion variables (i.e., Emotional effort and emotional dissonance). Results show that there is a significant positive correlation between transactional, relational, and work environment contract violations and reported employee emotional effort, while emotional effort increases with poor employee compensation. Similarly, reported employees' emotional dissonance increases with transactional, relational and compensation psychological contract violations.

Table 6: Relative Contribution of the Prediction Variables to the Prediction of the Criterion Variables: Emotional Effort and Emotional Dissonance

	B	SEB	Beta	t	Sig	R	R^2	F-ratio	pv
1. Transactional Contract	.052	.026	.113	1.953	P<0.01	.843	.710	205.661*	P<0.01
2. Relational Contract	-.005	.026	-.013	-.207	P<0.01				
3. Job Characteristics Contract	.386	.018	.846	21.126	P<0.01				
4. Work Environment Contract	.095	.019	.233	4.982	P<0.01				
5. Compensation Contract	-.030	.017	-.983	-1.774	p>0.01				
a Criterion variable: Emotional Effort									
1. Transactional Contract	.295	.018	.839	16.151	P<0.01	..876	.768	278.258	P<0.01
2. Relational Contract	.048	.018	.150	2.655	P<0.01				
3. Job Characteristics Contract	.049	.013	.138	3.850	P<0.01				
4. Work Environment Contract	-.034	.013	-.109	-2.611	P<0.01				
5. Compensation Contract	-.054	012	-.194	-4.653	P<0.01				
b *Criterion variable: Emotional Dissonance*									

The analysis in Table 6 summary of the relative contributions of the psychological contracts breach variables (Transactional contract violation, Relational contract violation, Job characteristic contract violation, Work Environment contact violation, Compensation contract violation) to the prediction of employees emotional effort and emotional dissonance, which yielded a coefficient of multiple regression (R^2) 0.710 (Adjusted) and (R^2) of 0.768 (Adjusted), thereby accounting for about 71.0% and 76.8% of the observed/reported variance in sampled employees emotional effort and emotional dissonance. *Hypothesis 3: There will be a positive significant correlation between employee-reported turnover intention and psychological contract breach variables*

Table 7: Inter-correlation Matrix of the Predictor and Criterion Variable

Psychological Contract Breaches	1	2	3	4	5	6	
1. Transactional Contract	1.00						
2. Relational Contract	.708**	1.00					
3. Job Characteristics Contract	-.121*	.381**	1.00				
4. Work Environment Contract	.596**	.349**	.-.137**	1.00			
5. Compensation Contract	.346**	-.034	-.081	.698**	1.00		
6. Intention to Turnover	.347**	.551**	.229**	.269**	-.154**	1.00	
Mean	16.16	14.36	17.35	18.67	18.28	17.03	
Std. Deviation	1.99	2.19	1.98	2.22	2.51	1.63	

** *Correlation is significant at the 0.01 level (2-tailed)*
* *Correlation is significant at the 0.05 level (2-tailed)*

Table 7 shows the intercorrelation matrix of the psychological contract breaches and self-reported employee turnover intention. Results show that there is a significant positive correlation between transactional, relational, job characteristics and work environment contract violations and reported employee turnover intentions, respectively. Reported employees' turnover intentions increase with transactional, relational and job characteristics psychological contract violations.

Table 8: Relative Contribution of the Prediction Variables to the Prediction of the Criterion Variables: Turnover Intention

	B	**SEB**	**Beta**	**t**	**Sig**	**R**	**R^2**	**F-ratio**	**pv**
1. Transactional Contract	.190	.065	.231	2.910	P<.01	.677	.459	71.222*	P<0.01
2. Relational Contract	.011	.065	.015	.177	P>.01				
3. Job Characteristics Contract	.292	.045	.354	6.464	P<.01				
4. Work Environment Contract	.457	..047	.619	9.694	P<.01				
5. Compensation Contract	-.414	.042	-.637	-9.979	P<.01				

a *Criterion variable: Intention to turnover*

Table 8 presents the result of the multiple regression summary of the relative contributions of the psychological contract breach variables to the prediction of employees' reported/observed turnover intention, which yielded a coefficient of multiple regression (R^2) of 0.459 (Adjusted). The result indicates that psychological contract breach variables jointly accounted for about 45.9% of the observed/reported variance in employees' reported turnover intentions.

DISCUSSION

This study examined behavioural outcomes of perceived psychological correlates of psychological contract breach among selected employees of SMEs operating in Lagos. The identified correlates investigated were employee emotional disorders (i.e., emotional exhaustion, negative affect, emotional effort, emotional dissonance) and turnover intention. The first hypothesis was that the relationships between psychological contract breach variables and employees' observed workplace emotional exhaustion and negative affect would be positive and significant. It is also expected that the relationship will be predictive. As envisaged, the correlation coefficients reported show that there are significant positive correlations between transactional contract breach and employees' emotional exhaustion, relational and emotional contract breach and emotional exhaustion, and work environment contract violation and emotional exhaustion. Similarly, reported employees' negative affect increases with transactional and relational psychological contract violation.

The results of multiple regression with hypothesis 1 revealed that the five independent variables (i.e., transactional contract, relational contract, job characteristics contract, work environment contract and compensation contract), when taken together, were effective in predicting the observed variance in employee emotional exhaustion and negative affect. The observed F-ratios (i.e. 117.08* and 82.175*) associated with the regression weights are significant at the 0.01 level. This result simply indicates clearly that the effectiveness of a combination of the perceived psychological contract violation variables in predicting employee emotional exhaustion and negative affect could not have occurred by chance. Further, the five independent variables (i.e., transactional contract, relational contract, job characteristics contract, work environment contract and compensation contract) significantly predicted employee emotional exhaustion and negative affect, accounting for about 58.2% and 49.5% of the observed/reported variance in employees' emotional exhaustion and negative affect, respectively. This finding is very instructive and is a wake-up call for entrepreneurs of various SMEs, having established the link between psychological contract violations and employees' emotional disorders (i.e. emotional exhaustion and negative affect).

As for the extent to which each of the five perceived psychological contract violation variables contributed to the prediction of emotional exhaustion and negative affect, the values of the t-ratio associated with the respective variables, as shown in Table 4, indicate that transaction contract, relational contract, job characteristic contract, work environment contract and compensation contract violations each contributed significantly to the prediction of

emotional exhaustion and negative affect, thereby confirming the expectation envisaged in hypothesis 1. The importance of psychological contract violations as a significant predictor of employees' emotional exhaustion and negative affect corroborates the study findings of Robinson and Rousseau (1994), Guzzo et al. (1994), Schalk et al. (1995), Anderson & Schalk (1998) and McFarlan, Shore and Tetrick (1994), in which they variously conclude that because psychological contracts are formed based on trust, violation may lead to strong emotional reactions and a feeling of betrayal. The present finding is also consistent with the supposition of affective events theory (Weiss & Cropanzano, 1996), that feelings of contract violation are associated with lower levels of well-being and higher levels of burnout, as permanent negative emotions have an impact on employees' psychological health.

The results in Tables 5 and 6 are also such that psychological contract violation variables have a significant influence on employee-reported emotional effort and emotional dissonance, thereby affirming the claims in hypothesis 2. Expectedly, employee reported employees' emotional dissonance increases with transactional, relational and compensation psychological contract violations. Psychological contract breach variables examined jointly significantly predicted observed variance in employee emotional effort and emotional dissonance. Indicated in the Table 6, the t-ratio associated with all the predictor variables are all significant for emotional exhaustion and Negative affect implying that all the psychological contract violation variables examined independently predicted the observed/reported variance in sampled employee emotional effort and emotional dissonance. This result further amplifies the findings reported by several authors in their previous studies (Herriot & Anderson, 1997; Robinson, Kraatz, & Rousseau, 1994; Robinson & Rousseau, 1994; Rousseau & Wade-Benzoni, 1995; Stiles, Gratton, Truss, Hop-Hailey & McGovern, 1996). For hypothesis three, which examined the significant positive relationship between employee-reported turnover intention and psychological contract breach variables, the hypothesis was accepted. Results show that there is a significant positive correlation between transactional, relational, and job characteristics and work environment contract violation and reported employee turnover intentions. Expectedly too, reported employees' turnover intentions increases with transactional, relational and job characteristics psychological contract violations. Multiple regression analysis showed that psychological contract breach variables jointly predicted 45.9% of observed variance in employees' reported/observed turnover intention. From the table, psychological contract violation variables examined independently predicted the observed/reported variance in sampled employee turnover intentions. The results demonstrated that, consistent with other studies (Herriot, Mannin & Kidd, 1999, Anderson & Schalk, 1998; Cavanaugh & Noe, 1999; Pate et al., 2003; Nelson, Tonks & Weymouth, 2006; Galanis, Vraka, Katsiruompa & Siskou, 2023; Lee, M. T. & Knippenberg, 2023; Rabie & Shaaban, 2025), which has established a significant positive relationship between psychological contract breach and quiet quitting at the individual employee level.

CONCLUSION AND RECOMMENDATIONS

Small and Medium Scale Establishments (SMEs) are crucial to Nigeria's economy, contributing to employment, Gross Domestic Product (GDP), and exports. Despite challenges, there are efforts to support SME growth, including funding initiatives and advocacy for favourable policies. Some SMEs have found success by innovating and adapting to the challenging business environment. This study, while examining the psychological contracts among selected employees of SMEs operating in Lagos metropolis, found that employees have unanimously expressed feelings of psychological contract violations and have reported poor psychological functioning (i.e. emotional exhaustion, negative affect, emotional effort, emotional dissonance and a heightened intention to turnover). The study underscores the behavioural implications of the attendant attitude change that usually follows feelings of psychological contract violations, with profound implications for employees' productivity, job performance and psychological functioning. The damage done to the human psyche by organisations being unable or not willing to uphold psychological contract obligations can only be imagined, not experienced. The present study has clearly established that employees who reported that their employer has failed to fulfil the employment psychological contract experience negative emotions, attitude change, and dysfunctional behaviours in the workplace. This finding of this study is very instructive and has contributed to the emerging discussion on failing organisational performance among the emerging SME's in the Nigerian economy. Because psychological contract violations can have far-reaching consequences for human resources (HR), including increased turnover, decreased productivity, and damage to the employer brand, effective HR management can help prevent or address these violations, promoting a positive work environment and strong employee-employer relations.

Based on the findings in our study we suggest the following recommendations to stem down the spathe of dysfunctional behaviour among SMEs workers in developing economies occasioned by perceived psychological contract violations. At the organisational level, companies can establish clear communication channels, foster open and transparent communication to ensure employees understand the organization's expectations, goals, and challenges, and define and manage expectations, etc. Carefully outlined and implemented psychological contracts, including job responsibilities, performance expectations, and rewards, will ultimately foster a positive work culture, which promotes a culture of trust, respect, and empathy, encouraging employees to feel valued and supported. At the managerial level, it is expedient for managers to lead by example, demonstrate a commitment to the psychological contract by modelling the behaviours and values expected of employees, as well as empathise

with employees by showing understanding and empathy towards employees' concerns and challenges. Moreover, at the individual worker level, employees need to develop self-awareness of their needs, expectations, and boundaries, as well as develop appropriate coping strategies and resilience to manage stress and adversity.

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