



SITUATIONAL FACTORS, SOURCES OF STRAIN, AND ETHICAL CONSIDERATIONS OF SELF-EMPLOYED INDIVIDUALS IN CONFLICT AFFECTED REGIONS OF PAKISTAN

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ABSTRACT

Objective: This study investigates the ethical dilemma of self-employed individuals in war and terrorism-affected areas. Specifically, this study examines how situational factors, sources of conflict, government intervention, and ethical considerations interact for self-employed individuals in terrorism-impacted areas of Pakistan's Khyber Pakhtunkhwa (KPK) province.

Theoretical Framework: Grounded on strain theory and cognitive theory of depression we utilized a deductive approach under a constructivist view of social reality.

Method: The study employed an explanatory research design using quantitative data. Interviews with focus groups enabled us to identify key variables explaining the local phenomenon. We used a structured questionnaire to collect data.

Results and Discussion: The results revealed that situational factors (SF) significantly impact self-employed ethical concerns (ECSE). The indirect effect indicates a partial mediation by personal strain on the relationship between situational factors and ethical concerns. However, government intervention (RGI) did not indicate a moderating effect on the relationship between situational factors and ethical concerns of the self-employed.

Research Implications: This study contributes to the literature related to the ethical behaviour of self-employed individuals. By exploring this relationship, policymakers and practitioners can better understand self-employed individuals in challenging environments.

Originality/Value: The study is unique in that it examines a real-life situation in a province of Pakistan. The study justifies the research gap and interprets conceptual variables effectively through its model. This is the first study that analyses moral dilemmas faced by self-employed individuals under the influence of situational factors in terror-affected areas in Pakistan. Study results are based on a field survey and can provide meaningful insight into practical solutions.

Keywords: Sustainable Cities and Communities, Self-Employed, Economic Growth, War Zones, Decent Work, Productive Employment.

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FATORES SITUACIONAIS, FONTES DE TENSÃO E CONSIDERAÇÕES ÉTICAS DOS INDIVÍDUOS INDEPENDENTES NAS REGIÕES AFETADAS PELO CONFLITO NO PAQUISTÃO

RESUMO

Objetivo: Este estudo investiga o dilema ético de indivíduos autônomos em áreas de guerra e terrorismo. Especificamente, este estudo examina como fatores situacionais, fontes de conflito, intervenção do governo e considerações éticas interagem para indivíduos autônomos em áreas afetadas pelo terrorismo da província paquistanesa de Khyber Pakhtunkhwa (KPK).

Estrutura teórica: Fundamentada na teoria da tensão e na teoria cognitiva da depressão, utilizamos uma abordagem dedutiva sob uma visão construtivista da realidade social.

Método: O estudo empregou um projeto de pesquisa explicativa usando dados quantitativos. Entrevistas com grupos focais nos permitiram identificar variáveis-chave explicando o fenômeno local. Usamos um questionário estruturado para coletar dados.

Resultados e Discussão: Os resultados revelaram que fatores situacionais (SF) impactam significativamente as preocupações éticas dos trabalhadores independentes (ECSE). O efeito indireto indica uma mediação parcial por tensão pessoal na relação entre fatores situacionais e preocupações éticas. No entanto, a intervenção do governo (RGI) não indicou um efeito moderador na relação entre fatores situacionais e preocupações éticas dos trabalhadores independentes.

Implicações da pesquisa: Este estudo contribui para a literatura relacionada ao comportamento ético dos trabalhadores independentes. Explorando esse relacionamento, os formuladores de políticas e os profissionais podem entender melhor os indivíduos que trabalham por conta própria em ambientes desafiadores.

Originalidade/valor: O estudo é único na medida em que examina uma situação real numa província do Paquistão. O estudo justifica a lacuna de pesquisa e interpreta com eficácia variáveis conceituais por meio de seu modelo. Este é o primeiro estudo que analisa dilemas morais enfrentados por indivíduos autônomos sob a influência de fatores situacionais em áreas afetadas pelo terror no Paquistão. Os resultados do estudo são baseados em uma pesquisa de campo e podem fornecer uma visão significativa das soluções práticas.

Keywords: Cidades e Comunidades Sustentáveis, Autônomos, Crescimento Econômico, Zonas de Guerra, Trabalho Digno, Emprego Produtivo.

LOS FACTORES SITUACIONALES, LAS FUENTES DE TENSION Y LAS CONSIDERACIONES ÉTICAS DE LOS TRABAJADORES AUTÓNOMOS EN LAS REGIONES AFECTADAS POR EL CONFLICTO EN EL PAKISTÁN

RESUMEN

Objetivo: Este estudio investiga el dilema ético de los autónomos en zonas afectadas por la guerra y el terrorismo. Específicamente, este estudio examina cómo los factores situacionales, las fuentes de conflicto, la intervención del gobierno y las consideraciones éticas interactúan para las personas que trabajan por cuenta propia en las áreas afectadas por el terrorismo de la provincia paquistaní de Khyber Pakhtunkhwa (KPK).

Marco teórico: Basado en la teoría de la tensión y la teoría cognitiva de la depresión, utilizamos un enfoque deductivo bajo una visión constructivista de la realidad social.

Método: El estudio empleó un diseño de investigación explicativo utilizando datos cuantitativos. Las entrevistas con grupos focales nos permitieron identificar variables clave que explican el fenómeno local. Se utilizó un cuestionario estructurado para recopilar datos.

Resultados y discusión: Los resultados revelaron que los factores situacionales (FE) impactan significativamente las preocupaciones éticas de los trabajadores autónomos (ECSE). El efecto indirecto indica una mediación parcial por la tensión personal en la relación entre los factores situacionales y las preocupaciones éticas. Sin embargo, la intervención del gobierno (RGI) no indicó un efecto moderador en la relación entre los factores situacionales y las preocupaciones éticas de los trabajadores autónomos.



Implicaciones de la investigación: Este estudio contribuye a la literatura relacionada con el comportamiento ético del individuo autónomo. Al explorar esta relación, los responsables de las políticas y los profesionales pueden comprender mejor a las personas que trabajan por cuenta propia en entornos desafiantes.

Originalidad/Valor: El estudio es único porque examina una situación de la vida real en una provincia de Pakistán. El estudio justifica la brecha de investigación e interpreta las variables conceptuales de manera efectiva a través de su modelo. Este es el primer estudio que analiza los dilemas morales que enfrentan las personas que trabajan por cuenta propia bajo la influencia de factores situacionales en áreas afectadas por el terror en Pakistán. Los resultados del estudio se basan en una encuesta de campo y pueden proporcionar información significativa sobre soluciones prácticas.

Palabras clave: Ciudades y Comunidades Sostenibles, Autónomos, Crecimiento Económico, Zonas de Guerra, Trabajo Decente, Empleo Productivo.

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1 INTRODUCTION

Profit motives are not the only influence on ethical dilemmas in business, as situational factors and personal strain are also significant (Merton, 1968). According to research studies (Trevino et al., 2014; Hou & Hobfoll, 2018), individuals' moral considerations in society are strongly influenced by situational factors. Conflict zones, such as those affected by war and terrorism, are considered places where individuals are less inclined to adhere to ethical standards due to growing pressure on their ability to achieve their economic goals (Kang & Sung, 2016). In terror-affected regions of Pakistan, self-employed individuals face unique challenges in navigating the ethical implications of their business practices amidst ongoing violence and instability (Yousaf, 2020). Research has shown that situational factors, such as exposure to violence and insecurity, can contribute to sources of strain for individuals in conflict-affected areas, impacting ethical decision-making and behavior (Trevino et al., 2014; Hou & Hobfoll, 2018). These influences may be particularly harmful to self-employed individuals, who may have to make difficult ethical decisions.

While previous research has examined ethical considerations of self-employed individuals, relatively few studies have investigated the impact of stress or strain on ethical decision-making (De Clercq & Dakhli, 2009). Additionally, each individual and group has their own set of values and norms, influenced by their respective backgrounds. Individuals growing up in violent conditions may experience high stress and strain due to their environment, inhibiting their ability to achieve their desired goals (Christie et al., 2003; Cullen et al., 2004).



Khyber Pakhtunkhwa (KPK), a province in Pakistan bordering Afghanistan, has suffered from war and terror since 2004, impacting almost all sectors of the economy. Due to unstable conditions, more than 3 million residents had to be displaced to safe areas. Terrorist attacks and fights between terrorists and security forces have resulted in numerous deaths in the province. These conditions pose a greater risk to self-employed individuals, who are more exposed to the instability. Taxes have also been collected forcefully from local businesses by terrorist organizations, leading to a decrease in business activities and causing strain and frustration among self-employed professionals (Ahmed, 2019; Yousaf, 2020).

The strain theory has been used to examine the relationship between individuals' ethical values and sources of stress, correlating personal sources of strain with the ethical standards of the self-employed for the first time (De Clercq & Dakhli, 2009). There is a close relationship between the sources of strain experienced by self-employed individuals and their ethical considerations, with situational factors having the greatest impact on ethical considerations (Trevino et al., 2014; Hou & Hobfoll, 2018). The conflict of war and terrorism adversely affects Khyber Pakhtunkhwa (KPK), causing strain and frustration in individuals and impacting their ethical decision-making.

Majority of the previous studies have been conducted in a different context, while our study attempts to investigate and correlate the ethical practices of self-employed individuals in Pakistan with the sources of the situational factors. There has been a severe conflict in the country which has impacted every sector of life, including those who are self-employed individuals. The strain theory has nevertheless been used to examine the relationship between individuals' ethical values and the sources of their stress: De Clercq & Dakhli, (2009) correlated personal sources of strain with the ethical standards of the self-employed for the first time. The environmental factors do affect the sensitivity of people and there is a close relationship between the sources of strain experienced by self-employed persons and their ethical considerations. The conflict of war and terrorism adversely affects Khyber Pakhtunkhwa (KPK). Therefore, situational factors have the greatest impact on people's ethical considerations. These conditions cause strain and frustration in individuals, so they consider ethics less often.

Self-employed individuals carry ownership and management of their businesses therefore strain and frustration may greatly affect their ethical considerations compared to individuals working in someone else's organization (Vyakarnam et al., 1997). The ethical considerations of individuals are not solely linked to their personal characteristics. It is



important to distinguish between self-employed people and employer entrepreneurs who are also self-employed but employ others (Hunter, 2018). Although self-employed people tend to report high levels of happiness and well-being (Binder and Coad, 2013; Markussen et al., 2018), they also face many challenges (Baron et al., 2016). A person who has enough resources to deal with the situation can see the situation as a challenge from which they can learn or benefit. It is likely that self-employed individuals will experience high levels of stress if they do not have enough resources, which will have negative consequences for their well-being (Patzelt & Shepherd, 2011; Warr, 2018). Individuals' ethical concerns are affected by situational factors in a way that makes them more susceptible to external pressures created by their environment. In this respect, independently employed individuals are at greater risk. Consequently, the ethical standards of the self-employed will differ according to the characteristics of the individual and the context in which the individual is operating (Metcalf & Syed, 2015). Therefore, this study attempts to answer the following questions related to ethical considerations of self-employed in Khyber Pakhtunkhwa (KPK) province, Pakistan.

1. *What impact do situational factors have on ethical considerations?*
2. *In what ways does personal strain affect ethical considerations?*
3. *How government intervention affects the relationship between situational factors and ethical considerations of the self-employed?*

This topic is of crucial importance in understanding the lived experiences of self-employed individuals in conflict-affected areas and the impact of situational factors and sources of strain on their ethical considerations. Self-employed individuals in terrorism affected areas of Pakistan may be experiencing strain and frustration because they lack the financial, physical, and intellectual resources to sustain their businesses. By exploring this relationship, policymakers and practitioners can better understand the challenges faced by self-employed individuals and develop strategies to support them in navigating complex ethical dilemmas in challenging environments. Hence, this study aims to investigate the following.

- To research the relationship between situational factors and sources of strain for self-employed individuals in conflict-affected areas of Pakistan.
- To examine how sources of personal strain and government intervention affect the relationship between situational factors of stress and ethical considerations for self-employed in terrorism-affected areas of Khyber Pakhtunkhwa (KPK), Pakistan.



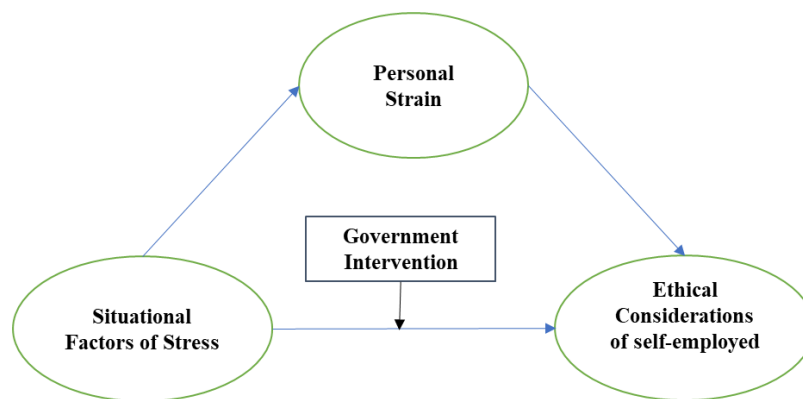
- To suggest policy measures for the Pakistani government to support self-employed individuals in conflict-affected areas, thereby contributing to economic development and stability in these regions.

2 THEORETICAL FRAMEWORK

Ethics refers to the way one should conduct oneself in each situation. According to Taylor (1975), morality includes moral standards, norms, judgments, ethical values, and rules of conduct. Wells and Schminke (2001) define ethics as a set of values that guide behaviour. The strain theory (Robert Agnew, 1938, as cited in Agnew, 2020) states that strain can result from three things: failure to attain a positively valued stimulus, removal of a positively valued stimulus, and confrontation with a negatively valued stimulus. Ethical practices are usually caused by social factors, such as income inequality or lack of educational opportunities. Social processes can affect an individual's perception of their own needs, resulting in structural strain. Violence can result when economic aspirations are unmet and coping skills are lacking (Agnew, 2006). It has been suggested that depression is linked to negative cognition based on cognitive theory (Beck & Weishaar, 1989); ethical standards and concepts do not remain constant over time. In countries affected by war, terrorism, unemployment, and environmental disasters are the main causes of suffering. The way people interpret their environment depends on how they perceive and form mental maps in response to external factors (social) and their perceptions of these factors. Depression is a condition related to the effects of stressors (LeMoult, 2020). Both theories explain depression, but they are not mutually exclusive. A combination of strain theory and cognitive theory may provide a more comprehensive understanding of depression. Therefore, guided by strain theory and cognitive theory of depression we propose the following conceptual framework for this study.



Figure 1
Conceptual Model



2.1 ETHICAL STANDARDS OF SELF-EMPLOYED

What is right and wrong in this framework is determined by an internal system of assumptions and beliefs. The ethical climate reflects the behavior of the organization in addition to shared norms and values. Strain theory holds that when people cannot achieve their economic goals ethically, they resort to unethical means. While ethical research has been conducted extensively, there is relatively small empirical research on ethical dilemmas facing the self-employed (Longenecker, Moore, Petty, Palich, & McKinney, 2006; Vyakarnam et al., 1997). A self-employed individual is one who earns their income by running a business rather than working for someone else (Robinson and Sexton, 1994). According to Vayakarnam et al. (1997), self-employed individuals carry ownership and management responsibilities for their business. Similarly, Quinn and Spreitzer (1997) claim that self-employed individuals' ethical values may directly affect their business decisions because of their close involvement in the affected environment directly. Hence, business decisions may reflect personal moral values and norms (Linda K Trevino & Nelson, 2016; Salem et al., 2020). In war- and terror-affected areas of KPK, people face difficulties raising income, have mistrust of institutions, and lack social support. Absence of social support is one of the reasons for high level of strain. Social support could have contributed to positive ethical considerations in their careers due to ethical motivations.

Rehabilitation of economic infrastructure is one of the important measures; a multifaceted approach to bring life normal in war effected areas. Various parties, including the government, civil society, and international organizations, need to collaborate and commit to implementing human rights laws and policies (Katjong & Yanuaria, 2022). Lack of equal access



to health leads to ignorance of mental health problems (Budiarto, et al., 204). In war-affected areas, rehabilitation of effected people is a serious problem; mental health problems are often overlooked by society and government because they are not studied or presented. A community-based approach to economic revival and partnership with other stakeholders could benefit the reconstruction of public infrastructure (Berlian et al.,2024).

2.2 SITUATIONAL FACTORS OF STRESS

Situational factors can have a significant impact on ethical considerations for self-employed individuals operating in terrorism-affected areas. The prevailing security conditions and the level of threat posed by terrorism may force self-employed individuals to compromise business ethics. Moreover, individuals may feel pressure to conform to the prevailing norms and cultural practices or values to ensure their acceptance and success (Baláž, Nežinský, & Williams, 2021). Stress is conceived of as pressure from the environment, then as strain within the person. Stress results from interaction between the situation and the individual. Situational stress in war-affected areas can be caused by a variety of factors including ongoing violence and insecurity, displacement and loss of homes and communities, lack of necessities like food and water, exposure to traumatic events, and uncertainty about the future (Shimelash Yasegnal, 2022). Situational stress is associated with adverse psychological, physiological, and cognitive symptoms (Matthews,2016). Major situational factors in war-effected areas of Pakistan are fear of terrorism (Yousafi and Mustafa, 2019; Shah et al.,2020) and socioeconomic implications (Jamal Ud Din et al.,2022). Individuals with inadequate resources can suffer from it if they are unable to cope with the demands and pressures of their circumstances (Fang et al.,2022). Anxiety, depression, irritability, and fatigue are chronic physiological responses to acute stress. The effects of stress resulting from situational factors can also be manifested in certain behaviors such as withdrawing, aggressive, tearful, and unmotivated behavior. Stress also causes physical symptoms like palpitations, nausea, and headaches. People experience situational stress when they are in a difficult situation that they have no control over. This is a situation that involves conflict, uncertainty, and fear of potential loss (Castellani & Young, 2016).

Violent threats and the need to ensure personal safety can lead to ethical dilemmas. Furthermore, the psychological strain of operating in a high-risk environment can lead to burnout, resulting in a lack of focus and a greater likelihood of making unethical decisions.



According to a study by Malik, Ali, and Hameed (2017), the situational factors of stress that affect ethical considerations of self-employed individuals in terrorism-affected areas include the level of exposure to violence, the perceived threat to personal safety, and the extent of economic loss resulting from terrorist activities. The study found that the greater the exposure to violence and the perceived threat to personal safety, the more likely individuals were to engage in unethical behavior to protect themselves and their businesses. Therefore, we hypothesize the following.

Hypothesis 1: Situational factors of stress effect personal strain.

Hypothesis 2: Situational factors of stress effect ethical considerations of self-employed.

2.3 SOURCES OF PERSONAL STRAIN

Stress and negative emotions are caused by both internal and external factors. External sources may include relationship problems, work stress, and financial pressures, while internal sources may be self-doubt, negative self-talk, and anxiety (Petersen, 2018). Self-employed individuals often experience unique sources of mental stress. Meeting financial obligations without the assurance of a regular paycheck, such as paying taxes and bills, results in stress. Lack of social support and isolation can also result from working alone. Furthermore, self-employed individuals may experience uncertainty about their business' future and the possibility of failure. These sources of strain can lead to anxiety, depression, and burnout (Gupta, Turban, & Wasti, 2019; Reuschke, D., & van der Meer, 2017).

It can be a challenging experience for individuals to work for themselves in war-affected areas. According to Abbas and Sağlam (2021), sources of personal strain for self-employed individuals in war-affected areas can include financial stress, fear for their own safety, limited access to resources, lack of social support, and the pressure to succeed despite challenging circumstances.

One of the main sources of personal strain for self-employed individuals in war-affected areas is financial stress. Due to economic instability caused by conflict, self-employed individuals may struggle to maintain a steady income or access the resources needed to sustain their business (Abbas & Sağlam, 2021). Household income can be a significant source of personal strain for individuals and families. Research has shown that lower levels of household income are associated with higher levels of stress, depression, and anxiety (Kahneman &



Deaton, 2010; Pickett & Wilkinson, 2015).). Consequently, income instability and the inability to meet basic needs can cause stress, anxiety, and depression. Financial stress is a leading cause of stress for adults and has negative impacts on personality (French & Vigne, 2019). Similarly, low household income is associated with higher depressive symptoms among adults (Song & Kim, 2020). Financial strain can lead to anxiety and depression, which further impacts their ability to work effectively.

Personal safety concerns are another source of stress. There is a constant threat of violence in war-affected areas, which can result in heightened levels of stress and anxiety (Abbas & Sağlam, 2021). It is not uncommon for self-employed individuals to feel particularly vulnerable, since they often work alone and are not protected as much as those employed by larger organizations. Institutions play an important role in framing ethical issues, according to strain theorists. The lack of trust in institutions is caused by their inefficiency in protecting people. The lack of trust in institutions leads to a lack of respect for society's rules and norms (Cloward, 2014); businesses resort to bribery and corruption (Baumol, 1993). It is not necessary for self-employed individuals to abuse illegal means to succeed economically (Agnew, 1992) when they are perceived as trustworthy. In war-affected areas, trust in institutions is essential for reducing strains by promoting stability, facilitating cooperation, and providing essential services and resources. Therefore, it can be concluded that people with more education may be better at coping with stress and have greater ethical considerations. Using the sources of strain and ethical considerations of self-employed individuals in KPK (Pakistan), this study assumes that personal sources of strain mediate the influence of situational factors on ethical considerations. Therefore, we propose the following hypothesis.

Hypothesis 3: Personal strain effect ethical considerations of self-employed.

Hypothesis 4: Personal strain mediates the relationship between situational factors of stress and ethical considerations of self-employed.

2.4 INTERVENTION OF THE STATE

The term "intervention of state" refers to the policies and measures implemented by the Pakistani government to assist those impacted by war and terrorism. The government has announced a comprehensive strategy to improve socio-economic conditions (Government of Pakistan, 2021). Research suggests that self-employed individuals are more involved in external society and are more affected by circumstances than top-level managers in organizations



(Trevino, 1986). In conflict environments, the self-employed are highly impacted because unrest conditions hinder people's progress towards their goals, causing stress and frustration (Dess & Beard, 1984).

Uncertainty is usually viewed negatively, and there is a close link between uncertainty and affective responses (Anderson et al., 2019). Negative effects of uncertainty are often associated with human behavior because uncertainty and affective feelings impact behavioral outcomes. A major source of uncertainty is risk, also known as the probability (Han et al., 2011). People tend to be afraid of the unknown when faced with uncertainty (Carleton, 2016). We propose that environmental uncertainty in war-affected areas is positively correlated with the intensity of frustration and strain.

Swat and Waziristan have been impacted by terrorism, and the Pakistani government has implemented several measures to restore economic stability, political stability, and peace (Shah, Nawab, and Mehmood, 2020). However, progress on the cultural, political, social, and economic levels in Swat has been slow, and the government's efforts have been hampered in some areas by poor coordination of relief, recovery, and development programs, insufficient financial support, and a failure to prioritize local needs (Saeed, 2019).

Similar operations were started in the Waziristan agency in 2015, and the government continues to operate in conflict-afflicted areas with both short- and long-term strategies. However, local sources note that this strategy ignores contextual factors and power dynamics that can exacerbate vulnerability and reinforce disparities among marginalized populations (Spychala-Kij, 2020). The government attempts to normalize the societal and economic landscape through social, economic, and political strategies (Hameed, 2015). These strategies include support for displaced populations, the use of tribal jirga systems as cultural and social tools (Alam, 2021), and ensuring access to higher education through distance learning institutions (Rahman & Ajmal, 2017).

The government has also used a militarization of development strategy to initiate infrastructure development projects while taking certain administrative measures, such as including tribal areas previously outside the province of KPK's administrative authority in its territorial boundaries and administration (Dawar & Ferreira, 2021). The aim of government intervention in these areas was to restore peace and the economy and minimize social and political unrest. We assume that these interventions have toned-down the situation of strain and uncertainty.



Hypothesis 5: Government intervention moderates the relationship between situational factors of stress and ethical considerations of self-employed.

3 METHODOLOGY

Our investigation into the subject was carried out using following a deductive approach. To develop the conceptual framework for study, e employed a quantitative method and drew upon philosophical foundations, taking a constructivist view of social reality. Therefore, an explanatory research design is used to explore and explain why and how certain phenomena occur. The interviews were conducted on-site with respondents to gain a more comprehensive understanding of a local phenomenon in relation to these variables. All the interviews, except for three conducted in Urdu, were carried out in Pushto. The interviews were recorded and subsequently transcribed into English. Data segments were conceptualized, and finally, themes were derived from the transcripts. The themes describing cause and effect phenomenon were consistent with variables identified by Clercq & Dakhli (2009) and were adapted accordingly.

3.1 CONCEPTUAL MODEL

Using the thematic analysis approach (Braun & Clarke, 2006), researchers aimed to identify patterns or themes within qualitative data regarding research constructs by exploring two central questions. The first question was, *"What factors impact ethical considerations among the self-employed in your area?"* The second question was, *"Do you have confidence that government interventions could help to restore ethical considerations among the self-employed?"* Interviews of 12 participants were conducted in their workplace on a prearranged and mutually agreed-upon day and time. Semi-structured interviews were carried out in the Pushto language and subsequently recorded, then translated into English. The interviewer prompted participants to elaborate on interesting and pertinent responses where appropriate. After transcribing the recorded interviews and familiarizing with the data, the researchers identified codes and themes among the interview data.



Table 1

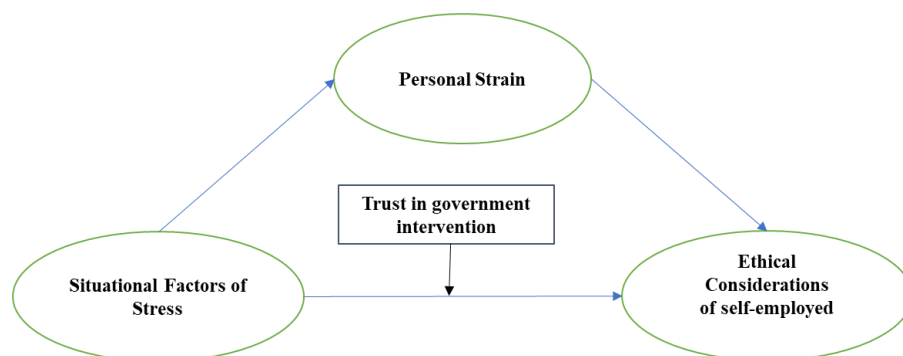
Interview data

Codes	Theme
<ul style="list-style-type: none">• Deteriorating income• Cultural norms and values• Unable to meet family expectations.• Lack of social support	Sources of strain
<ul style="list-style-type: none">• Absence well-being for the self-employed• Uncertainty• The deterioration in social relationships• Economic instability• Lawlessness• Limited resources	Situational factors
<ul style="list-style-type: none">• Military actions on misleading information.• Increased retaliation by terrorist after government actions.• Revengeful behavior of terrorist against residents for assisting government forces.• Unfair collateral damage of lives and property residents• Corruption• Bribery	Mistrust in government intervention strategies
<ul style="list-style-type: none">• Lack of regulations• Pressure to be engaged in engage in unethical behavior to make a living or to survive.• Lack of accountability• Lack of clarity on ethical standards• Migration of local population	Ethical considerations of self employed

The themes derived from interview data represented the variable consistent with previous studies (Scarpello & Carraher, 2008; De Clercq & Dakhli, 2009; Ceular-Villamandos et al., 2021). Therefore, based on theoretical guidelines and evidence from the literature the following research concept was proposed.

Figure 2

Conceptual Model





The study used survey to collect data for variables related to the constructs derived from qualitative inquiry. Most of the survey items were adapted (Clercq & Dakhli 2009). Some of the questionnaire items used in the study were also adapted from interviews clues. A five-point scale was used to collect responses for each construct, and a pilot study was conducted to confirm the reliability of the items. To ensure high response rates during the field survey, two modes of administering the questionnaire were used. For educated sub-groups, the questionnaire was self-administered, while for uneducated individuals, the questionnaire was translated into the local language by enumerators and explained to them.

Altogether 350 individuals from sub-groups were contacted with informed consent. A sample size of 100 was determined by G*Power for the regression model at a 95% confidence interval; however, the sample size exceeded that estimate. The sample of the study comprises of 202 self-employed individuals from Waziristan, Khyber, Swat and Banu city of Khyber Pakhtunkhwa province of Pakistan. With an intent to get information from all the subgroups, we used stratified sampling. Following sample distribution was obtained at the end.

Table 2

Respondents' profile

Sub-category	Participants		
	Survey	%	Interview
Doctors	40	20	3
Lawyers	38	19	2
Retail traders	34	17	1
Wholesalers	20	10	1
Self-employed technical workers,	30	15	2
Transporters	28	14	3
local building contractors	12	6	2
Total	202	100	14

Considering the demographic and psychological homogeneity, a four-point approach (Robinson, 2014) for interview samples integrated the theory and process for the following: (1) defining a *sample universe*, (2) deciding upon a *sample size*, (3) selecting a *sampling strategy*, and (4) *sample sourcing*. Therefore, recruiting two individuals from each sub-group, 14 people were interviewed.



4 RESULTS

4.1 EVALUATION OF THE MEASUREMENT MODEL

The measurement model was assessed based on internal consistency, convergent validity, and discriminant validity (Hair Jr *et al.*, 2020). By analyzing the average variance extracted (AVE) results, the item loading (loadings > 0.708, AVE > 0.5) confirmed the convergent validity (Hair *et al.*, 2013).

Table 3

Construct Validity

Construct	Outer Loadings	ECSE	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE
Ethical Concerns of Self-employed	ecse1	0.898	0.828	0.832	0.849	0.822
	ecse2	0.906				
	ecse3	0.916				
	ecse4	0.907				
Personal Strain	ps2	0.838	0.756	0.793	0.843	0.576
	ps1	0.74				
	ps2	0.82				
	ps4	0.616				
Situational Factors	sf1	0.818	0.812	0.82	0.877	0.642
	sf2	0.858				
	sf3	0.702				
	sf4	0.818				
Role of government Intervention	rgi1	0.882	0.795	0.804	0.827	0.762
	rgi2	0.813				
	rgi3	0.917				
	rgi4	0.876				

Using the criterion (Hair *et al.*, 2019; Henseler, Ringle, & Sarstedt, 2015) , the heterotrait-monotrait ratio of correlation (HTMT) measures determined the discriminant validity. All HTMT values (table 4) lower than 0.90 indicated discriminant validity.



Table 4

Discriminant Validity (HTMT)

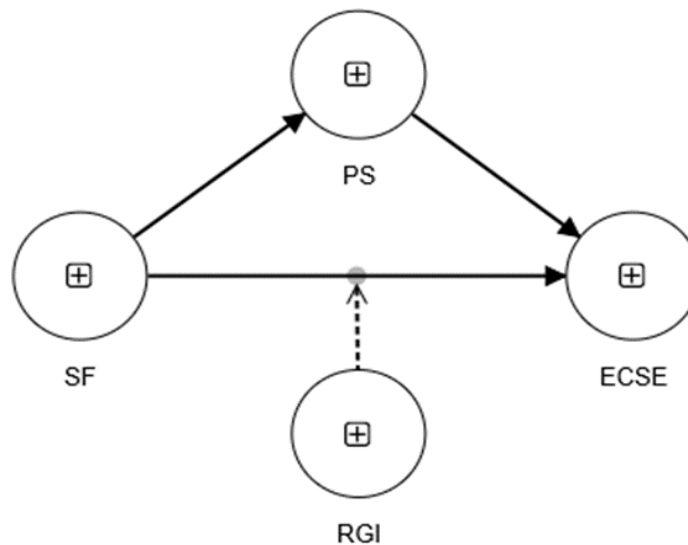
	ECSE	PS	SF
ECSE			
PS	0.797		
SF	0.784	0.879	
RGI	0.828	0.935	0.876

4.2 STRUCTURAL MODEL

A structural model of probabilities of the latent variables being related (fig. 1) was evaluated to determine its significance, relevance, predictive power, and effect size. The significance of the relationship between constructs in the structural model (Preacher & Hayes, 2008) was tested using bootstrapping considering 5000 samples.

Figure 2

PLS-Sem Constructs Model



Following the hypothesized paths, situational factors under total effect significantly affect ethical concerns of self-employed (table 5). The indirect effect (SF->-PS->-ECSE) indicated a complementary strong partial mediation. The moderating effect of role of government intervention (RGI) was not found to be significant to affect the strength of relationship between situational factors and ethical concerns of self-employed.



Table 5

Analysis of Hypothesized Paths

Type of Effect	Effect	Path Coefficient	T-Statistic	Remarks
Total Effect	SF->-ECSE	0.346	3.257**	Significant
Direct Effect	SF -> PS	0.499	5.808**	Significant
	PS -> -ECSE	0.198	2.219**	Significant
	SF ->- ECSE	0.343	3.219**	Significant
	SF->-PS->-ECSE	0.242	4.321**	Significant
Indirect effect				
VAF	IE/TE	0.699		Complementary strong partial mediation exists
Moderating effect	RGI x SF -> ECSE	0.039	1.554	No Moderation
<i>Dependent variable: Ethical Concerns of Self-Employed (ECSE)</i>				
<i>Predictor:</i>		<i>Situational</i>	<i>Factors</i>	<i>(SF)</i>
<i>Moderator:</i>		<i>Role of Government</i>	<i>Intervention</i>	<i>(RGI)</i>
<i>Mediators: Personal Strain (PS)</i>				

A positive Q^2_{predict} value indicated that the pls path model's prediction error is small. The effect size (f^2) indicated a medium to large effect (table 6). The coefficient of determination R^2 explained how our regression model explains observed data; the values 60 % and 67.7 % indicate variance explained are above 0.5 that is very good.

Table 6

Model Analysis

Endogenous latent constructs	R^2	R^2_{Adjusted}	Q^2	Q^2_{predict}	Effect Size Relationship	f^2
ECSE	0.615	0.607	0.276	0.236	PS ->-ECSE	0.205
PS	0.639	0.637	0.317	0.324	SF->-ECSE	0.572
					SF->-PS	0.636

Q^2 : Cross-validated constructs redundancy, Q^2_{predict} predictive relevance,

R^2 : Coefficient of determination

Notes: $Q^2 > 0$ small, 0.25 medium and 0.5 large (Hair et al., 2019)

Q^2_{predict} (table 7) indicated endogenous constructs be predictive. Q-square values above zero indicate that values are well reconstructed and that the model has predictive relevance. The distribution of predictions errors was highly symmetrical, so PLS-SM < LM criteria were used to evaluate the predictive relevance of the model (Shmueli et al., 2019). For most of the indicators PLS-SEM is less than LM which indicates medium predictive power.,



Table 7

Q²_predict

Q ² predict	PLS-SEM_RMSE	LM_RMSE	LM-PLS_SEM
0.466	0.894	0.918	0.024
0.393	0.979	0.982	0.003
0.529	0.812	0.814	0.002
0.563	0.843	0.872	0.029
0.501	0.831	0.712	-0.119
0.235	0.962	0.981	0.019
0.512	0.888	0.782	-0.106
0.165	0.878	0.931	0.053

5 DISCUSSION

5.1 THEORETICAL IMPLICATIONS

In the context of Pakistan's terrorism-affected areas, this study explores the theoretical dimensions of ethical concerns among self-employed individuals. The study successfully justifies the research gap by examining the impact of situational factors, stress, and government interventions on the ethical concerns of self-employed individuals. Through its proposed model, the study effectively interprets the relationship between conceptualized variables. The study's outcomes make a significant contribution to literature in understanding the ethical behavior of self-employed individuals in war or terrorism-affected areas. Thus, the study offers valuable insights into the interplay between various factors that affect the behavior of self-employed individuals. Moreover, by shedding light on the unique ethical challenges faced by this group, this study contributes to the literature on ethical concerns of self-employed individuals. Finally, this research can also enhance our understanding of ethical behavior in entrepreneurship and small business contexts.

5.2 PRACTICAL IMPLICATIONS

The study of ethical concerns in self-employed individuals during state of war or terrorism-affected areas has significant practical implications. For instance, it can shed light on the moral dilemmas faced by such individuals, such as whether to prioritize their own safety over that of their customers or employees. Understanding these ethical concerns can inform policies and guidelines for business owners operating in such environments, including strategies for managing risk and balancing competing ethical demands. Results have indicated



that Intervention strategies and actions of the government to normalize conditions do not moderate the interaction between situational factors and ethical concerns of self-employed people. Therefore, the outcomes of study can help identify ethical issues and potential solutions, as well as inform policy and decision-making bodies which ultimately contribute to the well-being and sustainability of local businesses and communities.

6 CONCLUSION

The aim of the study was to investigate how ethical concerns of self-employed individuals in terrorist-affected areas of Khyber Pakhtunkhwa province, Pakistan are impacted by situational factors, strains, and government interventions. Terrorism can have severe consequences for individuals, communities, and nations, and its relationship with situational factors and the ethics of self-employed people in affected regions is intricate and multi-faceted.

The findings of the study showed that strain acts as a mediator between situational factors and ethical concerns. Additionally, government intervention strategies and actions to normalize conditions do not moderate the relationship between situational factors and ethical concerns of self-employed individuals. The proposed model successfully achieved its objective of explaining how situational factors, such as lack of resources, disruption in supply chains, and insecurity, along with personal strains, can impact self-employment in terrorism-affected regions. The constant fear of violence and threats can lead to economic instability, social unrest, and loss of life. Therefore, balancing the need for a livelihood with ethical considerations can be a difficult task for self-employed individuals in such areas.

Therefore, providing microcredit programs, vocational training, infrastructure access, business development support, and conflict resolution mechanisms can be used by the government to support self-employed individuals in conflict-affected areas of Pakistan and promote economic development and stability. Conflict can be reduced with the help of these measures, allowing individuals to build sustainable livelihoods.

7 FUTURE DIRECTIONS & LIMITATIONS

The topic of terrorism and its effects on areas is a challenging and sensitive subject with several research limitations. One significant constraint is the subjective nature of interviews, which can hinder generalization beyond the study's particular context. Another challenge is the



questionable reliability of data collected in terrorism-affected areas due to fear of reprisals and cultural or language barriers. Additionally, the uniqueness of terrorism and its contributing factors means that findings from terrorism-affected areas may not be applicable to other contexts. Ethical challenges, such as participant harm and the responsibility to protect sensitive information, must also be considered.

Despite these limitations, it is still essential to understand the impact of terrorism on affected areas to address the repercussions of such acts. In this regard, the study has successfully explained the phenomenon under investigation and achieved its objectives. However, future research could imbibe additional variables and contextual factors such as the frequency of terrorist attacks, the level of social cohesion and community resilience in the face of terrorism, the effectiveness of counter-terrorism strategies, and the psychological impact of terrorism on individuals and communities. Given the significant impact of terrorism on various aspects of society, this research is critical for developing effective policies and interventions.

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