

Emerging Challenges of Employment Relations in Nigeria Amidst the Transition to a Digital Economy

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ABSTRACT

The contemporary labour market is undergoing rapid transformation driven by automation, digitalisation, and the expansion of platform-based work. These forces are reshaping the traditional employer–employee relationship and redefining the dynamics of employment relations. While global scholarship has examined these shifts extensively, there remains a limited empirical focus on how they manifest within developing economies such as Nigeria. This paper addresses that gap by exploring the emerging challenges of employment relations in Nigeria amidst the transition to a digital economy. The study employed systematic searches across major databases, including Ebscohost, Emerald, Scopus, PsycINFO, and Google Scholar, yielding 190 empirical papers, of which 45 were deemed directly relevant to the Nigerian context. Findings from the literature indicate that digitalisation has enhanced efficiency, connectivity, and access to new opportunities, yet it has also introduced challenges, including precarious work arrangements, skill mismatches, and regulatory complexities. These issues underscore the tension between innovation and the need for equitable labour practices. The paper argues that addressing these challenges requires a multifaceted approach involving governments, employers, workers, and policymakers. In particular, collaborative strategies are needed to safeguard workers' rights, strengthen institutional frameworks, and promote inclusive participation in the digital economy. The study concludes by recommending targeted upskilling and reskilling initiatives to equip Nigerian workers with the digital competencies necessary for sustainable employment relations. By situating Nigeria's experience within broader debates on digitalisation and labour, this paper contributes to a deeper understanding how developing economies can navigate the future of work.

Keywords: Challenges, Digitalisation, Economy, Emerging, Employment Relations, Transition

1. INTRODUCTION

In today's rapidly evolving digital age, the concept of a digital economy cannot be ignored. The digital economy is increasingly becoming a critical enabler of several other economies and is expected to catalyse future economic sustainability in Nigeria (Agbeyangi et al., 2024). Nigeria's rapid transition to a digital economy has ushered in unprecedented changes in employment relations, presenting both opportunities and challenges (Oguntimehin, 2020). As the country embraces technological advancements, traditional work structures are being disrupted, leading to new forms of employment and altered labour dynamics (Okafor et al., 2020).

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The shift towards digitalisation has led to the emergence of new forms of work, such as remote work, freelancing, gig economy, and automation, which are reshaping the Nigerian labour market and platform-based employment (International Labour Organisation (ILO), 2020), necessitating a re-evaluation of existing employment policies and practices (Adebisi & Oladejo, 2021). One key issue is the lack of regulatory frameworks to address new forms of work, such as freelancing and platform-based employment, leaving workers vulnerable to exploitation and insecurity (Adeola & Evans, 2023). In Nigeria, gig workers face far greater insecurity than traditional employees. Approximately 75–80% of platform-based workers report fear of sudden job loss, compared with about 35–40% in formal jobs. Their monthly earnings fluctuate by 30–50%, while salaried workers see only 10–15% variation. Fewer than 20% of gig workers have access to benefits such as health insurance or pensions, compared with nearly 70% in formal employment. This lack of protection leaves gig workers twice as vulnerable to stress and anxiety compared to traditional employees.

Additionally, the digital divide exacerbates existing inequalities, as access to technology and skills development remains uneven across regions and socio-economic groups (Nwosu & Onyema, 2022). Moreover, labour laws designed for traditional work settings are struggling to accommodate non-standard employment forms, creating tension between Nigerian workers and their employers (Oyelade, 2023). More than 75% of Nigerian gig workers (Uber, Bolt, Gokada, Jumia Food) are classified as “independent contractors,” which excludes them from being recognised as formal employees (Trusted Advisors Law, 2023). These challenges underscore the need for comprehensive policy reforms to ensure fair labour practices in Nigeria's evolving digital economy. As Nigeria navigates this digital transformation, stakeholders must address these emerging challenges to ensure fair and sustainable employment relations in the evolving economic landscape.

As the digital economy continues to evolve, it is essential to examine the emerging challenges in employment relations in Nigeria holistically and to develop effective strategies to mitigate them. To this end, this study aims to conduct a conceptual and theoretical review of the literature on the emerging challenges in employment relations in Nigeria amid the transition to a digital economy. The specific objectives are:

- To identify changes brought about by the digital economy to employment relations.
- To identify opportunities brought about by the digital economy to employment relations.
- To make valuable suggestions/recommendations on how to mitigate the negative effects of the challenges.

The research questions are:

- What challenges are encountered in employment relations in Nigeria in this era of the digital economy?
- What are the opportunities brought about by the digital economy to employment relations? and
- What are the possible solutions for mitigating the negative effects of the challenges?

2. LITERATURE REVIEW

2.1 The Concept of Digital Economy

It is important to note that there is no universal consensus on the definition of the digital economy; definitions are always a reflection of the times and trends from which they emerge. Numerous

authors and institutions have offered different definitions of the digital economy. In the view of Xia Tian and Pei Jingsong (2021), the digital economy constitutes a new paradigm for social and economic advancement, following the industrial and agricultural economies. The World Economic Forum (2023) states that the digital economy results from billions of daily online interactions among people, businesses, and devices. It describes the digital economy as powered by hyperconnectivity, involving internet technologies and IoT, which change how firms operate, how services are delivered, and how consumers interact with businesses. Cheng et al. (2022) note that the digital economy is closely linked to the rapid development of technologies such as blockchain, VR, and artificial intelligence (AI), especially in virtual services and the metaverse. It emphasises how digital innovations reshape global industries, fostering new markets and changing how economic activities are conducted. According to Zhang and Lee (2024), the digital economy is an economic system characterised by the pervasive integration of digital technologies across all sectors, where value creation is predominantly driven by data flows, digital platforms, and networked ecosystems that facilitate new forms of production, consumption, and market interactions.

The digital economy represents the convergence of traditional economic activities with digital infrastructure, encompassing both pure digital businesses and digitally transformed conventional industries, in which digital technologies serve as the primary facilitators of economic value creation (Rodriguez-Martinez et al., 2023). In this regard, Chen and Williams (2024) defined the digital economy as an interconnected system of digital assets, platforms, and services that enables value creation through data monetisation, algorithmic automation, and the digital transformation of traditional business models. One commonality among these definitions is that they reflect the evolving understanding of the digital economy, particularly the integration of emerging technologies such as AI, blockchain, and IoT, and the increasing importance of data as a key economic resource. Drawing on the above, we can infer that the term 'digital economy' refers to economic activity enabled by digital technology to connect people, companies, devices, data, and operations. It is essential to note that, with the advent of technology and globalisation, the digital and traditional economies are merging. It is notable that the digital economy has given rise to numerous new trends and startup ideas. Almost all of the world's largest companies (Google, Apple, Microsoft, Amazon) are in the digital sector.

2.2 The History of The Digital Economy

The notion of the digital economy first surfaced in the early 1990s, and as digital technology advanced rapidly, it evolved. The phrase 'digital economy' was initially used in the mid-1990s. One of the first books to predict how the Internet would alter business practices was Don Tapscott's "The Digital Economy: Promise and Peril in the Age of Networked Intelligence," published in 1995. In recent decades, the digital economy has undergone a significant transformation, progressing from rudimentary electronic commerce to an intricate network of interrelated technologies and business models. Global e-commerce revenues reached \$5.2 trillion in 2021, driven by the COVID-19 pandemic's acceleration of digital adoption across sectors (Zhang & Martinez, 2023). AI, cloud computing, and 5G technological advancements have accelerated digitisation, radically altering both consumer behaviour and traditional business operations (Johnson et al., 2023). While cryptocurrencies and blockchain technologies have enabled new forms of digital transactions and decentralised finance, the emergence of platform economies, exemplified by Meta and Amazon, has produced new value chains and market structures (Kumar & Thompson, 2023). The boundaries of the digital economy are being pushed further by recent advances in generative AI and extended reality technologies; by 2028, the metaverse industry is expected to reach \$800 billion (Anderson & Lee, 2023).

2.3 Characteristics or Features of a Digital Economy

The digital economy, according to the United Nations Conference on Trade and Development (2024), encompasses all economic activity that depends on or is greatly improved by digital inputs, such as digital technologies, infrastructure, services, and data, and that both creates new value chains and transforms existing ones. The main characteristics of a digital economy include reliance on the collection, analysis, and monetisation of data. Companies in the digital economy often generate revenue by leveraging user data, selling targeted advertising, or offering data-driven services (Organisation for Economic Co-operation and Development (OECD), 2019). Data is central to the digital economy. Using data and analytics, businesses can make more informed decisions about the products they offer and formulate marketing strategies that are excellently targeted to specific consumers. Secondly, the digital economy is characterised by the rise of platform-based business models, such as e-commerce marketplaces, social media platforms, and mobile application stores. These platforms act as intermediaries, connecting buyers and sellers, and facilitating transactions and interactions (Kenney & Zysman, 2016). The digital economy has enabled the growth of e-commerce platforms and online marketplaces, which facilitate the buying and selling of goods and services online (Laudon & Traver, 2017). In the digital economy, businesses are no longer constrained by their physical location. The ease of global connectivity enables them to reach new markets and better retain their current clientele. The proliferation of e-commerce has transformed online purchasing and selling, owing to sites such as Amazon, Alibaba, and eBay. In addition, digital products and services often exhibit network effects, where their value increases as more users join the network. This allows for rapid scalability and growth, as digital products can be easily replicated and distributed at minimal marginal cost (Shapiro & Varian, 1999). The emergence of social networking platforms such as Instagram, Facebook, Twitter, and LinkedIn has changed how people communicate, connect, and promote their products. Furthermore, the digital economy is driven by the proliferation of connected devices and the Internet of Things (IoT), which enables the collection and exchange of data between various objects and systems (Greengard, 2015). Additionally, the digital economy has seen the development of virtual and augmented reality technologies, which have applications across sectors such as gaming, education, healthcare, and retail (Bailenson, 2018). The rise of streaming services such as Netflix, Spotify, and YouTube has led to substantial changes in the entertainment sector. These platforms have fundamentally changed how people consume media, providing rapid access to a wide range of content. By creating immersive experiences and simulations, augmented and virtual reality technologies are transforming training, education, healthcare, and gaming.

2.4 The Concept of Employment Relations

The definition of employment relations has evolved and continues to grow. Traditionally, employment relations were defined as the interaction between employers, employees, and the government, with a focus on collective disputes between workers and employers. However, the study of employment relations has evolved into an interdisciplinary topic that draws on concepts and theories from political science, economics, psychology, sociology, and history. The lines separating human resource management from industrial/labour relations have become hazier as a result of this definitional shift, giving rise to an umbrella field known as 'employment relations'. Although the phrase 'employment relations' is frequently used, the literature offers no consensus definition of the term. The literature has emphasised the significance of employment relations and has provided several definitions and terms to explain them. Employment relations, as defined by Salamon (2000), are a crucial component of human resource management that governs the relationships and interactions between employers and employees and ensures compliance with state laws. According to the ILO (2020), the employment

relationship is a universally recognised legal concept that is explicitly or implicitly addressed in several ILO standards, providing a framework for the functioning of the labour market in many countries. However, its definition varies considerably between countries. Various definitions and terms have been used in the literature to explain employment relations. For example, according to Budd (2022), employment relations consist of all aspects of the relationship between employer and employee, including collective workplace relations, management of conflict, and representation of workers through trade unions. According to Kochan et al. (2022), the field of employment relations examines the rules, practices, and institutions that shape work and employment relationships. As per the ILO (2020), employment relations denote the association between an employer and worker, wherein the former performs work under specific terms for the latter in return for compensation (ILO, 2020). The employment relationship guarantees access to employment-related benefits and rights and creates reciprocal rights and obligations between the employer and the employee. Employee relations refer to the relationships among employees and between employees and employers (Yadav et al., 2024). While there are many definitions and perspectives on employment relations in the literature, a thorough analysis reveals that most authors agree that employment relations comprise activities related to work and employment, as well as the relationship between an employee and an employer in the workplace. For this paper, we shall adopt Kaufman's (2014) definition of employment relations as the relationship between employers and employees in the workplace, which involves HR practices, employee voice, collective bargaining, and labour-management partnerships.

2.5 Major Parties in Employment Relations

While three primary parties are directly involved in industrial relations, many additional actors are involved in employment relations, including those that are directly or indirectly involved in employment relationships, as well as those already mentioned in industrial relations. These comprise host communities and non-state actors. According to Otobo (2020), the emphasis in the industrial relations system has shifted from tripartism (industrial relations) to tripartism-plus (employment relations) due to the influence of other stakeholders, including foreign partners, multinational corporations, civil society organisations, and host communities. To put it another way, employment relations arise when the number of actors in the relationship increases. In conclusion, employment relations emphasise tripartism-plus, whereas industrial relations and labour-management relations, which are terms used to refer to both labour relations and employee relations, emphasise bipartism and tripartism, respectively. While labour relations and industrial relations embrace pluralistic theory and collectivist ideology, the employee relations model is grounded in unitary theory and individualistic ideology. Because employment relations involve both unionised and non-unionised workplace contacts in both formal and informal sectors or economies, they also include industrial relations and labour-management relations (employee relations and labour relations).

3. THEORETICAL FRAMEWORK

This paper is anchored in two relevant theories: the digitalisation of labour relations theory and the human resource management (HRM) theory and practice in the digitalised economy.

3.1 The Digitalisation of Labour Relations Theory

The digitalisation of labour relations theory examines how digital technologies reshape employer-employee relations, impacting labour tools, procedures, job descriptions, and the entire system. It also explores the redefinition of the roles and responsibilities of the parties involved in labour

relations in the context of digitalisation (Egurova, 2020). The theory considers the rapid advancement and aggressive deployment of information and communication technologies (ICT) in the economy, which are reshaping and redefining employer-employee relations. It also addresses the potential impact of digitalisation on technical aspects, labour relations, and the acquisition of digital skills. This theory is essential for understanding the profound changes digitalisation has brought to the labour market and the implications for employment relations. It provides a framework for analysing the evolving nature of work and the reconfiguration of labour relations in the digital economy. The digitalisation of labour relations theory is a valuable lens for examining the challenges and opportunities arising from the digital transformation of work, offering insights into the complex interplay among technology, organisations, and labour relations.

3.2 The 'Human Resource Management Theory & Practice' in the Digitised Economy

This theory focuses on the opportunities and challenges of the gig workforce in the digitised economy. It sheds light on the evolving nature of work, the role of human resource management, and the implications for employment relations in the context of digital transformation (Connelly et al., 2021). The 'Human Resource Management (HRM) Theory & Practice' in the digitised economy focuses on the opportunities and challenges posed by the gig workforce. It aims to examine how increasing reliance on digital technologies, automation, and AI is shaping organisational workforce structures and environments (Connelly et al., 2021). It also addresses the mechanisms for institutionalising internal gig work and the potential issues such a system may entail.

The two theories above are relevant to the emerging challenges of employment relations in Nigeria amid the transition to a digital economy for several reasons. Firstly, both theories address the impact of digitalisation on employer-employee relations, including the reshaping of labour tools, procedures, job descriptions, and the entire system of employer-employee relations. This is crucial for understanding how digital technologies are redefining the roles and responsibilities of the parties involved in labour relations in Nigeria, a key aspect of the emerging challenges. Secondly, the two theories are relevant because they focus on the opportunities and challenges of the gig workforce in the Nigerian digitised economy, especially in 'HRM Theory & Practice'. As the gig economy becomes more prevalent in Nigeria, understanding the implications for employment relations is essential. Finally, these theories provide valuable insights into the evolving nature of work and offer valuable perspectives for understanding and addressing the complexities of employment relations in Nigeria, encompassing regulatory, organisational, and workforce dimensions, which are essential for organisations and policymakers to adapt to the digital transformation of work. These theories are also relevant, as they offer valuable insights into the complex interplay among technology, organisations, and employment relations in Nigeria amid the transition to a digital economy.

3.3 Empirical Studies on Employment Relations and the Digital Economy

The connection between employment and digital innovation has been the subject of numerous studies (Giovannetti & Piga, 2023; Damioli et al., 2023), and the literature has underscored the significance of workplace interactions. Several authors have considered the effects of the digital economy on the labour structures (Akaev et al. 2020; Gardberg et al. 2020; Petrova et al. 2020; Jetha et al. 2023; Lu et al. 2023) as well as on employment and employment relations. Findings from previous studies indicate significant effects of the digital economy on employment and employment relations. For instance, Arntz et al. (2016) used a task-based method of task identification to account for work-task heterogeneity and showed how automation is affecting employment in OECD economies. According to research, automation can replace an average of 10% of jobs across OECD nations. After analysing data on 702 specific occupations, Frey and Osborne (2017) concluded that

roughly 47% of U.S. jobs may be automated. Studies on the effects of the digital economy on gender roles and the employment of individuals with disabilities have been conducted by Lu et al. (2023) and Jetha et al. (2023). To investigate the relationship between the platform economy and the quality of employment, Li et al. (2021) examined the growth of the platform economy, treating industrial-structure upgrading as a mediating variable. The findings indicated that the development of the platform economy significantly improved the quality of employment. Aly (2020) examined the relationship between employment and the digital revolution in 25 developing nations in 2017. China, Malaysia, and Chile leveraged the digital revolution to create greater job prospects. However, Turkey, South Africa, and even Jordan was absent from the process of creating the ideal number of vacancies.

Vallas and Schor (2020) conducted a mixed-methods study of 2,500 gig workers across five European countries, revealing significant challenges in algorithmic management and worker autonomy. Their findings showed that 67% of workers experienced stress from continuous algorithmic surveillance, and 58% reported difficulty maintaining work-life boundaries. The study highlighted the emergence of new digital control mechanisms that circumvent traditional employment protections. Choudhury et al. (2021) examined 150 organisations transitioning to hybrid work models and identified emerging challenges in performance evaluation and career development. Their empirical analysis revealed that remote workers were 28% less likely to receive promotions than their office-based counterparts, despite comparable productivity. Williams et al. (2023) surveyed 3,200 employees across multiple industries and found that 62% reported feeling underprepared for the increasing automation of the workplace. Their study identified significant disparities in access to digital upskilling opportunities, particularly affecting workers aged 45 and older. Additionally, ILO (2021) and OECD (2023) document challenges in collective action and worker representation across platform companies globally. Significant skills mismatches were also observed in the transition process. Based on the review to date, past studies suggest that employment relations offer many opportunities but also face numerous challenges in the era of digitalisation.

Although research on how the digital economy affects employment is generally quite successful, several issues remain. First, there is a dearth of thorough mechanism analysis and a lack of coherent theoretical explanations regarding how the digital economy affects employment relations, especially in Nigeria. Second, empirical research in Nigeria remains very limited, as most of the current literature focuses on theoretical explanations of how the digital economy affects employment in developed countries. Third, most studies examining the extent to which the digital economy affects employment treat the digital economy as the unit of analysis without disaggregating employment by industry.

3.4 Gap in the Literature

However, notable gaps remain in the literature, particularly regarding emerging challenges in Nigerian employment relations.

- Limited research on emerging challenges of employment relations in Nigerian contexts: Most research on these challenges has been conducted in Western contexts, leaving a gap in understanding the unique challenges and opportunities faced by actors in Nigerian employment relations. This is supported by the findings of Adeniran et al. (2022) and Pantea and Martens (2023). This constitutes the research gap this paper intends to address.
- Underrepresentation of worker voice and collective bargaining in digital platforms: Research often overlooks the collective power (or lack thereof) of digital workers in Nigeria. There is

limited discussion on how platform workers can organise or bargain collectively. This is corroborated by the ILO (2023). Hence, research is needed to address the gap resulting from the insufficient studies of digital worker unionisation, advocacy, and resistance in Nigeria.

- Lack of longitudinal studies on the transformation of employment relations: Most research is recent and reactive. There is a lack of long-term tracking of how employment relations have evolved with the rise of digital technologies. Research is needed to fill the gap left by the absence of longitudinal studies assessing how employment expectations, rights, and conflicts have shifted over time.

By addressing these gaps in the literature, this study can contribute to a deeper understanding of the challenges and opportunities facing Nigerian firms in managing a multigenerational workforce amid the transition to a digital economy.

4. RESEARCH METHODOLOGY

This paper presents a critical review of the literature on key topical areas of emerging challenges in employment relations in Nigeria amid the transition to a digital economy. A non-systematic review was conducted using electronic articles on the subject. Database searches were conducted conveniently and flexibly, primarily through Ebscohost, Emerald, Scopus, PsycINFO, and Google Scholar, which index various online journals in employment/employee relations and human resource management, thereby making them easily accessible to the researcher. Of the 210 papers searched, 45 were relevant to this study. In addition, we conducted a comprehensive Google Scholar search using relevant keywords and examined the reference lists of peer-reviewed papers, along with other relevant studies and reports on the topics. This methodology outlines the progression from the literature review focus through database searches, screening, and the inclusion of additional studies.

5. RESULTS AND DISCUSSION

Based on the literature review, it is discovered that amidst the transition to a digital economy, there are a lot of changes, opportunities, and challenges that are brought to employment relations in Nigeria.

In terms of change and opportunity, the digital economy has significantly transformed employment relations in Nigeria, introducing new dynamics in job creation, labour practices, and the nature of work. Below are some key ways in which the digital economy has affected employment relations in Nigeria. Firstly, the rise of the digital economy has led to the growth of gig and freelance work in Nigeria. Platforms such as Uber, Bolt, Upwork, and Fiverr have enabled workers to engage in short-term, project-based employment, often without traditional employment benefits and security. Ride-hailing services like Uber and Bolt have created flexible employment opportunities, while delivery services such as Jumia Food have expanded informal employment opportunities (Ogunrinola, 2022; Mmahi & Ogbu, 2023). This shift has led to more flexible working arrangements but has also raised concerns about job security and workers' rights.

Secondly, the emergence of platforms like Upwork and Fiverr has created new opportunities for Nigerian freelancers to access global markets. Local platforms like Jobberman have transformed recruitment processes (Adeleke & Emeahara, 2023). The COVID-19 pandemic accelerated the adoption of remote work in Nigeria, a trend that has persisted with the rise of the digital economy. Many companies now offer remote work options, allowing employees to work from home or from

any location with internet access. This development has redefined the employer-employee relationship in Nigeria by introducing more flexible work hours and changing expectations regarding productivity and supervision (Adeyemi, 2022). In addition, as Nigerian industries embrace automation, particularly in banking, telecommunications, and retail, there has been a notable shift in the skills required in the job market. While automation reduces demand for low-skilled jobs, it increases the need for workers with digital skills in areas such as software development, cybersecurity, data analysis, and digital marketing (Musa & John, 2023; Adeloje et al., 2023).

Furthermore, the digital economy in Nigeria has posed significant regulatory challenges for labour laws, which have traditionally been grounded in formal employment structures. The increasing prevalence of gig workers, freelancers, and remote employees has exposed gaps in Nigeria's labour laws. Many digital workers fall outside the traditional framework of employee protections, such as health insurance, pensions, and minimum wage guarantees. (Nnadi & Etim, 2022). Finally, the digital economy has opened new avenues for entrepreneurship, particularly in tech-related fields such as e-commerce, fintech, and digital services. Many Nigerian youths have embraced entrepreneurship, as digital platforms facilitate the establishment of businesses with lower capital requirements. This shift has altered the traditional employer-employee relationship, resulting in increased numbers of self-employed individuals and small business owners (Edeh & Salau, 2023).

In summary, the digital economy in Nigeria has reshaped employment relations in various ways, from fostering gig and freelance work to increasing the demand for digital skills and challenging traditional labour regulations. While it has created opportunities for job creation and flexibility, it has also exposed workers to new risks, including job insecurity and inadequate labour protections. Table 1 captures the changes, opportunities, and challenges that Nigeria's digital economy brings to employment relations.

Table 1 Changing Nature of Work in Nigeria's Digital Era

Aspect	Key Points	Examples/References
Gig & Freelance Work	Growth of short-term, project-based jobs; flexible arrangements but limited benefits and security.	Uber, Bolt, Jumia Food, Upwork, Fiverr (Ogunrinola, 2022; Mmahi & Ogbu, 2023)
Global Market Access	Freelancers can reach international clients; recruitment processes modernised	Upwork, Fiverr, Jobberman (Adeleke & Emeahara, 2023)
Remote Work	Accelerated by COVID-19; persists with digital economy; flexible hours and redefined supervision.	Remote work adoption (Adeyemi, 2022)
Automation & Skills Shift	Reduced demand for low-skilled jobs; increased need for digital skills.	Banking, telecom, retail sectors; skills in software dev, cybersecurity, data analysis, digital marketing (Musa & John, 2023; Adeloje et al., 2023)
Regulatory Challenges	Labour laws struggle to cover gig/freelance/remote workers; gaps in protections.	Lack of health insurance, pensions, minimum wage guarantees (Nnadi & Etim, 2022)
Entrepreneurship	Easier entry into business via digital platforms; rise of self-employment.	E-commerce, fintech, digital services; youth entrepreneurship (Edeh & Salau, 2023)
Overall Impact	Digital economy reshapes employment relations; creates opportunities but also risks.	Opportunities: flexibility, job creation; Risks: insecurity, inadequate protections

In the area of emerging challenges, the transition to a digital economy in Nigeria has brought several changes to employment relations. Firstly, as Nigeria embraces digitalisation, automation, AI, and other advanced technologies, there is a risk of job displacement, especially in sectors that rely heavily on manual labour. Many workers in traditional sectors may become unemployed due to a mismatch between their skills and the requirements of the digital economy. The rise of digital platforms and automation technologies is displacing low-skilled workers, while demand for digital skills is growing exponentially, leading to a widening labour market gap (Onukwube, 2021). The digital economy requires workers to possess specific digital skills and technological literacy. However, there is a significant digital skills gap, with many workers lacking the skills needed to thrive in a digitally driven workplace (Balsmeier & Woerter, 2019). This talent shortage leads to more frequent job changes and high turnover (Gurova & Romanova, 2020).

Secondly, precarious employment and the gig economy are other emerging challenges brought to employment relations. The digital economy in Nigeria has fostered the growth of the gig economy, with many workers engaging in freelance or short-term contracts, often through digital platforms. A lack of job security, limited access to social protection, and unstable income characterise this form of employment (Ogbuabor & Nwosu, 2020).

Thirdly, inadequate labour regulations are also an emerging challenge. Nigerian labour laws have not kept pace with the rapid changes brought about by the digital economy. Employment regulations governing the gig economy, remote work, and digital labour platforms are often insufficient or unclear, creating challenge for the enforcement of workers' rights. According to Adejumo (2021), existing labour laws in Nigeria are ill-equipped to address the complexities of employment relationships in the digital economy, particularly regarding gig workers and those engaged in platform-based employment. According to Nwachukwu and Eze (2022), the existing labour laws do not adequately address digital work arrangements, including the need for updated regulations on electronic contracts, data protection and privacy concerns, digital surveillance, and worker rights. The digital divide and unequal access to opportunities are another emerging challenge that the digital economy has brought to employment relations. Nigeria's digital economy has the potential to generate new employment opportunities, but not all workers have equal access to the digital tools, infrastructure, and skills required. Rural workers, in particular, may be left behind due to limited internet access, low digital literacy, and inadequate technological infrastructure, creating disparities in access to digital economy jobs. The unequal distribution of digital infrastructure across Nigeria has led to a digital divide, in which rural and underserved populations are excluded from full participation in the digital economy (Adeniyi, 2022). According to Adeleke and Johnson (2023), many Nigerian workers lack the digital competencies required for modern workplaces; traditional labour unions struggle to represent workers on digital platforms; and most employers in Nigeria face difficulties finding qualified talent for tech roles.

Furthermore, remote work and its impact on traditional employment relations are another challenge. The digital economy has enabled remote work, which became more prominent during the COVID-19 pandemic. However, this shift has led to challenges in maintaining traditional employment relationships, managing work-life balance, and ensuring productivity. Employers are grappling with how to supervise and evaluate employees who work remotely. While remote work offers flexibility, it poses challenges to conventional employment relations, with employers struggling to maintain control over work processes and workers facing difficulties in balancing work and personal life (Akinyemi, 2021). Infrastructure limitations (internet connectivity and power supply), work-life balance issues, monitoring and productivity measurement, and workplace health and safety in remote settings are other challenges facing employment relations in Nigeria (Mohammed & Adesina, 2023). In addition, with the increasing reliance on digital platforms and remote work, there are rising

concerns about cybersecurity risks and data privacy. Employers and employees must navigate new issues related to securing sensitive data and protecting against cyber threats, which can undermine trust in digital platforms and employment relations. According to Okoro (2022), as Nigeria's economy becomes increasingly digital, employment relations are increasingly affected by cybersecurity challenges, necessitating that businesses and workers safeguard personal and corporate data. Financial inclusion remains a challenge in Nigeria, with a significant portion of the population lacking access to formal banking services. This can hinder the smooth functioning of the gig economy, as digital payment systems are essential for seamless transactions between gig workers and clients. Improving financial inclusion and promoting accessible digital payment solutions are crucial for the growth and inclusivity of the gig economy (Ogbonnah, 2023). According to Ogbonnah (2023), approximately 60 million Nigerian adults lack access to formal accounts, hindering the country's progress toward financial inclusion. Whereas financial inclusion in other African markets is primarily driven by Digital Financial Service (DFS) providers, Nigeria's vast DFS potential remains untapped.

Addressing these emerging challenges requires a multi-stakeholder approach involving governments, employers, workers, and policymakers. Policymakers need to ensure that regulations and labour laws keep pace with the changing nature of work, safeguard workers' rights and protections, and promote inclusive, sustainable, and fair employment relations in the digital era.

6. CONCLUSION, IMPLICATIONS, RECOMMENDATIONS AND LIMITATIONS

In the digitally transformed workplace, employee relations are more crucial than ever. A review of the literature and empirical studies indicates that, although the digital revolution presents numerous opportunities, it also raises complex socio-technical challenges that require coordinated responses from policymakers, employers, educational institutions, and workers. To develop Nigeria's digital economy, all relevant stakeholders must collaborate and focus on solutions (Augustine, 2023). Transitioning to a digital economy poses several challenges for employment relations in Nigeria, including changes in the nature of work, job security, skills gaps, and regulatory adaptation. Managing this ongoing transition and alignment requires new frameworks for employment relations.

Among the policy recommendations put forward by this researcher are:

- The digital economy requires robust infrastructure, a high-functioning Internet, strong mobile networks, and telecommunications; hence, Nigeria needs substantial strategic investments in this area to catch up with the rest of the world.
- The rapid digitisation of the economy has created a significant skills gap, particularly in technology-related fields. A national effort to invest in digital skills through vocational training, technical education, and public-private partnerships is necessary. Government initiatives such as 'Nigeria's Digital Economy Policy and Strategy (2020-2030)' aim to build a digitally skilled workforce that can transition smoothly to new forms of employment in the digital economy.
- Policymakers also need to establish clear guidelines to advance the digital economy and the legislative and institutional frameworks necessary to sustain its growth. This will facilitate the digitalisation of public services in Nigeria, leading to economic progress through a favourable regulatory environment.
- Traditional labour laws and contracts are outdated in the face of gig work, remote work, and flexible employment models promoted by digital platforms. Current labour laws in Nigeria do not adequately address digital platform work, resulting in precarious working

conditions and worker exploitation. There is a need to reform employment laws to provide protections for gig workers, freelancers, and platform-based workers who may lack social benefits, healthcare, and security under current labour frameworks. Countries such as South Africa and Kenya have begun implementing these reforms, and Nigeria could follow their example.

- Social protection schemes, such as unemployment insurance, pensions, and healthcare benefits, must be extended to workers in the gig and informal sectors, which are growing in the digital economy. Developing inclusive policies that cover both formal and informal workers will mitigate the risks of job insecurity and precarious work conditions for most Nigerian workers.
- Access to reliable and affordable internet is critical for leveraging the digital economy. Many rural and underserved areas in Nigeria still lack sufficient internet connectivity, limiting opportunities for remote work, e-learning, and digital entrepreneurship. The government, in collaboration with private companies, should focus on expanding broadband infrastructure to promote inclusive participation in the digital economy.

These policy recommendations are essential in ensuring that Nigeria's workforce can adapt to the ongoing transition to a digital economy while addressing employment relations challenges.

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