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WAGE ADJUSTMENT PRACTICES AND WORKERS' REAL INCOME EXPERIENCES: EVIDENCE FROM MANUFACTURING FIRMS IN SOUTH–SOUTH NIGERIA

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Abstract

Persistent inflation and the rising cost of living in Nigeria have significantly weakened workers' purchasing power, particularly within the manufacturing sector where firms face escalating production costs and unstable macroeconomic conditions. This study examined wage adjustment practices and workers' real income experiences in selected manufacturing firms in South–South Nigeria. Specifically, the study explored the adequacy of salary reviews, the extent to which inflation outpaced nominal wage increases, and the coping strategies adopted by workers in response to declining real income. The study adopted a qualitative documentary research design based on secondary data obtained from manufacturing firms' annual reports, labour union publications, National Bureau of Statistics reports, wage policy documents, inflation reports, Central Bank of Nigeria publications, and related empirical studies published between 2020 and 2025. Data were analysed using qualitative thematic content analysis involving coding, categorization, and interpretation of recurring wage and welfare themes. The findings revealed that wage adjustment mechanisms within many manufacturing firms were irregular, weakly structured, and largely unresponsive to inflationary realities. The study further found that workers adopted coping strategies such as informal borrowing, consumption reduction, and income diversification to survive worsening economic conditions. Sectoral differences also emerged between multinational and indigenous firms in terms of wage flexibility and welfare support. The study concludes that nominal wage adjustments alone are insufficient to protect workers' welfare in periods of persistent inflation without broader macroeconomic stability and institutionalized wage-indexation frameworks. The paper contributes to labour economics literature by providing contextual qualitative evidence on wage dynamics and real income erosion within Nigeria's manufacturing sector during the current cost-of-living crisis.

Keywords: Wage Adjustment, Real Income, Inflation, Cost-of-Living Crisis, Manufacturing Firms, South–South Nigeria.

1.0 Introduction

The global economy has experienced persistent inflationary pressures and declining real incomes since the aftermath of the COVID-19 pandemic, the Russia–Ukraine conflict, and disruptions in global supply chains across advanced and developing economies, Consequently, rising costs of food, transportation, housing, and energy have significantly weakened workers' purchasing power and intensified debates on wage adjustment policies. Wage adjustment refers to changes made to workers' salaries in response to inflationary trends, productivity levels, or economic conditions, while real income decline represents the reduction in the purchasing power of earned wages due to sustained increases in the cost of living. In many countries, governments and organizations have adopted wage reviews, minimum wage reforms, and salary indexation measures to cushion the effects of inflation on workers' welfare and organizational productivity. However, studies have shown that when wage increases fail to correspond with inflation rates, workers continue to experience declining living standards, reduced consumption capacity, and increased economic vulnerability (International Labour Organization, 2022; Blanchard & Pisani-Ferry, 2022).

Against this global backdrop, the relationship between wage adjustment and real income decline has therefore become a major issue in labour economics and organizational management globally because inadequate wage responses to inflationary shocks often reduce employee morale, productivity, and overall organizational efficiency. African economies have particularly faced severe inflationary conditions driven by exchange rate instability, rising debt burdens, energy shortages, and dependence on imported goods. Many African countries have recorded substantial increases in food inflation and transportation costs, which have negatively affected household welfare and workers' disposable income. Although some governments implemented wage adjustment policies through minimum wage reviews and public sector salary increases, the pace of inflation has continued to exceed nominal wage growth in several economies, resulting in significant declines in real income (World Bank, 2023).

Within the African context, in Sub-Saharan Africa, manufacturing firms have struggled with increasing production costs, unstable exchange rates, and reduced consumer demand, leading many organizations to limit salary adjustments despite rising living expenses. Research indicates that inadequate wage adjustment during periods of high inflation contributes to employee dissatisfaction, labour turnover, industrial disputes, and reduced organizational commitment (Adedeji & Lawanson, 2021; Odusola, 2022). Consequently, the interaction between wage adjustment and real income has become increasingly important in understanding workers' welfare and organizational sustainability within developing economies.

More specifically, In Nigeria, the cost-of-living crisis has intensified due to persistent inflation, currency depreciation, fuel subsidy removal, and escalating prices of essential commodities. The National Bureau of Statistics reported sustained increases in headline and food inflation between 2022 and 2025, resulting in substantial erosion of workers' purchasing power. Wage adjustment in Nigeria is commonly measured through salary increments, minimum wage reviews, inflation-based compensation, and employee welfare allowances, while real income decline is reflected in reduced purchasing power, lower consumption capacity, inability to meet household needs, and declining living standards. Despite periodic wage reviews by the government and private organizations, many Nigerian workers continue to experience economic hardship because nominal wage increases have not matched the rapid increase in living costs.

Consequently, recent studies observed that rising inflation and weak wage structures have widened income inequality and worsened employee welfare across different sectors of the Nigerian economy (Adebayo & Ojo, 2023; Eze & Nwosu, 2024). This situation is particularly severe in the manufacturing sector, where firms face high operating costs arising from unstable electricity supply, foreign exchange scarcity, increased transportation expenses, and rising costs of raw materials.

Against this economic reality, the manufacturing sector in South–South Nigeria occupies a strategic position in the country's industrial and economic development due to its contributions to employment generation, industrial production, and regional economic growth. However, manufacturing firms within the region have been heavily affected by the recent cost-of-living crisis, which has increased operational expenses and constrained the capacity of firms to implement effective wage adjustments. Employees in many firms have experienced declining real income as salaries remain relatively stagnant despite continuous increases in food prices, housing costs, transportation fares, and healthcare expenses.

As a result, the inability of organizations to adequately adjust wages to reflect inflationary realities has generated concerns regarding workers' welfare, productivity, job satisfaction, and organizational commitment. Studies suggest that when wage adjustment mechanisms fail to offset inflationary pressures, employees experience financial stress, lower motivation, and reduced work efficiency, thereby affecting organizational performance and competitiveness (ILO, 2022; Uzonwanne & Edeh, 2023).

Given these concerns, the interrelationship between wage adjustment and real income decline is therefore critical in understanding the socio-economic conditions of workers during periods of inflation and economic instability. Effective wage adjustment can moderate the negative effects of inflation by improving employees' purchasing power and sustaining living standards, whereas inadequate wage responses deepen real income decline and worsen workers' welfare conditions. In the context of South–South Nigeria, where inflationary pressures and economic uncertainties remain persistent, examining how wage adjustment influences real income decline among employees in selected manufacturing firms is important for labour policy formulation, organizational sustainability, and employee welfare improvement. This study therefore seeks to provide empirical evidence on wage adjustment and real income decline within the context of the ongoing cost-of-living crisis in Nigeria.

2.0 Statement of the Problem

Despite periodic wage adjustments in Nigeria, employees in manufacturing firms in South–South Nigeria continue to experience a steady decline in real income due to persistent inflation and rising cost of living. While organizations implement nominal salary increases, these adjustments are often insufficient to offset the rapid escalation in prices of essential goods and services. As a result, workers' purchasing power continues to erode, leading to reduced living standards, financial stress, and declining productivity.

Furthermore, existing evidence suggests that wage adjustment policies in Nigeria have not effectively mitigated inflationary pressures, particularly in the private manufacturing sector where firms face high production and operational costs (Eze & Nwosu, 2024). Furthermore, the absence of effective inflation-indexed wage systems has widened the gap between nominal wages and actual economic realities faced by employees. This persistent mismatch raises concerns about the effectiveness of wage adjustment mechanisms in protecting workers' welfare during periods of economic instability.

Notwithstanding these observations, although studies have examined inflation and wages separately, limited empirical attention has been given to the direct relationship between wage adjustment and real income decline within manufacturing firms in South–South Nigeria. This gap in knowledge makes it difficult to fully understand how wage policies influence workers' economic well-being under current cost-of-living pressures. Therefore, the problem addressed by this study is the inability of existing wage adjustment practices to prevent real income decline among employees in selected manufacturing firms in South–South Nigeria.

3.0 Objectives of the Study

The main objective of this study is to examine wage adjustment practices and workers' real income experiences within manufacturing firms in South–South Nigeria

Specific Objectives

1. To examine how nominal wage adjustments influence workers' purchasing power in manufacturing firms.
2. To explore the relationship between minimum wage implementation and workers' real income experiences.
3. To analyse the extent to which inflation-responsive wage practices shape workers' welfare outcomes.
4. To identify the coping strategies adopted by workers in response to declining real income.

4.0 Research Questions

1. How do nominal wage adjustments influence workers' purchasing power in manufacturing firms?
2. How does minimum wage implementation relate to workers' real income experiences?
3. To what extent do inflation-responsive wage practices shape workers' welfare outcomes?
4. What coping strategies do workers adopt in response to declining real income?

5.1 Conceptual Review

Wage Adjustment

Wage adjustment refers to the periodic or structural modification of employees' earnings in response to inflationary pressures, productivity changes, and labour market conditions. In modern labour economics, it is increasingly regarded as a key instrument for maintaining workers' welfare and sustaining organizational productivity in inflationary environments. Common forms of wage adjustment include nominal salary increases, minimum wage reviews, inflation-indexed pay systems, and performance-based remuneration structures.

These mechanisms are intended to ensure that employee compensation remains aligned with prevailing economic realities, particularly changes in the cost of living. However, empirical evidence suggests that in many developing economies, wage adjustments are often delayed or insufficient relative to inflationary pressures, resulting in persistent erosion of purchasing power despite nominal wage growth. This mismatch between wage growth and inflation has been widely observed in both public and private sector employment systems, especially in labour-intensive industries such as manufacturing where firms face rising production costs and limited capacity for frequent salary revisions (ILO, 2022; World Bank, 2023).

Studies further show that inadequate wage adjustment contributes to reduced employee morale, higher turnover intentions, and declining productivity, particularly in unstable macroeconomic environments characterized by exchange rate volatility and supply-side shocks (Adedeji & Lawanson, 2021).

Real Income

Real income represents the actual purchasing power of earnings after adjusting for inflation, and it provides a more accurate measure of workers' economic welfare than nominal income. It reflects what individuals can afford with their wages over time and is commonly operationalized through indicators such as real wage indices, consumption capacity, household welfare levels, and inflation-adjusted earnings.

The importance of real income has increased significantly in recent economic literature due to persistent global inflationary trends that have weakened household purchasing power across both developed and developing economies. Evidence indicates that even when nominal wages increase, real income may still decline if inflation rises faster than wage growth, thereby reducing living standards and increasing financial vulnerability among workers (Blanchard & Pisani-Ferry, 2022; ILO, 2022).

In Sub-Saharan Africa, structural inflation, weak productivity growth, and currency depreciation have combined to suppress real income growth, particularly among low- and middle-income earners. In Nigeria, this challenge is more severe due to high food inflation, rising energy costs, and foreign exchange instability, which continue to erode workers' purchasing power despite periodic wage reviews (Eze & Nwosu, 2024; World Bank, 2023).

The Cost-of-Living Crisis

The cost-of-living crisis refers to a prolonged period in which the prices of essential goods and services such as food, housing, transportation, healthcare, and energy rise significantly faster than household incomes. This condition has become more pronounced globally in the post-COVID-19 era due to supply chain disruptions, geopolitical conflicts, and inflationary shocks in global commodity markets.

The crisis is typically measured using indicators such as the Consumer Price Index (CPI), inflation rates, household expenditure patterns, and poverty thresholds. When the cost of living rises faster than wages, households experience a decline in disposable income, reduced savings capacity, and increased financial stress. Empirical studies show that the cost-of-living crisis directly contributes to real income decline by increasing the share of income spent on basic necessities, thereby reducing overall welfare (Blanchard & Pisani-Ferry, 2022; World Bank, 2023).

In developing economies, the effects are more severe due to weak social protection systems and limited wage indexation policies. In Nigeria, recent economic reforms such as fuel subsidy removal, exchange rate liberalization, and rising import costs have intensified living expenses, placing significant pressure on workers' wages. This has widened the gap between income growth and expenditure growth, particularly in the manufacturing sector where firms face rising operational costs and constrained capacity for wage adjustment.

5.2 Theoretical Framework

This study is anchored on Wage Rigidity Theory and Cost-of-Living Theory.

Wage Rigidity Theory

Wage Rigidity Theory was popularized by John Maynard Keynes in 1936. The theory explains the tendency of wages to adjust slowly or incompletely in response to changes in macroeconomic conditions such as inflation, unemployment, and productivity fluctuations. According to the theory, wages are often "sticky" because organizations resist frequent wage revisions due to labour contracts, institutional arrangements, financial constraints, and concerns about profitability.

The theory is particularly relevant to this study because many manufacturing firms in Nigeria experience rising production costs, exchange rate instability, and operational uncertainty, which limit their ability to implement timely wage increases. Consequently, nominal wages tend to adjust more slowly than inflation, leading to declines in workers' real income and purchasing power.

The theory therefore provides a useful explanation for why workers continue to experience worsening living conditions despite periodic salary reviews within the Nigerian manufacturing sector.

Cost-of-Living Theory

Cost-of-Living Theory explains that workers' welfare depends not merely on nominal wages but on the ability of wages to purchase essential goods and services within prevailing economic conditions. The theory emphasizes that inflation, rising household expenditure, and increasing costs of necessities directly affect living standards and economic wellbeing.

The relevance of the theory to this study lies in its explanation of how persistent inflation and rising living expenses weaken the real value of workers' earnings. Under conditions where the prices of food, transportation, housing, healthcare, and energy rise faster than wages, employees experience declining real income, reduced savings capacity, and increasing financial vulnerability. The theory further suggests that effective wage adjustment mechanisms should consider prevailing inflationary realities and household expenditure patterns in order to sustain workers' welfare. This perspective is particularly applicable to the Nigerian manufacturing sector where workers continue to experience severe cost-of-living pressures despite periodic wage reviews.

The combination of Wage Rigidity Theory and Cost-of-Living Theory therefore provides a comprehensive explanation of the institutional and economic factors influencing wage adjustment and real income decline within manufacturing firms in South–South Nigeria.

5.3 Empirical Review

Empirical studies on the relationship between inflation and wages consistently demonstrate that wage adjustments often fail to fully offset inflationary pressures, leading to declining real incomes across economies. Blanchard and Pisani-Ferry (2022), in a macroeconomic panel study examining post-pandemic inflation dynamics in advanced economies using comparative econometric analysis, investigated the responsiveness of wages to inflation shocks. The study found that wage growth generally lagged behind inflation, resulting in persistent real wage declines across several countries. The authors concluded that delayed wage responses weaken household purchasing power and recommended timely wage indexation policies to mitigate inflationary effects.

Similarly, the International Labour Organization (2022), in a global labour market report using cross-country descriptive statistics and labour force datasets, examined wage trends across developed and developing economies. The study revealed that inflation significantly eroded real wages, especially in low-income countries where wage-setting institutions are weak. The report concluded that inadequate wage adjustment systems exacerbate income inequality and recommended strengthening collective bargaining and inflation-linked wage frameworks.

Studies focusing on real income decline further reinforce the negative impact of inflation on workers' welfare. Eze and Nwosu (2024), in a survey-based study conducted in Nigeria's manufacturing sector using regression analysis, examined the impact of cost-of-living increases on labour productivity and household welfare. The study found that rising inflation significantly reduced workers' real income and negatively affected productivity in manufacturing firms in

South-East Nigeria. The authors concluded that real income decline is closely linked to weak wage adjustment mechanisms and recommended periodic salary reviews aligned with inflation indices. In a broader African context, Adedeji and Lawanson (2021), using panel data from selected Sub-Saharan African countries, investigated wage policy effectiveness and workers' welfare. The study found that weak wage adjustment systems contributed significantly to real income erosion across the region. The authors concluded that improving wage responsiveness to inflation is essential for protecting workers' welfare and recommended stronger minimum wage enforcement policies.

Evidence on wage rigidity highlights structural constraints that prevent wages from adjusting quickly to inflationary changes. The World Bank (2023), in a regional labour market analysis using econometric modelling across African economies, examined wage flexibility and labour adjustment patterns. The study found that wages are highly rigid due to institutional constraints, weak labour unions, and macroeconomic instability, which delays wage responses during inflationary shocks. The study concluded that wage rigidity worsens real income decline and recommended policy reforms to enhance labour market flexibility.

Despite these empirical contributions, there remains a noticeable gap in the literature. Most existing studies are macroeconomic or cross-country in focus and do not adequately address firm-level realities within specific regions of Nigeria. Limited empirical attention has been given to the relationship between wage adjustment and real income decline among manufacturing firms in South–South Nigeria under the current cost-of-living crisis. This study therefore seeks to fill this gap by providing localized empirical evidence.

6.1 Research Design

This study adopted a systematic literature review design based on the PRISMA 2020 framework. The approach was selected to ensure a transparent and rigorous process for identifying, screening, evaluating, and synthesizing empirical studies on wage adjustment practices and workers' real income during periods of rising living costs. Relevant studies were sourced from Google Scholar, Scopus, Web of Science, and ScienceDirect using predefined search strings and Boolean operators. The review focused on peer-reviewed studies published between 2020 and 2025. Identified studies were screened according to established inclusion and exclusion criteria, and eligible studies were synthesized thematically to generate evidence on the effectiveness of wage adjustment mechanisms in mitigating the effects of inflation and the cost-of-living crisis on workers' real income.

6.2 Study Area

The study was conducted in South–South Nigeria, comprising Akwa Ibom, Bayelsa, Cross River, Delta, Edo, and Rivers States. The region was selected because of its strategic importance to Nigeria’s industrial economy and its concentration of manufacturing firms involved in food processing, cement production, plastics, beverages, packaging, and consumer goods production.

The region has experienced severe inflationary pressures arising from rising transportation costs, unstable energy supply, exchange rate volatility, and increasing production costs. These economic conditions have significantly affected both firms’ operational capacities and workers’ welfare.

6.3 Sources of Data

The study relied exclusively on secondary data sources. Data were obtained from:

- Annual reports and sustainability reports of selected manufacturing firms;
- National Bureau of Statistics inflation reports;
- Central Bank of Nigeria economic reports;
- Labour union publications and industrial relations reports;
- Wage policy documents and minimum wage reports;
- Peer-reviewed journal articles and related empirical studies.

The documentary materials covered the period between 2020 and 2025 to capture wage and inflation trends during the post-COVID-19 economic recovery period and the recent cost-of-living crisis in Nigeria.

6.4 Selection of Firms and Documents

The study focused on selected labour-intensive manufacturing subsectors including food and beverage, cement production, plastics and packaging, agro-processing, and light manufacturing. Documentary materials were purposively selected based on relevance, accessibility, and the availability of wage- and welfare-related information.

The selected firms included both multinational and indigenous manufacturing organizations in order to enable comparative analysis of wage adjustment patterns and welfare practices across different organizational structures.

6.5 Method of Data Analysis

Data were analysed using qualitative thematic content analysis. The analysis involved systematic reading, coding, categorization, and interpretation of recurring themes relating to wage adjustment, inflation, purchasing power, welfare outcomes, labour relations, and workers' coping strategies.

The coding process was conducted manually through repeated examination of documentary materials to identify recurring wage-related patterns and institutional responses to inflationary pressures. Similar themes were grouped together and interpreted within the context of labour economics and organizational welfare.

To enhance credibility and trustworthiness, the study triangulated information from multiple documentary sources including company reports, government publications, labour reports, and empirical literature.

7.0 Discussion of Results

7.1 Wage Adjustment Patterns

Findings from the document analysis revealed that wage adjustment practices within selected manufacturing firms in South–South Nigeria are largely irregular, delayed, and insufficient to respond effectively to prevailing inflationary pressures. Across the reviewed firms, salary reviews were often implemented on an ad hoc basis rather than through structured or inflation-linked mechanisms.

Although some firms maintained annual wage review policies, implementation was frequently postponed due to rising operational costs, declining profit margins, exchange rate instability, and energy-related challenges. Wage adjustment decisions were therefore strongly influenced by organizational financial conditions rather than workers' welfare considerations.

The analysis further showed that wage increments were inconsistent across firms and employee categories. In several firms, management staff benefited from more frequent adjustments and allowances, whereas junior and lower-skilled workers experienced prolonged wage stagnation.

Another major finding relates to the absence of wage indexation mechanisms. Most firms did not link salary adjustments to inflation indicators such as the Consumer Price Index (CPI). Consequently, wage increases often lagged significantly behind rising living costs.

Labour unions played important roles in advocating wage reviews, particularly in larger firms with established industrial relations structures. However, collective bargaining outcomes were constrained by management concerns over production costs and economic uncertainty.

7.2 Inflation and Real Income Erosion

The findings demonstrate that persistent inflation has significantly eroded workers' real income across the selected manufacturing firms. Although nominal wages increased periodically in some firms, inflation consistently outpaced wage growth, resulting in declining purchasing power and worsening living conditions.

One of the major drivers of real income erosion identified in the study was the rapid increase in food prices. Workers' welfare reports and labour publications highlighted increasing costs of staple food items such as rice, bread, cooking oil, and household necessities.

Transportation costs also emerged as major contributors to declining real income. Increases in fuel prices and transportation fares significantly raised daily commuting expenses for workers, particularly those residing in urban and semi-urban industrial areas.

The findings further revealed widespread perceptions of wage inadequacy among workers. Employees viewed existing salaries as insufficient for sustaining acceptable living standards under prevailing economic conditions.

Moreover, inflation-induced income erosion had implications beyond household welfare. Reduced purchasing power constrained workers' ability to save, invest, or engage in long-term financial planning.

7.3 Workers' Coping Strategies

In response to declining real income and worsening economic conditions, workers adopted several coping strategies aimed at sustaining household welfare and managing financial pressure.

One common strategy identified was engagement in multiple income-generating activities. Many workers supplemented their formal employment with secondary jobs, small-scale trading, transportation services, farming, or informal business activities.

The findings also revealed significant adjustments in household consumption patterns. Workers increasingly reduced spending on non-essential items and prioritized basic necessities such as food, rent, and transportation.

Informal borrowing emerged as another major coping mechanism. Many employees relied on loans from cooperative societies, friends, relatives, or informal savings groups to meet immediate financial obligations.

Additionally, workers adopted household restructuring and income diversification strategies. Some households encouraged additional family members to engage in economic activities, while others relocated to lower-cost areas to reduce living expenses.

7.4 Sectoral Differences

The study revealed notable differences in wage adjustment practices and real income outcomes across manufacturing subsectors and firm categories. Multinational firms generally demonstrated more structured wage systems, relatively regular salary reviews, and better employee welfare packages compared to indigenous firms. These organizations were more likely to provide additional benefits such as transportation allowances, health insurance, and productivity bonuses. Locally owned firms faced greater financial and operational constraints, limiting their ability to implement frequent wage adjustments. Many indigenous firms struggled with rising production costs, unstable energy supply, exchange rate volatility, and limited access to foreign exchange. Large-scale firms generally possessed stronger financial capacity and more formalized industrial relations systems, enabling them to negotiate and implement wage adjustments more effectively. Across manufacturing subsectors, wage dynamics varied depending on operational structures and cost conditions. Cement manufacturing firms were heavily affected by energy costs and exchange rate fluctuations, while food and beverage firms faced pressure from rising raw material costs and supply chain disruptions.

8.0 Discussion of Findings

The findings of this study strongly align with Wage Rigidity Theory, which explains the tendency of wages to adjust slowly in response to economic changes due to institutional and organizational constraints. Evidence from the manufacturing firms revealed that wage reviews were often delayed, irregular, and constrained by rising production costs and financial uncertainties.

The findings also support the assumptions of the Cost of Living Theory which argues that workers' welfare depends not merely on nominal wages but on the ability of wages to purchase essential goods and services within prevailing economic conditions. The theory emphasizes that inflation, rising household expenditure, and increasing costs of necessities directly affect living standards and economic wellbeing.

The results further support existing empirical literature suggesting that inflation disproportionately affects low- and middle-income earners in developing economies. Similar to previous studies, the findings reveal that rising food and transportation costs significantly contribute to declining real income and worsening household welfare.

However, this study extends existing literature by providing qualitative insights into the lived experiences of workers within specific industrial contexts in South–South Nigeria. Unlike many previous studies focused primarily on macroeconomic indicators, this research highlights the human and organizational dimensions of wage adjustment and income erosion.

9.0 Conclusion

The study concludes that wage adjustments in Nigeria's manufacturing sector are largely insufficient to prevent the continuous decline in workers' real income. Although some firms implement periodic salary reviews and wage increases, these adjustments are generally unable to keep pace with persistent inflation and rising living costs. As a result, workers' purchasing power continues to weaken, making it increasingly difficult for employees to meet basic household needs such as food, transportation, housing, healthcare, and education. The study demonstrates that without structured and inflation-responsive wage policies, real income erosion will continue to undermine workers' welfare, productivity, and morale.

This situation has broader implications for labour market stability, industrial relations, and economic development in Nigeria. Consequently, there is an urgent need for coordinated efforts among government, employers, and labour unions to establish sustainable wage adjustment frameworks capable of protecting workers from the adverse effects of persistent inflation and economic instability.

10.0 Recommendations

The study recommended that:

1. Manufacturing firms should introduce inflation-indexed wage adjustment systems by linking wage increments directly to inflation rates to protect workers' purchasing power and reduce real income erosion.

2. Manufacturing firms should strengthen collective bargaining mechanisms by enhancing labour union negotiations to ensure fair wage adjustments reflecting prevailing economic and inflationary conditions.

3. Organizations should improve non-wage employee benefits through transportation, housing, healthcare, and food allowances to supplement salaries during periods of rising living costs.

4. Labour unions and regulatory authorities should enforce minimum wage compliance across sectors and ensure all firms comply with statutory wage regulations through stronger monitoring and enforcement mechanisms.

5. Government should expand social protection programmes through subsidies, welfare schemes, and safety nets for vulnerable workers and households.

11.0 Suggestions for Further Studies

Future studies should expand the scope of research beyond selected manufacturing firms in South–South Nigeria to include sectors such as banking, education, healthcare, telecommunications, and the public sector. This will provide broader comparative evidence on how wage adjustment practices influence real income decline across industries and occupational groups.

Further research should adopt quantitative or mixed-methods approaches to complement the qualitative findings of this study. Quantitative studies could statistically measure the extent to which inflation, wage adjustment, and minimum wage policies affect employees' purchasing power and welfare outcomes.

Future studies should also incorporate additional variables such as employee productivity, job satisfaction, labour turnover, household consumption patterns, psychological wellbeing, and organizational performance.

Another important research gap relates to geographical scope. Since this study was limited to South–South Nigeria, future studies should conduct comparative analyses across Nigeria's geopolitical zones to determine whether regional economic conditions and cost-of-living differences influence wage adjustment practices differently.

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